

# Evaluation

## Country Programme between Finland and Tanzania



**Evaluation report 2012:3**

**MINISTRY FOR FOREIGN AFFAIRS OF FINLAND**

- REPORT 2012:3 Country Programme between Finland and Tanzania  
ISBN: 978-951-724-993-5 (printed), ISBN: 978-951-724-994-2 (pdf), ISSN: 1235-7618
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ISBN: 978-951-724-784 9 (printed), ISBN: 978-951-724-785 0 (pdf), ISSN: 1235-7618

# Evaluation

The Country Programme between  
Finland and Tanzania

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## The Country Programme between Finland and Tanzania

Julian Caldecott  
Arto Valjas  
Bernadeta Killian  
Anu Lounela

### Evaluation report 2012:3

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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The evaluation was commissioned by the Ministry for Foreign Affairs of Finland to S.A. AGRER N.V. The consultants bear the sole responsibility for the presented views. The report does not necessarily reflect the opinions of the Ministry for Foreign Affairs of Finland.

This report can be accessed at <http://formin.finland.fi>  
Hard copies can be requested from: [EVA-11@formin.fi](mailto:EVA-11@formin.fi)  
or

Development Evaluation (EVA-11)  
The Ministry for Foreign Affairs of Finland  
P.O. Box 451  
FI-00023 GOVERNMENT  
Finland

ISBN 978-951-724-993-5 (printed)

ISBN 978-951-724-994-2 (pdf)

ISSN 1235-7618

Cover photo: Martti Lintunen

Cover design: Anni Palotie

Layout: Taittopalvelu Yliveto Oy

Printing house: Kopijyvä Oy

Translations from English to Finnish and Swedish by AAC Global Ltd;  
the Finnish text further edited by EVA-11

Anyone reproducing the content or part of the content of the report should acknowledge the source. Proposed reference: Caldecott J, Valjas A, Killian B & Lounela A 2012 *Evaluation of the Country Programme between Finland and Tanzania*. Evaluation report 2012:3. Ministry for Foreign Affairs of Finland, Kopijyvä Oy, Jyväskylä, 114 p. ISBN 978-951-724-993-5 (printed).

# CONTENTS

PREFACE .....	ix
ACRONYMS AND ABBREVIATIONS .....	xi
ABSTRACT .....	1
Finnish .....	1
Swedish .....	2
English .....	3
SUMMARY .....	4
Finnish .....	4
Swedish .....	11
English .....	18
Summary of key findings, conclusions and recommendations .....	24
1 INTRODUCTION .....	27
1.1 Scope and purpose .....	27
1.2 Methods and reports .....	28
2 DEVELOPMENT CONTEXT .....	33
2.1 Overview of the country .....	33
2.2 National development strategies .....	35
2.3 The donor community in Tanzania .....	37
2.4 Measuring progress in development .....	40
3 DESCRIBING THE COUNTRY PROGRAMME .....	48
3.1 Development policy background .....	48
3.2 The country programme until 2002 .....	49
3.3 Evolution of the country programme in 2003-2011 .....	50
3.4 General budget support .....	55
3.5 Land use and forestry .....	57
3.6 Local government support .....	64
3.7 New areas of cooperation .....	66
3.8 Regional cooperation programmes .....	71
3.9 Economic cooperation .....	72
3.10 Non-governmental participation .....	73
3.11 Roles of the Embassy .....	75
3.12 Influences on programming .....	76
4 APPLYING THE EVALUATION CRITERIA .....	82
4.1 Relevance .....	82
4.2 Efficiency .....	83
4.3 Strategic effectiveness .....	84
4.4 Impact .....	84
4.5 Sustainability .....	85
4.6 Coordination .....	86
4.7 Complementarity .....	86
4.8 Compatibility .....	87

4.9	Connectedness	88
4.10	Coherence	88
4.11	Finnish added value	89
4.12	Partner satisfaction	90
4.13	Programming logic	90
4.14	Replicability	91
5	ANSWERING THE RESEARCH QUESTIONS	91
5.1	The evaluation matrix	91
5.2	Meeting the priorities of Tanzania and Finland	92
5.3	Modalities and the Paris Declaration	94
5.4	The cross-cutting themes	95
5.5	Translating policies into activities	96
5.6	Finnish added value	97
5.7	Strengths and weaknesses of the country programme	97
6	CONCLUSIONS OF THE EVALUATION	99
6.1	Putting policy into practice	99
6.2	Matters of performance	101
7	RECOMMENDATIONS	104
	REFERENCES	106
	THE EVALUATION TEAM	113
	ANNEX 1 TERMS OF REFERENCE	115
	ANNEX 2 PERSONS AND INSTITUTIONS CONSULTED <sup>1)</sup>	
	ANNEX 3 OTHER DOCUMENTS CONSULTED <sup>1)</sup>	
	ANNEX 4 NET AID FLOWS TO TANZANIA, 2008-2009 <sup>1)</sup>	
	ANNEX 5 EVALUATION OF GBS IN TANZANIA <sup>1)</sup>	
	ANNEX 6 WORLD BANK INVESTMENTS IN TANZANIA <sup>1)</sup>	
	ANNEX 7 FINNISH SUPPORT TO FORESTRY IN TANZANIA <sup>1)</sup>	
	ANNEX 8 CONTRIBUTIONS OF THE RIPS PROGRAMME <sup>1)</sup>	

<sup>1)</sup>Annexes 2-8 are non-edited and contained in the attached CD

## TABLES

Table 1	The evaluation criteria	29
Table 2	The evaluation matrix	30
Table 3	Progress in implementing the Paris Declaration in Tanzania	41
Table 4	Progress in Tanzania towards the MDGs	43
Table 5	Total MFA disbursements to Tanzania, 1991-2001	50
Table 6	Total MFA disbursements to Tanzania, 2002-2010	51
Table 7	MFA disbursements to Tanzania by operational purpose, 2007-2011	53
Table 8	MFA disbursements to Tanzania by OECD/DAC category, 2006-2010	54
Table 9	Finnish forestry assistance in Tanzania, 2011	60
Table 10	Country programme scores for evaluation criteria	102







## PREFACE

This evaluation report is one of a series of three country programme evaluations performed at this point of time which coincides with the renewal of the development policy of Finland and hence the programming of our development cooperation. The country programmes of Nepal, Nicaragua and Tanzania were included in this group of evaluated cooperation programmes of Finland.

The focus of the evaluation was rather on the mechanism of programming and how those mechanisms resulted in a cooperation programme than in the evaluation of the mere performance of the programme over the last decade or so. The evaluation also explicitly looked at the international frameworks, such as the Paris declaration, the poverty focus and the inclusion of the cross-cutting objectives of the Finnish development policy.

The evaluation points out a number of cooperation modalities that may be considered best practices, and similarly it points out a number of practices that can be considered worst practices. The significance of mutual analyses and continuous dialogue at different levels, despite differences in priorities and views, emerges as some of the important lessons learned for the future.

Helsinki 23.01.2012

Aira Päivöke  
Director  
Development Evaluation



## ACRONYMS AND ABBREVIATIONS

€, Eur	Euro, Currency of the European Union
°C	Degree Celsius
%	Percent
AfT	Aid for Trade
ALI	Department for the Middle East and Africa (of the MFA)
ASA	Americas and Asia Department (of the MFA)
CAP	Country Assistance Plan
<i>ca</i>	<i>circa</i> , about
CO <sub>2</sub>	Carbon dioxide
CAS	Country Assistance Strategy
CCM	Chama cha Mapinduzi (Party of the Revolution)
CCT	Cross-cutting theme
CEO	Chief Executive Officer
CGIAR	Consultative Group on International Agricultural Research
CHADEMA	Chama cha Demokrasia na Maendeleo (Party for Democracy and Progress)
CIP	International Potato Center
CSO	Civil society organisation
DAC	Development Assistance Committee (of OECD)
DAR	Embassy of Finland in Tanzania
DeNRM	Decentralised natural resource management
DESEMP	District Economic and Social Empowerment Programme
DFID	Department for International Development (of the UK), also known as UKAid
DPG	Development Partner Group
DRC	Democratic Republic of Congo
DRPS	Dar es Salaam Reliability of Power Supply
e.g.	<i>exempli gratia</i> (“for example”)
EAC	East African Community
EC	European Commission
EEP	Energy and Environment Partnership
EFD	Embassy of Finland, Dar es Salaam
EU	European Union
FAO	Food and Agriculture Organisation (of the United Nations)
FAV	Finnish added value
FBD	Forestry and Beekeeping Division
FN	Förenta Nationer (in Swedish text)
FYDP	Five Year Development Plan
FYDP1	First Five Year Development Plan (for fiscal years 2011/2012 to 2015/2016)
GBS	General budget support

GDP	Gross domestic product
GoZ	Government of Zanzibar
ha	hectare
HIPC	Heavily-indebted poor country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
i.e.	<i>id est</i> ('that is')
ICI	Institutional Cooperation Instrument
ICT	Information and communications technology
IDA	International Development Association (of the World Bank Group)
InfoDev	Information for Development Programme (of the World Bank)
IMF	International Monetary Fund
IMG	Independent Monitoring Group
JAST	Joint Assistance Strategy for Tanzania
Kepa	Service Centre for Development Cooperation (Kehitysyhteistyön palvelukeskus)
LCF	Local Cooperation Fund
LGA	Local government agency
LGCDG	Local Government Capital Development Grant
LGDG	Local Government Development Grant
LGR	Local Government Reform
LGRP	Local Government Reform Programme
LiDAR	Light Detection and Ranging
LIMAS	Lindi and Mtwara Agribusiness Support
MAP	Embassy of Finland in Mozambique
MDF	Multilateral Debt Fund
MDG	Millennium Development Goal
MFA	Ministry for Foreign Affairs of Finland
MKUKUTA	National Strategy for Growth and Reduction of Poverty
MKUZA	Zanzibar Strategy for Growth and Reduction of Poverty
mm.	muun muassa (in Finnish text)
MNRT	Ministry of National Resources and Tourism
NAC	New areas of cooperation
NAFORMA	National Forest Resources Monitoring and Assessment
NFBKP	National Forest and Beekeeping Programme
NFP	National Forest Programme
NGO	Non-governmental (non-profit) organization
ODA	Official development assistance
OECD	Organisation for Economic Cooperation and Development
PAF	Performance Assessment Framework
PEDP	Primary Education Development Programme
PER	Public Expenditure Review
PFM	Public financial management
PMO-RALG	Regional Administration and Local Government section of the Prime Minister's Office

PPP	Purchasing power parity
PRBS	Poverty reduction budget support
PRSP	Poverty Reduction Strategy Paper
PYM	Local cooperation funds, LCF (in Finnish text)
REDD	Reducing (greenhouse gas) emissions from deforestation and (forest) degradation
REDD+	REDD with the inclusion of sustainability safeguards
RIPS	Rural Integrated Project Support
SBS	Sectoral budget support
SDI	Sustainable Development Institute, also known as the Uongozi Institute
SMOLE	Sustainable Management of Land and Environment
SNV	Netherlands Development Organisation
SWAp	Sector Wide Approach programme
TA	Technical assistance
TANESCO	Tanzania Electric Supply Company Limited
TANU	Tanganyika African National Union
TANZICT	Information Society and ICT Sector Development project
TAS	Tanzania Assistance Strategy
ToR	Terms of Reference
UK	United Kingdom
UM	Ulkoasiainministeriö (in Finnish text), Utrikesministeriet (in Swedish text)
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Programme
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
US\$, USD	United States Dollar (currency of the United States of America)
USA	United States of America
YK	Yhdistyneet Kansakunnat (in Finnish text)





# Suomen ja Tansanian välisen maaohjelman evaluointi

*Julian Caldecott, Arto Valjas, Bernadeta Killian ja Anu Lounela*

Suomen ulkoasiainministeriön evaluointiraportti 2012:3

ISBN 978-951-724-993-5 (painettu); ISBN 978-951-724-994-2 (pdf);  
ISSN 1235-7618

Koko raportti on luettavissa osoitteessa <http://formin.finland.fi>.

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## TIIVISTELMÄ

Evaluointi tarkasteli Suomen kehitys yhteistyöpolitiikan ja Tansanian kanssa tehdyn yhteistyön ohjelmoinnin välisiä yhteyksiä vuodesta 2002 lähtien. Vaikuttavien osatekijöiden määrittelemisessä käytettiin 14:ää evaluointikriteeriä. Vuoteen 2007 saakka hallituksen ja muiden avunantajien kanssa käytiin tiivistä vuoropuhelua, ja yhteistyö noudatti Pariisin julistuksen periaatteita. Jälkimmäinen oli ja on edelleen kumppanimaan hallituksen tärkeysjärjestyksessä edellä hyvää hallintoa ja korruption vastaisia toimia. Suomen yhteistyö keskittyi seuraaviin: a) velkahelpotukset ja yleinen budjettituki, joilla oli myönteinen vaikutus köyhyyden lieventämisessä, esimerkiksi koulutuksen ja terveydenhuollon kautta, b) ohjelmatuki koulutukselle ja paikallishallinnon uudistamiselle, jotka paransivat palveluiden saatavuutta köyhillä maaseutualueilla, c) kahdenväliset metsätalouteen ja maankäytön kysymyksiin liittyvät hankkeet, jotka olivat köyhyyden vähentämisen kannalta merkittävimpiä, sekä d) tuki kansalaisyhteiskunnalle edustuston hallinnoimien paikallisen yhteistyön määrärahojen (PYM) kautta. Viimeksi mainittu osoittautui selkeästi tehokkaimmaksi tavaksi edistää läpileikkaavia kysymyksiä. Koulutusta lukuun ottamatta em. toimialat säilyivät myös vuoden 2007 jälkeen. Suomi osallistui vahvasti myös avunantajien koordinointiin ja johtamiseen. Suomi perusti YK-järjestelmän kanssa metsien inventointikumppanuuden, jota voidaan pitää hyvänä käytäntönä, sekä tuki tehokasta metsien suojelua edistänyttä kampanjaa. Samanlaisesti avunantajat, Suomi mukaan lukien, siirtyivät enenevässä määrin hankemuotoiseen toteutukseen, koska kansalliset valmiudet olivat rajalliset ja vuoropuhelu hallituksen kanssa heikkeni. Osa hankkeista ei ollut poliittisesti perusteltuja, niiden sidos köyhyyden vähentämiseen oli kyseenalainen, eivätkä ne perustuneet riittävään vuoropuheluun ja analyysiin. Tästä on otettava opiksi mm. se, että ohjelmoinnin on perustuttava syvään analyysiin ja yhteiseen päätöksentekoon. Maaohjelma kaipaa uudenlaista strategista suunnittelua, jotta ohjelmasta muodostuu johdonmukainen.

*Avainsanat:* Tansania, ohjelmointi, pirstaloituneisuus, johdonmukaisuus, Suomi

# Utvärdering av landsprogrammet mellan Finland och Tanzania

*Julian Caldecott, Arto Valjas, Bernadeta Killian och Anu Lonnela*

Utvärderingsrapport för Utrikesministeriet i Finland 2012:3

ISBN 978-951-724-993-5 (trykt); ISBN 978-951-724-994-2 (pdf);  
ISSN 1235-7618

Rapporten finns i sin helhet på adressen <http://formin.finland.fi>

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## ABSTRAKT

Utvärderingen undersöker sambandet mellan Finlands utvecklingspolitik och programmet för utvecklingssamarbete med Tanzania sedan 2002. Centrala faktorer har identifierats med hjälp av 14 utvärderingskriterier. Fram till 2007 fanns en nära dialog med regeringen och andra givare och samarbetet överensstämde med Parisdeklarationens principer. Regeringen har gett och ger denna överensstämmelse högre prioritet än god samhällsstyrning och åtgärder mot korruption. Finlands stöd har fokuserat på följande: a) skuldlättnad och generell budgetstöd (GBS) för positiv användning av offentliga medel inom sektorer som stödjer fattiga, bl.a. utbildning och hälsa; b) programstöd för utbildningssektorn och reformering av den lokala förvaltningen för att förbättra servicen i fattiga landsbygdsområden; c) bilaterala projekt inom skogsbruk och markanvändning som har störst betydelse i fråga om fattigdom; d) stöd till civilsamhället genom en LCF-fond förvaltd av ambassaden; detta visade sig vara den klart effektivaste biståndsformen för integrering av genomgående teman. Med undantag av utbildningstemat fortsatte Finlands samarbete enligt dessa teman efter 2007 samtidigt som man gjorde en stor insats i den pågående samordningen av givare och ledarskap, initierade ett FN-partnerskap om bästa praxis för skogsinventering och stödde en kraftfull kampanj för skogsskydd. Begränsningar i den nationella kapaciteten och försämrad dialog med regeringen gav dock givarna, inklusive Finland, anledning att i allt högre grad återgå till projektformatet. Vissa insatser saknade förankring i de politiska riktlinjerna, hade inte en trovärdig koppling till fattigdom och grundade sig på otillräcklig dialog och analys. En lärdom är att programplaneringen bör grundas på noggranna analyser och gemensamt beslutsfattande. För att programmet ska kunna konsolideras är det under tiden nödvändigt att förnya den strategiska planeringen av landsprogrammet.

*Nyckelord:* Tanzania, programplanering, fragmentering, konsolidering, Finland

# Evaluation of the Country Programme between Finland and Tanzania

*Julian Caldecott, Arto Valjas, Bernadeta Killian and Anu Lounela*

Evaluation Report of the Ministry for Foreign Affairs of Finland 2012:3

ISBN 978-951-724-993-5 (printed); ISBN 978-951-724-994-2 (pdf);  
ISSN 1235-7618

The full report can be accessed at <http://formin.finland.fi>

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## ABSTRACT

This study explores links between Finnish development policy and cooperation programming with Tanzania since 2002. Key factors were identified with reference to 14 evaluation criteria. Until 2007, there was close dialogue with government and other donors, and cooperation was consistent with Paris Declaration principles. The latter were and remain a higher priority of government than good governance and anti-corruption measures. Finnish support focused on: (a) debt relief and general budget support, with a positive impact on public spending in pro-poor sectors such as education and health; (b) programmatic support for education and local government reform, thus improving service delivery in poor rural areas; (c) bilateral projects on forestry/land-use issues with most relevance to poverty; and (d) support to civil society through an embassy-managed Local Cooperation Fund, which proved by far the most effective modality for addressing cross-cutting issues. Apart from education, these themes continued after 2007 while Finland also contributed strongly to ongoing donor coordination and leadership, established a best-practice partnership on forest inventory with the United Nations, and supported an effective forest conservation advocacy campaign. Meanwhile, however, national capacity constraints and weakening dialogue with government encouraged donors, including Finland, to revert to the increased use of projects. Some of these lacked grounding in policy, were not plausibly linked to poverty, and were founded on inadequate dialogue and analysis. One lesson is that programming should be based on rigorous analysis and collective decision making. The country programme is meanwhile in need of renewed strategic planning to allow its consolidation.

*Key words:* Tanzania, programming, fragmentation, consolidation, Finland

## YHTEENVETO

### Tarkoitus ja ala

Ulkoasiainministeriö (UM) on teettänyt strategisen, holistisen ja tulevaisuuteen suuntautuvan arvioinnin koko maatason yhteistyöstä Nepal, Nicaraguan ja Tansanian kanssa. Tarkoituksena on selvittää kehitysyhteistyöpolitiikan ja yhteistyön ohjelmoinnin välistä suhdetta, kuvata mekanismeja, joita on käytetty sovellettaessa politiikkaa käytäntöön, dokumentoida tulokseen vaikuttaneita tekijöitä sekä tunnistaa vahvuuksia, heikkouksia ja opetuksia. Tämä raportti kattaa Tansanian maaohjelma aikana, jolloin vaikuttavina politiikkaraameina olivat Suomen vuoden 1998 kehitysyhteistyöpolitiikka ja sen vuonna 2001 laadittu toiminnallistamissuunnitelma, vuosien 2004 ja 2007 kehityspolitiikat sekä vuonna 2005 hyväksytyt Pariisin julistukset.

### Menetelmät

Tietolähteinä käytettiin mm. UM:n arkistoista Helsingissä saatuja asiakirjoja, muuta julkaistua ja julkaisematonta aineistoa sekä 96 yksittäisen Suomessa ja Tansaniassa toimivan henkilön osittain strukturoituja haastatteluja. Analyttisena työkaluna käytettiin 14:ää arviointikriteeriä, joiden avulla vastattiin tehtäväkuvauksessa (ToR) esitettyihin keskeisiin kysymyksiin kustakin maaohjelmasta ja laadittiin raportti ohjelman tärkeimmistä ominaispiirteistä sekä ohjelmaan vaikuttaneista prosesseista ja tekijöistä.

### Tansania ja sen historia

Tansanian yhdistynyt tasavalta muodostettiin vuonna 1964 Tanganjikan siirtokunnasta (Tansanian mantereesta) sekä Sansibarin saariryhmästä. Kaikesta maapinta-alasta noin 20 prosenttia on maatalouskäyttöön kohtuullisesti tai hyvin soveltuvaa, mutta vain noin viisi prosenttia on pysyvästi viljelykäytössä, pääasiassa laidunmaana tai metsämaana. Tansanian asukasluku on 1960-luvun alun jälkeen nelinkertaistunut ja on nyt 44 miljoonaa. Viljavimmat seudut ovat tiheästi asutettuja, maaperän ja ekosysteemin köyhtyminen lisääntyy ja vesivarat ovat monilla alueilla riittämättömät. Maan käytöstä on kiistoja laiduntajien ja viljelijöiden, eliitin ja muiden ryhmien sekä erilaisten keskenään kilpailevien maankäyttömuotojen välillä. Itsenäistymisestään lähtien Tansaniaa on hallinnut vain yksi puolue, mutta vuonna 1992 käyttöön otettiin monipuoluejärjestelmä. Tansaniaa pidetään vakaana demokratiana. Ajoittaisista korruptioskandaaleista huolimatta Tansanian makrotalous on menestynyt hyvin jatkuvasti vuodesta 2005, kasvu on ollut nopeaa ja vienti lisääntynyt. Tästä huolimatta useimmat tansanialaiset ovat edelleen köyhiä, ja edistys kohti vuosittain asetettuja tavoitteita on ollut epätasaista – vuoteen 2015 mennessä niistä todennäköisesti saavutetaan neljä, ja kolme jää luultavasti saavuttamatta.

### Kansalliset kehitysstrategiat

Kehitysyhteistyön prioriteettien toteuttamisessa on sovellettu useita strategioita ja suunnitelmia, joita tukemassa on ollut kasvava avunantajien joukko. Näihin kuuluvat Visio 2025 (tai Sansibarin Visio 2020), jonka tavoitteena on tehdä Tansaniasta keskitulotason maa vuoteen 2025 mennessä, kansallinen kasvuun ja köyhyyden vähentämi-

seen tähtäävä strategia (MKUKUTA I ja II, Sansibarilla MKUZA I ja II) sekä vuonna 2011 aloitetut viisivuotiset kehityssuunnitelmat, joiden tavoitteena on saavuttaa Visio 2025:n tavoitteet. Ensimmäisessä viisivuotisessa kehityssuunnitelmassa huomioidaan MKUKUTA II:n tavoitteet, mutta lähestymistapa on erilainen. Suunnitelman perustana ovat mahdollisuudet käytettävissä olevien resurssien sijasta ja siinä keskitytään ennen kaikkea investointeihin, jotka kohdistuvat energiaan, liikenneinfrastruktuuriin, tieto- ja viestintätekniikkaan, teollisuuteen, maatalouteen, vesivaroihin ja inhimilliseen pääomaan.

### **Avunantajayhteisö**

Tansaniassa toimii noin 40 avunantajaa. Vuoropuhelu ja yhteistyöjärjestelyt ovat pitkälle kehittyneitä, mutta toimivat puutteellisesti. Avunantaja ohjaavat Tansanian yhteinen apustrategia, työnjakoa koskeva sopimus sekä yhteistyökumppanien ryhmä, jolla on pysyvä sihteeristö, yleistä budjettitukea (GBS) käsittelevä työryhmä ja muut työryhmät, jotka keskittyvät 11 sektoriin ja 16 teemaan. Vuonna 2009 tuki oli yhteensä yli 1,6 miljardia USDollaria (USD) (josta 2.8% tuli Suomelta), mikä on 55USD henkeä kohti eli 11.7% bruttokansantuotteesta. Koska Tansania on raskaasti velkaantunut, köyhä maa, se on saanut velkojaan huomattavan paljon anteeksi (esimerkiksi vuonna 2006 4,2 miljardia ja vuonna 2007 0,6 miljardia USD). Samaan aikaan 12–14 avunantajaa, Suomi mukaan lukien, on antanut GBS:ää vuosittain 0,50–0,75 miljardia USD:n. GBS:llä on ollut myönteinen vaikutus julkiseen varainkäyttöön esimerkiksi koulutuksen ja terveydenhuollon kaltaisilla aloilla, ja sitä pidetään onnistuneena ratkaisuna, vaikka se on vaikuttanut hallituksen toimiin vähemmän kuin avunantajat ovat odottaneet. Tansania on eräs Pariisin julistusta onnistuneimmin toteuttaneista kehitysmaista.

### **Maakohtainen ohjelmointi, 1998–2007**

Evaluoinnin tarkasteleman aikajakson alussa maaohjelmaa ohjasivat Suomen vuoden 1998 kehitysyhteistyöpolitiikka ja sen vuoden 2001 toiminnallistamissuunnitelma. Maaohjelman koko oli n. 12 miljoonaa euroa (MEur) per vuosi, josta 15% oli GBS:ää ja lopun muodostivat pääasiassa ohjelmaperustainen tuki koulutukselle ja paikallishallinnolle sekä tuolloin käynnistymässä olleeseen SWAp-sektoriohjelmaan kuuluneet metsätaloushankkeet. Menettelytavoissa, joilla Suomen vuoden 2004 kehitysyhteistyöpolitiikkaa pantiin täytäntöön, omistajana oli hallitus, ja menettelytavat olivat yhteisiä muiden avunantajien kanssa. Kehitysinstrumenttien osalta vuoden 2004 politiikan nimenomaisten ohjeiden mukaisesti tuli lisätä ohjelmaperustaista yhteistyötä, mukaan lukien GBS:ää. Valintoihin vaikuttivat useat tekijät, kuten avun tuloksellisuuden vaatimus (mikä suosii esimerkiksi budjettitukea ja yhteistä ohjelmointia) sekä vuoden 2004 politiikka sinänsä (missä asetettiin esimerkiksi metsätalous prioriteetiksi). Jatkuvuudella ja johdonmukaisuudella aiemman yhteistyön kanssa sekä suomalaisen lisäarvon käsitteellä oli myös merkittävä rooli. Vaikka päätökset teki muodollisesti ulkoasiainministeriö, johto oli edustuston käsissä. Maaohjelman laajuus kasvoi voimakkaasti, kun Suomen vuoden 2004 kehitysyhteistyöpolitiikkaa ryhdyttiin soveltamaan käytäntöön, ja vuonna 2009 se oli jo 40MEur. Samalla vuosittaisen GBS:n määrä kasvoi 15MEur:oon, ja sen osuus ylitti 50% vuonna 2008. Tässä vaiheessa päätettiin, että ohjelmassa keskityttäisiin GBS:ään, paikallishallinnon uudistamiseen sekä metsä-

talouteen/maankäyttöön ja että Suomi vetäytyisi koulutusosalta. Siirtyminen SWAp-sektoriohjelmaan metsätaloussektorilla kuitenkin epäonnistui Tansanian rajallisten valmiuksien vuoksi.

### **Maakohtainen ohjelmointi, 2008–2011**

Evaluoinnin kattaman kauden myöhemmässä vaiheessa edellä mainittu malli muuttui johtuen useista tekijöistä, joista jotkin vaikuttivat koko avunantajayhteisöön ja jotkin pelkästään Suomeen. Hallituksen odotettua heikompien valmiuksien vuoksi menojen ohjaamista entistä enemmän julkisten varainhoitojärjestelmien kautta ei ollut mahdollista jatkaa. Samanaikaisesti hallituksen ja avunantajien välinen vuoropuhelu heikkeni. Tämän vuoksi avunantajat turvautuivat jälleen hankeyhteistyöhön, joka ei kaikilta osiltaan noudattanut Pariisin julistuksen periaatteita. Hallitus vastusti tätä, ja asioita mutkisti se, että avunantajilla oli myös taipumus suosia esimerkiksi hyvän hallinnon ja oikeusvaltion tapaisia läpileikkaavia teemoja, jotka olivat hallituksen näkökulmasta vähemmän kiinnostavia kuin budjettituki ja yhteinen ohjelmointi. Vaikuttavuudeltaan hyvä avun perillesaanti, maan oma omistajuus ja pitkäaikaisempi avun tehokkuus sekä avunantajien arvot loivat jännitteitä kolmeen eri suuntaan. Sen lopputulos ei ollut kummankaan osapuolen näkökulmasta täysin tyydyttävä. Suomen ja Tansanian kahdenvälisten tukitoimien tapauksessa lisätekijänä on vielä se, ettei UM:llä ollut erityisiä työkaluja Pariisin julistuksen täytäntöönpanoa tai läpileikkaavien teemojen valtavirtaistamiseen. Myös Suomen vuoden 2007 politiikan toteutustavalla oli syvälinen vaikutus maaohjelmaan. Vuoden 2008 alun lyhyessä ohjelmointiprosessissa olivat mukana edustusto ja ulkoasiainministeriö, jotka tuottivat avustussuunnitelman. Avustussuunnitelmassa vahvistettiin kolme silloista yhteistyöaluetta, mutta siinä ehdotettiin myös, että pilottihankkeiden avulla voitaisiin tutkia uusiakin alueita. Ohjelmointiprosessin lopulla avustussuunnitelma joutui kuitenkin syrjään. Tämän jälkeen yhteistyö jatkui edelleen kolmella pääalueella, mutta hankkeiden määrittelyssä käytetyt menettelyt olivat läpinäkymättömiä, vaikka ne päältä katsoen perustuivatkin tansanialaisten toimijoiden ja ulkomaankauppa- ja kehitysyhteistyöministerin väliseen vuoropuheluun sekä ministerin omiin kehitysyhteistyönäkemyksiin, mukaan lukien hänen tulkintaansa suomalaisen lisäarvon käsitteestä. Vuodet 2008–2011 olivatkin voimakkaan pirstaloitumisen aikaa, kun hanketuen määrä kasvoi (osaksi siksi, että tällä korvattiin uutta GBS:lle asetettua ylärajaa) ja hankkeiden lukumäärä lisääntyi. Tämä kiihdytti suuntausta kohti hankeyhteistyötä, mikä oli avunantajayhteisössä jo vakiintunut käytäntö. Tuloksena oli pirstaloitunut maaohjelma, ja UM:n ja edustuston henkilökunnan huomiosta kilpaili noin 18 erillistä, joissakin tapauksissa huonosti valmisteltua hanketta.

### **Maaohjelman sisältö**

Siinä vaiheessa, kun evaluoinnin kenttätöitä oltiin tekemässä, maaohjelma käsitti **tärkeimmät yhteistyöalueet** (eli GBS:n, paikallishallinnon uudistamisen sekä metsätalouden/maankäytön), **erilliset ohjelmat** Sansibarilla (maan ja ympäristön kestävä hoidon SMOLE-hanke) sekä Lindin ja Mtwaran alueilla (Lindin ja Mtwaran maatalouselinkeinojen tukihanke LIMAS) sekä useita  **muita hankkeita** (joita usein kutsutaan **uusiksi yhteistyöalueiksi**, eli kestävä kehityksen instituutti (SDI), tietoyhteiskunnan ja tieto- ja viestintätekniikkasektorin kehityshanke TANZICT, Dar es Salaamin

sähkösaannin turvaamiseen keskittyvä DRPS-hanke sekä viidelle muulle aloitteelle annettu tuki) ja **alueellisia ja hallituksesta riippumattomia** toimia (viimeksi mainittuihin kuuluu edustuston hallinnoimista PYM-rahoista tuettu kansalaisyhteiskuntatyö).

### **Evaluointikysymyksiin vastaaminen**

**Tansanian prioriteettien toteutuminen.** Maaohjelman sisältäneillä toimilla toteutetaan päällisin puolin Tansanian prioriteetteja, mutta eri sektoreiden ja muotojen välillä on seuraavia eroja: a) GBS:ään suunnatut maksut vastaavat suuressa määrin hallituksen prioriteetteja; b) paikallishallinnon uudistamiseen annettu tuki on hallituksen prioriteettien mukaista, mutta siihen vaikuttaa hallituksen ilmeinen epäröinti uudistusagendan syventämisessä; c) metsänhoidon/maankäytön yhteistyöalue noudattaa hallituksen julkituotua aikomusta puuttua maankäyttöön ja ympäristöön liittyviin kysymyksiin, vaikka tätä ei olekaan tuotu esiin prioriteettina hallituksen suunnitelmissa ja talousarviossa; d) SDI on hallituksen prioriteettien mukainen korkeimmalla poliittisella tasolla, mutta nykyinen hanke ei ole alkuperäisten suunnitelmien mukainen; e) DRPS-hankkeella helpotetaan osaltaan energiakriisin yhtä puolta, mutta sillä ei ole vaikutusta hallituksen ensisijaiseen prioriteettiin eli energiantuotannon kapasiteetin kasvattamiseen; f) SMOLE-hanke on periaatteessa Sansibarin hallituksen prioriteettien mukainen, koska sen tavoitteena on vahvistaa kestävä maankäytön suunnittelua ja hallinnointia, mutta vaarana on, että hankkeella ei saada aikaan tuloksia; g) LIMAS-hanke on periaatteessa maan hallituksen yksityisen sektorin kehittämistä koskevien prioriteettien mukainen, mutta se ei ole sopusoinnussa Mtwaran ja Lindin aluehallintojen tai maalaisväestön prioriteettien kanssa.

**Suomen prioriteettien toteutuminen.** Maaohjelman tärkeimmät elementit noudattavat nykyisiä ja aiempia prioriteetteja, joita ovat köyhyyden vähentämisen edistäminen, hyvä hallinto ja/tai aluepolitiikka sekä luonnonvarojen kestävä käyttö. Suomen tärkein väline köyhyyden vähentämisessä on ollut GBS, joka on ollut kohtuullisessa määrin Suomen prioriteettien mukaista. PYM-tuen käyttö ihmisoikeuksien edistämisessä on alun perin seurausta vuoden 2004 kehitysyhteistyöpolitiikasta, ja useita hankkeita voidaan yhdistää vuoden 2007 politiikkaan – tosin tämä ei ole kovin vaikeaa, sillä politiikassa mainitaan useita yleisluontoisia kysymyksiä. Maaohjelman toimet ovat siis yleensä Suomen prioriteettien mukaisia, mutta politiikkaa läheltä tarkasteltaessa eräiden tukitoimien, mukaan lukien DRPS- ja LIMAS-hankkeiden sekä SDI:n, prioriteettien mukaisuus olisi kyseenalaista.

**Poliittisen vuoropuhelun rooli.** Evaluoidun kauden alussa tapahtui voimakas muutos hallituksen kanssa käytävän poliittisen vuoropuhelun muuttuessa kahdenvälisestä monenkeskiseen vuoropuheluun ja vuosina 2001–2007 suurin osa vuoropuhelusta tapahtui yhteisenä, jossa Suomella oli vahva rooli. Tämä auttoi saamaan aikaan kehitystä erityisesti GBS:ssa, sillä GBS lisäsi varojen käyttöä köyhiä tukevilla aloilla, sekä paikallishallinnon uudistamisen edistämisessä. Hallinnon uudistamisessa poliittisen vuoropuhelun tehokkuus ei kuitenkaan ole koskaan vastannut avunantajien toiveita, mikä on osaltaan heikentänyt vuoropuhelun laatua vuodesta 2007 alkaen. Yhdessä



Tansanian rajallisten valmiuksien kanssa tämä on vähentänyt maaohjelman vaikutusta. Poliittisen vuoropuhelun heikkeneminen tapahtui samanaikaisesti kun Suomen lähestymistapa politiikan laatimiseen ja täytäntöönpanoon muuttui uudenaikaiseksi ja vähemmän osallistavaksi. Vieraillessaan Tansaniassa vuoden 2007 lopulla Suomen ulkomaankauppa- ja kehitysministeri kävi vuoropuhelua Tansanian viranomaisten kanssa ja määritteli itse useita uusia yhteistyöalueita. Analyysin ja avoimuuden puuttuessa on kyseenalaista, helpottiko tällainen vuoropuhelu kehityksen aikaansaamista.

**Pariisin julistuksen noudattaminen.** GBS noudattaa erittäin hyvin julistuksen periaatteita paitsi siksi, että se tarkoittaa kansallisten julkisten varainhoitojärjestelmien ja hankintajärjestelmien hyödyntämistä, myös siksi, että sillä edistetään yhteisten analyysien laatimista, keskinäistä tilivelvollisuutta ja tuloksiin suuntautuneiden puitteiden hyödyntämistä. Suomen GBS:ään suuntautuvien varojen ennustettavuus on ollut myös hyvä osittain siksi, että Suomi ei ole asettanut tuelle tarpeettoman ankaria ehtoja. Vuodesta 2007 lisääntyneen Tansaniassa tehtävän hankeyhteistyön ohella Suomi on lisännyt rinnakkaisten täytäntöönpanorakenteiden määrää ja vähentänyt kansallisten järjestelmien hyödyntämistä, mikä rapauttaa julistuksen noudattamista. Vaikka julistuksen periaatteisiin kiinnitetään runsaasti huomiota GBS:ssä ja paikallishallinnon tukemisessa, esimerkiksi SMOLE-hankkeessa, käytetään kallista teknistä apua ja rinnakkaisia järjestelmiä, mikä heikentää hankkeiden kestävyyttä ja vaarantaa julistuksen noudattamisen.

**Läpileikkaavat teemat.** Läpileikkaavien teemojen valtavirtaistamiseen on pyritty useilla tavoilla: a) ottamalla ne osaksi hallituksen ja avunantajien välistä vuoropuhelua, b) perustamalla tiettyjä läpileikkaavia teemoja käsitteleviä temaattisia työryhmiä, missä Suomi on ollut aktiivinen, c) pyrkimällä nostamaan läpileikkaavat teemat Tansanian kanssa käytävään kahdenväliseen vuoropuheluun, d) ottamalla läpileikkaavat teemat huomioon kahdenvälisissä ohjelmissa ja hankkeissa sekä e) tekemällä läpileikkaavien teemojen edistämisestä yhden PYM-avun tärkeimmistä tavoitteista. Hyvää hallintoa ja korruption vastaisia toimia koskevat tulokset ovat olleet vaihtelevia pääasiassa siksi, että hallitus on mieluummin painottanut Pariisin julistuksen periaatteita. Läpileikkaavat teemat on otettu parhaiten huomioon PYM-avussa, jossa niiden huomiointi myös voimakkaimmin edistää kehitysyhteistyön tavoitteiden saavuttamista. Muualla maaohjelmassa läpileikkaavat teemat on liitetty mukaan GBS:n arviointiin sekä MKUKUTA-strategian valvontajärjestelmään, mutta teemojen edistämisessä GBS:n avulla on saatu aikaan vaihtelevia tuloksia. Muuten läpileikkaavat teemat on joko unohdettu kokonaan tai niitä ei käsitellä keskeisenä tärkeinä, vaan marginaalisina kysymyksinä, jolloin niiden vaikutus jää väistämättä rajalliseksi.

**Kehitysyhteistyöpolitiikan muuttaminen toimintamalleiksi.** Vuoden 2007 jälkeen menettelyt, joita käytettiin määriteltäessä useita uusia yhteistyöalueita sekä näille alueille suuntautuvia hankkeita, eivät olleet avoimia eivätkä yhteiseen päätöksentekoon perustuneita. Vuoden 2008 kahdenvälisissä maaneuvotteluissa vahvistettiin sekä vanhat että uudet yhteistyöalueet. Sittemmin edustustolla on periaatteessa ollut päävastuu tukitoimien suunnittelusta, vaikka myös tänä aikana on tapahtunut muutamia



Helsingin väliintuloja. Niiden seurauksena esimerkiksi SDI:hin nimitettiin suomalainen ohjelmajohtaja, jonka rooli oli kaikkea muuta kuin selvä. Vuoteen 2011 mennessä ulkoasiainministeriön ja edustuston välille oltiin kuitenkin laatimassa työnjakoa koskevaa sopimusta, jolla selvennetään ja säännönmukaistetaan osanottajien rooleja ja vastuita kehityksessä olevan normaalikäytännön mukaisesti. Mahdollisesti on myös tarpeen tutkia, miten voidaan varmistaa, että edustuston ja ulkoasiainministeriön maaryhmän asiantuntijahenkilöstöresurssit riittävät sopimuksen täytäntöönpanoon.

**Suomalainen lisäarvo ohjelmointivalinnoissa.** Vuoden 2007 jälkeen suomalainen lisäarvo on ollut tärkeä kriteeri yhteistyöalueiden valinnassa sekä erityisesti hankkeiden määrittelyssä. Tämä on yksi syy maaohjelman vakavaan pirstaloitumiseen, ja vaikuttaa siltä, että suomalaisen lisäarvon kaltaisen epämääräisen käsitteen nostamisella politiikan ja päätösten perustaksi on omat riskinsä. Suomalaisen lisäarvon huomioon ottaminen vaikutti myös toimien suunnitteluun esimerkiksi tieto- ja viestintätekniikan sekä innovaatioiden alalla, joilla on määrä tukea yrityshautomotoimintaa sekä matkapuhelinsovellusten kehittämistä.

**Vahvuudet ja parhaat käytännöt.** Maaohjelman tärkein vahvuus on hallituksen Suomea kohtaan tuntema vahva luottamus, mikä johtuu kahden maan välisestä pitkästä kumppanuudesta. Toinen vahvuus on Suomen vaikutusvalta avunantajayhteisössä, mitä pystytään hyödyntämään, kun edustuston ministerineuvos ja lähetystöneuvokset toimivat puheenjohtajina tai yhteispuheenjohtajina kehitysyhteistyökumppanien ryhmässä ja useissa sektori- ja teemakohtaisissa työryhmissä, jotka käsittelevät esimerkiksi paikallishallinnon uudistamista, luonnonvaroja, ympäristöä sekä innovaatioita ja teknologiaa. Suomi on siis osallistunut voimakkaasti avunantajien koordinoimiseen ja johtamiseen, mikä on ensisijaisesti maaryhmän ja erityisesti edustuston henkilökunnan osaamisen ansiota. Yksi hyvä käytäntö havaittiin: se on kumppanuusmalli YK:n elintarvike- ja maatalousjärjestön FAO:n kanssa, mikä on synnyttänyt kansallisen metsävarojen valvonta- ja arviointihankkeen NAFORMAn. Tällä saattaa olla pitkäaikaisia vaikutuksia esimerkiksi hajautetun luonnonvarojen hallinnan, metsätalouden ja ilmastomuutoksen kaltaisilla aloilla.

**Heikkoudet ja huonoimmat käytännöt.** Maaohjelman keskeisin heikkous on sen pirstaloituneisuus, mikä johtuu tansaniaalaisten rajallisista valmiuksista sekä Suomen epäjohtonmukaisesta ohjelmoinnista vuoden 2007 jälkeen. Maaohjelma koostuu tällä hetkellä noin 18 interventiosta, joista kolmasosa koskee metsätalousalaa ja toisessa kolmasosassa hankkeiden määrittelyssä käytetyt menettelyt ovat olleet läpinäkymättömiä. Useita uusia ja vanhoja hankkeita on vaikea perustella taloudellisesti tai kehitysyhteistyön tai sosioekonomian kannalta. Näiden ongelmien perimmäisenä syynä voidaan pitää vuoden 2007 politiikan heikkouksia. Poliitikassa avun muotoja käsiteltiin epämääräisesti, ja siinä otettiin käyttöön suomalaiselle lisäarvolle määritelmä, jonka johdonmukainen soveltaminen osoittautui vaikeaksi. Huonoja käytäntöjä havaittiin useita: a) edustuston säännöllisen ja kokonaisvaltaisen raportoinnin puute, mikä esti vuoden 2007 jälkeisen ohjelmointiprosessin epäjohtonmukaisuuksien huomaamisen ja korjaamisen, b) Mtwaran ja Lindin tukitoimia koskevan vuoropuhelun ja päätöksen-

teon heikkoudet, c) SMOLE-hankkeeseen liittyneet heikot päätöksentekoprosessit, d) läpinäkymättömyys SDI:n rahoituskeinoissa sekä e) DRPS-hankkeen muokkaaminen mittavaksi infrastruktuuri-investoinniksi, jonka strateginen arvo oli rajallinen.

**Maaohjelman laatu.** Niistä valopilkuista huolimatta, joita havaittiin pääasiassa keskeisillä yhteistyöaloilla ja erityisesti GBS:ssä, paikallishallinnon uudistamisessa, hajautetussa luonnonvarojen hallinnassa, yksityisessä metsätaloudessa ja metsien inventoinnissa sekä kansalaisyhteiskuntaan osallistumisessa, maaohjelman kokonaislaatua heikentävät ongelmat ja puutteet. SMOLE- ja LIMAS-hankkeet sekä useat uusia yhteistyöalueita koskevat hankkeet ovat menestyneet heikosti, mikä johtuu luultavasti niiden jatkamista tai käynnistämistä koskevien päätösten tueksi tehdyn analysointityön olemattomuudesta. Yleisemmällä tasolla ohjelma on koordinoitu hyvin muiden avunantajien ohjelmien kanssa ja se täydentää niitä, mutta ohjelma on epäjohtonmukainen, ja suomalaisten kumppaneiden tyytyväisyys on poikkeuksellisen alhaista. Tämä johtuu osittain tansaniaalaisten valmiuksien rajoittuneisuudesta ja osittain suomalaisten menettelyiden heikkoudesta. Myös suomalaisen lisäarvon soveltamisesta näkemykset jakautuvat. Paradoksaalista onkin, että merkittäviä tuloksia tuottaneen ohjelman johtohenkilöiden motivaatio on poikkeuksellisen alhainen, ja syynä ovat heidän määräysvaltansa ulkopuolella olevat tekijä.

## SAMMANFATTNING

### Syfte och omfattning

Utrikesministeriet i Finland (UM) har beställt en strategisk, övergripande och framåtblickande utvärdering av landsprogrammen för tre av Finlands åtta långsiktiga partnerländer under förra decenniet, nämligen Nepal, Nicaragua och Tanzania. Syftet med denna utvärdering är att klargöra förhållandet mellan utvecklingspolitiken och samarbetsprogrammen och beskriva mekanismer som har använts för att omsätta politiken i praktiken, dokumentera inflytandet över utfallet och identifiera styrkor, svagheter och lärdomar. Denna rapport avser landsprogrammet för Tanzania under en period som omfattas av efterverkningarna av Finlands utvecklingspolitiska riktlinjer 1998 och handlingsplanen från 2001, införandet av nya utvecklingspolitiska riktlinjer 2004 och 2007 och genomförandet av Parisdeklarationen från 2005.

### Metoder

Informationskällorna inkluderade dokument från UM:s arkiv i Helsingfors, annat publicerat och opublicerat material och halvstrukturerade intervjuer med 96 sakkunniga personer i Finland och Tanzania. Som analysverktyg användes 14 utvärderingskriterier för att få svar på centrala frågor om varje landsprogram som ställdes i uppdragsvillkoren (ToR) och förklara huvuddragen i programmen samt processerna och influenserna vid utarbetandet av dem.

### Tanzania och dess historia

Förenade republiken Tanzania bildades 1964 av två före detta kolonier, Tanganyika på fastlandet och ögruppen Zanzibar. Omkring 20 procent av landytan anses som måttligt god eller god jordbruksmark, men endast cirka fem procent brukas permanent, merparten används antingen som betesmark eller är skogsbevuxen. Sedan början av 1960-talet har invånarantalet fördubblats två gånger till 44 miljoner, den bördigaste jorden finns i tätbefolkade områden, degraderingen av mark och ekosystem ökar och vattenförsörjningen är otillräcklig i många områden. Det finns markkonflikter mellan vandrande landsbygdsbefolkning och jordbrukare, mellan landets elit och andra grupper och mellan konkurrerande markanvändningssyften. Landet har styrts av ett parti sedan självständigheten, men 1992 introducerades ett flerpartisystem och Tanzania ses som en stabil demokrati. Korruptionsskandaler förekommer periodiskt, men landet har haft en stadig och god makroekonomisk utveckling sedan 2005 i form av hög tillväxt och växande exportvolym. De flesta tanzanier är dock fortfarande fattiga och när det gäller millenniemålen har utvecklingen varit ojämn, förmodligen uppnås fyra av målen fram till 2015 medan tre inte kommer att uppnås.

### Nationella utvecklingsstrategier

Tanzanias utvecklingsprioriteringar har implementerats genom en serie av strategier och planer som understöds av ett växande antal givare. Bland planerna finns Vision 2025 (Vision 2020 för Zanzibar) om Tanzania som ett medelinkomstland senast 2025, den nationella strategin för tillväxt och fattigdomsbekämpning (MKUKUTA I och II

samt MKUZA I och II för Zanzibar) och femåriga utvecklingsplaner (FYDP) som inleddes 2011 med målet att uppnå Vision 2025. De första FYDP-planerna beaktar målen för MKUKUTA II, men har en annorlunda strategi. Den baseras på nya möjligheter snarare än tillgängliga resurser och fokuserar på investeringar i energi, transportinfrastruktur, informations- och kommunikationsteknik (ICT), industri, jordbruk, vattenresurser och mänskligt kapital.

### **Givarsamfundet**

Ungefär 40 givare är aktiva i Tanzania och det finns omfattande arrangemang för dialog och samordning, men de fungerar ofullständigt. Givarna styrs av en gemensam strategi (Joint Assistance Strategy for Tanzania), avtalet om arbetsfördelning, partnergruppen DPG (Development Partner Group), som har ett permanent sekretariat, arbetsgruppen för allmänt budgetstöd (GBS) och andra arbetsgrupper inriktade på 11 sektorer och 16 teman. Under 2009 uppgick biståndet till mer än 1,6 miljarder USA-dollar (varav 2,8 procent från Finland), vilket motsvarar ungefär 55 USA-dollar per person eller 11,7 procent av bruttonationalprodukten (BNP). Tanzania är ett fattigt land med stora skulder och har fått betydande skuldeftergifter (t.ex. 4,2 miljarder USA-dollar 2006 och 0,6 miljarder USA-dollar 2007) samt GBS från 12–14 givare (inklusive Finland) till ett årligt belopp av 0,50–0,75 miljarder USA-dollar. GBS har lett till positiv användning av offentliga medel på områden som utbildning och hälsa och ses som en framgång trots att stödet inte har gett givarna ett sådant inflytande på förvaltningen som de förväntat sig. Tanzania hör till de bästa utvecklingsländerna när det gäller implementering av Parisdeklarationen.

### **Landsprogram 1998–2007**

I början av den utvärderade perioden styrdes landsprogrammet av Finlands utvecklingspolitiska riktlinjer från 1998 och den relaterade handlingsplanen från 2001. Programvolymen var ca 12 miljoner euro per år, varav GBS stod för 15 procent och resten bestod främst av programbaserat bistånd till utbildningssektorn och den lokala förvaltningen samt skogsbruksprojekt i ett nytt sektorsprogram (SWA). I dessa processer för verkställande av Finlands utvecklingspolitiska program 2004 var regeringen projektägare och ägarskapet delades med andra givare. I fråga om biståndsformerna var målet att öka det programbaserade samarbetet, inklusive GBS, utifrån de tydliga riktlinjerna i programmet från 2004. Detta fokus påverkades av ett antal faktorer, inklusive agendan för biståndseffektivitet (t.ex. till förmån för budgetstöd och gemensam programplanering) och programmets innehåll (t.ex. att skogsbruket var en prioritet). Dessutom spelade kontinuitet och överensstämmelse med det tidigare samarbetet liksom uppfattningen om finländskt mervärde (FAV) en viktig roll. Trots att UM fattade de formella besluten var det ambassaden som till stor del styrde utvecklingen. Volymen ökade kraftigt när Finlands utvecklingspolitiska program 2004 verkställdes och 2009 uppgick den till 40 miljoner euro. Den årliga GBS-allokeringen ökade under tiden till 15 miljoner euro och 2008 stod den för mer än 50 procent av den totala volymen. Då beslutades det att programmet skulle fokusera på GBS, reformeringen av den lokala förvaltningen och skogsbruk/markanvändning samt att Finland skulle avveckla engagemanget inom utbildningssektorn. Övergången till SWA inom skogs-

brukssektorn misslyckades dock på grund av kapacitetsbegränsningar på den tanzaniska sidan.

### **Landsprogram 2008–2011**

Flera faktorer samverkade till att mönstret förändrades under den senare delen av den utvärderade perioden, vissa berodde på givarsamfundet och vissa var specifika för Finland. På grund av att regeringens kapacitet var sämre än väntat kunde den ökade användningen av offentliga ekonomiförvaltningssystem (PFM) för kanalisering av medlen inte vidmakthållas och samtidigt försämrades dialogen mellan regeringen och givarna. Därmed drevs givarna tillbaka till biståndsformer där överensstämmelsen med Parisdeklarationens principer var sämre. Regeringen motsatte sig detta. En komplicerande faktor var att givarna förordade genomgående teman (CCT) som god samhällsstyrning och rättssäkerhet medan regeringen var mer intresserad av budgetstöd och gemensam programplanering. Denna spänning mellan tillhandahållande av bistånd med stor effekt, ägarskap hos landet, långsiktig biståndseffektivitet och beaktande av givarnas värderingar ledde till en situation som var otillfredsställande för båda parterna. I fråga om bilaterala insatser mellan Finland och Tanzania saknade UM dessutom specifika mekanismer för implementering av Parisdeklarationen eller integrering av CCT. Metoden för verkställandet av Finlands utvecklingspolitiska program 2007 hade en fundamental effekt på landsprogrammet. Under en kort planeringsprocess i början av 2008 som involverade ambassaden och UM utarbetades en landsbiståndsplan (CAP). CAP bekräftade de tre befintliga områdena i utvecklingssamarbetet, men signalerade även att nya områden kunde utforskas genom pilotprojekt. I slutet av planeringsprocessen lades dock CAP åt sidan. Insatserna inom de tre huvudområdena fortsatte samtidigt som ogenomskinliga processer för identifiering av nya projekt ägde rum. Processerna föreföll vara grundade på en dialog mellan tanzaniska intressenter och utrikeshandels- och biståndsministern och den sistnämndes egen syn på utvecklingssamarbete, däribland hans tolkning av FAV-konceptet. Därmed blev 2008–2011 en tid med stark diversifiering av biståndet när projektvolymen (delvis för att kompensera ett nytt tak för GBS-stöd) och antalet projekt ökade. Detta förstärkte trenden mot projektbaserat samarbete som redan hade etablerats i givarsamfundet som helhet. Resultatet blev ett fragmenterat landsprogram där UM och ambassadpersonalen var tvungna att splittra sin uppmärksamhet på 18 fristående och i vissa fall dåligt förberedda insatser.

### **Landsprogrammets innehåll**

Vid tidpunkten för fältarbetet i denna utvärdering bestod landsprogrammet av **huvudområdena för utvecklingssamarbetet** (dvs. GBS, reformering av den lokala förvaltningen och skogsbruk/markanvändning), **fristående program** i Zanzibar (Sustainable Management of Land and Environment, SMOLE) och Lindi- och Mtwara-regionerna (Lindi and Mtwara Agribusiness Support, LIMAS) samt ett antal **andra insatser** (ofta benämnda **nya samarbetsområden**), t.ex. Sustainable Development Institute (SDI), Information Society and ICT Sector Development (TANZICT-projektet), Dar es Salaam Reliability of Power Supply (DRPS-projektet) och stöd till fem andra initiativ jämte **regionala** och **icke-statliga** insatser (de sistnämnda inklu-

derar civilsamhällets arbete som stöds av Local Cooperation Fund (LCF), som förvaltas av ambassaden.

### **Svar på forskningsfrågorna**

**Tillgodose Tanzanias prioriteringar.** Vid en första anblick förefaller landsprogrammets aktiviteter tillgodose Tanzanias prioriteringar men det finns skillnader mellan sektorer och biståndsformer: a) GBS kommer högt upp på listan när det gäller att tillgodose regeringens prioriteringar, b) stöd till reformering av den lokala förvaltningen är i linje med regeringens prioriteringar, men förefaller ha påverkats av regeringens tvekan inför en fördjupning av reformagendan, c) samarbetsområdet skogsbruk/markanvändning är i linje med regeringens uttalade avsikt att beakta mark- och miljöfrågor, även om detta inte avspeglas som en prioritet i regeringens planer och budgetar, d) trots att SDI är i linje med regeringens prioriteringar på den högsta politiska nivån överensstämmer det nuvarande projektet ändå inte med den ursprungliga föresatsen, e) DRPS-projektet underlättar hanteringen av en aspekt i energikrisen, men tillgodoser inte regeringens första prioritet, att förbättra kraftproduktionskapaciteten, f) SMOLE överensstämmer i princip med Zanzibaradministrationens prioriteringar eftersom dess mål är att utveckla en hållbar planering av markanvändningen och -förvaltningen, men det finns en risk att resultaten uteblir, g) LIMAS är i princip i linje med den nationella regeringens prioriteringar för utveckling av den privata sektorn, men är inte i linje med den regionala administrationens eller landsbygdsbefolkningens prioriteringar i Mtwara och Lindi.

**Tillgodose Finlands prioriteringar.** Huvuddelarna i landsprogrammet är i linje med nuvarande och tidigare prioriteringar för att främja fattigdomsbekämpning, god samhällsstyrning och/eller regionalpolitik och hållbar användning av naturresurser. Finlands främsta verktyg för fattigdomsbekämpning har varit GBS, som har tillgodosett Finlands prioriteringar tämligen väl. Användningen av LCF för att främja mänskliga rättigheter kan spåras till programmet 2004 och det är relativt enkelt att koppla flera projekt till programmet från 2007 i och med att det tar upp ett brett spektrum av generiska frågor. Därmed tillgodoser insatserna i landsprogrammet överlag Finlands prioriteringar, men vissa insatser kan anses som tveksamma vid en mer ingående granskning av politiken, däribland DRPS, LIMAS och SDI.

**Den politisk dialogens roll.** Tidigt i den utvärderade perioden skedde ett starkt skifte från bilateral till multilateral politisk dialog med regeringen. Under 2001–2007 fördes dialogen till största del inom gemensamma strukturer där Finland hade en stark roll. Detta underlättade utvecklingsarbetet, särskilt i GBS-sammanhang, och ledde till ökad användning av offentliga medel inom sektorer som gynnar fattiga och främjade reformeringen av den lokala förvaltningen. Vad gäller reformering av förvaltningen har den politiska dialogen dock aldrig varit så effektiv som givarna hoppats och detta har varit en orsak till att kvaliteten i dialogen har minskat efter 2007. Tillsammans med kapacitetsbegränsningar på den tanzaniska sidan minskade detta även landsprogrammets effekt. Den svagare politiska dialogen sammanföll med ett nytt tillvägagångssätt där integreringen av olika parter i det politiska beslutsfattandet



och genomförandet minskade i Finland. Exempelvis hade ministern under sitt besök i Tanzania i slutet av 2007 en dialog med tanzaniska myndigheter och identifierade personligen ett antal nya samarbetsområden. Bristen på analys och transparens gör det tveksamt om detta är en form av dialog som underlättar utvecklingssamarbetet.

**Överensstämmelse med Parisdeklarationen.** GBS-formen är väl i linje med Deklarationens principer inte bara därför att den indikerar användning av nationella PFM och upphandlingssystem, men även för att den främjar gemensamma analyser, ömsesidigt ansvarsutkrävande och användning av resultatorienterade ramverk. Förutsägbarheten i Finlands GBS-stöd har också varit god, delvis därför att Finland inte tillämpat tungrodda villkor för stödet. Det ökade projektsamarbetet sedan 2007, ett större antal parallella strukturer för genomförandet och minskad användning av nationella system i Finlands utvecklingssamarbete med Tanzania har dock urholkat effekterna av Deklarationens. Samtidigt som principerna i Deklarationens beaktas till stor del vid GBS och stödet till den lokala förvaltningen används kostnadsintensiv teknisk assistans och parallella system i projekt som SMOLE, vilket äventyrar deras hållbarhet och överensstämmelsen med Deklarationens.

**Genomgående teman.** Integrering har skett på flera sätt: a) bygga in dem i strukturer för dialog mellan regeringen och givarna, b) inrätta tematiska arbetsgrupper för vissa CCT och där har Finland varit aktiv, c) Finland har strävat efter att ta upp dem i den bilaterala dialogen med Tanzania, d) beakta dem i bilaterala program och projekt och e) göra främjande av CCT till ett centralt mål för LCF-formen. Resultaten inom samhällsstyrning och åtgärder mot korruption har varierat. Detta beror till stor del på att regeringen i stället betonat principerna i Parisdeklarationen. CCT beaktas bäst i LCF-formen, där en satsning på dem ger det starkaste bidraget till uppfyllelse av målen för utvecklingssamarbetet. I andra avsnitt av landsprogrammet införlivas CCT i GBS-översyner och uppföljningssystem för MKUKUTA, men resultaten från främjandet av dessa teman genom GBS har varit varierat. I övrigt betraktas CCT som sekundära frågor utan central betydelse, om de alls beaktas, och därmed får de begränsad effekt.

**Att omsätta utvecklingspolitik till planerade åtgärder.** Efter 2007 har det funnits en rad processer för identifiering av nya samarbetsområden och tillhörande projekt där processen varken har varit transparent eller grundad på gemensamt beslutsfattande. De bilaterala landskonsultationerna 2008 fastställde både de gamla och de nya samarbetsområdena. Sedan dess har ambassaden i princip haft det primära ansvaret för att planera insatserna, även om viss inblandning skett från Helsingfors, t.ex. vid utnämningen av en finländsk programdirektör för SDI med en mycket oklar roll. 2011 gjordes dock en överenskommelse om arbetsfördelningen mellan UM och ambassaden. Detta kommer att klargöra och reglera deltagarnas roller och ansvar i enlighet med en framväxande praxis. Det kan även behövas en utredning om hur man på bästa sätt ser till att ambassaden och UM:s landsteam har tillräcklig expertis för att genomföra överenskommelsen.

**Finländskt mervärde i programval.** Efter 2007 har FAV varit ett viktigt kriterium vid val av samarbetsområden och i synnerhet vid identifiering av projekt. Detta är en av orsakerna till den allvarliga fragmenteringen av landsprogrammet och det förefaller inte vara riskfritt att främja ett så glidande koncept som FAV som drivkraft för politiken och besluten. Överväganden om FAV påverkade även planeringen av insatser, t.ex. inom ICT och på innovationsområdet, där inkubatorverksamhet och utveckling av mobila tillämpningar ska stödjas.

**Styrkor och bästa praxis.** Den främsta styrkan i landsprogrammet är regeringens förtroende för Finland, vilket bygger på det långsiktiga partnerskapet mellan länderna. Ett annat starkt område är Finlands inflytande i givarsamfundet. Inflytandet utövas genom att sakkunniga på ministeriet och ambassaderna fungerar som ordförande eller vice ordförande i DPG och olika sektorsvisa och tematiska arbetsgrupper, inklusive dem för reformering av den lokala förvaltningen, naturresurser, miljö, innovation och teknik. Därigenom bidrar Finland starkt till givarsamordning och ledarskap. Detta beror i första hand på kvaliteten hos landsteamet och i synnerhet hos ambassadpersonalen. En bästa praxis har identifierats, nämligen modellen för partnerskap med FN:s livsmedels- och jordbruksorganisation (FAO). Partnerskapet gav upphov till ett nationellt skogsprojekt (National Forest Resources Monitoring and Assessment, (NAFORMA) med potential att skapa långsiktiga effekter på områden som decentraliserad förvaltning av naturresurser (DeNRM), skogsbruk och klimatförändringar.

**Svagheter och sämsta praxis.** Svagheter i landsprogrammet är i första hand dess fragmentering i och med kapacitetsbegränsningarna på den tanzaniska sidan och Finlands oordnade programplanering sedan 2007. Nu består landsprogrammet av 18 insatser, en tredjedel inom skogsbruk och en annan tredjedel som utgör resultat av ogenomskinliga processer för projektidentifiering. För ett antal av de nya och gamla projekten är det svårt att hitta motiveringar utvecklingsmässigt, socioekonomiskt och ekonomiskt. Dessa frågetecken kan spåras till svagheter i programmet 2007, som var vagt när det gäller biståndsformerna och etablerade en definition av FAV som har visat sig vara svår att tillämpa konsekvent. Flera exempel på sämsta praxis identifierades: a) avsaknaden av regelbunden övergripande rapportering från ambassadens sida, vilket hämmade förståelse och korrigering av den oordnade processen för programplanering efter 2007, b) den svaga kvaliteten på dialogen och beslutsfattandet vid insatserna i Mtwara och Lindi, c) de svaga processerna för beslutsfattande kring SMOLE, d) det ogenomskinliga sättet att finansiera SDI och e) sättet på vilket DRPS-projektet formulerades som en stor infrastrukturinvestering av begränsat strategiskt värde.

**Landsprogrammets kvalitet.** Även om det finns vissa ljuspunkter, främst inom de långsiktiga områdena av samarbetet, i synnerhet GBS, reformering av den lokala förvaltningen, DeNRM, privat skogsbruk och skogsinventering och civilsamhällets deltagande, undergrävs landsprogrammets kvalitet som helhet av problem och brister. SMOLE, LIMAS och flera projekt inom nya samarbetsområden visar svaga resultat, vilket förmodligen beror på brister i det analysarbete som skulle ligga till grund för besluten om att fortsätta eller starta projekten. På ett mer övergripande plan är pro-



grammet väl samordnat med andra givarprogram och kompletterar dem, men det är osammanhängande och tillfredsställelsen hos samarbetspartner på den finländska sidan är ovanligt låg. Detta beror delvis på kapacitetsbegränsningar på den tanzaniska sidan och delvis på otillfredsställande processer på den finländska sidan. Åsikterna om hur FAV har tillämpats går också isär. Det är paradoxalt att ett program som åstadkommit betydande resultat leds av personer som har demoraliserats i exceptionell grad av faktorer som ligger utanför deras kontroll. Rekommendationerna finns i följande tabell.

## SUMMARY

### **Purpose and scope**

The Ministry for Foreign Affairs of Finland (MFA) has commissioned a strategic, holistic and forward-looking evaluation of country programmes over the past decade between Finland and three of its eight long-term partner countries, Nepal, Nicaragua and Tanzania. The purpose of this is to clarify the relationship between development policy and cooperation programming, to describe the mechanisms that were used to translate policy into practice, to document influences that shaped the outcome, and to identify strengths, weaknesses and lessons learned. The scope of this particular report is the country programme in Tanzania during a period that encompasses the after-effects of the 1998 Finnish development policy and its 2001 operationalisation plan, the introduction of the 2004 and 2007 policies, and the implementation of the 2005 Paris Declaration.

### **Methods**

Information sources included documents from the MFA archives in Helsinki, other published and unpublished material, and semi-structured interviews with 96 individual knowledge holders in Finland and Tanzania. As an analytical tool, 14 evaluation criteria were used to help answer key questions about each country programme that were posed in the ToR, and to prepare a narrative to explain the main features of the programme and the processes and influences which shaped it.

### **Tanzania and its history**

The United Republic of Tanzania was formed in 1964 from the colonies of Tanganyika (mainland Tanzania) and the archipelago of Zanzibar. Some 20 percent of the total land area is moderate to good for agriculture, but only about five percent is permanently cultivated and most is used for grazing or is under forest or woodland. The number of Tanzanians has doubled twice to 44 million since the early 1960s, the most fertile lands are densely populated, land and ecosystem degradation is increasing, and the supply of water is inadequate in many areas. There are conflicts over land between pastoralists and cultivators, between elite and other groups, and between competing land-use allocations. The country has been governed since independence by one party, but in 1992 a multi-party political system was introduced and Tanzania is seen as a stable democracy. There are periodic corruption scandals, but macroeconomic performance has been consistently good since 2005, with high levels of growth and increasing levels of exports. Most Tanzanians remain poor, however, and progress toward the Millennium Development Goals is uneven, with four likely and three unlikely to be achieved by 2015.

### **National development strategies**

Tanzania's development priorities have been implemented under a series of strategies and plans which have been supported by an increasing number of donors. These include Vision 2025 (or Vision 2020 for Zanzibar) which envision that Tanzania will

become a middle-income country by 2025, the National Strategy for Growth and Reduction of Poverty (MKUKUTA I and II, or MKUZA I and II for Zanzibar), and five-year development plans (FYDPs) beginning in 2011 that aim to achieve Vision 2025. The first FYDP takes into account the objectives of MKUKUTA II but its approach is different, being based on opportunities rather than available resources and targeting investments in energy, transport infrastructure, information and communication technology (ICT), industry, agriculture, water resources and human capital.

### **The donor community**

About 40 donors are active in Tanzania, and dialogue and coordination arrangements are elaborate although imperfectly functional. They are guided by a Joint Assistance Strategy for Tanzania, a division of labour agreement, and a Development Partner Group (DPG) which has a permanent secretariat, a working group on general budget support (GBS), and other working groups that focus on 11 sectors and 16 themes. In 2009, total aid amounted to over United States Dollars (US\$) 1.6 billion (2.8 percent of it from Finland), about US\$55 per person or 11.7 percent of gross domestic product (GDP). As a highly-indebted poor country, Tanzania has received significant debt forgiveness (e.g. US\$4.2 billion in 2006 and US\$0.6 billion in 2007), meanwhile also benefiting from GBS from 12-14 donors (including Finland) at an annual rate of US\$0.50-0.75 billion. GBS has had a positive impact on public spending in areas such as education and health, and is seen as a success although it has yielded less influence on government than donors expected. Tanzania ranks among the top developing countries in implementing the Paris Declaration.

### **Country programming, 1998-2007**

The country programme at the start of the evaluation period had been guided by the 1998 Finnish development policy and its 2001 operationalisation plan. Its volume was around €12 million/year, with GBS as 15 percent of the total and the rest being mainly programme-based aid in education and local government support, plus forestry projects in an incipient Sector Wide Approach programme (SWAp). The processes by which Finland's 2004 development policy were put into practice were owned by government and shared with other donors. In terms of modalities, the objective was to increase programme-based cooperation, including GBS, based on the explicit guidance of the 2004 policy. Choices were influenced by a number of factors, including the aid effectiveness agenda (e.g. in favour of budget support and joint programming) and the 2004 policy itself (e.g. forestry as a priority). Continuity and consistency with past cooperation, as well as the perception of Finnish added value (FAV), also had important roles. Although the MFA formally took the decisions, the embassy was very much in the driver's seat. There was strong growth in volume as Finland's 2004 development policy was put into effect, and this reached €40 million in 2009. The annual GBS allocation grew meanwhile to €15 million, and exceeded 50 percent of the total in 2008. It was then decided that the programme would focus on GBS, local government reform (LGR) and forestry/land-use, and that Finland would withdraw from education. The move to a SWAp in the forestry sector failed, however, due to capacity constraints on the Tanzanian side.

## Country programming, 2008-2011

Several factors combined to change this pattern later in the evaluation period, some acting across the donor community and some specific to Finland. Because of weaker-than-expected government capacity, increased spending through public financial management (PFM) systems could not be sustained, while there was a weakening dialogue between government and donors. Hence the donors were drawn back to project modalities that were less than strictly compliant with Paris Declaration principles. This was resisted by government, but a complicating factor was that the donors also tended to advocate the cross-cutting themes (CCTs), such as good governance and the rule of law, which were of less interest to government than budget support and joint programming. The outcome of this three-way tension, between effective delivery of high-impact aid, country ownership and longer-term aid effectiveness, and donor values, was not entirely satisfactory to either side. In the case of bilateral interventions involving Finland and Tanzania, an added factor is that the MFA lacked specific mechanisms either to implement the Paris Declaration or to mainstream the CCTs. The way in which Finland's 2007 policy was put into practice also had a profound impact on the country programme. A short programming process in early 2008 involved the embassy and MFA in producing a Country Assistance Plan (CAP). The CAP confirmed the three existing areas of cooperation but also signalled that new areas could be explored through pilots. At the end of the programming process, however, the CAP was set aside. Thereafter, while the three main areas of cooperation continued, opaque project-identification processes took place, seemingly based on dialogue between Tanzanian stakeholders and the Minister for Foreign Trade and Development and on the latter's own development views, including his interpretation of the concept of FAV. Thus 2008-2011 was a time of strong diversification, as project aid grew in volume (partly to compensate for a new ceiling on GBS) and the number of projects increased. This amplified the trend towards project-based cooperation which had already become established in the donor community as a whole. The result was a fragmented country programme, with MFA and embassy staff having to divide their attention among some 18 stand-alone and in some cases ill-prepared interventions.

## Content of the country programme

At the time of the field work for this evaluation, the country programme comprised the **main areas of cooperation** (i.e. GBS, local government reform, and forestry/land-use), **stand-alone programmes** in Zanzibar (Sustainable Management of Land and Environment or SMOLE) and the Lindi and Mtwara regions (Lindi and Mtwara Agribusiness Support or LIMAS), and also a number of **other interventions** (often called the '**new areas of cooperation**', i.e. the Sustainable Development Institute or SDI, the Information Society and ICT Sector Development or TANZICT project, the Dar es Salaam Reliability of Power Supply or DRPS project, and support for five other initiatives), along with **regional** and **non-governmental** activities (the latter including civil society work supported by the embassy-managed Local Cooperation Fund or LCF).

## **Answering the research questions**

**Meeting the priorities of Tanzania.** Country programme activities seem at first glance to meet the priorities of Tanzania but there are differences among sectors and modalities: (a) contributions to GBS rank highly in meeting government priorities; (b) support to local government reform is in line with government priorities but seems to be affected by government hesitation in deepening the reform agenda; (c) the forestry/land-use area of cooperation is in line with government's declared intention to address land and environmental issues, although it is not reflected as a priority in government plans and budgets; (d) the SDI is in line with government priorities at the highest political level, yet the current project is inconsistent with the original intention; (e) the DRPS project is helping to relieve one aspect of the energy crisis, but does not address the first government priority of improving generation capacity; (f) SMOLE in principle accords with priorities of the Zanzibar government, since it aims to enhance sustainable land use planning and management, but it risks failing to produce results; (g) LIMAS is in principle in line with the national government's priorities on development of the private sector, but is not in harmony with the priorities of the regional administrations or rural people of Mtwara and Lindi.

**Meeting the priorities of Finland.** The main elements of the country programme are in line with current and past priorities of promoting poverty reduction, good governance and/or regional policy, and sustainable use of natural resources. Finland's main tool for poverty reduction has been GBS, which has met Finnish priorities reasonably well. The use of LCF to promote human rights can be traced to the 2004 policy, and several projects can be linked to 2007 policy although this is facile as the policy refers to a wide range of generic issues. Thus country programme activities do generally meet Finnish priorities, but some interventions would be questionable under close policy scrutiny, including DRPS, LIMAS and the SDI.

**The role of policy dialogue.** Early in the evaluation period there was a strong shift from bilateral to multilateral policy dialogue with government, and in 2001-2007 most dialogue occurred within shared structures in which Finland had a strong role. It helped enable development, in particular in the context of GBS which increased public spending in pro-poor sectors, and also in promoting local government reform. On government reform, however, policy dialogue has never been as effective as donors hoped it would be, and this contributed to reducing the quality of dialogue from 2007. Together with capacity constraints on the Tanzanian side, this reduced the impact of the country programme. The weakening of policy dialogue coincided with a new and less participatory approach to policy making and implementation in Finland. Thus the minister, while visiting Tanzania in late 2007, had a dialogue with Tanzanian authorities and personally identified a number of 'new areas of cooperation'. In the absence of analysis and transparency, it is doubtful whether this form of dialogue helped enable development.

**Paris Declaration compliance.** The GBS modality is well in line with Declaration principles, not only because it implies use of national PFM and procurement systems but also because it promotes joint analyses, mutual accountability and use of results-

oriented frameworks. The predictability of Finnish GBS contributions has also been good, partly because Finland has not applied onerous conditions to them. Along with the increase of project cooperation in Tanzania since 2007, Finland has increased the number of parallel implementation structures, and reduced the use of national systems, thus eroding Declaration performance. While much attention is paid to the principles of the Declaration in GBS and local government support, cost-intensive technical assistance and parallel systems are used in projects such as SMOLE, compromising their sustainability as well as Declaration compliance.

**The cross-cutting themes.** Mainstreaming has been attempted in several ways: (a) by building them into the government-donor dialogue structures; (b) by establishing thematic working groups on certain CCTs, in which Finland has been active; (c) by Finnish efforts to raise them in the bilateral dialogue with Tanzania; (d) by considering them in bilateral programmes and projects; and (e) by making the promotion of CCTs key objectives of the LCF modality. Results on good governance and anti-corruption measures have been mixed, largely because government has been stressing the Paris Declaration principles instead. The LCF modality is where the CCTs are best taken into account, and where paying attention to them most strongly contributes to achieving development cooperation aims. Elsewhere in the country programme, the CCTs have been incorporated in the GBS reviews and the MKUKUTA monitoring system, but the results in advancing them through GBS have been mixed. Otherwise, if addressed at all the CCTs are treated as issues of peripheral rather than central importance, and their impact is accordingly limited.

**Translating development policy into activity designs.** After 2007, the processes by which a number of new areas of cooperation and projects in those areas were identified were neither transparent nor based on collective decision-making. The 2008 bilateral country consultations confirmed both the old and the new areas of cooperation. Since then, the embassy in principle has had lead responsibility in designing interventions, although even here there were intrusions from Helsinki that led, for example, to the appointment of a Finnish programme director to the SDI with a very unclear role. By 2011, however, a division of labour agreement was being developed between the MFA and embassy that will clarify and regularise the roles and responsibilities of the participants in line with emerging standard practice. An investigation may also be needed of how to ensure that expert staff resources at the embassy and the MFA country team are adequate to implement this agreement.

**Finnish added value in programming choices.** After 2007, FAV has been an important criterion in the selection of areas of cooperation, and in particular in the identification of projects. This is one of the reasons for the serious fragmentation of the country programme, and it seems that promoting a slippery concept like FAV into a driver of policies and decisions is not without risks. Considerations of FAV also affected activity design, for example in the ICT and innovation field, where incubation activities and development of mobile applications are to be supported.

**Strengths and best practices.** The main strength of the country programme is the reservoir of trust on the part of the government towards Finland, which is due to the long-term partnership between the two countries. Another area of strength is Finnish influence in the donor community that is exerted by having the Minister-Counsellor and Counsellors of the embassy as chairs or co-chairs of the DPG and various sectoral and thematic working groups, including those on local government reform, natural resources, environment, and innovation and technology. Finland has thus contributed strongly to donor coordination and leadership. This results primarily from the qualities of the country team and particularly the embassy staff. One best practice was identified, namely the partnership model with Food and Agriculture Organisation of the United Nations (FAO), which has given rise to a National Forest Resources Monitoring and Assessment (NAFORMA) project which has potential for long-term impact in areas such as decentralised natural resources management (DeNRM), forestry and climate change.

**Weaknesses and worst practices.** The key weakness of the country programme is its fragmentation, due to capacity constraints on the Tanzanian side and to Finland's disordered programming since 2007. The country programme now consists of around 18 interventions, a third of them in the forestry sector, and another third resulting from opaque project identification processes. A number of new and old projects are hard to justify in developmental, socioeconomic or financial terms. These issues can be traced to weaknesses in the 2007 policy, which was vague on aid modalities, and established a definition of FAV which proved hard to apply consistently. Several worst practices were identified: (a) the absence of regular comprehensive reporting by the embassy, which prevented understanding and correction of the disordered programming process after 2007; (b) the weak quality of dialogue and decision making around the Mtwara and Lindi interventions; (c) the weak decision-making processes surrounding SMOLE; (d) the opaque means by which the SDI was funded; and (e) the way in which the DRPS project was formulated as a large infrastructure investment of limited strategic value.

**Quality of the country programme.** While there are some bright points, chiefly in the main long-term areas of cooperation and especially in GBS, local government reform, DeNRM, private forestry and forest inventories, and civil society participation, the quality of the country programme as a whole is undermined by problems and deficiencies. SMOLE, LIMAS and several projects in the 'new areas of cooperation' are weak performers, probably due to lack of analytical work to support the decisions that continued or launched them. More generally, the programme is well coordinated with other donors' programmes and complements them, but it is incoherent, and partner satisfaction is unusually low on the Finnish side. This is partly because of capacity constraints on the Tanzanian side, and partly because of unsatisfactory processes on the Finnish side. Views on how FAV has been applied are also divided. Thus there is the paradox that a programme of considerable achievement is being managed by people who have been demoralised to an exceptional degree by factors beyond their control. Recommendations are contained in the following table.



## Summary of key findings, conclusions and recommendations

Key findings	Conclusions	Recommendations
<b>Past programming and operational aspects</b>		
Embassy participation in multi-donor mechanisms amplified the positive influence of the country programme.	The embassy team participated in and contributed to the effectiveness of all relevant coordination mechanisms, thus leveraging influence over key processes to collective benefit and at least cost to Finland, especially in the sectoral and thematic working groups on local government reform, natural resources, and innovation and technology.	Multi-donor mechanisms should be seen as containing opportunities for energetic and influential participation that disproportionately favour Finnish capabilities.
Mainstreaming of the CCTs was inconsistent.	Mixed results on the CCTs were obtained through government-donor dialogue, multi-donor mechanisms, GBS reviews, the MKUKUTA monitoring system and bilateral projects, although the CCTs were well considered through the LCF modality. A deeper consideration of the CCTs from the beginning of country strategy formulation is needed, along with clear guidelines on mainstreaming.	A country strategy should be developed by the embassy and MFA country team, identifying key CCTs and means to address them throughout. Developing clear and practical guidelines on how to mainstream the CCTs should be considered a high priority for the MFA as a whole and should be met in dialogue with the embassy teams that will actually use them in programming.
The Minister for Foreign Trade and Development exerted a very strong personal influence on the country programme after 2007.	Personal interventions, opinions and dialogue with high-level stakeholders led to a number of expensive interventions and diverse	Programming should be based on rigorous and transparent analysis and collective decision making, guidelines to this effect should be issued,



	<p>projects, thus fragmenting the programme and damaging staff morale at the embassy and MFA country team.</p>	<p>and these principles should be written into division of labour agreements with embassies.</p>
<p>Diverse interpretations of FAV were applied and contributed to the proliferation of projects and fragmentation of the country programme.</p>	<p>While FAV may help explain some aspects of a country programme, it is too slippery a concept to be applied consistently and is therefore unreliable as a driver of policies and decisions. Since it is by definition a collective attribute, FAV is likely to be nearly meaningless when applied to choices made by any individual.</p>	<p>FAV should be used very cautiously in making policies and decisions, and if considered in any context it should be clearly defined in that context.</p>
<p>An upward trend in Paris Declaration compliance from 2006 to 2008 was replaced by a clear downward trend from 2008 to 2011, both globally and in the Tanzania country programme.</p>	<p>Reasons include a lack of specific mechanisms and operational guidelines with which to implement the Declaration, weaknesses in national management systems, delays in consensus over the use of sector-wide approaches in new thematic areas, and the use of new aid instruments. There are also inherent tensions between the effective delivery of high-impact aid to targeted groups, the basing of aid on global values, and the promotion of country ownership and longer-term aid effectiveness. In Tanzania, Finnish actions also took the country programme in the direction of project-based cooperation.</p>	<p>Tension between the demands of the Declaration and the need for a flexible and adaptive programme should be recognised, and government should be consulted in the development of guidelines for applying the Declaration across the country programme.</p>

### Future programming aspects

The country programme is highly fragmented and requires consolidation.

Consolidating the programme while current commitments run down may cause new opportunities and urgent needs to be neglected. There is a need for urgent country dialogue, informed by the new Finnish development policy, through which to agree the principles to use in consolidating the country programme, including projects and themes to be phased out, continued or replaced by others.

A country strategy for implementing the new development policy should be developed by the embassy and MFA country team, identifying key CCTs throughout and with a logical framework for the programme as a whole and for all component parts of it. Every proposed change to the country programme should be considered in relation to the long-term plans and visions of government, and planned in detail with the embassy, yielding an exit plan, a continuation plan, a modification plan, or a proposal for each intervention, as appropriate.

# 1 INTRODUCTION

## 1.1 Scope and purpose

The beginning of a new government term in Finland is traditionally associated with the review and revision of the country's development policy, the aim being to harmonise it with the government's policy programme as a whole and with evolving international priorities and practices in the fields of development cooperation, Official Development Assistance (ODA) and sustainable development. This process is underway at the time of writing, and will yield new policies to balance continuity and change over the years reaching beyond 2015 and the Millennium Development Goals (MDGs). The existing country programmes will inevitably come to be seen in a new light, and their future determined under new influences. Exactly how these influences will be applied will depend on the procedures and practices of the Ministry for Foreign Affairs of Finland (MFA), exerted in dialogue and cooperation with the embassies of Finland in its partner countries, with their governments and other national stakeholders, and with the international community of nations and organisations, all under the oversight of Parliament and public opinion.

In this process, the quality and effectiveness of mechanisms of policy implementation are crucially important, and adapting them to new circumstances requires a nuanced understanding of the strengths and weaknesses of what has gone before, as well as an appreciation of current and emerging constraints and opportunities. The MFA has therefore commissioned a strategic, holistic and forward-looking evaluation of country programmes over the past decade between Finland and three of its eight long-term partner countries, Nepal, Nicaragua and Tanzania. The purpose of this is to clarify the relationship between development policy and cooperation programming, to describe the mechanisms that were used to translate policy into practice, to document influences that helped shape the outcome, and to identify strengths, weaknesses and lessons learned. Findings from all three country evaluations are also being used as inputs to a single policy brief to provide overall conclusions. The Terms of Reference (ToR) for the whole evaluation are given in Annex 1.

The subject of this particular report is the country programme between Finland and Tanzania, the starting point being the last complete evaluation undertaken there by Porvali, Ruotsi, Laaksonen & Vuorela (1995), but focusing on the period since 2002. Development cooperation in this period was subject to the guidance of successive Finnish development policies, including that of 1998 (MFA 1998) and its operationalisation plan (MFA 2001), as well as the introduction of new policies in 2004 (MFA 2004a) and 2007 (MFA 2007), and also the implementation of the 2005 Paris Declaration on Aid Effectiveness. The period was characterised in Tanzania by political stability and constant growth in gross domestic product (GDP). A number of Tanzanian policy documents were also published during this period, including the first full Poverty Reduction Strategy Paper (PRSP) which was issued by the Government of Tanzania in 2005.

## 1.2 Methods and reports

As outlined in the ToR and with increasing detail in the Start-up Note of April 2011 and the Inception Report of May 2011, the evaluation involved the following steps. In the **Preliminary Phase** (April-July 2011), documents were reviewed and specific questions developed to guide interviews so that the team could acquaint themselves with the overall framework and context for development cooperation in Tanzania, allowing the **Desk Study** to be prepared.

- In the **Field Phase** (September-November 2011), the findings of the preliminary phase were considered alongside the policy and programming situation in Tanzania itself, adding further detail while also considering the involvement of other donors, culminating in a presentation to the Embassy of Finland in Dar es Salaam (EFD) at the end of September, followed by further interviews in Helsinki, and allowing the **Country Report** to be prepared.
- In the **Reporting Phase** (November-December 2011), the findings of the field phase were enriched by further document study and correspondence, allowing the **Final Report** to be prepared.

Information to support the analysis was obtained from literature review and research in the MFA archives in Helsinki (References; Annex 3), including the study of correspondence between the EFD and the MFA in Helsinki. Further information was obtained from semi-structured interviews with knowledge holders in Tanzania and Finland (Annex 2). The interviews were guided by an explanation of the ToR and a list of questions or discussion topics provided to the interviewees beforehand. No documents provided by the embassy or obtained from the MFA archives were supplied to third parties, and no direct quotations from these or other unpublished documents or interviewees were included in any report. Similar methods were used for all three country studies. The draft reports were circulated for comment by the evaluation unit of the MFA and the relevant embassy to correct any factual errors or misunderstandings that may have arisen, and revised as necessary.

As an analytical tool, the evaluation uses 14 evaluation criteria (Table 1) to help answer a number of key questions about the country programme, and to explain the main features of the programme and the processes and influences that shaped it. The evaluation criteria are similar to those used in a synthesis of 22 evaluations on recent development cooperation activities (Caldecott, Halonen, Sørensen, Dugersuren, Tommila & Pathan 2010). They were slightly modified, however, for the current purpose of holistically analysing an entire country programme over a whole decade. Some criteria were altered in name and definition to accommodate this new use, most obviously with the Effectiveness criterion being replaced by Strategic Effectiveness, and Activity Design by Programming Logic. The country programme was scored according to each criterion, using a system in which 'a' meant very good, 'b' meant good, 'c' meant some problems, and 'd' meant serious deficiencies. As required by the ToR, an evaluation matrix (Table 2) was prepared during the Preliminary Phase and used to structure the enquiry. It relates the evaluation questions posed in the ToR to the evaluation criteria that are considered in Section 4, and to the research questions that are answered in Section 5.

**Table 1** The evaluation criteria.

<b>Criterion</b>	<b>Definition</b>
Relevance	Whether cooperation efforts respond to the needs of the beneficiaries in their political, economic and ecological contexts, and whether they are aligned with the overall policy environment (Section 4.1).
Efficiency	Relating to sound management and value for money, i.e. whether the same or better results might have been achieved through different means or with lower overall expenditure or with different rates of expenditure (Section 4.2).
Strategic effectiveness	Whether results are being achieved, by agreement between Finland, other actors and the country concerned, that contribute to “stable poverty-reducing economic development on an ecologically sustainable basis” and on a nationally-significant rather than merely a local scale (Section 4.3).
Impact	Assesses wider and longer-term effects of the country programme as a whole, in terms of positive impact by improving well-being or negative impact by reducing well-being (Section 4.4).
Sustainability	Whether the country programme will have the effect of continuing to achieve beneficial results in terms of poverty reduction indefinitely (Section 4.5).
Coordination	The quality of interactions among relevant groups and other donors and whether synergies occur and conflicts or overlaps do not (Section 4.6).
Complementarity	How well concurrent Finnish policies, plans, actions and choices support one another, and the degree of harmony among donor and government partners in achieving common desired outcomes, i.e. ‘internal’ and ‘external’ complementarity respectively (Section 4.7).
Compatibility	How well the goals of Finland’s development cooperation policy and the partner country’s development policy are taken into account and where necessary reconciled in planning and implementing activities (Section 4.8).
Connectedness	The linkages between systems that are being targeted by a policy priority or country programme plan or activity and other systems that may affect outcomes, i.e. vulnerability or resilience to external factors (Section 4.9).

Coherence	Whether the policies and plans of all members of Finland's development community are in line with each other, and whether they are in harmony with those of other actors (Section 4.10).
Finnish added value (FAV)	The contribution of knowledge, skills, approaches, priorities and processes that are specifically Finnish in nature (Section 4.11).
Partner satisfaction	Whether and to what extent all partners and stakeholders in a country programme are satisfied with its processes and results (Section 4.12).
Programming logic	Whether the context, problems, needs and risks have been analysed well enough and the right choices made to drive the programme to deliver useful results and sustainable impacts (Section 4.13).
Replicability	Whether lessons have been learned so that programmes in the future or in other locations can be modelled on improved versions of past ones (Section 4.14).

Source: modified from Caldecott *et al* 2010.

**Table 2** The evaluation matrix.

Evaluation questions	Research questions	Evaluation criteria
1. How does the Finnish development cooperation programme comply with and adhere to the country's own development and poverty reduction strategies and the development Policy of Finland and its poverty reduction and sustainable development goals? Has the policy dialogue between Finland and the partner country been able to further the creation of enabling environment for development?	1.1 How and to what extent did programme activities meet the priorities of partner countries?	Relevance, Compatibility, Partner satisfaction
	1.2 How and to what extent did programme activities meet the priorities of Finland?	Relevance, Coordination, Compatibility, Coherence
	1.3 How and to what extent did policy dialogue help enable development?	Relevance, Sustainability, Compatibility

2. Are the modalities of development cooperation conducive to the effective implementation of the Paris Declaration?	2.1 How do the various modalities compare in Paris Declaration terms?	Coordination, Compatibility, Complementarity
3. What are the major mechanisms of enhancing, programming and implementing the cross-cutting themes of the Finnish development policy in the cooperation context and what are the major results?	3.1 How and to what extent are the cross-cutting themes mainstreamed in development cooperation?	Impact, Sustainability, Programming logic
	3.2 To what extent has paying attention to cross-cutting issues contributed to achieving the aims of development cooperation?	Impact, Sustainability, Programming logic
4. What is the process of transforming the development policy into practice? Does the selection of the development sectors, instruments, and activities in which Finland is involved, correspond to the special value added that Finland may bring in to the overall context of external development funding in a country, including other donors?	4.1 What processes are used to translate development policy into activity designs?	Coordination, Coherence, Finnish added value, Programming logic
	4.2 Is Finnish added value reflected in the selection of modality and activity design?	Finnish added value, Programming logic
5. What are the major achievements and possible failures in the last eight years' of the cooperation policy in the context of the partner countries, and in the implementation of the cooperation programme? Any	5.1 What are the main strengths and weaknesses in the cooperation programme in each country?	All criteria
	5.2 Can strengths and weaknesses in cooperation programmes be traced to strengths and weaknesses in policy or	Compatibility, Connectedness, Coherence, Programming logic

best or clearly un-successful practices identifiable? Have the selected development instruments been complementary and their use coherent with the policies?	in the mechanisms that translate policy into practice?	
	5.3 Can best practice examples be identified?	All criteria
	5.4 Can worst practice examples be identified?	All criteria
	5.5 Were development instruments complementary with one another and coherent with policy?	Complementarity, Coherence

The result of this analysis is a report structured in the following way:

- **Section 2** describes the present and recent circumstances of Tanzania and the context of development cooperation within it.
- **Section 3** describes the nature of the Finnish country programme in Tanzania, and explains why and how this position was arrived at, in terms of the processes, influences, decisions and constraints involved.
- **Section 4** reviews the whole programme over the evaluation decade from the points of view of the evaluation criteria, each of which sheds light on a different aspect of the development cooperation process.
- **Section 5** presents a commentary on the research questions derived from the broader evaluation questions specified in the ToR, answering them from the point of view of the whole country programme over the whole evaluation decade.
- **Section 6** presents the main conclusions of the evaluation and identifies lessons to be learned from the consequences of Finland's actions and decisions during the evaluation decade.
- **Section 7** presents recommendations based on the findings of the evaluation.
- **References** list those documents used as sources for specific information.
- **The Evaluation Team:** mini-bios of the experts who prepared the report.
- **Annexes 1-8:** (1) ToR; (2) persons interviewed and institutions consulted; (3) documents reviewed, accessed or otherwise assessed for relevance as background or supplementary resources; (4) net aid flows to Tanzania in 2008-2009; (5) summary of the findings of a GBS evaluation in Tanzania; (6) summary of evaluation of World Bank's 2007-2011 Country Assistance Strategy in Tanzania; (7) Finnish support to Forestry in Tanzania; (8) contributions of the RIPS Programme.



## 2 DEVELOPMENT CONTEXT

### 2.1 Overview of the country

#### Geography and ecology

The United Republic of Tanzania came into being in April 1964 with the merger of two former British colonies, Tanganyika (mainland Tanzania) and the archipelago of Zanzibar, to create a new country with an area of about 945,000 square kilometres. The mainland consists of a low-lying eastern coastal area, a high central plateau and scattered mountainous zones especially in the northeast, where Africa's highest mountain (Kilimanjaro) is situated (Blinker, Manongi, Senkondo, Kitilla & Mato 2006). To the north and west are Africa's largest and deepest lakes (Victoria and Tanganyika respectively). Central Tanzania comprises a large plateau, with plains and arable land. The eastern shore is hot and humid, with the low-lying, coralline island of Zanzibar just offshore. The tropical climate is locally governed by altitude, so that in the highlands average temperatures are between 10 and 20 degrees Celsius (°C) during the cold and hot seasons respectively, while the rest of the country has temperatures rarely falling below 20°C. There are two major rainfall regions, one unimodal (with rains in December-April) and the other bimodal (with rains in October-December and March-May). The former pattern occurs in the southern, south-western, central and western parts of the country, and bimodal rainfall occurs in the north and on the northern coast. Large areas have rather poor soils with low nutrient status, and fertile soils are limited to volcanic areas in the Northern Highlands and the river valleys. Some 20 percent (%) of the total land area is considered to be moderate to good for agriculture, but only about five percent is more-or-less permanently cultivated. Most of the land is used for grazing (50%) or else is classified as forest and woodland.

Population growth has been rapid over the last five decades, with the number of Tanzanians doubling between the early 1960s and late 1980s (Koponen 1996), and then doubling again to its present level of about 44 million. The most fertile lands are densely populated, and land degradation is a problem, whether in the form of deforestation, soil erosion or nutrient depletion. It results from a complex interplay of historical, environmental, social, economic and political factors (e.g. Maddox, Giblin & Kimambo 1996). The absolute supply of water is inadequate and/or sporadic in many areas, and water quality is increasingly compromised even where its availability is adequate. Signs of ecosystem degradation and biodiversity loss are becoming obvious in parts of Tanzania's coastal and marine environments. There are conflicts over land between pastoralists and cultivators (e.g. Monbiot 2003), and both groups encroach on protected areas such as the many large and ecologically significant national parks and other reserves.

#### Recent history of Tanzania

In the struggle for independence, a group of young Africans, led by Julius Nyerere, formed the Tanganyika African National Union (TANU) in 1953, and the British

left Tanganyika in 1961 and Zanzibar in 1963. Under Nyerere's leadership the country embarked on the project of nation-building with few of the resources necessary for the task. The union between Tanganyika and Zanzibar in 1964 led to the merger of TANU and the Afro-Shirazi Party of Zanzibar to form Chama cha Mapinduzi (CCM), which became the sole party in a one-party political system. The events of the first few years following independence, including the emergence of a privileged class, led president Nyerere to issue the Arusha Declaration in early 1967. This articulated a policy of socialism and self-reliance which led to fundamental transformation of the country's economy and politics (Porvali *et al* 1995; Meredith 2005). Villages and village lands were subjected to forced collectivisation in the following years, and plantations, banks and private companies were nationalised. In its early years this Tanzanian version of socialism, known as 'Ujamaa', achieved some improvements social services, especially in health care and education (Tripp & Swantz 1996), but within a decade, despite financial and technical aid from a number of donors, the programme had failed due to inefficiency, corruption, resistance from peasant farmers, and a steep rise in the price of petroleum. Even so, Nyerere's leadership was credited with building a unified and cohesive country that has enjoyed lasting peace among its 120 ethnic groups.

Nyerere's presidential successors, Ali Hassan Mwinyi (1985-1995), and Benjamin Mkapa (1995-2005), tried to raise productivity and attract foreign investment by dismantling government control of the economy. This succeeded in that the economy grew, inflation declined, and Tanzania's foreign debt was greatly reduced. Tanzania went through a period of extensive economic liberalisation, which was well-received by the donor community although most Tanzanians remained poor. Meanwhile, the Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) pandemic deepened across eastern and southern Africa (Murphy 1993), although by the late 2000s there were signs that the insights of epidemiologists and others were starting to be applied effectively to bring it under control (e.g. Pisani 2008).

Tanzania has been governed by the CCM since independence, but in 1992 a multi-party political system was introduced. The first multi-party general election was held in 1995, and three others occurred at five-year intervals up to the most recent in 2010. The latter was the first election after an amendment to the Constitution in 2010 which raised the proportion of 'special seats' from 30 to 40 percent; thus only 21 women out of 239 candidates won constituency elections, but 102 women joined the Parliament through the special seats arrangement. Although the CCM was able to win a mandate in all four multi-party elections, its image has been tarnished in recent years by a series of corruption scandals (e.g. those in the energy sector which led to the resignation of the Prime Minister and two cabinet ministers in December 2007). Factionalism within CCM has also created a sense of instability in both government and parliament, and its popularity seems to be declining, as shown in the 2010 parliamentary and presidential elections in which opposition parties (especially the Party for Democracy and Progress, CHADEMA) significantly increased their share of the vote.

The current head of state is President Jakaya Kikwete, who was elected in 2005 and re-elected in October 2010. He has a good reputation amongst Tanzania's development partners, and Tanzania is a favoured recipient of international aid. Macro-economic performance has been solid since 2005, with high levels of growth and steadily increasing levels of exports. Annual GDP growth has averaged 5-7 percent in recent years, making Tanzania one of the fastest-growing economies in Sub-Saharan Africa. The global financial crisis of 2008 affected Tanzania only modestly. Politically, Tanzania is a stable country and democracy is improving. Corruption is pervasive and in 2010 Tanzania was rated 2.7 on a scale of one ('highly corrupt') to ten ('very clean') in the Corruption Perceptions Index of Transparency International (2010), giving it a slightly better reputation than Uganda (2.5) and Kenya (2.1). The country continues in its efforts to fight corruption, however, and in 2011 its Corruption Perceptions Index had improved to 3.0, while Uganda's declined slightly to 2.4 and Kenya's increased slightly to 2.2 (Transparency International 2011).

Modern-day Tanzania is composed of 26 regions (*mikoa*), including five in the autonomous region of Zanzibar. Since 1973, the official capital has been Dodoma, where parliament and some government offices are located. Dar es Salaam remains the principal commercial city, however, and the de-facto seat of most government institutions. It is the major seaport for the country and its landlocked neighbours. Tanzania has always opened its doors to civilians fleeing violence in the countries that surround it, including Uganda, Burundi, Democratic Republic of Congo (DRC) and Mozambique. It has hosted hundreds of thousands of refugees, mainly from Burundi and DRC, in camps along its western borders. Tanzania also played a significant role in efforts to find a solution to the post-electoral conflict that erupted in Kenya in 2007.

## **2.2 National development strategies**

### **The Helleiner report**

Tanzania's commitments to accelerate economic growth and fight poverty have been implemented under a series of strategies and plans which have been supported by an increasing number of donors. In 1995 the country was experiencing stagnating growth, double-digit inflation and a perceived increase in corruption levels (Thornton, Dyer, Lawson, Olney, Olsen & Pennarz 2010). Relations between donors and the government were then at an all-time low. A team of independent advisors prepared what is known as the 'Helleiner Report' (Helleiner, Killick, Lipumba, Ndulu & Sevendsen 1995), which acknowledged these problems and proposed measures to improve the situation. In addition to being strongly critical of government, the report claimed that donors had contributed to the situation by undermining ownership, by lacking transparency and predictability, and by pursuing aid modalities which burdened the government's administrative capacities. The report was well received for several reasons: Tanzania's ownership and leadership in the development process was recognized; the government was encouraged to set out a vision and priorities for de-

velopment; donors agreed to rationalise assistance and coordinate aid modalities; and all agreed to strive for greater transparency, improved accountability and increased involvement of civil society (EC 2007).

### **The visioning process**

In the late 1990s, the government then began preparing its Vision 2025 (for mainland Tanzania) and Vision 2020 (for Zanzibar) which were published at the turn of the millennium. Vision 2025 envisages that by the year 2025 Tanzania will have graduated into a middle income country with a high level of human development, based on a semi-industrialised economy to replace one based on low-productivity agriculture. The government also started preparing a National Poverty Eradication Strategy and a National Declaration for Poverty Eradication (both published in 1998). The first formal national poverty reduction strategy was prepared by September 2000, following the common format for a PRSP. It was therefore in practice an interim PRSP, and it laid the groundwork for preparation of a full PRSP for the period from 2005/2006 to 2009/2010 (the Tanzanian fiscal year runs from July to June). Consultations on the full PRSP were wide, including the Parliament, civil society, faith-based and private-sector groups, districts and villages, and the donor community.

### **The full Poverty Reduction Strategy Paper**

The full PRSP became known as the National Strategy for Growth and Reduction of Poverty (MKUKUTA). The mainland strategy was paralleled in Zanzibar by the Zanzibar Strategy for Growth and Reduction of Poverty (MKUZA). The second generation of such strategies, MKUKUTA II and MKUZA II, which cover the years 2010/2011 to 2014/2015, were approved at the end of 2010. Both the first and the second generation PRSPs are structured around three clusters, namely Growth and Reduction of Income Poverty (Cluster I); Improvement of Quality of Life and Social Wellbeing (Cluster II); and Governance and Accountability (Cluster III). The strategies aim to accelerate economic growth and enhance poverty-reduction efforts by pursuing pro-poor interventions and addressing implementation bottlenecks. In particular, the second generation PRSPs promote scaling up the role of the private sector in economic growth and employment generation, and emphasize investment in people and infrastructure development.

### **The Tanzania Five Year Development Plan**

In 2009-2010, the government commissioned an independent study to review critically the implementation of Vision 2025. This was followed by preparation of the first Tanzania Five Year Development Plan for 2011/2012 to 2015/2016 (FYDP1), led by the Planning Commission of the President's Office. This is the first of three five-year plans foreseen to target strategic priorities in moving the economy to a higher growth trajectory, thus achieving the goal of Vision 2025. It takes into account the objectives of MKUKUTA II but its approach is different, being based on what it identifies as opportunities rather than available resources. Five core priorities are identified: (a) large investments in energy, transport infrastructure and information and communication technology (ICT); (b) industrial development using local raw materials; (c)

transformation of agriculture; (d) water resources development; and (e) human capital and skills development, with an emphasis on science, technology and innovation. Ambitious GDP growth rates are assumed under FYDP1: an average of eight percent annually over the next five years, and ten percent annually thereafter.

## **2.3 The donor community in Tanzania**

### **The Tanzania Assistance Strategy**

In 2002, the government set out a national framework for aid coordination and harmonisation, known as the Tanzania Assistance Strategy (TAS) for 2002/03-2004/05. This outlined best practices in development co-operation, and it included an Action Plan with four priority areas for immediate action. These comprised: (a) increasing aid predictability; (b) integrating external resources in the Government budget and Exchequer system; (c) harmonizing and rationalising Government and Development Partner processes; and (d) strengthening capacity for external resource management and aid coordination (EC 2007).

### **The Joint Assistance Strategy for Tanzania**

In 2003, a joint study by government and donors raised the idea of developing a Joint Assistance Strategy for Tanzania (JAST), which was finalised in 2006 through a process of multi-stakeholder consultation and drafting. The end result was unsatisfactory to some donors, including Finland, and it had to be complemented by a Joint Programme Document and a monitoring framework before it could be implemented. Under the JAST, donors committed themselves to facilitate domestic accountability: (a) by aligning their support to government priorities and specifically with MKUKUTA and MKUZA; (b) by being transparent in the provision of their development assistance and by making increasing use of government systems in terms of financing, procurement, accounting, auditing, monitoring and evaluation; and (c) by engaging in open dialogue with the government and other domestic stakeholders. The JAST also called for increased aid predictability through enhanced reporting of three-year Medium-Term Expenditure Framework financing commitments. A key goal of the JAST was to ensure more effective division of labour and complementarity among donors.

### **Division of labour among donors**

Donors responded to the TAS and JAST by strengthening coordination, enhancing dialogue and increasing the share of programme aid. The process of allocating roles among donors was completed only in 2009, after more than two years of negotiations. The net result was that a Development Partner Group (DPG) was established which by 2011 comprised the representatives of 17 bilateral and 23 multilateral agencies, the latter including 19 UN entities (DPG 2011; World Bank 2011). The DPG meets monthly, and has a permanent secretariat, a working group on general budget support (GBS), and other working groups (each with 3-10 donor participants) that focus on:

- the sectors of agriculture, trade and industry, energy and minerals, natural resources and tourism, land and human settlements, infrastructure, education, water, health, legal matters, and humanitarian assistance;
- the themes of employment, HIV/AIDS, social protection, culture, governance, public sector reform, local government reform, domestic accountability, anti-corruption, gender, environment, MKUKUTA monitoring, macroeconomic management, public financial management, innovation and technology, and Zanzibar.

### **Dialogue among stakeholders**

To enhance dialogue among stakeholders, including civil society, a number of dialogue forums were set up jointly by government and the donors. These came to include: (a) the Development Cooperation Forum on the highest political level; (b) the annual Poverty Policy Week, during which progress on MKUKUTA and MKUZA is reviewed; (c) the GBS review process; (d) the JAST implementation reviews; (e) macroeconomic performance reviews in the context of the Policy Support Instrument of the International Monetary Fund (IMF); (f) national and local government Public Expenditure Reviews (PER); and (g) poverty monitoring reviews led by the Poverty Monitoring Group. In addition, each sector and thematic area under the DPG has its own dialogue forum based on the principles of the JAST and of effective division of labour among development partners (World Bank 2011).

While the above structures of the national dialogue remained basically the same into 2011, mounting pressure to rationalise them has been felt among donors. The sectoral and national dialogue takes place around different processes (PER, MKUKUTA, GBS, etc.), with often overlapping agendas, schedules and memberships without clear selection criteria as well as weak or unclear inter-linkages. This has led to high transaction costs as well as insufficient quality and ineffective dialogue arrangements and their expected outputs. For example, structures for national dialogue throughout the year are in place for the PER process, but are missing for the MKUKUTA process in terms of policy dialogue on MKUKUTA implementation. Notably, the only multi-stakeholder forum for this purpose is the MKUKUTA Annual Review/Poverty Policy Week.

### **Volume and sources of net ODA**

Net ODA consists of concessional loans and grants to countries listed by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) to promote economic development and welfare, minus repayments of principal on earlier loans. In constant 2007 United States Dollars (US\$), total net ODA to Tanzania amounted to approximately 1.9 billion in 2003, 2.2 billion in 2004, 2.1 billion in 2005, 1.7 billion in 2006, 2.0 billion in 2007, 2.8 billion in 2008, and 2.2 billion in 2009 (TradingEconomics 2011). More detailed figures are given in Annex 4, in current dollars for 2008-2009, and showing the sources of aid. Thus, in 2009, the international community provided net bilateral ODA to Tanzania



of almost US\$1,552 million. Over 66 percent of this was from the European Commission (EC) and European Union (EU) Member States, including nearly 2.8 percent from Finland. There was also another US\$28 million or so in International Development Association (IDA) grants, and over US\$57 million from various United Nations (UN) agencies. The total amounts to almost US\$55 of ODA per person, or 11.7 percent of GDP. The top bilateral donors were in descending order the United Kingdom (UK), the United States of America (USA), the European Commission, Norway, Sweden, Denmark, the Netherlands, Germany, Japan, Ireland, Canada, Finland, Switzerland and Belgium, which together accounted for 96 percent of bilateral aid flows. Although there is little debt forgiveness recorded in 2008 and none in 2009, it was much more prominent previously in Tanzania, with the 2006 and 2007 figures being US\$4,171 million and US\$644 million respectively (IndexMundi 2011).

### **Debt relief and general budget support**

Programme-based aid was a dominant form of assistance to Tanzania in the early 1990s, although it declined sharply in the mid-1990s before rising again to more than 50 percent of external aid in 2003/2004 (Daima & ODI 2005). The Multilateral Debt Fund (MDF), which was set up in 1999, was the first joint effort to provide external financing directly to the government budget (Thornton *et al* 2010). In 2001, encouraged by a record of sound macroeconomic management in Tanzania in 1995-2000, and positive experience with the MDF, 14 donors started to provide GBS to help finance implementation of the first full PRSP. These comprised the African Development Bank, Canada, Denmark, the EC, Finland, Ireland, Japan, Germany, the Netherlands, Norway, Sweden, Switzerland, the UK, and the World Bank. A common framework and joint annual review processes were agreed. The donors committed themselves to increasingly using government treasury, procurement, and financial management systems, and applying programme-based approaches to align their financial support behind the government's programme to implement the PRSP.

A 2005 evaluation of GBS was cautious about the results achieved to that date. In its wider lessons from the Tanzania evaluation, it concluded for example that “GBS can contribute significantly to reduced transaction costs” and “increased discretionary resources would appear to be the main contribution of GBS”, but it also warned that “reinforced internal accountability through GBS is not automatic” and that “the link to poverty reduction is indirect and necessarily long-term” (Daima & ODI 2005, 18). The evaluation made recommendations on how the aid architecture and institutional framework for public policy, spending and accountability should be strengthened for GBS to become effective. The conceptual and management framework of GBS was revised shortly after the evaluation. A new monitoring system was proposed, including the adoption of the MKUKUTA matrix which focused more on outcomes and long-term impacts. The donor community, however, preferred to retain the Performance Assessment Framework (PAF) system that was already in place, and focused on short-term policies and outputs. At that time, it was felt to be the most effective way of applying conditions to disbursements (Thornton *et al* 2010).

Four major cases of mismanagement of public funds were brought to light in 2007, involving the Bank of Tanzania, the Ministry of Finance, and other institutions. The IMF assisted the central bank in carrying out a safeguards assessment, so as to regain the confidence of donors. Discussion on corruption was included in the GBS dialogue, but as of the 2010 discussions the donors remained unsatisfied with government measures to control it. Meanwhile, however, the overall level of GBS doubled from 2004/05 to 2008/09, peaking at over US\$0.75 billion in 2009/2010 (following the global financial crisis in 2008), before declining back to around US\$0.53 billion in 2010/2011 (OECD 2011a). In its budget for 2011/2012, the Government of Tanzania anticipates receiving around US\$0.56 billion in GBS and almost three times that amount in grants, loans and project funding (including basket funds).

### **Improving aid effectiveness**

Tanzania has been at the forefront of the global move toward enhancing the effectiveness and efficiency of external assistance, and the 2002 TAS preceded the 2005 Paris Declaration on Aid Effectiveness. The latter placed an emphasis on ownership of the development agenda and aid by partner countries, and brought with it shared responsibilities for implementing a set of actions to strengthen ownership, alignment, harmonisation, managing for development results, and mutual accountability. In this system, partner countries and donors agreed to hold each other accountable for making progress against agreed commitments and targets by monitoring their implementation, using a number of indicators, most of which have not been met on average by the 78 countries that participated in the most recent global survey (OECD 2011b). For Tanzania the baseline review of Paris Declaration implementation used 2005 data (OECD 2006a), followed by a second review using 2007 data (OECD 2008) and a third using 2010 data (OECD 2011a). The last study reported feedback from 22 donors, including Finland, and covered 80 percent of Tanzania's country-programmable aid. It concluded that government and donors have made considerable progress, with the targets linked to six of 13 indicators being met (Table 3). Thus Tanzania's operational development strategies have improved since 2005, but there has been mixed progress on alignment, little on harmonisation, and a significant setback on the reliability of Tanzanian public financial management (PFM) systems. Even so, Tanzania is among the best-performing developing countries in Paris Declaration terms, and joined Rwanda in being the first to receive 'A' scores for indicator 1 in 2010 (both had scored 'B' in the previous reviews).

## **2.4 Measuring progress in development**

### **Evaluation of MKUKUTA and GBS**

The 2010 annual MKUKUTA/GBS review was of particular importance as it coincided with the completion of MKUKUTA I/MKUZU I and the launch of the MKUKUTA II/MKUZU II. As well as reviewing the 2010 GBS results using the PAF matrix, the performance of MKUKUTA I during 2005/6-2010/11 was also reviewed, using the MKUKUTA implementation report and other surveys. A number



**Table 3** Progress in implementing the Paris Declaration in Tanzania.

<b>Paris Declaration Indicator</b>	<b>2005</b>	<b>2007</b>	<b>2010</b>
1 Operational Development Strategies (score on a five-point scale)	B	-	A
2a Reliable PFM systems (score on PFM/Country Policy and Institutional Assessment)	4,5	4,0	3,5
2b Reliable procurement systems (score on a four-point scale)	-	-	-
3 Aid flows are aligned on national priorities (% reported in the government's budget)	90	84	93
4 Strengthen capacity by using coordinated programmes (% implemented through such programmes)	50	61	26
5a Use of country PFM systems (% using such systems)	66	71	79
5b Use of country procurement systems (% using such systems)	61	69	72
6 Avoiding parallel project implementation units (number of units)	56	28	18
7 Aid is more predictable (% disbursed within the fiscal year for which it was scheduled)	70	61	97
8 Aid is untied (% untied)	97	97	96
9 Use of common arrangements or procedures (% using such arrangements or procedures)	55	61	60
10a Joint missions (percent undertaken)	11	16	26
10b Joint country analytic work (% undertaken)	38	65	48
11 Results-oriented frameworks (score on transparent and monitorable performance assessment frameworks)	B	B	B
12 Mutual accountability (% of mutual assessment review)	Y	Y	Y

Source: OECD 2011a.

of positive results were listed by government, such as strong and sustained GDP growth, a recent decline in inflation, increased employment and improved service delivery translating into achievements in health and education. The government recognised, however, that key challenges remained in areas such as pro-poor economic growth and provision of social services, and the quality of education and the business environment. Moreover, key poverty and hunger targets had not been met, and

rural poverty remained high at 37.6% due to low growth in agriculture (Government of Tanzania 2010a; 2010b). For their part, donors welcomed the increased focus in MKUKUTA II on pro-poor growth, coordination of implementation, equity and quality of service delivery, business climate and implementation of core reforms.

### **The Independent Monitoring Group**

The Independent Monitoring Group (IMG) is a mutual accountability mechanism which had been put in place jointly by government and the donor community. In 2010 it was asked to examine the evolution of aid and its impact and effectiveness over the MKUKUTA I/MKUZAZI I period, and to draw lessons for MKUKUTA II/MKUZAZI II. The resulting report (IMG 2010) made the following findings which were then discussed between the parties:

- The donor-government partnership was compromised by low trust and confidence.
- The quality of dialogue was poor and impacted negatively on cooperation.
- Negative attitudes between the parties were noted.
- Some aspects of aid effectiveness showed slow or even reverse progress.
- The GBS instrument was surrounded by a number of areas of concern and lack of mutual understanding which needed to be addressed in order to sustain the current levels of ODA.

The IMG findings confirmed the negative trends since 2007/2008 that are often mentioned by the parties in informal discussions. These include: (a) fluctuation in GBS and increase of other forms of aid (especially projects); (b) preponderance of bilateral agreements which take precedence over joint review frameworks (such as the PAF) and; (c) a general weakening of the quality of dialogue between the parties during the MKUKUTA I period. Moreover, some donors felt that the preparation of MKUKUTA II had signalled a lack of commitment by government, as a number of ministries seemed not have participated in its preparation. With regard to the annual GBS progress reviews, both parties felt that the PAF structure was much too heavy, with its 21 underlying processes, 25 temporary actions and 44 outcome indicators (in the 2010 review). The reappearance of the five-year development plan as a mechanism last seen before multi-party democracy also confused some donors who felt that its role vis-à-vis MKUKUTA II/MKUZAZI II was not clear. Although the IMG report has not been officially approved by government and donors, it has led to the revision of the dialogue structure, of the division of labour among donors, and of the PAF used in the GBS review process.

### **The Millennium Development Goals**

Progress toward achieving the MDGs is uneven in Tanzania, with four goals likely and three unlikely to be achieved by 2015 (Table 4).

- **MDG 1 (eradicate extreme poverty)** is unlikely to be achieved since poverty levels remain high despite GDP growth in the past few years. This is also reflected in the MKUKUTA II revised income poverty target of 24% by 2015 (under MKUKUTA I, the target was 19.5 percent).

**Table 4** Progress in Tanzania towards the MDGs.

<b>Millennium Development Goals and targets</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>2009</b>
<b>Goal 1: Eradicate extreme poverty and hunger</b>				
Employment to population ratio, 15+, total (%)	87	86	85	78
Employment to population ratio, ages 15-24, total (%)	79	77	76	70
Income share held by lowest 20%	7,4	..	7,3	6,8
Malnutrition prevalence, weight for age (% of children under 5)	25,1	26,9	25,3	..
Poverty gap at purchasing power parity (PPP) \$1.25 a day (%)	30	..	47	28
Poverty headcount ratio at PPP\$1.25 a day (% of population)	73	..	89	68
Prevalence of under-nourishment (% of population)	28	40	39	34
Vulnerable employment, total (% of total employment)	..	..	92	..
<b>Goal 2: Achieve universal primary education</b>				
Literacy rate, youth female (% of females ages 15-24)	78	..	76	76
Literacy rate, youth male (% of males ages 15-24)	86	..	81	78
Persistence to last grade of primary, total (% of cohort)	..	..	74	74
Primary completion rate, total (% of relevant age group)	47	58	55	100
Total enrolment, primary (% net)	51	49	53	97
<b>Goal 3: Promote gender equality and empower women</b>				
Proportion of seats held by women in national parliaments (%)	..	18	16	30
Ratio of female to male primary enrolment (%)	99	98	99	100
Ratio of female to male secondary enrolment (%)	73	82	81	78
Ratio of female to male tertiary enrolment (%)	19	19	15	..
<b>Goal 4: Reduce child mortality</b>				
Immunisation, measles (% of children ages 12-23 months)	80	78	78	91
Mortality rate, infant (per 1 000 live births)	99	95	86	68
Mortality rate, under-5 (per 1 000)	162	155	139	108

<b>Goal 5: Improve maternal health</b>				
Adolescent fertility rate (births per 1 000 women ages 15-19)	..	..	133	128
Births attended by skilled health staff (% of total)	53	47	44	..
Contraceptive prevalence (% of women ages 15-49)	10	18	25	..
Maternal mortality ratio (modelled, per 100 000 live births)	880	920	920	790
Pregnant women receiving prenatal care (%)	62	50	49	76
Unmet need for contraception (% of married women ages 15-49)	28	24	22	..
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>				
Children under age 5 with fever receiving anti-malarial drugs (%)	..	..	53	57
Condom use, population ages 15-24, female (%)	..	6	10	..
Condom use, population ages 15-24, male (%)	..	22	26	..
Incidence of tuberculosis (per 100 000 people)	226	226	236	183
Prevalence of HIV, female (% ages 15-24)	..	..	..	3,9
Prevalence of HIV, male (% ages 15-24)	..	..	..	2
Prevalence of HIV, total (% of population ages 15-49)	4,8	7,8	7,3	5,6
Tuberculosis case detection rate (% , all forms)	39	59	67	77
<b>Goal 7: Ensure environmental sustainability</b>				
Carbon dioxide (CO <sub>2</sub> ) emissions (kilogrammes per PPP\$ of GDP)	0,2	0,2	0,1	0,1
CO <sub>2</sub> emissions (metric tons per capita)	0,1	0,1	0,1	0,1
Forest area (% of land area)	47	..	42	38
Improved sanitation facilities (% of population with access)	24	24	24	24
Improved water source (% of population with access)	55	54	54	54
Marine protected areas (% of total surface area)	4	5	10	10
<b>Goal 8: Develop a global partnership for development</b>				
Debt service (project preparation grant and IMF only, % of exports, excluding workers' remittances)	31	17	12	1
Internet users (per 100 people)	0,0	0,0	0,1	1,5

Mobile cellular telephone subscriptions (per 100 people)	0	0	0	40
Net ODA received per capita (current US\$)	46	29	31	67
Telephone lines (per 100 people)	0	0	1	0
<b>Other</b>				
Fertility rate, total (births per woman)	6,2	5,9	5,7	5,5
Gross national income per capita, Atlas method (current US\$)	200	170	300	500
Gross national income, Atlas method (current US\$) (billions)	4,8	4,9	10,1	21,4
Gross capital formation (% of GDP)	26,1	19,8	16,8	29,8
Life expectancy at birth, total (years)	51	50	51	56
Literacy rate, adult total (% of people ages 15 and above)	59	..	69	73
Population, total (millions)	25,5	30,0	34,1	43,7
Trade (% of GDP)	50,1	65,6	33,5	58,4

Source: World Bank 2010a.

- **MDG 2 (universal primary education)** is likely to be achieved because, for example, primary completion and primary total enrolment rates have improved greatly in recent years, to 100 and 97% respectively in 2009.
- **MDG 3 (promote gender equality)** is likely to be achieved thanks to gender parity having already been reached in primary and secondary enrolment (however, in tertiary education it is progressing slowly). Progress has also been made on women's representation in parliament, albeit mainly through affirmative action rather than electoral success.
- **MDG 4 (reduce child mortality)** is likely to be achieved as under-five and infant mortality rates have declined over the past five years.
- **MDG 5 (improve maternal health)** is unlikely to be achieved due to the very slow progress in reducing the maternal mortality rate.
- **MDG 6 (combat HIV/AIDS, malaria, etc.)** is likely to be achieved as Tanzania has reduced the HIV/AIDS prevalence rate from 7.8 to 5.6% between 1995 and 2009 (although continued progress against malaria and tuberculosis will require much additional effort).
- **MDG 7 (ensure environmental sustainability)** is unlikely to be achieved, since forest cover declined from 47 to 38% in 1990-2009, and progress in access to drinking water, especially in rural areas, has been very slow.

## **Public expenditure and poverty**

Public expenditure has grown significantly in Tanzania, more than doubling between 2004/05 and 2008/09. This has been made possible by fast growth in both domestic and foreign revenues, including budget support. Tax revenue between 1996/97 and 2007/08 grew at an average annual rate of 15.7% (African Development Bank 2010). The contribution of budget support to the financing of public spending has been of major importance, amounting to approximately six percent of GDP annually, or 18-20% of public spending. Within the budget, expenditures on agriculture, education, health, roads and water have grown significantly faster than in other sectors. 'Pro-poor expenditures' (as classified in MKUKUTA) have increased from 27% of all expenditures in 2004/05 to 46% in 2008/09 (Thornton *et al* 2010).

Despite economic growth and foreign aid, poverty remains pervasive in Tanzania. The 2007 Household Budget Survey showed that the proportion of people living in poverty decreased by only 2.4% , from 35.7% in 2000/2001 to 33.3% in 2006/2007. Taking into account the rate of population growth at 2.9 percent annually, the absolute number of the poor increased by over a million during this seven-year period. On the other hand, if income is corrected for purchasing power parity (i.e. to reflect the goods and services rather than US dollars that a given amount of local currency will buy), the percentage of people living in poverty in Tanzania declined from 89 percent in 2001 to 68% in 2007. But however it is measured, income poverty varies by location, with rural areas typically being worse off. Rural growth proxied by growth of the agricultural sector was low, making the change in rural income per person small, thus perpetuating wide-range poverty especially in rural areas (Government of Tanzania 2010a; 2010b).

## **Service delivery and poverty**

The assessment of service delivery presents a diverse picture too. There has been remarkable progress in enrolment in primary and especially secondary schools, but practically no progress in access to safe water. The drive to increase enrolments in schools has also met with supply-side constraints including shortage of skilled teachers and educational materials, resulting in sliding quality indicators (Thornton *et al* 2010). Overall levels of malnutrition remain high, with almost four out of every ten children under five being chronically undernourished. Maternal mortality rates and fertility are showing little or no improvement and the unit cost of delivering basic health services has increased. Achieving the MDGs thus remains elusive in some areas that were previously considered within reach. On the positive side, HIV prevalence in adults has declined, the effectiveness of malaria prevention and treatment has improved, and the country has achieved the MDG targets of gender equality in primary and secondary schools (Research and Analysis Working Group 2010).

However, infrastructure is under-funded, is in very poor condition, and is a major constraint to growth (World Bank 2010b). The financial resources needed to improve infrastructure substantially are much more than the government can afford. Insufficient power supply is considered one of the most serious infrastructural shortcom-

ings. Hydropower contributes about 60% of electricity generation, but this is compromised by poor management and, increasingly, by changing rainfall patterns and deteriorating water catchments. The road and rail systems are also in poor condition, complicating not only the business environment and inhibiting economic growth within Tanzania, but also creating delays in the transport of goods to and from its six landlocked neighbours.

### **The economy and poverty**

There are several possible explanations for why economic growth and donor assistance have not had much impact on reducing poverty in absolute terms. One is that most growth has been in sectors employing a small percentage of the labour force, such as in mining, construction, telecommunications and banking. Another is that growth has mainly been driven by increased public consumption, chiefly fuelled by spending on education and health, and that these forms of public investment have little short-term impact on the incomes of the poor. The challenge is to accelerate and increase improvements to incomes, especially among the rural poor. The government has responded to this with the *Kilimo Kwanza* ('Agriculture First') initiative, a holistic plan to induce a 'green revolution' in the country that is supported by the EC and other donors.

The dynamics of rural livelihoods and incomes may also have become more complex than before. Tanzania appears to be at a significant point of transition, moving away from an overwhelmingly agrarian society towards a more diversified economy. The change is not so surprising and it has happened elsewhere, most strikingly in modern China, though the shift in Tanzania may be more towards informal services and urban-rural remittances than to manufacturing, which has not prospered to date. Economic diversification is strongly reflected in government plans such as Vision 2025 and FYDP1. While they focus on economic diversification and growth in priority areas, other plans such as MKUKUTA/MKUZA and *Kilimo Kwanza* emphasize growth and poverty reduction. Such a dual approach to development will presumably continue, putting donors under pressure to decide whether to continue providing financial support (and particularly GBS) to a government that is increasingly able to mobilise resources by widening its tax base and making lucrative deals with foreign investors, in particular from China.

The exponentially-growing scale of Chinese direct investment in and trade with Tanzania is bound to affect the context for aid, trade and development activities in the country (Jansson, Burke & Hon 2009). For example, the US\$3 billion Mchuchuma and Liganga coal mining, power generation and steel production mega-project agreed in September 2011 is expected to transform the mining industry in Tanzania, not least because government has graduated to become a profit-sharing partner rather than just a collector of royalties (Kimboy 2011). With its turnover of 5-10 percent of GDP, the project will not only create 8,000 jobs directly (the mining sector currently employs only 13,000), but through its various economic links is likely to support other industries and lead to the rehabilitation and construction of roads, railways, ports and



airports. The challenge for government is to ensure that such vast investments benefit a maximum number of people, bearing in mind that they can dwarf the volume of ODA but if poorly-managed will benefit only the political and economic elite, while stimulating corruption, harming the environment and prompting mass resentment.

## 3 DESCRIBING THE COUNTRY PROGRAMME

### 3.1 Development policy background

The Government of Finland issued its first comprehensive development policy in 1993, and updates have since followed, most relevantly in the form of the 1998 policy (MFA 1998) and its operationalisation plan (MFA 2001), and in 2004 (MFA 2004a) and 2007 (MFA 2007). These policies stated Finland's commitments to poverty reduction, promotion of social equality, democracy and human rights as well as combating global environmental threats. They established the basis of Finland's development co-operation in the needs of its partner countries.

The 2004 development policy emphasized policy coherence, for example by stressing that development policy is also security policy, and stated that "the main goal of Finland's development policy is to contribute to the eradication of extreme poverty from the world" (MFA 2004a, 7). To achieve this goal, activities were to include prevention of environmental threats; promotion of equality, human rights, democracy and good governance; and increasing worldwide security and economic interaction. Finnish commitment to the global partnership called for by the Millennium Declaration and the MDGs was confirmed and the policy took its value-basis from the global development values and goals. The policy also called for concentration of Finnish development cooperation on eight long-term partner countries, Tanzania being one of them. The 2004 policy introduced a definition of what was later called Finnish added value (FAV), stating that "our own experience of the development of Finnish society ... also provides a firm foundation for involvement in international development policies" (MFA 2004a, 8). The policy also stated explicitly that programme-based co-operation was to increase, referring to funding of poverty reduction strategies and sectoral programmes through budget support and joint financing arrangements with other donors.

The 2007 development policy, building on the previous ones, highlighted that development policy is an integral part of Finnish foreign and security policy. In order to strengthen policy coherence, the 2007 policy defined trade and development, rural development and the relationship between poverty and the environment as central policy focus areas. It emphasised the relationship between poverty and sustainable development, stating that "the main goal of Finland's development policy is to eradicate poverty and to promote sustainable development in accordance with the MDGs"



(MFA 2007, 15). In particular, the policy noted that eradicating poverty is possible only if progress is made that is economically, socially and ecologically sustainable. It reiterated Finland's commitment to the Paris Declaration and the aim to improve the predictability and continuity of Finnish development funding. It also re-committed Finland to raise its development cooperation appropriations to 0.7% of gross national income by 2015, in line with UN targets and EU agreements. With regard to FAV, the 2007 policy diverged from the 2004 approach by stating that "Finnish development cooperation focuses on areas where Finnish expertise can be best used to support partner countries' own development programmes" (MFA 2007, 17) and by declaring that "project cooperation provides an opportunity to utilise Finnish personnel or know-how" (MFA 2007, 29). It also changed the direction with regard to the use of budget support, saying that "Finland uses budget support as one instrument in countries where this is feasible" and that its role "in our development cooperation will be considered in the near future" (MFA 2007, 29).

## 3.2 The country programme until 2002

The first steps of Finland's development cooperation were taken in Tanzania, which has been one of Finland's major developing country partners since 1964. Since then, Finnish aid in Tanzania has seen good times as well as bad. During the 1970s and 1980s, the emphasis was on increasing the volume of cooperation through supply of Finnish goods and services and without questioning Tanzanian economic or other policies. Finland and other Nordic countries had close relations with Tanzania but these were not used for policy dialogue until the mid-1980s (Porvali *et al* 1995). A recession in Finland at the beginning of the 1990s, weak macroeconomic management including perceived corruption in Tanzania and changes in the development theory and practice, caused a shift in the emphasis from the quantity to the quality of aid in the 1990s. The 1993 Finnish development policy put an emphasis on poverty reduction, promotion of social equality, democracy and human rights as well as on environment. New aid modalities, and in particular programme based cooperation, started to emerge.

In terms of amount by constant value, Finnish bilateral ODA to Tanzania reached €32.8 million in 1990, the peak year of the 'supply-based' era. In 1991-1994, it fluctuated between €15.1 and €27.6 million, before declining to €6.9 million in 1995, the year when relations between the Government of Tanzania and its development partners were at an all-time low, and when the 'Helleiner Report' came out (Section 2.2). Thereafter, Finnish bilateral ODA to Tanzania started to climb again, reaching €14.4 million in 2001 (Table 5; MFA 2010a).

**Table 5** Total MFA disbursements to Tanzania, 1991-2001.

year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
€ millions	27,6	26,3	15,1	19,8	6,9	7,0	8,7	10,7	10,0	13,5	14,4

Source: MFA 2010a.

After the first multi-party elections in 1995 and following President Mkapa's re-election in 2000, Tanzania experienced a period of strong leadership and economic management which translated into constant macro-economic growth. This regenerated confidence among donors and led to aid volumes rising again. The Finnish and Tanzanian government delegations to the bilateral country consultations of 2001 agreed that it was no longer necessary to hold such consultations on a yearly basis. While Finnish project cooperation continued, for example in the Mtwara and Lindi regions and in the forestry sector, new modalities were introduced, notably GBS in 2001. Programme cooperation and basket funding were intensified in support of primary education and local government reform. A Local Cooperation Fund (LCF) was created in 2001 merging three previous instruments managed by the embassy. By 2002, the LCF had already financed about 40 projects costing around €0.74 million (Killian, Ndumbaro, Ishumi & Meena 2004). Finnish support to the Secretariat of the East African Community (EAC) started in 2001.

### 3.3 Evolution of the country programme in 2003-2011

At the beginning of the evaluation period in 2003-2004, the volume of Finnish ODA to Tanzania had again slightly decreased to the level of about €11.8 million/year (Table 6). GBS, however, which was just below €2 million/year in 2001-2003, increased to €3.1 million in 2004. Basket funding in support of the Primary Education Development Programme (PEDP) decreased from €3 million in 2003 to €1.4 million in 2004. In terms of programme-based cooperation, GBS and PEDP were complemented by supporting the local government reform. Projects comprised:

- the Rural Integrated Project Support (RIPS) programme (Phase III) in Mtwara and Lindi, which later gave rise to the District Economic and Social Empowerment Programme (DESEMP) and then to Lindi and Mtwara Agribusiness Support (LIMAS);
- three forestry-sector projects that were started in 2002-2003 with a view to creating a Sector Wide Approach programme (SWAp) for the forestry sector from 2005 onwards; and
- the preparatory phase of the Sustainable Management of Land and Environment (SMOLE) project in Zanzibar, which started in 2003.

**Table 6** Total MFA disbursements to Tanzania, 2002-2010.

year	2002	2003	2004	2005	2006	2007	2008	2009	2010
€ millions	13,4	11,7	11,9	13,8	24,4	26,8	29,7	40,0	36,2

Source: MFA 2010a; 2011.

Meanwhile, Finnish support to civil society continued to grow through the LCF modality, which in 2004 financed projects worth €1.3 million (including €0.3 million of election support through a basket fund). Payments made by the MFA in Finland to other non-governmental organization (NGO) projects in Tanzania amounted to over €1 million. In the absence of formal country consultations, dialogue continued through bilateral technical reviews and on international forums, such as the 'Helsinki process' which was launched in 2003 to facilitate multi-stakeholder dialogue on globalisation (MFA 2008).

Thus, in summary, the Finnish country programme at the beginning of the evaluation period was relatively small in size, at slightly less than €12 million/year. About 43% of it was programme based, comprising 15% GBS and the remainder being support for the primary education and local government reform sectors. The five on-going bilateral projects at the time were all geared towards sustainable use of natural resources. Four of the five projects were to end by 2005, with further support planned to be provided through a SWAp. Support to civil society was substantial and on the increase.

Following the formation of a new government in Finland in 2003, the preparation of a new Finnish development policy was started. According to interviews, the policy was prepared through an open and participatory dialogue between the political leadership, MFA civil servants and other stakeholders, before being adopted in February 2004. The new policy built on the same global values and goals which had already been pursued in Tanzania by government and the donor community, including Finland. Thus, the most concrete outcomes of the policy for the country programme were its call for increased budget support and for further concentration of Finnish development cooperation which allowed a growing funding envelope for Tanzania.

Formal country consultations were organised in February 2005. To emphasise policy coherence, the Finnish high-level delegation tried to expand the discussion into several policy areas, such as good governance and the fight against corruption. The Tanzanian delegation, however, wished to focus more on cooperation issues. The Finnish delegation informed the meeting that the total funding envelope for Tanzania was to grow substantially during the coming years. Both sides expressed general satisfaction on the use of GBS. The Finnish delegation committed €4 million/year to GBS for 2005-2008 and indicated that it could consider increasing this amount. It pledged support to the Local Government Reform Programme (LGRP) for 2005, but indicated that after that the funding could be channelled through GBS. Further, future support to the Mtwara and Lindi regions after the end of the RIPS programme in 2005

could be channelled through the Local Government Capital Development Grant (LGCDG). It was confirmed that the three on-going forestry projects were to end, and that Finland would continue to support the forestry sector through the SWAp. The encouraging results of the PEDP were acknowledged, and €4 million/year was pledged to it for 2005-2006 (MFA 2005).

While the 2005 Tanzania country programme at €13.8 million was still not much bigger in volume than those of the previous years, there was a notable increase thereafter with the programme's volume reaching €29.7 million in 2008 (Table 6). The amount of GBS almost quadrupled from €4 million (29% of the total) in 2005 to €15 million (51% of the total) in 2008. Other programme-based cooperation varied between €4 million and €6 million annually, meaning that project aid also increased. This was caused by a number of factors: the planned move to the SWAp in the forestry sector was first delayed and then replaced by new projects, the SMOLE project entered its implementation phase, and the RIPS programme was followed up by a new project.

In conclusion, the period 2005-2008, which corresponds to the operationalisation of the 2004 Development Policy, was a time of strong growth in volume of the Tanzania country programme, which a level approaching €40 million in 2009. The annual GBS allocation grew four-fold in absolute terms and exceeded 50 percent of the total in 2008. Project aid also increased. Support to civil society continued through the LCF (20-40 projects annually) and NGO support (around 50 on-going projects), the latter exceeding €2 million/year for the first time in 2008. The Finnish disbursements to Tanzania are summarised by operational purpose for the years 2007-2010 (actual) and 2011 (planned) in Table 7, and by OECD/DAC categories for the years 2006-2010 (actual) in Table 8. Table 7 is based on costs reported by the Finnish Embassy in Dar es Salaam, which do not record certain items (such as donor administrative costs and unallocated/unspecified costs) which the MFA reports in total disbursements to the OECD/DAC and which are the basis for Table 8. Thus the totals differ somewhat between the tables, but Table 7 gives a clearer picture of programming in Tanzania, while Table 8 allows for international comparisons to be made.

The elections and new government in Finland in 2007 were followed by the preparation of a new development policy, using a process that included meetings intended to gather the views of NGO and private-sector stakeholders. Observers note that the dialogue between MFA staff and the new Minister for Foreign Trade and Development during the preparation of the policy did not go as smoothly as it had with his predecessor in 2003-2004. For example, the minister was not as willing to provide budget support, which a number of MFA staff strongly favoured, and he also held firm views on the importance of FAV. The policy increasingly came to reflect the minister's personal opinions on development (Väyrynen 2011). He then came progressively to be more personally involved in the translation of the policy into practice. Tanzania was the first long-term partner country that he visited, in November 2007, and this gave him the opportunity for dialogue with Tanzanian stakeholders.

**Table 7** MFA disbursements to Tanzania by operational purpose, 2007-2011.

Operational purpose	Disbursements by year (€ millions)				
	2007	2008	2009	2010	2011 planned
1. GBS	8,6	15,0	15,0	15,0	15,0
2. Forest sector	0,1	2,0	2,8	1,4	4,3
3. LGRP/LGCDG	8,0	2,5	9,5	7,5	11,0
4. SMOLE	0,9	1,2	1,1	1,3	(included in #3)
5. DESEMP/LIMAS	0,3	0,7	0	0,3	(included in #3)
6. One UN Pilot	1,0	2,0	1,0	0	1,0
7. ICT and innovation	0	0	0,1	0,2	5,7
8. Sustainable Development Institute	0	0	0	1,5	(included in #7)
9. Geological survey project	0	0	0	0,3	(included in #7)
10. Dar es Salaam Power Supply	0	0	0	0,2	(included in #7)
11. EAC Partnership Fund	0	1,0	0,7	1,0	(no sum given)
12. LCF	0,9	0,6	0,6	0,5	(no sum given)
13. Support to Finnish NGOs	1,5	2,2	2,4	2,1	(no sum given)
14. Election support	0	0	1,0	1,0	(no sum given)
15. Education	0,4	0,1	0	0	(no sum given)
16. Humanitarian aid	0,2	0,4	0,9	0,7	(no sum given)
17. Naturalisation of Burundi refugees	0	1,0	1,5	0,4	(no sum given)
18. Programme planning, other	0,1	0	0,5	0,5	(no sum given)
<b>Total</b>	<b>22,0</b>	<b>28,8</b>	<b>37,1</b>	<b>33,9</b>	<b>37,0</b>

Sources: EFD 2011a; b; c; d (actual); MFA 2009 (planned).

Formal country consultations, this time at a lower level than in 2005, were held in October 2008. The main agenda items were Finland's 2007 policy, progress in the implementation of MKUKUTA, and the 2007 corruption cases in Tanzania. In terms of future cooperation, the Finnish delegation confirmed their priority areas of regional and local development, forestry/land-use, and GBS. The Tanzanian delegation reiterated the government's preference for GBS, and the Finnish delegation agreed that

**Table 8** MFA disbursements to Tanzania by OECD/DAC category, 2006-2010.

OECD/DAC category	Disbursements by year (€ thousands)					Total
	2006	2007	2008	2009	2010	
Education	274	1 283	1 250	1 785	1 147	<b>5 738</b>
Health	256	751	497	620	834	<b>2 957</b>
Population and reproductive health	0	54	51	44	29	<b>178</b>
Water and sanitation	41	62	98	49	0	<b>250</b>
Government and civil society	8 105	9 467	3 714	11 572	9 275	<b>42 132</b>
Conflict prevention and resolution	0	0	1 000	1 500	500	<b>3 000</b>
Other social infrastructure/services	329	648	665	279	406	<b>2 326</b>
Communication	0	214	159	275	457	<b>1 105</b>
Energy generation and supply	0	0	0	0	176	<b>176</b>
Banking and financial services	0	0	0	0	0	<b>0</b>
Business and other services	0	0	0	0	18	<b>18</b>
Agriculture	40	0	0	0	0	<b>40</b>
Forestry	3 250	1 138	1 542	3 738	1 465	<b>11 133</b>
Fishing	20	20	0	0	0	<b>40</b>
Industry	17	13	35	5	28	<b>99</b>
Mineral resources and mining	0	0	0	0	278	<b>278</b>
Construction	0	0	0	0	0	<b>0</b>
General environmental protection	1 017	872	1 365	1 370	646	5 271
Other multisector	460	1 646	2 676	1 028	3 268	<b>9 078</b>
General budget support	8 609	8 600	15 000	15 000	15 000	<b>62 209</b>
Emergency response	200	200	350	900	700	<b>2 350</b>
Administrative costs of donors	0	816	1 171	1 324	1 163	<b>4 473</b>
Unallocated/unspecified	0	990	93	477	790	<b>2 351</b>
<b>Total</b>	<b>22 617</b>	<b>26 774</b>	<b>29 667</b>	<b>39 966</b>	<b>36 179</b>	<b>155 202</b>

Source: MFA 2011.

a maximum of €15 million in GBS would be provided annually up to and including 2011. The Tanzanian delegation confirmed the government's intention to pursue the decentralisation process, and Finnish support to this process was affirmed. Also noted was the continuation of Finnish support to the forest sector, and to the projects in Mtwara and Lindi and in Zanzibar. Under an agenda item called 'new areas of co-

operation', the Tanzanian delegation requested assistance in capacity building for external resources management, and emphasized their needs in rural and urban power supply. Views were shared on the establishment of a Sustainable Development Institute (SDI), based on discussions that had taken place during the minister's visit to Tanzania in November 2007 and on other occasions.

The Tanzania Development Cooperation Plan 2009-2011 (MFA 2009) was completed after the country consultations, and its main areas of cooperation (i.e. GBS, local government reform, and forestry/land-use) were those agreed there. The Plan stated that new cooperation initiatives were to start in the areas of ICT and innovation and in the energy sector. The establishment of the SDI was also confirmed. In addition, the Plan confirmed Finnish support to the 'One UN' pilot programme.

Total MFA disbursements to Tanzania were €40 million in 2009 and €36 million in 2010 (Table 8). The planned GBS allocations of €15 million were disbursed in 2009, 2010 and 2011. Other programme-based cooperation started strongly in 2009 (€7 million) but fell away in 2010 (€3 million), causing an unplanned fall in total disbursement largely due to slow implementation in the areas of forestry and local government reform. Meanwhile, SMOLE and LIMAS continued, and the four new projects mentioned in the Plan began. In addition, new projects emerged in support of the Geological Research Institute of Tanzania and of potato growing. The funding of Tanzanian NGOs declined as the embassy allocated only about €0.5 million to 11 LCF projects in 2010.

In conclusion, the period from 2008 onwards, during which the 2007 Development Policy was put into effect, was a time of strong diversification for the country programme. Its volume rose to €40 million in 2009 but fell back to €36 million in 2010 as satisfactory disbursement through national systems was not possible due to slow progress and weak financial management on the Tanzanian side. Project aid grew both in volume and in number of projects, with half a dozen new projects emerging in as many areas of cooperation.

### **3.4 General budget support**

The 2004 Finnish development policy stated explicitly that funding of poverty reduction strategies and sectoral programmes through budget support and joint financing arrangements with other donors were to be increased. The MFA compiled the first guidelines on GBS in 2004 (MFA 2004b), which established among other things the criteria which had to be met by the beneficiary country in order to qualify for GBS. New guidelines on GBS and sectoral budget support (SBS) were issued in 2010 (MFA 2010b). They set a ceiling of 25 percent for bilateral country-specific development aid given as GBS, to be applied after current commitments expire, and also shifted the focus from GBS to SBS. They summarised the practices of other countries that give GBS and/or SBS (i.e. four international financial institutions, the EC, 14 EU Member



States and Switzerland, Canada, the USA and Japan), showing that only Denmark applied a ceiling to their GBS, at 25%, and this is calculated as an average over several years, giving it much more flexibility than Finland has allowed itself.

Finland has given GBS to only four of its long-term partner countries, and this only since 2001: Mozambique (2003 to date), Nicaragua (2005-2007), Tanzania (2001 to date), and Zambia (2007 to date). In none of the three countries to which Finland gave GBS in 2010 did its share of the total amount from all donors exceed three percent. In absolute terms, however, the Finnish GBS contribution in Tanzania has grown from less than €2 million in 2003 to €15 million annually (40-50 percent of the total) in 2008-2011.

In March 2005, Finland and Tanzania signed the Paris Declaration which called for two-thirds of aid flows to be provided as programme aid by 2010. Meanwhile, the first evaluation of GBS in Tanzania (Daima & ODI 2005) was being prepared and was completed in April 2005. The embassy submitted the report to the MFA, and summarised its results in a cover note which emphasised the more positive findings of the evaluation but did not fully convey its cautious tone. The declaration known as the 'European Consensus on Development' (EU 2005) was also under preparation at the time. It was issued in December 2005 and gave preference to budget aid where conditions allow. During 2005, the embassy and MFA analysed the results achieved so far through GBS, leading the embassy to propose a substantial increase of GBS for 2006-2009. This proposal was endorsed by the Ministry, and the pattern of adding to previous GBS commitments continued after each annual GBS review in Tanzania. Thus, rather than the €4 million/year pledged originally, GBS reached €8.6 million/year in 2006 and 2007, and €15 million/year thereafter (Table 7).

The use of GBS in Tanzania was increasingly brought into question from around 2008, when the results of a household poverty survey showed that poverty had not been reduced as much as expected (although other positive results were demonstrated) and when several major corruption cases in Tanzania were brought to light. This coincided with an increasing feeling amongst donors that the GBS dialogue had become too rigid. In 2010, a Department for International Development of the UK (DfID)/Irish Aid evaluation and a World Bank assessment both concluded that the results of GBS had been mixed, and recommended a reduction in its scale (Annexes 5; 6). A joint evaluation of GBS in Tanzania is underway but will not report before the second half of 2012. Other country-specific GBS evaluations in Mali, Tunisia and Zambia have also shown mixed results (OECD 2011c), and the only global GBS evaluation (OECD 2006b) is starting to look rather out of date. The EC has however set out a new policy on budget support to third countries (EU 2011), aiming to promote better coordination and joint assessments and payment decisions by the EC and EU Member States.

Changes of governments among donors have affected GBS practices in Tanzania. Of the original 14 GBS donors Switzerland and the Netherlands have decided to discon-



tinue, the latter phasing out its cooperation programme with Tanzania in line with its new development policy. Most of the others have indicated that there will be a reduction in scale, and/or a refocusing on SBS. Other factors include that there has been a decline in the performance of Tanzania's PFM systems since 2005 (OECD 2011a), and that views differ on whether Tanzania fulfils conditions introduced by the IMF, which aim to preserve its macroeconomic stability. Even though such conditions are not formally part of the PAF, the uncertainty is causing some donors to hesitate to disburse, while others continue to do so because they are under time pressure from their own budgets or because they give high priority to certain unique opportunities provided by the GBS mechanism.

A key purpose of GBS is to allow increased expenditure on social services without increasing external debt. Conditions are often imposed to encourage performance on reducing poverty, to maintain macroeconomic stability and to promote good governance, but the recipient government may consider these to be infringements of its sovereignty. Monitoring compliance and managing the resulting relationship stresses are demanding of diplomacy and donor staff time, and in the case of Finland these demands clearly exceed available capacity at both the MFA and embassy. The GBS package is often seen, however, as strategically beneficial as an aid instrument and as a source of position and influence in policy dialogue which other instruments cannot offer.

### **3.5 Land use and forestry**

#### **Support to the forest sector**

Definitions of forests and woodland vary, but roughly a third of Tanzania's land area has such ecosystems. They offer habitat for wildlife, beekeeping, genetic resources and bio-energy (i.e. fuel wood) which is the main source of fuel for the rural population and accounts for 92% of all energy used in the country (Forbes & Karani 2010). The sector's true value to Tanzania's development remains largely unrecognized. Recent estimates, that also include the illegal use of forest products, as well as tourism-related income, suggest that the forest sector's total annual contribution may be as high as 10-15% of GDP. It is estimated that only 5-10% of the potential revenue is actually collected in the form of taxes, fees and royalties (Milledge, Gelvas & Ahrends 2007).

Despite the importance of forest resources to the economy, there are a number of problems which hamper the development of the sector. These include inefficiency in wood-based industries and poor infrastructural facilities, fragmented administration at all levels including inadequate forestry extension services, lack of participation of various stakeholders in the management of the resources and poor resource databases, and outdated and non-existent management plans for using the resource (Forbes & Karani 2010). As one of the consequences, forest cover has declined significantly from 1990 to 2009, from 47% of land area to 38% (Table 4). There is great uncer-

tainty over the total rate at which forests and woodlands are being lost, somewhere between 100,000 and 500,000 hectares (ha) annually, but general figures do not in any case well reflect local conditions of deforestation, desertification, soil degradation, declining water catchment functions and pressures on biodiversity and livelihoods.

The forest sector was envisaged as the main field of cooperation from the outset of Finnish development cooperation in Tanzania (Koponen 2011). An early heavy emphasis on supporting forest industries gave way to afforestation efforts and led to more participatory conceptions of forestry development. New forms of cooperation were sought in forestry planning and policy-making and in the conservation forest resources. The legal and policy frameworks were set in place to support more productive and sustainable outcomes, including the National Forest Policy and the National Beekeeping Policy (both of 1998) and the National Forest Act (2002) and the National Beekeeping Act (2004). These measures recognized the importance of community-based approaches and allowed for the transfer of the management of forest resources to local communities and the private sector. Thereafter the focus of Finnish support shifted from supporting the state-led planning machinery to promoting the new forest management approaches oriented to community participation.

Since 2001, the main element of Finnish cooperation in the Tanzanian forest sector has been support to the National Forest Programme (NFP). At the beginning of the evaluation period, this was implemented through two projects, the NFP Coordination Support Project and the NFP Implementation Support Project. The counterpart institution of both projects was the Forestry and Beekeeping Division (FBD) of the Ministry of Natural Resources and Tourism (MNRT). Through them Finland aimed to create a SWAp for the forest sector, to be supported by funding to the NFP through the FBD. In addition to a technical assistance component which continued through a number of extensions, the NFP Implementation Support Project came to include funding for participatory forest management. This support was channelled through the Regional Administration and Local Government section under the Prime Minister's Office (PMO-RALG).

On the Tanzanian side, implementation of the 2002 National Forest Act has been sluggish. The state, in the form of the FBD, has been slow to relinquish its hold over lucrative forest resources (Koponen 2011). The creation of a new executive agency, the Tanzania Forest Service, took several years and it is still to become operational. Technical capacity in the forestry and beekeeping sectors is inadequate at all levels, including in forest management systems, business and financial management, participatory methods for planning, resource inventories and valuation, monitoring and evaluation and data management (EC 2007).

In line with the sector-wide approach favoured by Finland, Finnish funding of the NFP through the FBD was started in 2007. As progress on implementation was felt to be slow, and an audit commissioned by Norway on their own programme with MNRT showed mismanagement of funds, Finland and Denmark in 2009 launched a

joint Value for Money audit of their support to the participatory forest management and sustainable wetlands management components of MNRT. This gave a blunt picture of the weaknesses in financial management, including that the use of funds was not being audited and that procurement procedures were not being followed (Forbes & Karani 2010). The donors therefore jointly decided not to sign the SWAp agreement in 2009. Finland stopped funding the FBD until: (a) a strategy and action plan to improve financial management had been prepared by an MNRT Task Force, assisted by an international accounting firm; (b) the FBD had accepted the need for Technical Assistance to assist them on implementing the plan and to improve planning, reporting and monitoring; and (c) the Forestry Steering Committee had approved the continuation of support. Disbursements began again once these conditions had been met.

Projects started to proliferate in forest sector cooperation even before the failed attempt to move to the SWAp. Currently they include those listed in Table 9. An evaluation of Finnish support to forestry and biological resources concluded that, in general, the results had been disappointing in terms of impact on poverty reduction (Hardcastle, Forbes, Karani, Tuominen, Sandom, Murtland, Müller-Plantenberg & Davenport 2010). Its case study on Tanzania (Forbes & Karani 2010) also reported mixed results (Annex 7). A strategic planning exercise was launched in 2011 to review forest sector cooperation since 2006 and if appropriate to outline a programme for continued support. It concluded that a 10-year-period of continued support should be considered, focusing on area-based participatory (joint and community-based) forest management, linked to small-scale business development, and support to private smallholder forestry, including assistance to create an enabling environment for public-private partnerships and business development (Axberg, Ngaga, Maganga & Virtanen 2011). This would be enhanced through additional support to policy development, advocacy for improved forest governance, and further work on the institutionalisation of forest assessment, research and training.

Finnish support has been instrumental in the preparation of the forest and beekeeping acts and policies, as well as the NFP, and it makes sense for Finland to support their review and revision. Implementation of the NFP has been slow, however, and the MNRT remains weak. The forest sector, despite its economic value and potential, is not reflected as a priority in government plans and budgets, and in practice Finland and a few other donors are sustaining it through their own interests and resources. This may be a reasonable thing to do while government priorities evolve, which they must eventually do in the direction of greater attention to climate change, water and biodiversity (i.e. forests) as these are overwhelming strategic interests of the international sustainable development community as well as local people and businesses within Tanzania, and the increasingly strong NGOs and civil society organisations (CSOs) which represent them.

An important distinction exists in the forestry elements of the country programme, which is between private forestry and decentralised natural resource management

**Table 9** Finnish forestry assistance in Tanzania, 2011.

Name of the intervention	Implementing agency	Budget (duration)	Objective
Support to the National Forest and Beekeeping Programme, (NFBKP)	FBD	€6 million (2009-2011)	Support the implementation of NFBKP phase II, including participatory forest management in 16 districts (40% of budget), training and other activities.
National Forest Resource Assessment (NAFORMA), through the Food and Agriculture Organisation of the United Nations (FAO)	FBD/FAO	ca €4,2 million (2009-2012)	Provide actual data on forest cover and biomass, with carbon added during the process to provide baseline for reducing (greenhouse gas) emissions from deforestation and (forest) degradation with the inclusion of sustainability safeguards (REDD+).
FAO-Finnish Funded Support to Sustainable Forest Management in a Changing Climate	FBD/FAO	US\$850 000 (2011-2012)	Support Integrated Fire Management activities, NFP review, develop guidelines e.g. in agroforestry and institutionalization of NAFORMA
Private Forestry and Carbon Trading, Inception Phase	Consultancy agency with FBD	€730 000 (2010-2011)	Support small-holders' tree growing associations, small-scale forest industry and carbon trading; planning a long-term project.
Mama Mitsu Campaign (Phase 1-2)	Tanzania Natural Resource Forum (NGO)	€441 000 (2008-2009); €2 million (2011-2015)	Advocacy and communication on the need for improved forest governance. Phase 1 implemented on national level with pilot field activities in Kilwa and Rufiji districts.
Lindi and Mtwara Agribusiness Support (LIMAS)	Consultancy agency with two districts	Forestry component ca €550 000 of €9 million total budget (2010-2014)	To increase income, employment and sustainable natural resources management through improved agricultural and forestry production, processing and marketing in Liwale and Newala districts.

Source: Axberg *et al* 2011.

(DeNRM). Private forestry interventions concern plantations which require tenure security for individuals or groups, so they naturally include land registration and land-use planning. They relate to: (a) small-holders growing trees in the southern highlands, where 17 timber-growing associations have already been formed, each with 50-80 members; (b) the provision of capacity building, business planning and training

measures to promote development of forest-related small and medium-sized business enterprises; (c) the tree-farming grant scheme, which is performance based, covers areas of 10-500 ha, and refunds 50% of the plantation-establishment costs; and (d) carbon trading (e.g. 10,000 ha planted yielding credits for and money from the voluntary market, which is shared among six villages). DeNRM, on the other hand, is about community-based participatory forest management, and involves disbursements from basket funds to the centre, district and community grant scheme. Both are emerging as extremely important themes in the country programme, especially in areas of cooperation with other donors, and DeNRM has particular resonance with the implementation of policies on decentralisation and governance although numerous issues remain to be resolved and are under active discussion (e.g. Sola & Lukumbuzya 2011; PMO-RALG & Danida 2011).

Meanwhile, there is an additional set of factors that revolve around climate change, which are linked to the Finnish-supported NAFORMA programme. This has already made an excellent start in creating a reliable database on forests in mainland Tanzania (and is synergistic with a proposed Light Detection and Ranging (LiDAR) survey and woody biomass study in Zanzibar, both to be funded by Norway), a Reducing (greenhouse gas) emissions from deforestation and (forest) degradation (REDD) compliant monitoring, reporting and verification capacity, and a mapping capability, which will be vital for numerous planning and investment purposes. Moreover, there may be other potential linkages between Finland's country programme and the climate change agenda to which attention can be drawn, including the proposed National Carbon Monitoring Centre which could manage the databases that are now being created by NAFORMA and others. There is however no real government leadership on climate change issues, and even the REDD Task Force seems to work outside government structures, despite the fact that a number of donors have been stressing climate change issues for several years.

### **Development in the Mtwara and Lindi regions**

Finnish support in the south-eastern regions of Mtwara and Lindi started with a water supply project in 1972. From 1988 to 2005, Finland supported three phases of the RIPS programme in the area, which during its three phases grew to become the largest Finnish development initiative in Tanzania. Phase 1 (1988-1993) worked closely with regional authorities, the emphasis being on building physical infrastructure. Phase 2 (1993-1999) adopted a more participatory approach whereby the programme team went directly to the villages, and together identified small sustainable livelihood projects to be implemented by the villagers. By the time RIPS entered Phase 3 (1995-2005), it had transformed from a rural development programme into a capacity building programme for local government organs. The participatory planning and implementation of village level sustainable livelihood projects continued, but these were integrated into district-level planning processes using participatory methods. The model became well-known in Tanzania, and benefited from political support at the national, regional and district levels.

An evaluation of Finnish support to agriculture (MFA 2010c) included a country study on Tanzania which examined key reports of the RIPS programme and discussed its impact on various stakeholders. It concluded that although the impact of RIPS was limited in terms of improved agricultural production, the programme had been successful in increasing interaction between local government and civil society, including the use of participatory planning within Local Government Authorities (LGAs), which had become widespread in the Mtwara and Lindi regions (Annex 8).

By 2003, however, the MFA had decided that RIPS Phase 3 was going to be the last phase of the programme. Among the reasons for this seem to have been an agreement amongst donors to phase out all area-based programmes and to move towards programme-based cooperation, including GBS. In 2005, the Finnish delegation to the bilateral country consultations informed the meeting that the RIPS programme would be partly replaced by financial support to the Mtwara and Lindi regions through the LGCDG. A mutual agreement to continue cooperation in the two regions was also noted. The focus of the new cooperation was to be supporting rural entrepreneurship, to be jointly planned by the parties.

The planning process seems to have been difficult, as it took until February 2007 for the preparatory phase of DESEMP to start. While the Finnish side emphasised private business development aspects, representatives of Mtwara and Lindi seem to have been reluctant to divert from the RIPS sustainable livelihood approach with regional and district authorities. The preparatory phase of DESEMP in 2008 produced a project document which was rejected by both sides. The embassy team recommended that planning be discontinued but was instructed by MFA headquarters, according to some observers by the minister himself, to continue with a business development approach. In 2009, a new consulting team prepared an intervention known as LIMAS, which started in 2010. Based in Liwale and Newala districts, LIMAS aims to support agricultural value chain development by strengthening business support services.

The early stages of LIMAS have been difficult, and the conceptual divergence between 'private-sector value-chain development' and 'integrated rural development with district authorities' is only now being addressed. Rural southern Tanzania is not as modern as it might be, and strong echoes of Ujamaa socialism persist there. These may create opportunities for community-based activities, but there are very few resource or harvest surpluses in the area, and the facilities needed for transport, communications, marketing and investment are all undeveloped. It therefore seems an unwise place in which to pilot a non-traditional process based on business development, especially where the ideas involved are neither understood nor welcomed, and local stakeholders miss what they used to receive from Finland and what they still feel they need. The reason for Finnish insistence on such an approach in this particular location (which among other issues created a gap of five years between the end of RIPS and the beginning of LIMAS) is still opaque. The planning process should have been stopped, as proposed by the embassy, or the approach should have been changed, at the latest when DESEMP failed. There is also the fact that large gas and



mining projects are now starting in the regions and further inland; these will greatly change the regions' development context and tend to make LIMAS obsolete as currently designed.

### **Land-use and environment in Zanzibar**

There was serious political violence in Zanzibar during the 1990s and following the elections of 2000 and 2005, but a peace process brokered by donors led to the rival parties forming a government of national unity in 2010. Cooperation between Finland and Zanzibar has a long history. The first forestry and water supply projects in the 1980s were followed by the Zanzibar Integrated Land and Environment Management project which ended in 1995. After an eight-year pause, Finland launched the SMOLE project, with a preparatory phase (2003-2005), followed by Phase I (2005-2009), and Phase II (2010-2013).

The Finnish delegation to the 2008 country consultations considered that the experience gained during SMOLE Phase I had been positive, and justified an extension in duration, scope and volume, even though the results achieved had been limited. Zanzibar's share of GBS receipts was 4.5 percent overall, but its share of Finland's country programme used to be much higher. Moreover, the thinking that seems to have been prevailing on the Finnish side was that if technical outputs, such as maps, were produced through technical assistance, this together with the training of the Zanzibari authorities, could lead to better land use planning.

Finland rejected Government of Zanzibar (GoZ) requests to include forestry in SMOLE Phase I, which focused instead on land issues, mapping and to some extent the environment. Forestry was however included again in SMOLE Phase II, and is apparently progressing relatively well. For example, SMOLE Phase II developed the proposal for a woody biomass inventory which Norway has agreed to fund. SMOLE Phase II has two components: Land Management and Administration (with the GoZ Ministry of Construction, Water, Energy and Lands), and Environmental Management and Forest Conservation (with the GoZ Ministry of Agriculture, Livestock and Environment). The implementation methodology is strongly based on technical assistance, a fact criticised by GoZ representatives in the 2008 country consultations and on other occasions. In the end, however, they did sign the financing agreement proposed by Finland.

Progress has been slowest in the vexed area of land rights, where a number of planned outputs not achieved in SMOLE Phase I were carried over to SMOLE Phase II, including land registration and the planned Zanzibar Land Information System and Zanzibar Environmental Management System databases. SMOLE Phases I and II have so far been dealing mainly with issues such as human resources development (where it has probably achieved its best results), regulations, laws, guidelines and databases. Thus, SMOLE mainly offers advice to its partner ministries, but aside from some pilot projects has not provided assistance to them that can be used in implementation. The project's budget is mainly committed to technical assistance costs,

which is of limited use in view of the ministries' weak capacity to put consultants' advice into effect, and remains the subject of criticism by GoZ stakeholders. Although the project targets relevant issues, local ownership and sustainability are weak, reflected in GoZ reluctance to release its share of funds to the project, and it is likely that few objectives and outputs will be reached. Some were over-ambitious due to their political nature, while success will be denied to others because of the modalities used, and where success is expected the cost may well prove to be excessive.

### 3.6 Local government support

The Tanzanian system of local government involves the representation of central government at the local level by Regional Authorities and by Regional and District Commissioners, and the LGAs, which include elected local councils, municipalities, towns, villages and wards. The LGAs are all now budgetary and electoral units as a result of a decentralisation by devolution policy that began in 1996. This aims to redistribute roles, rights and responsibilities between central and local government in the following ways:

- **through altered central-local relations**, in which central government is responsible for policy making, policy interpretation, advice, coordination, monitoring, enforcement and creation of an enabling environment for LGAs to discharge their duties;
- **through fiscal decentralisation**, in which LGAs may levy local taxes, the central government must allocate them sufficient funds to fulfil their mandate, and local councils have the right to pass their own budgets reflecting their own priorities;
- **through administrative decentralisation**, in which LGAs may hire and fire all their personnel, who are accountable only to their local councils; and
- **through political decentralisation**, in which LGAs may make their own political decisions within the national legal framework.

Although there remains uncertainty over the roles of the Regional Authorities and LGAs, and LGAs vary greatly in their capacities, local governments have become the key implementers of national policies and strategies in collaboration with other actors including local communities, households, businesses and CSOs. Consistent with its strategic interest in promoting good governance, and decentralisation as a means to this end, Finland has been supporting the LGRP since 1999.

Until 2005, the amounts Finland paid annually to the LGRP basket fund were in the range of €0.23-0.84 million, but increased to €4 million in 2006 with the choice of local government as a major theme of the country programme. This choice also meant that there would be a need for additional expert human resources, and a Governance Adviser was therefore recruited to work at the embassy. Finland has also served as a co-chair of the Local Government Development Partners Group in the three years of 2007-2009. The increase in Finnish support to the LGRP was announced during



the 2005 bilateral country consultations at which the Finnish delegation stated that they were content with the administration and implementation of LGRP. Prior to the consultations, an assessment of the first phase of LGRP had concluded that initial progress was promising although slower than expected, probably due partly to over-ambitious objectives set at the beginning.

The creation of the LGCDG in 2004 was an important innovation in financial decentralisation. It was to provide Council Development Grants and Capacity Building Grants to LGAs that met certain performance conditions. It began by financing small construction projects, such as classrooms, teachers' houses, and water and health posts, but from 2006 it had grant windows in other areas, including agriculture, water supply, sanitation, health and education. Then in 2008 it was replaced by the Local Government Development Grant (LGDG), which has much greater government ownership and fully uses national PFM systems, thus demanding full political commitment from government. The negotiations that gave rise to this change were led by Finland and the Netherlands (later Germany) as leaders of the Local Government Development Partners Group. In this process, Finland was able to ensure that issues such as risk management and breach of contract were addressed in the agreement. These measures were taken in response to signs of weak government commitment to local government reform which had long been felt by donors and were voiced by the Finnish delegation to the 2008 country consultations.

Since 2008, while donors have continued to disburse to the basket funds, the planned mainstreaming has not taken place and weak management of LGRP II by PMO-RALG has created a backlog in progress and financial reporting. Moreover, a number of reports, including national audit reports published by the Controller and Auditor General, reveal that the capacities of the LGAs are still weak, and that allocated funds are often not properly accounted for. The share of the government's total budget allocated to LGAs has been increasing steadily, however, and reached 25 percent in fiscal year 2009/10. This mixed picture was also detected by evaluations such as Thornton *et al* (2010) and World Bank (2011), although they end up with a relatively positive tone on local government reform (Annexes 5; 6). There is little evidence that service delivery has improved as a result of these investments, and some donors have withdrawn from one or both of the funding mechanisms. In summary, the long-term results are mixed, and there is an acute programme management problem in the PMO-RALG.

It should be noted that there are tensions involved in all decentralisation processes, which are inherently political because they redistribute power and money. It is unclear whether the mainstreaming and management issues in the LGRP are due to reluctance by any particular stakeholder group, or just to inexperience and weak capacity, but experienced observers tend to credit the government with decentralising intentions and consider that long-term progress in financing the LGAs is evidence of this commitment. It is unlikely that Finnish policy will abandon good governance, although there is a need for a careful analysis of what exactly its various dimensions ac-

tually mean, and which are most important, why, and how they can best be advanced. Greater deliberation would be helpful, especially as the proper functioning of the LGAs is likely to be connected to the success of efforts across Tanzania to create ‘innovation ecosystems’ based on ICT and business skills and links, and to promote DeNRM and attract sustainable investment in the forestry/land-use sector (Section 3.5). It is also worth bearing in mind that, in a decentralised context, the relevance of building capacity among local governments can be high, but where control of those governments becomes important to central government, conflicts may arise because the donor is essentially competing with central government for influence. This factor may become more important as the LGAs are increasingly politicised in Tanzania, and should Finland wish to work directly with them.

### **3.7 New areas of cooperation**

#### **ICT and the innovation society**

Finland’s 2007 Development Policy Programme mentions the potential of modern communication technology and mobile phones to “generate considerable economic growth and make people’s lives easier in many ways” (MFA 2007, 13). This matches well with what has been happening in Tanzania. The MDG indicator for mobile telephone subscriptions jumped from zero in 2000 to 40 per hundred people in 2009 (Table 4). This is an Africa-wide phenomenon, with the number of mobile phones on the continent increasing from fewer than four million in 1998 to more than 500 million in 2010 (Fox 2011). Studies by the United Nations Development Programme (UNDP) and partner organisations have shown that increased mobile telephone connectivity drives not only increased GDP in developing countries, at a rate of 0.8-1.2 percent for every 10 percent increase in mobile penetration, but also progress towards lifting people and communities from poverty and therefore towards achieving the MDGs (UNDP, Ericsson, Earth Institute at Columbia University & Millennium Promise 2011). There is a strong commitment at the highest political level in Tanzania to use ICT and other science and technology based tools to drive change towards the fulfilment of the Tanzania Development Vision 2025. This commitment was renewed most recently in FYDP1. The ICT sector has been liberalised, and there are efforts to develop the required infrastructure, although internet penetration is still very low.

There has long been cooperation between Finnish and Tanzanian universities related to ICT and higher education. While Finland’s 2007 development policy gave an impetus to programmatic technical cooperation in this area, Sweden simultaneously pulled out from the sector in Tanzania, facilitating Finland’s entry. Recent technical cooperation in ICT was started in 2009-2010, with the preparatory phase of a new four-year project, Information Society and ICT Sector Development (TANZICT), which started in mid-2011. With a budget of €5 million, its purpose is an improved Tanzanian ICT policy framework and strengthened arrangements for its implementation, as well as the design of a coherent innovation programme. Through this support, Finland aspires to become a leading partner of Tanzania in the development of its na-

tional information society and in making Tanzania a regional leader in this field. The embassy has also assumed the deputy lead role in the innovation and technology thematic working group.

Mobile telephony and ICT are potentially very significant for the rural poor (e.g. because of their role in improving agrarian terms of trade, and healthcare) and urban youth (e.g. because of their role in entrepreneurial job creation), so tend to have a more egalitarian pro-poor impact than other processes within the macro-economy (e.g. creation of foreign-owned mines or plantations). The ICT sector in Tanzania is however dominated by international companies, while the local service sector is almost absent. TANZICT and related regional cooperation programmes support the emerging local private ICT service sector. The TANZICT mandate does seem appropriate for government-to-government cooperation, and could usefully be extended through regional cooperation arrangements to promote the adaptation, invention and diversification of ICT applications that have proven utility in creating health, wealth and environmental sustainability. Deliberate small-scale investment in overcoming infrastructural impediments to ICT and internet access would also be of great value, for example in the context of LGA support. However, it should be recognised that while Finland and other donors can help remove obstacles and provide seed money in this area, public investment in the ICT infrastructure will require full participation of development banks or other financing institutions. Private sector funding will then move in when the right conditions exist.

### **The energy sector**

Another sector mentioned in Finland's 2007 development policy as an example of development cooperation that promotes sustainable development is the energy sector. According to the policy, "Finland supports programmes and projects that focus on saving energy, increasing energy efficiency and producing renewable energy. These types of projects should specifically target poor countries and regions. The production of renewable energy, especially bio, solar and wind energy, provides work and income for the local population" (MFA 2007, 19). The draft 2008 CAP proposed to link cooperation in the energy sector to forestry and climate change, and floated five project ideas, ranging from support to wind energy in Zanzibar to participation in rural electrification programmes with Norway, Sweden and the World Bank.

Surprisingly, the new energy sector project which came to light in 2009 was a €25 million infrastructure project to improve the reliability of electric power supply in Dar es Salaam by reinforcing the state-owned Tanzania Electric Supply Company Limited (TANESCO) transmission and distribution systems in the city centre. Another key element of the project is the implementation of a supervision, control and data acquisition system for all electricity substations in Dar es Salaam. The rationale of the investment is: (a) that a lack of reliable electricity is Tanzania's main competitive weakness; (b) that 25 percent of all electricity generated is lost during transmission and distribution (half for commercial and half for technical reasons, the latter being addressed by the project); and (c) that Dar es Salaam contributes about 60 percent of

Tanzania's GDP. There is a €4 million proposal to extend the project to fill a gap in the circular circuit that joins transmission cables to users. According to the Tanzania Development Cooperation Plan 2009-2011 (MFA 2009, 3), the potential for supporting such a project was "to be explored in ways that deliver Finnish added value". The €25 million project was prepared in 2009, with implementation in 2010-2013. Apart from this stand-alone project, it was also planned to expand cooperation in the forest and environment sectors to energy and climate change issues, mainly regarding renewable energy sources.

This infrastructure project responds to a need in Dar es Salaam where close to 50% of households have access to electricity. In the whole country, however, only around 15% of the population have access to electricity while in the rural areas, where most poor live, this figure is only 2%. Charcoal accounts for more than 90% of all energy used in Tanzania. The urban project seems to be progressing well towards the implementation phase, although the construction works, which were originally planned to be undertaken care by TANESCO, had to be included in the main contract. There are questions over technical sustainability, such as whether TANESCO can manage the continued operation of the highly-sophisticated supervision, control and data acquisition system, and financial sustainability, given that TANESCO depends on government subsidies to avoid bankruptcy. Moreover, the project is out of line with the rest of Finland's country programme, the spirit of energy sector cooperation articulated in the Finland's development policy, and the role of bilateral grant financing (although there is an additional loan dimension involving other financiers). It is in short a technical solution to a problem on the distribution side which is hard to justify if the only basis for it is the one sentence in Finland's development policy that refers to energy efficiency. Power generation is the main problem in Tanzania, along with subsidised electricity prices driven by political factors, so it might have made more sense for Finland to focus such a large investment on something with greater strategic utility, such as renewable energy generation, or piloting efficient long-distance electricity transmission to support a renewable energy infrastructure, or interconnectivity with neighbouring countries.

### **The Sustainable Development Institute**

Another new 'area of cooperation' that was mentioned during the 2008 country consultations was the establishment of an SDI in Tanzania. This has been referred to as follow-up to the Helsinki Process, the final report of which (MFA 2008) mentions such an establishment under a chapter called "Commitments for Future Action". The Helsinki Process itself was a high-level South-North multi-stakeholder discussion forum on globalisation which took place in 2003-2008. It was co-chaired by the foreign ministers of Finland and Tanzania (the first Tanzanian co-chair is now the President of Tanzania). The SDI idea seems to have come up from a Helsinki Process working group which met in Bagamoyo, Tanzania in mid-2007. Its establishment is mentioned in MFA documents as having been agreed during the minister's visit to Tanzania in November 2007. The 2008 country consultations endorsed this agreement, and a project document was prepared by consultants in 2009. A Finnish Programme

Director was appointed in Helsinki by the Minister for Foreign Trade and Development, and a technical assistance (TA) team was contracted to take care of the daily administrative functions of the Institute and to establish a training programme. The Tanzanian consultant who prepared the project document (with a Finnish consultant) subsequently became the Chief Executive Officer (CEO) of the Institute, which was established by presidential decree in March 2010 and opened by the President of Tanzania and the Prime Minister of Finland. The Institute has an independent Board which is chaired by the Under-Secretary of State of the MFA.

The €7 million Finnish funding commitment was meant for a regional institution to build capacity for sustainable development, but a parallel Tanzanian government initiative to establish a civil service leadership school was absorbed into the same process. The result was a chimera, now operating in temporary offices in Dar es Salaam and renamed as the Institute of African Leadership for Sustainable Development, or the Uongozi Institute (*uongozi* meaning leadership in Kiswahili). The Finnish TA will continue until the end of 2011 in the form of a three-person team working on finance, administration and training. The Finnish Programme Director's contract is until the end of 2012, but his role at the Institute has never been clarified or agreed. Initially, the CEO was planned to be Finnish and the Programme Director Tanzanian, but this arrangement was reversed during the preparatory process. When problems then emerged between the Finnish TA team and the directly-recruited Finnish Programme Director, the Tanzanian CEO took a position which allowed the establishment of the administration and first training programmes through the TA. The aim is to start training in March-April 2012, and a trial course was undertaken in 2011.

Opinions differ as to whether the Uongozi Institute fully reflects Finnish intentions in relation to regional sustainable development, but it clearly enjoys the highest level of Tanzanian support, above all by the President, as a leadership training service for senior Tanzanian civil servants. The Tanzanian side has also presented ambitious plans for the Institute to be part of a system that would include a congress centre on the sea shore in Bagamoyo (the President's home town), with a golf-course, luxury hotel and other premises, justified officially on the grounds that African leaders expect an appropriate environment in which to develop their leadership skills. The Board has declined such calls and raised concerns over how construction would be financed as it would certainly not qualify for ODA. In general, the Board has stressed the content of training rather than facilities, but discussions continue on the Institute's mission and vision. Its financial sustainability has been questioned, as it has been proposed to remain financed by Tanzania and Finland only, as has its political sustainability, since the second and last term of the President of Tanzania will come to an end in 2015. A financial framework for a strategic plan, worth €16.5 million for 2011-2015 (excluding construction), was endorsed by the September 2011 Board meeting, which however pointed out a gap in resource mobilisation due to the fact that there is no Finnish financing commitment beyond 2012.

Decision points are approaching when Finland must choose between doing nothing, terminating its involvement, or trying to negotiate over the role, purpose and function of the Institute, the leadership of which apparently wants to continue as an independent Tanzanian institution and not as a technical cooperation programme. Trying to create links with other parts of Finland's country programme, one could think that useful training roles could include capacity building for LGA officials as a contribution to decentralisation in Tanzania (but this is already being done at the Hombolo Institute near Dodoma, supported by Japan), and capacity building for regional officials as a contribution to the consolidation of the East African Community. There does not seem to be any enthusiasm for such functions on the Tanzanian side, however. From the Finnish point of view, the opaque process by which such a large commitment was made to such ill-defined ends should be examined further, and lessons learned. The official argument that the Institute should not sell its services and should therefore be subsidised in the long term is also perplexing.

### Other initiatives

The following relatively small initiatives consume the resources of the country programme and contribute to its fragmentation, and it is questionable whether their strategic value is enough to justify this.

- **Support to the One UN pilot.** Tanzania is a pilot country for the UN system of internal enhanced coordination and harmonization (UNDAP), which is the 2011-2015 business plan of 20 UN agencies, funds and programmes. It replaces the previous United Nations Development Assistance Framework (UNDAF) with a single plan, in which each is responsible for delivery on a set of key actions that jointly contribute to shared results. Finland is supporting the One UN pilot in Tanzania with €1 million annually from the Tanzania country programme. Finland is a major provider of core funding and project funding to UN agencies, and has an interest in improving the functionality of the UN system. Supporting the One UN initiative is therefore relevant in principle but it is unclear whether this is an optimal way to do the job, and whether it is appropriate to use the limited staff and financial resources of the Tanzania country programme to undertake it.
- **Naturalisation of Burundian Refugees in Tanzania.** This support has been channelled through United Nations High Commissioner for Refugees (UNHCR). The Burundian refugees have been assisted in voluntary repatriation to Burundi or in naturalisation in Tanzania. A support programme has been put in place to facilitate local integration. In 2008-2010, the project has received almost €3 million from the Tanzania country programme.
- **Seed Potato Development Project.** This 4-year-project, with a budget of €2.5 million, should start in 2011. Its aim is to strengthen the beginning of the potato value chain (i.e. with virally and genetically 'clean' seed potatoes) and to create a clean potato gene bank. It will be managed by the International Potato Center (CIP), an institute of the Consultative Group on International Agricultural Research (CGIAR). The relevant techniques and varieties are known, and CIP has Kiswahili extension materials developed for Kenya. The Southern



Highlands (close to areas covered by LIMAS) is an important area for potatoes, offering at least in principle the opportunity for project synergy

- **Geological Mapping Project.** This Institutional Cooperation Instrument (ICI) project is implemented jointly by the Finnish Geological Research Centre and the Geological Research Institute of Tanzania, with a budget of €0.5 million. It has four components: geological mapping, geophysical interpretation, strengthening of ICT capacity and teaching at the Department of Geology of the University of Dar es Salaam. Most planned activities have been implemented and the project is to end in 2011.

### **3.8 Regional cooperation programmes**

#### **The East African Community**

The EAC was re-established in 2000 by Kenya, Uganda and Tanzania (with Rwanda and Burundi joining in 2007). Its purpose is to widen and deepen co-operation in the political, economic and social fields for mutual benefit, and to this end the EAC countries established a customs union in 2005 and a common market in 2010. It is then intended that monetary union will form another step towards political federation. Finland has supported the EAC Secretariat in Arusha since 2001, and the EAC Partnership Fund (a basket fund) was established in 2006. Its steering group was co-chaired by Finland for the last two years, and it is to be evaluated by the MFA. The Partnership Fund is seen as a good model for supporting regional organisations, partly because it has allowed the capacity constraints of the EAC Secretariat to be systematically addressed. The East African customs union and common market represent significant achievements in regional integration, and the forthcoming evaluation will presumably help to clarify the realism and value of further steps that may be taken. This will hopefully be done having learned lessons from recent EU history. Related to the EAC but implemented through the International Organization for Migration is a regional border cooperation project between Tanzania on the one hand, and Burundi and Rwanda on the other. The project will continue to be managed by the embassy until the end of 2012 through a zero-cost extension.

#### **Information society and innovation**

Finland supports a number of activities of which Tanzania is a part, including the Southern Africa Innovation Support Programme, the Southern Africa Bioscience Network, the African Leadership ICT programme and the Information for Development Programme (InfoDev) of the World Bank and International Finance Corporation. Through participation in regional workshops, Tanzanian stakeholders have learned from the experience of other countries, including the ICT and innovation programmes supported by Finland in South Africa. The Tanzanian counterpart organisation of the TANZICT project, the Commission of Science and Technology houses the InfoDev-supported Dar Teknohama ICT business incubator, and ICT-related leadership training is envisaged under the SDI. Networking is strong and there are potent synergies between the regional cooperation programmes and various projects in Tanzania.

## **The Energy and Environment Partnership**

The Energy and Environment Partnership (EEP) with Southern and East Africa, which is jointly funded by Finland and Austria, started in March 2010. It promotes renewable energy, energy efficiency and clean technology investments by providing seed financing for bankable projects that are being developed by public and private sector entities including NGOs. Three calls for proposals have been launched so far. At present, 18 projects are supported in eight countries, including Tanzania, in areas such as solar and hydro power, biogas and biomass energy. In the third call, three of the approved 15 applications came from Tanzania, all from private-sector entities.

## **3.9 Economic cooperation**

### **Aid for Trade**

The international Aid for Trade (AfT) initiative aims to strengthen the production capacity of developing countries and their capacity to trade. It therefore supports trade policy development, facilitates trade, and strengthens the operating environment for entrepreneurship and business life, including the strengthening of economic infrastructure. In 2007, Finland contributed the equivalent of about US\$50 million as AfT, which was mainly disbursed to enhance construction and production capacity and economic infrastructure in developing countries, mostly in the agriculture, forestry and sustainable energy sectors (Caldecott *et al* 2010). An Action Plan was prepared for the Finnish AfT Programme 2008-2011, focusing on the eight long-term partner countries, including Tanzania. Finland's AfT cooperation has advanced furthest in Zambia, where a Private Sector Development Programme, is being supported. In Tanzania, several past and/or on-going interventions fall under the wider definition of AfT, including LIMAS, the Dar es Salaam Reliability of Power Supply (DRPS) project, most forest sector cooperation, TANZICT, the Geological Survey and Seed Potato Development projects, as well as support to the EAC.

### **Finnpartnership**

The Finnpartnership programme was created in 2006 to mobilise Finnish investments and manage the transfer of technology and expertise to developing countries, as well as to enhance exports from developing countries to Finland and the EU. It funds business partnerships managed by Finnfund, which is a Finnish development finance company that provides long-term risk capital for projects. Thus Finnpartnership provides grants for developing business partnerships, matchmaking services, and advisory services in business legislation, strategic planning and financing (Caldecott *et al* 2010). An example of Finnpartnership activity in Tanzania was a successful subcontractor search for Lojer Oy, a Finnish company which has manufactured water pumps in Tanzania since the early 1990s through a subsidiary Tanira Ltd. Until a suitable subcontractor was found, Tanira had to import key components from Europe. Finding a suitable supplier for both plastic pipes and steel materials proved to be relatively easy with Finnpartnership assistance.



### **Economic-commercial interests**

Finland has long exported more to Tanzania than it has imported from it. At the beginning of the evaluation period, Finnish exports were at the level of around €15 million annually, but jumped in 2007 to €78 million, thanks to exports of power generators, mobile phones and fertilizers (Finnish Customs 2011). Imports from Tanzania were on the increase but remained modest at about €4.4 million annually. They consisted mainly of tea, coffee and other agricultural products as well as some minerals. By 2010, Finnish exports to Tanzania had declined to the level of €25 million annually and imports from Tanzania remained much the same as before. During the evaluation period, Finnish economic-commercial interests in Tanzania related mainly to forest, mining and energy sectors. The Tanira water pump factory mentioned above is the most concrete example of these. Moreover, Finnfund has been a shareholder of the Kilombero Valley Teak Company, while Wärtsilä has exported several power generators and Nokia millions of mobile phones to Tanzania.

## **3.10 Non-governmental participation**

### **The Local Cooperation Fund**

The LCF has been managed by the embassy since 2001, with the goal of strengthening local CSOs. It was created in 2001 by merging three previous instruments that had earlier been available for Embassies to use. That the introduction of LCF in Tanzania was a success is suggested by the fact that already by 2002 about 40 projects were being financed, costing around €0.74 million (Killian *et al* 2004). By 2004, this amount had risen to €1.3 million (including €0.3 million of election support through a basket fund) making LCF a major element in the country programme and a major management task for the embassy. In 2005-2008, 20-40 projects annually were being supported by the LCF, but because of human resource constraints in the embassy the LCF project portfolio has since focused on collaboration with a small number of well-established CSOs. In 2010, the embassy financed ten LCF projects in Tanzania and one in Burundi, worth about €0.5 million. LCF priorities have also evolved and are currently focused on: forests, environment, agriculture and bio-energy; human rights, good governance, democracy and transparent use of public funds; and Tanzanian culture, local economic development and entrepreneurship.

In a country such as Tanzania where civil society organizations are still small and weak, LCF support to local CSOs is highly relevant and in accordance with the country's needs. The MFA decision to scale down the number of local CSOs to be supported contributes to unmet needs and so limits the potentially wide-spread impact of LCF. The LCF modality should regain a capacity to target small CSOs that have clear growth potential. For example, the Tanzania Youth Alliance is a CSO that received its first donor funding through the LCF and has since grown into a very successful and effective organisation. It would be a shame if inadequate human resources at the embassy meant that LCF continues to be constrained. The LCF as an instrument has a potential to become the main tool to support the transition from bilateral

government-to-government cooperation to more diversified cooperation and interaction, as happened with Finnish cooperation in Namibia in 2004-2007 (Valjas, White, Thompson-Coon & Gowaseb 2008).

### **Funding through NGOs**

Support to Tanzania through Finnish NGOs complements other modalities of the country programme. It is provided through three channels: the Partnership Agreement Scheme for larger Finnish NGOs, the three Finnish NGO Foundations (Siemenpuu, Abilis and Kios) which were established to channel ODA funds to CSOs in developing countries, and through other Finnish NGOs. The majority of NGO projects in Tanzania falls in this last group. The work of the smaller Finnish NGOs and their Tanzanian partners is supported by an international umbrella organisation, The Service Centre for Development Cooperation (Kepa), which has had an office in Tanzania since 1997. The Kepa office in Dar es Salaam provides mentoring and capacity development mainly to the Finnish NGOs' Tanzanian partners, including training in monitoring and evaluation and in financial management, as well as some logistical services. Since 2010, the embassy and Kepa jointly organise an annual NGO Day for sharing experience and views. Some well established Finnish NGOs work independently from Kepa.

In the past, typically 50-60 projects of over 30 Finnish NGOs were underway in Tanzania each year, at a cost of €1-2 million. The volume of NGO cooperation has been on the increase, however, reaching €2.4 million in 2009 (Table 7). Based on embassy information, 94 NGO projects are under implementation in 2011, with a budget that could reach €5 million (including NGO Foundations).

The Finnish strategy is to contract local CSOs to deliver services, using Finnish NGOs as intermediaries, and in the expectation that capacity building will occur as a result. The NGO projects in Tanzania are increasingly focusing both on service delivery and advocacy, and the latter activity strengthens the capacity of local CSOs to engage in dialogue with government. A policy forum coordinates the work of local CSOs and their representatives have been included, for example, in the MKUKUTA dialogue (although views differ on how representative this selection is). Many NGO/CSO representatives however feel that government is still not taking their views sufficiently into account. The shift towards an advocacy role is potentially useful in enhancing local accountability and governance, at both the central and local levels.

Two NGO guidelines were issued by the MFA during the evaluation period, in 2006 and in 2010, the latter introducing among other things the concept of FAV in civil society cooperation. Moreover, the findings and recommendations of an evaluation of the work of Finnish NGOs and the LCF in Tanzania (Killian *et al* 2004) seem to have had an effect. Although many of the challenges noted by the evaluation remain, such as sustainability of projects and high turnover of staff, there have been improvements in other areas. These include strengthened capacity among local NGOs/CSOs, additional training delivered by Kepa, MFA funding for project preparation, and the annu-

al NGO/CSO Day. In conclusion, support to Finnish NGOs complements Finland's country programme in Tanzania by strengthening the capacity of local NGOs/CSOs to work at the grassroots level, which is in line with Finland's development policy.

### **The case of Mama Misitu**

With MFA funding, the 'Mama Misitu' campaign on forest governance was launched by 17 social and environmental NGOs in April 2008, comprising national and local groups as well as the Tanzania representatives of international ones. The campaign focuses on tackling illegal logging and ensuring sound forest management through an advocacy and awareness-raising campaign. It was initiated by the Forestry Working Group of the Tanzania Natural Resource Forum and was prompted by a report on illegal logging in southern Tanzania (Milledge *et al* 2007). The campaign focuses on regions most vulnerable to corruption in forest management in Tanzania, including Coast, Morogoro, Lindi, Tanga, Ruvuma and Mtwara. It is motivated by the role of illegal logging in human-rights violations, in degrading forests, and the massive loss of government revenue estimated at US\$58 million in 2005 (World Conservation Union 2008). It has two key goals: (a) to make local communities and other stakeholders aware of the value of forest resources and the potential benefits of sustainable forest management; and (b) to make village, district and national public and private stakeholders aware of the potential benefits of better forest governance (Domingo, Harris, Sianga, Chengullah & Kavishe 2011). The campaign was evaluated favourably in 2010 (Annex 6), and in recognition of the obvious need for such a campaign, Finnish support for it has been renewed with a commitment of €2 million over the next five years.

## **3.11 Roles of the embassy**

As detailed by Caldecott, van Sluijs, Aguilar & Lounela (2012), a decentralisation pilot was introduced by the Americas and Asia Department (ASA) of MFA to parts of the Finnish embassy network in 2005, with the aim of creating a more synergistic relationship between the embassies and headquarters, through division of labour, the establishment of country teams at headquarters, and the placing of responsibilities for programming closer to the locations where implementation would be undertaken. Such agreements have since been developed with a number of embassies, and typically cover the allocation of responsibilities for country programming, financial planning and monitoring, other monitoring and reporting, identification and planning of interventions, procurement of short-term missions, contracting of consultants, bilateral and multilateral agreements, the financial management of interventions, the Quality Group process at headquarters, and quality assurance, practical measures and special needs.

The development of such agreements is extending beyond ASA, for example with a particularly detailed division of labour agreement between the Department for the Middle East and Africa (ALI) of MFA and the embassy in Maputo (MAP), Mozam-

bique (ALI & MAP 2009). During the evaluation, a very similar agreement was being developed between ALI and the Dar es Salaam (DAR) embassy (ALI & DAR 2011), the draft of which reflects among other things that many of the points in earlier ASA-embassy agreements (e.g. on the non-delegation of financing decisions, the joint nature of programming, and the embassy lead on identifying potential interventions) are now becoming standard operating procedures within the MFA-embassy network.

Associated with the decentralisation pilot there was an initiative to require comprehensive reporting by the affected embassies at six-monthly intervals. These reports describe the political and economic situation of the country, attitudes and activities within the donor community, and the various sectoral, cross-sectoral and thematic activities contained within the country programme, along with explanatory and analytical annexes, issues arising, and actions planned or events, meetings and visits anticipated during the next reporting period. It is hard to over-state the utility of these reports, for incoming personnel as well as for evaluators, in presenting a time-line of events and actions that summarise the historical development and current status of large parts of the country programme, including some of the key influences that have shaped it. Such a reporting regime is being introduced for the first time in Tanzania under the ALI-Dar es Salaam agreement.

A final point is that observers note consistent short-falls relative to tasks at hand in the expert personnel resources available at the embassy. This is clearly a long-standing problem, since Porvali *et al* (1995, 149) observe that “the personnel resources available at the embassy in Dar es Salaam are very limited compared to those of other countries with comparable development cooperation programmes”. Combined with the turnover of expert staff at the country team in Helsinki, the issue apparently peaked in 2002-2003 and again in 2008-2010, coinciding with bursts of volume growth and programme diversification relative to staff numbers. Efforts to compensate for this structural weakness include the use of fixed-term advisers and consultants (which are hard to recruit, ignorant of MFA procedures on arrival, and take institutional memory with them when they leave), and multiplying the jobs assigned to each staff member, such that at the embassy in 2011, 5-7 major tasks were assigned to each of three employees (ALI & DAR 2011). To explore this issue further would require analysis of detailed time-series data on personnel, qualifications and tasks at both Helsinki and Dar es Salaam.

## **3.12 Influences on programming**

### **Influence of policy, 1998-2007**

The country programme at the beginning of the evaluation period in 2002 had been guided by the 1998 Finnish development policy and its 2001 operationalisation plan. Its volume was around €12 million/year, with GBS as 15% of the total and the rest being mainly programme-based aid in education and local government support, and forestry projects which were to be transformed into a SWAp. The 2004 development

policy built on the global values and goals that had already been pursued by the government, Finland and other donors. Thus, the most concrete outcomes of the 2004 development policy for the country programme were its call for increased budget support and for further concentration of Finnish development cooperation which allowed for a growing funding envelope for Tanzania. Not only was there a match between the 2004 Finnish policy and the existing Tanzania country programme, but there was also a match with the programming context in Tanzania, following the release of the TAS in 2002 (Section 2.3).

The preparation of the JAST began in 2003, and donors including Finland considered it to be a guiding document for all of them, especially once a complementary Joint Programme Document had been prepared. Finland, as chair of the DPG during this period, had a strong role in these processes. Thus, programming of Finnish development cooperation was done all along through joint arrangements, benefiting from joint analyses and joint programming by government and the other donors. The country strategies of other bilateral and multilateral donors were likewise based on the JAST and prepared through joint processes. Meanwhile, new GBS commitments were added to previous ones after the results of each annual GBS review were known, and in Finland's case after proposals for new commitments had been approved by the Quality Group at the MFA.

The Finnish Embassy in Dar es Salaam first and foremost tried to consolidate the three main areas of cooperation (i.e. GBS, local government reform and forestry/land-use), which were to be complemented with one targeted intervention in Zanzibar and the LCF. This would have been in line with the EU Code of Conduct (EU 2007), which in its first guiding principle commits EU donors to focus their assistance on a maximum of three focal sectors, in addition to which GBS can be provided. While consolidating the three main areas of cooperation, the embassy planned a gradual withdrawal from the education sector and from legal sector reform, which were to be considered as included in GBS. Similarly, future support to Mtwara and Lindi regions was initially intended to be channelled through the LGCDG. During this period, the embassy seems to have been very much in the driver's seat, with the MFA country team in Finland providing technical support when needed. Based on the growing budget envelope for Tanzania and the joint programming approach applied by the embassy, 2005 to 2008 saw strong growth in the volume of the country programme. The annual GBS allocation meanwhile grew four-fold in absolute terms, and exceeded 50% of the total in 2008.

### **Influence of policy, 2008-2011**

The next period presents a quite different picture, in terms of the programming process and the roles of the embassy and MFA. As earlier, the preparation of Finland's development policy in 2007 was led by the minister, but what was different was that the policy increasingly came to reflect the minister's personal views. Moreover, the minister took a personal interest in the translation of the policy into practice. Tanzania was the first long-term partner country that he visited, in November 2007, and this gave

him the opportunity for dialogue with Tanzanian stakeholders, yielding agreements that later entered the programming process as *faits accomplis*. In an instruction signed on 4 February 2008 by the Director General for Development Policy, the MFA regional departments were given the assignment to prepare with the respective embassies a Country Assistance Plan (CAP) for each priority partner country. The assignment document contained overall guidelines in terms of substance and process but lacked detail, for example on whether and how the Cross-cutting themes (CCTs) of the new policy were to be addressed. The deadline for the CAPs was 17 March 2008, allowing a total of 30 working days (2008 being a leap year) for a process that required the CAP to be drafted, amended in light of internal comments by MFA departments, finalised by the country team, and discussed by the Development Policy Board.

The Tanzania CAP that emerged from this short and hectic process (MFA & EFD 2008) was based on the principles of the Finnish policy, JAST, MKUKUTA, the Paris Declaration and other Tanzanian and global agreements, policy and programming documents. Thematically, it focused on the same issues as before: forestry and environment, local government reform, and good governance. Programme-based cooperation was proposed as the main implementation modality, to be complemented by project cooperation in Zanzibar, in Mtwara and Lindi, and in case new areas of cooperation were to be explored. Continued support to the forestry sector and local government reform was justified with reference to FAV. The feasibility of pilot projects was to be studied further in the areas of ICT and energy. Support to the One UN Pilot and to the SDI was described as already having been agreed in 2007. Two budget scenarios were proposed, reaching a total of around €30 million or €45 million by 2010, depending on the governance situation in Tanzania (in particular considering corruption). Regarding GBS, the existing commitments of €15 million/year until 2011 were reiterated.

When the draft CAP was submitted to Finland, however, it seems not to have been satisfactory to the minister. He was reputedly not in favour of GBS, but the commitments had already been made and a difficult political decision would have been needed to reverse them. A number of new areas of cooperation which had been discussed during the minister's visit to Tanzania in November 2007 were present in the CAP, although not always in the way in which they were later pursued. Cooperation in the energy sector, for example, was proposed to be linked to forestry and climate change, and five project ideas were floated, ranging from support to wind energy in Zanzibar to participation in rural electrification programmes with Norway, Sweden and the World Bank. The CAP was accordingly set aside, and it was declared a 'non-public' document in response to a request from outside the MFA for a copy. Meanwhile the programming process continued as lower-level country consultations in October 2008 endorsed the three main areas of cooperation and agreed a number of new areas of cooperation. There was a contrast between some of the statements of the two delegations, in that they first gave clear priority to the three main areas of cooperation, and then in the final agreement endorsed expansion into several new ones.



Continued support to the forestry sector could be traced back at least partly to the notion expressed in the 2007 development policy that poverty reduction requires a development process that is ecologically sustainable. Continued support to local government reform could also be linked to the regional policy emphasis of the 2007 development policy (MFA 2007, 20), although it had earlier been linked instead to the CCTs of good governance and respect for human rights and democracy. The new emphasis in the 2007 policy became more influential in the Tanzania country programme when decisions were made to continue planning the new programme in Mtwara and Lindi, and to proceed with a second phase of SMOLE in Zanzibar. The 'new areas of cooperation' were made public after the October 2008 country consultations. They included projects in support of the ICT and the innovation society, and the SDI, formulation of these being already well advanced. Moreover, other projects were to be formulated in support of the energy sector, the One UN Pilot, the Geological Research Institute of Tanzania (to follow earlier institutional cooperation in this area), and Seed Potato Development.

Thus the 2008-2011 period was a time of strong diversification. Project aid grew in volume and the number of projects increased. The minister discarded on several occasions the views of the embassy and staff of the MFA, even though there was no firm analytical evidence to support decision making on certain issues on which the minister had strong personal views, for example on the impact and effectiveness of GBS in Tanzania. It is clear in retrospect that decisions made in this period were based on the minister's personal views on development, rather than on analysis or consensus. It should be noted, however, that views still differ among individual observers on the quality of these decisions, apparently depending on whether they were directly involved or stood to gain or lose from them. Thus the programming process, which might have looked orderly on paper, was in practice unclear to those involved, causing additional work and frustration. When the programming was thought to have been completed, the outcome was effectively vetoed by the minister, further reducing morale. A number of new projects, the identification processes of which remain opaque, were added onto the three continuing main areas of cooperation. The end result of this disordered and obscure programming process was a highly fragmented country programme, with the responsible MFA and embassy staff having to divide their time among some 18 stand-alone and sometimes ill-prepared interventions, a recipe for over-stretching personnel resources.

### **Influence of the FAV concept**

The idea of Finnish added value has been present since the early days of Finland's development cooperation. Until the 1990s, FAV seems to have been considered as equivalent to using Finnish supplies or targeting sectors where Finland had resources to offer. After a shift of emphasis from the quantity to the quality of aid in the 1990s, however, FAV gained other dimensions. Finland's 2004 development policy associated FAV with the application to international development of lessons learned from Finland's own development experience. The 2007 development policy however returned to the spirit of 1970s and 1980s, by emphasising the use of Finnish know-

how and expertise in project cooperation. The definition of FAV used in this evaluation is stated in Table 1, but the evaluation team is conscious that this may not cover all aspects of FAV, and that distinctiveness is often open to question. Values such as equality and democracy, for example, are present across the world's development agenda, not just Finland's. Thus FAV is a highly complex issue, and an MFA-commissioned research project is now studying it (Koponen, Suoheimo, Rugumamu, Sharma & Kanner 2011).

The definition of FAV in Finland's 2004 policy resonates with how programming was done in Tanzania after 2004, although here the application of FAV seems not to have been consistent. For example, while a gradual withdrawal from the education sector was motivated by other reasons than FAV (i.e. mainly because there were many other donors in the sector), at least two interpretations of FAV appear to have been behind the decision to focus on forestry: that of Finland's own development experience, and that of Finnish expertise. After 2007, the application of FAV as defined in Finland's 2007 policy seemed to have strongly influenced country programming, again being used to confirm the forest sector as one of the main areas of cooperation. Connected with Finland's own experience in regional policy (i.e. in terms of equity between regions and quality of local governance), FAV was also influential in Finland's engagement with continued support to the LGRP and projects in Zanzibar and in Mtwara and Lindi. Moreover, FAV considerations can be detected behind several new areas of cooperation, for example in ICT and innovation. Judging by the diverse nature of the new projects, however, different interpretations of FAV seem to have been applied. In the case of the Dar es Salaam electricity transmission and distribution project, for example, FAV seems to have been considered to be equivalent to the use of Finnish consulting services, rather than in terms of Finland having any unique technical expertise.

It is evident that the drive to apply FAV to Finland's country programme in Tanzania after 2007 shifted its balance towards project-based cooperation, so it was one of the factors that contributed to the fragmentation of the programme. It is also clear that the different meanings of FAV served to justify various projects that were otherwise indefensible. It seems that promoting a slippery concept like FAV into a driver of policies and decisions is not without risks, for all that it has power to shed light on the motivations that influence and the patterns that emerge from Finnish country programmes.

### **Influence of the Paris Declaration principles**

In global terms, the influence of the Paris Declaration on Finland's development cooperation was evaluated by Salmi & Mikkola (2007), while Finland also participated in the 2006, 2008 and 2011 reviews of the implementation of the Paris Declaration (Section 2.3). Data on Finland's performance can be extracted from these reviews for the 32 partner countries in which Finland has responded to the three surveys. The 2011 review found that Finland only narrowly reached the upper half of the EU donors in terms of performance, and its scores were even lower relative to those of oth-



er Nordic countries (OECD 2011b, 173). Of the nine indicators relevant to donors and with applicable targets for 2010, Finland met only two, and an upward trend in Declaration compliance from 2006 to 2008 was replaced by a clear downward trend from 2008 to 2011. The MFA is currently analysing the reasons for these findings. Observers meanwhile speculate that the development of new themes in development cooperation make it hard to use programme-based approaches since there has to have been the prior evolution of consensus on priorities and practices between government and donors, and among donors, before they can begin. The use of new aid instruments (e.g. the ICI) also makes it hard for aid to be either programme-based or predictable. Hence there is an underlying tension between the demands of the Paris Declaration and the need for a flexible and adaptive programme, whether change is in response to national circumstances or to a new Finnish policy, or both. Observers also note that there are no specific, operational guidelines for embassies to use on how to apply the Declaration principles in programming, which must happen at the very beginning and be based on a detailed understanding of country context, and that most learning in practice comes from other donors, not from MFA.

In terms of the Tanzania country programme, Finland's performance is better than its global average. This is expected, since the country programme is one of Finland's largest and would have been hard to implement without the use of programme-based cooperation and country PFM systems, both of which score highly in Declaration terms. A comparison of Finland's performance with those of other donors in Tanzania demonstrates that Finland is doing better than other donors on average. On aid predictability, however, Finland's score is lower than the average donor score, presumably reflecting the unplanned fall in Finland's disbursements in 2010. The survey results also reveal the same downward trend in Finland's compliance since 2008, probably due in Tanzania to the proliferation of new projects, which negatively affected most Declaration indicators.

There are also other more fundamental issues that might have affected Finland's implementation of the Declaration in Tanzania and elsewhere. Although Finland is committed to the Declaration and it has affected Finnish decisions on ODA, individual views on how the Declaration should be taken into account tend to differ greatly. A number of decision-makers and other stakeholders in development cooperation see a problem in that the Paris Declaration focuses on government cooperation only. It is criticised for remaining silent on the role of civil society in development and on the substance and quality of development cooperation (Salmi & Mikkola 2007). Such concerns were also voiced in discussions that led to the Accra Agenda for Action (OECD 2008). The latter aimed to broaden implementation of the Paris Declaration by engaging civil society in the dialogue. It did not however establish measurable targets for doing so, leading to mixed and unclear results in Tanzania and elsewhere.

With regard to the parts of country programme that involve only Finland and Tanzania, the lack of MFA guidance on how to put the Paris Declaration into effect has had a noticeable effect. Salmi & Mikkola (2007) concluded that in-depth knowledge

of the Declaration in Finland was limited to the MFA staff who worked directly on issues related to it, and recommended that this be corrected through targeted training. Some training has indeed been organised for MFA country teams, but it has not been extended to other stakeholders. Some working methods are also unfavourable to the implementation of the Declaration. For example, interventions are still often prepared through short-term consultancy missions, which do not allow enough time for consultants to become fully acquainted with national systems. With ambiguity remaining, for instance on the solidity of national PFM and procurement systems, it is up to an individual MFA official to balance the desirability of adopting Declaration principles against the risks of doing so. As a consequence, there seems to be a difference between rhetoric and practice regarding the implementation of the Paris Declaration.

## 4 APPLYING THE EVALUATION CRITERIA

### 4.1 Relevance

**General budget support.** GBS from Finland and other donors has contributed to the expansion in the scale of service provision in areas such as education, health and infrastructure (mainly roads), which responds well to the needs of the beneficiaries. Although this has not necessarily meant improved quality, equity or efficiency of these services, these are among the areas where higher public spending could have been justified during the evaluation period. While GBS seems to have contributed to reducing non-income poverty, it has failed to reduce income poverty as much as expected and thus has not responded particularly well to another need of the beneficiaries. GBS has however been well aligned with the Tanzanian policy environment, in particular with the objectives of MKUKUTA Cluster II (Improvement of Quality of Life and Social Wellbeing). It has made an important contribution to the achievement of the MDGs. In the future, however, more attention should be paid to quality and equity of service delivery, as well as MKUKUTA Cluster I (Growth and Reduction of Income Poverty), since other modalities may be more relevant to support them.

**Country programme score:** ‘b’.

**Forestry/land-use.** In one way or other, the vast majority of Tanzanians still earn their living from land. The most fertile lands are densely populated, and land degradation and deforestation are problems. Moreover, key linkages can be seen between the management of forest ecosystems and the security and sustainability of businesses and communities that depend on the goods and services offered by them (including those that rely on wild foods, tourism revenues and water catchments), or that are vulnerable to climate change, or that involve biomass carbon in investments. Thus Finnish assistance in this field is highly relevant in principle, particularly in the area of DeNRM, and responds to the needs of the beneficiaries. However, there are issues that undermine this relevance in practice. Above all, the overall policy environ-

ment in Tanzania has not been conducive for improving land-use change and forestry when it comes to implementation of policies and legislation. Similarly, the SMOLE and LIMAS projects, although working on issues that are highly relevant in principle, fall short in responding to the needs of the beneficiaries in their economic and political contexts.

- **Country programme score:** ‘b’.

**Local government reform.** In a decentralised context, the relevance of building capacity among local governments and providing them with more resources is high. Much depends, however, on the commitment of the central government to the redistribution of power and money. Some signs of weak commitment of the government to the local government reform have been felt throughout the evaluation period. Experienced observers however tend to credit the government with decentralising intentions, and consider that long-term progress in financing the LGAs is evidence of government commitment to the process.

- **Country programme score:** ‘b’.

**Local Cooperation Fund.** In a country such as Tanzania where civil society organizations are still young and weak, LCF support to local NGOs is highly relevant and in accordance with the country’s needs. The MFA decision to scale down the number of local NGOs to be supported is in conflict with the demand side and thereby limiting its wide-spread impact.

- **Country programme score:** ‘b’.

**New areas of cooperation.** The relevance of projects such as the SDI and the DRPS project is low in the context of Tanzanian and Finnish policies, and the needs of the vast majority of beneficiaries and in terms of reducing their poverty. The relevance of TANZICT is potentially better but even there ODA should be used only as seed money.

- **Country programme score:** ‘c’.

## 4.2 Efficiency

Although GBS has not led to improvements in the efficiency of service provision in areas such as education and health (Thornton *et al* 2010), it is difficult to think of how Finland could have contributed more efficiently to the nationwide expansion of these services. This might have been possible through sector budget support or sector programmes but this could have been seen as interference in the setting of government priorities. Moreover, Finland would have lost the option of participating in the GBS dialogue. The transaction costs of GBS are higher than originally expected, but are still low compared with other modalities. They were also expected to be low in the forestry area, but weak capacity on the Tanzanian side forced MFA to use more conventional modalities with higher transaction costs. Some of these projects, like NAFORMA, are efficient in implementation, although at the cost of some degree of

sustainability. Support to local government reform seems to have been considered as support to a process than as supporting the achievement of results. Both are needed, but the inability to demonstrate measurable results to justify the investments implies weak efficiency. The project modality, as used increasingly in forestry and agriculture and in the new areas of cooperation, has its costs. Projects like SMOLE, LIMAS, the SDI and the DRPS project are expensive, and it is questionable whether they can produce results that would justify the investment.

- **Country programme score:** ‘b’ for GBS, ‘c’ for LGRP and forestry/land-use, and ‘d’ for SMOLE, LIMAS, the SDI and the Dar es Salaam Power Supply project (overall c/d).

### 4.3 Strategic effectiveness

The approach used by the country programme in recent years (i.e. focusing on GBS, forestry/land-use and LGRP) seems to be strategically effective in that the results contribute to poverty-reducing economic development on a national rather than on a local level. It is however hard to estimate the Finnish contribution to these results, partly because they have not been assessed in each of main areas of cooperation (although the forthcoming joint GBS evaluation and LGRP review will attempt to do so), and partly because in all three areas Finland is only one of several donors involved. Strategically thinking, however, results are being achieved through GBS and through the projects launched in the forestry area of cooperation, in particular by NAFORMA. Results of the LGRP are less evident, but taking a longer-term and more process-oriented view they can also be noted. The new cooperation initiatives, as well as the SMOLE and LIMAS projects, however do not seem to be strategically effective. The results to be expected of them either do not contribute to poverty-reducing economic development, or will do so only on a local scale.

- **Country programme score:** ‘a’ for GBS and forestry/land-use, ‘b’ for LGRP, and ‘d’ for the projects in the new areas of cooperation (except for TANZICT which could score ‘b’).

### 4.4 Impact

The opinions and specific evaluations sampled by the evaluation team (e.g. on GBS, forestry and agriculture, some of which are summarised in Annexes 5-8) suggest that GBS and some projects in the forestry/land-use area of cooperation have had, or are expected to have, a satisfactory impact in terms of their contribution to enhanced well-being among beneficiaries. It is however hard to determine the specific impact of Finland’s contribution to impact in modalities and programmes that are shared with other donors. The impact of Finland’s support to the LGRP seems to be more moderate and that in the new areas of cooperation could for now be seen as limited or non-existent. For some projects, such as TANZICT and the seed potato project, it is too early to judge impact. One area where Finnish expectations were certainly over-ambitious in terms of impact was the policy leverage that could be exerted on gov-

ernment through dialogue forums linked to the DPG working groups (Section 2.3). For example, by co-chairing the thematic groups on natural resources and tourism as well as on environment, Finland with a few other donors have managed to keep cooperation alive in the forest sector, but this effort has not been reflected in government plans and budgets where the forest sector, despite its economic value and potential, is not a high priority. Donors' attempts to steer policies through the dialogue structures have sometimes been counter-productive, when government representatives have felt that donors have tried to use technical discussions to apply pressure on sovereign matters.

- **Country programme score:** 'b' for GBS, 'b/c' for forestry/land-use, 'c' for LGRP, 'c/d' for the projects in the new areas of cooperation.

## 4.5 Sustainability

Having become a highly-indebted poor country (HIPC), Tanzania benefited from a massive total of debt forgiveness grants under the HIPC initiative and other multi-lateral and bilateral initiatives (e.g. nearly US\$5 billion in 2006-2007, see Section 2.3). The key purpose of GBS in the 2000s was to enable the government to increase expenditure on social services, and thus to achieve the MDGs, without having to resort to external loan financing which would have undone the purpose of debt forgiveness and undermined future macroeconomic performance. Thus debt forgiveness and GBS are deeply connected, and were always intended to be temporary measures which awaited (and were designed to help create) a more favourable fiscal situation, one that is now coming into being in Tanzania as the government increases collection of domestic tax and other revenues. As temporary measures, they were not intended to be themselves sustainable, but they have made possible improvements in economic performance (based on infrastructure, health, governance, etc.) that are likely to be irreversible, so to the extent that these benefit the poor and continue to do so, the approach will have had a sustainable effect.

In other areas, however, sustainability is a concern. In forestry and agriculture there are outstanding issues related to land ownership which affect negatively the sustainability of results. Moreover, because of the weak capacities of the Tanzanian authorities in this area, the tendency has been to opt for separate implementation structures rather than to institutionalise interventions within government structures. This has a detrimental effect on sustainability unless effective exit strategies are planned and implemented (e.g. in the cases of NAFORMA and SMOLE). A similar move from institutionalised interventions to separate implementations structures has not yet taken place in the LGRP, the result being that the latter is so weakly managed that some donors are considering withdrawing from it (as others have already done). The sustainability of projects in the new areas of cooperation is weak, whether institutionally (the DRPS project implemented through TANESCO), or financially and politically (the SDI).

- **Country programme score:** 'b' for GBS, 'c/d' for the rest.

## 4.6 Coordination

Tanzania is often praised as the one of the most advanced developing countries in terms of aid coordination. Indeed, the government and donors active in Tanzania have advanced a lot in this area, as the 2002 TAS, the 2006 JAST, and the 2009 division of labour agreement all show. The coordination mechanisms have become so complex, however, that they absorb a major share of everyone's time to little added benefit. The 2011 Paris Declaration review monitored three dimensions of harmonisation, the use of common procedures, joint missions, and joint analytical work, and all three fail to meet their targets. Hence, some donors increasingly tend to go their own way, using their own criteria for decision making and their own resources for analysis. Thus, although collective action by donors can help all participants up to a point (e.g. by increasing their collective influence, and through economies of scale), if too many are involved in common dialogue structures, then each one's policy priorities and sense of agency will be diluted and compromised. Meanwhile, from a developing country's point of view having only a small number of donors in each sector means that there is a greater risk of being dictated to or suddenly deprived of support should one or more withdraw (e.g. following a change of policy or government), but with many involved they can be played off against each other and the growth of hostile consensus positions inhibited. Constraints on aid coordination and harmonisation therefore exist on both sides, leading to the thought that there may be an optimum number of donors in any dialogue mechanism that will be closest to the ideal for each side. Meanwhile another concern is the lack of participation in coordination mechanisms by emerging donors and new economic partners (such as India, China and Saudi Arabia in Tanzania). Their grants, loans and direct investments are increasing quickly, and they are having a major impact on the productive sectors and on infrastructure, and therefore on people's lives and on the work of traditional donors. Hence there is an urgent need to integrate these new actors and financiers within coordination structures, if necessary adapting them or inventing new ones in response to viewpoints and national interests that were never attended to in past harmonisation negotiations.

- **Country programme score:** 'b'.

## 4.7 Complementarity

The three main elements of the country programme used in recent years (GBS, forestry/land-use, LGRP) complement each other well. Thus participatory forest management is implemented through local government authorities, while GBS complements other programme-based support, and some targeted projects, such as NAFORMA, complete the picture. There are however projects in the new areas of cooperation (such as the DRPS project and the SDI) which do not fit well in this arrangement, as they are stand-alone undertakings which break the internal harmony of Finland's country programme in Tanzania. With regard to external complementarity, the situation looks better, as the three main elements of the country programme com-



plement the programmes of other donors. The DRPS project can also be seen here as part of a coordinated effort to improve electricity transmission and distribution, as agreed between government and a number of donors.

- **Country programme score:** ‘b/c’ for internal complementarity, ‘b’ for external complementarity.

## 4.8 Compatibility

Tanzania’s national development strategies (MKUKUTA/MKUZA) have been praised for having clear strategic priorities that are linked to a medium-term expenditure frameworks and reflected in annual budgets. These priorities are many and diverse, however, as the government tries not to leave out any sector or service that is of importance to the country and has a potential to attract donor funding. From the donor point of view, planning a country programme in such a context is relatively straightforward, as one can easily find a government priority to match an interest by the donor. Where many donors are involved, however, finding a vacant niche is much harder. Thus, when choices are made, coordination and complementarity with other donors often seems a more important criterion than compatibility with the country’s development policy. An example is Finland’s withdrawal from the education sector, prompted by the niche being occupied by other donors. Finland also decided to focus on forestry in Tanzania, a sector which is not reflected in government plans and budgets as a priority. This decision suggests that considerations such as FAV, coordination and complementarity with other donors, and continuation and consistency in the country programme, take precedence over compatibility with national development priorities.

Now that government has issued the FYDP1, planning of a country programme in Tanzania has become less straightforward as donors must consider how to react to an opportunity-based, business-minded modernisation plan. While the five-year plan focuses on economic diversification and growth in priority areas (e.g. large investments in energy, transport infrastructure and ICT), other national development plans such as MKUKUTA/MKUZA continue to focus more on poverty reduction. With such a dual approach to development continuing in Tanzania, donors including Finland will need to reflect on what this means in terms of compatibility in the future.

The major goals of Finland’s 2007 development policy being poverty reduction and sustainable development, and these being supported among other things by a strong focus on environment, continued support to the forestry sector in Tanzania is potentially consistent with policy. Similarly, continued support to LGRP and to the Mtwara and Lindi regions could be traced to the regional autonomy thinking of the 2007 policy. However, as the 2007 policy did not establish a clear position on GBS, the decision to limit it to €15 million annually for 2009-2011 cannot be considered to have been founded on Finnish policy. Moreover, some projects in the new areas of cooperation do not respond well to the spirit of Finland’s 2007 policy. When choices have been

made, considerations such as FAV, and continuation and consistence in the country programme, seem to have been more influential than the contents of Finland's development policy.

- **Country programme score:** 'b'.

## 4.9 Connectedness

The country programme is fragmented and therefore diverse, with each part having its own strengths and vulnerabilities, and there are few common connectedness issues. Moreover, the programme is embedded within a vast structure of aid activities created by dozens of donors in partnership with government over many years. The only externalities that could realistically threaten the whole edifice are massive political turmoil (which is perhaps least likely in modern-day Tanzania than in almost any other African country), wholesale collapse of international financial systems, and climate change. Only the latter vulnerability is within the scope of the Tanzanian development process to affect, which it could do through measures to promote adaptation (e.g. through climate-proofing ecosystem management and disaster risk reduction) and mitigation (e.g. through REDD and renewable energy), although unlike some donors (e.g. Norway, the UK) Finland has taken only small (if strategic) positions on these subjects, and the government seems little interested in them at present.

For the Finnish programme considered separately, there are potential connectedness issues over particular area-based investments (e.g. in Lindi and Mtwara, Zanzibar, or DeNRM programme areas), where conflict might arise with irresistible forces such as major plantation or mining projects. There is also scope for local political difficulties to arise over the two areas of the programme that have been supported by Finland throughout the evaluation period: forestry/land-use (including SMOLE), and decentralisation though de-concentration (LGRP). These are both very political as changes here imply changes in the way that power and money are distributed. Land tenure issues are themselves highly contentious in Tanzania, where most land is untitled and conflict over land is frequent, and particularly in Zanzibar where much land has been subject to elite capture. The systems that are being targeted by the country programme are thus strongly linked to political decision making and government political commitment to planned reforms. Signs of weak government commitment have been felt in the implementation of the NFP and the LGRP. In Zanzibar, progress in the SMOLE programme is dependent on GoZ decision-making, and on the slow and weak enforcement of legislation and plans. Projects in the 'new areas of cooperation' seem more resilient to external factors.

- **Country programme score:** 'c'.

## 4.10 Coherence

Finnish observers are divided in their views of Finland's efforts on forestry in development cooperation, and there is strong debate on the subject in Finland with un-



known implications for forest programming in Tanzania and elsewhere. There are also coherence issues in the other areas of the country programme, for example in the energy sector where Finland through the regional EEP promotes investments in renewable energy through private-sector entities, while at the same time investing €25 million in the state-owned TANESCO which can avoid bankruptcy only because of government subsidies. Moreover, the views of Finland's development community are divided on the SDI which by some is seen as a purely political initiative, designed to maintain good relations between the two countries. The Institute faces a challenge in proving that this is not the case.

- **Country programme score: 'c'.**

#### **4.11 Finnish added value**

The context, systems and state of affairs in Finland and Tanzania are so different that to be able to apply specific knowledge gained in Finland, an expert would have to have worked inside the Tanzanian system for an extended period. In the LGRP, for example, there have been no long-term Finnish staff working inside government structures and the Governance Adviser of the embassy, however knowledgeable and experienced, looks at the system from outside. While domestic political considerations ultimately determine the pace of reform, these considerations may remain unclear to external experts with insufficient knowledge of the country. Although FAV seems to have been an important criterion in identifying the 'new areas of cooperation', their diverse nature suggests that various interpretations of FAV were used. In practice FAV is too slippery a concept to be applied consistently in decision-making, and the key decisions were in any case also being made by an individual rather than collectively. Since FAV is by definition a collective attribute, it is likely to be nearly meaningless in this context. Tanzanian priorities and aspirations do seem to have matched perceived Finnish comparative advantage in the area of ICT and innovation, but such a match is less evident in other new areas of cooperation such as geological research and the SDI. Delivery of a Finnish-designed electricity transmission and distribution solution responds to a need in Dar es Salaam but its FAV is not evident as several other donors were already active in the sector with their own technical solutions and larger financial resources. A final point is the persistence with which Finland from 1988 to 2005 struggled through RIPS to find the right way to work in the Lindi and Mtwara regions, seemed to find it at last, but then ended the programme and later introduced a different approach and imposed it through DESEMP and LIMAS. This history is consistent with expectations if it is considered that one aspect of FAV is a cultural feature which may be described as perseverance in the face of adversity. We conclude that FAV as a concept is prone to different interpretations, and in attempting to apply it in Tanzania one of the results has been a highly fragmented country programme.

- **Country programme score: 'c'.**

## 4.12 Partner satisfaction

As part of the donor community, Finland is affected by a paradox of the current situation in Tanzania. Considerable effort has gone into applying between donors and government the principles of alignment, harmonisation, aid effectiveness and coordination. Results, even if mixed, have been achieved in these jointly-agreed areas, and globally Tanzania is one of the show cases of achievements of the aid effectiveness agenda. Despite this, both government and donor representatives are strongly dissatisfied. The government side tends to blame donors, among other things, for intervening in its sovereign political matters at the technical level, for not sticking to the jointly agreed decision criteria (e.g. for GBS), and for increasingly having recourse to modalities other than the programme-based ones. Donors, on the other hand, tend to claim among other things that government commitment to reforms has slowed down significantly, public financial management has deteriorated, and that government is not doing all it could to combat corruption. Trust has thereby been undermined, and there is a need to restore and improve dialogue.

Some observers express a general satisfaction with the country programme and these are more abundant among Tanzanians than Finns. Where Tanzanians did express reservations, popular topics were the interventions in Mtwara, Lindi and Zanzibar, where Finns were described as being over-insistent on their own views and willing to abandon earlier cooperation initiatives without building on or learning from them. On the other hand, Tanzanians at the central government level compared Finland positively with other donors, blaming the latter for imposing too many conditions. The views of the embassy staff are consistent with general dissatisfaction on the donor side, but dissatisfaction was also detected in the MFA headquarters. Due to constraints on the Tanzanian side (e.g. in the management of the NFP and LGRP), the embassy and MFA have not been able to proceed as planned, and other modes of implementation have had to be found or planned disbursements redirected. Moreover, embassy and MFA officials are dissatisfied with the lack of transparency and collective decision making that led to the fragmentation of the country programme. Finland is not unique in having a fragmented country programme in Tanzania, but in other cases this is said to have been driven by the embassy concerned. It must also be noted that as difficulties arose in the three main areas of cooperation (i.e. GBS, local government reform, and forestry/land-use), embassy staff may have been attracted to the new cooperation initiatives as being easier for them to work on.

- **Country programme score:** 'c'.

## 4.13 Programming logic

The three main areas of cooperation (i.e. GBS, local government reform, and forestry/land-use, with an additional intervention in Zanzibar plus the LCF) have been maintained throughout the evaluation period. The only major changes occurred at the beginning of the evaluation period when support to the education and justice sec-

tors were dropped, and at the end of the period when a number of new areas of cooperation were added to the country programme. There is no evidence of thorough analyses being used to justify these changes. Decisions surrounding certain individual interventions, such as SMOLE and DESEMP/LIMAS, seem to have been based more on personal views on development than on analyses of context, needs, challenges and risks. The LCF is a case where the human resource constraints of the embassy have taken precedence over the analysis of the demand side, and these constraints are now pushing the LCF into a direction where it can deliver less useful results. In the three main areas of cooperation, however, regular analytical assessments take place in association with the joint dialogue structures. Tanzanian self-assessments are regularly complemented by joint and/or shared appraisals, reviews and evaluations. Unfortunately, their results can sometimes be misleading (e.g. the appraisal of LGRP II) or the interpretation of their results can be biased (e.g. in the 2005 GBS evaluation). It can be observed in general, however, that learning by making mistakes with public money is an undesirable educational process, and would be minimised by better analyses and more effective application of their results. The 2011 strategic planning exercise in the forest sector summarised in Section 3.5 is an example of how such weaknesses can be corrected.

- **Country programme score:** ‘c’.

#### **4.14 Replicability**

Leaving aside its recent fragmentation, the underlying approach of the country programme, with its two sectoral engagements, complementary GBS, and one or two targeted interventions that are strategically linked to the two sector programmes, plus the LCF, makes sense and could be replicated elsewhere. The use of GBS is effective as a temporary way to advance the MDGs, which is relevant to other developing countries in similar socio-economic situations. Other conclusions on replicability are rather negative, however, such as that a high price will have to be paid to correct over-ambitious expectations of policy leverage, the over-estimation of national programme management capacities, and the abandonment of evidence-based and collective decision making.

- **Country programme score:** ‘c’.

## **5 ANSWERING THE RESEARCH QUESTIONS**

### **5.1 The evaluation matrix**

A number of evaluation questions were posed in the ToR. These were unpacked into research questions in an evaluation matrix in the Inception Report, with the aim of guiding the evaluation towards answers that would meet the MFA's need for clarity on

particular issues (see Section 1.2). The answers for the Tanzania country programme are given in the following sections.

## **5.2 Meeting the priorities of Tanzania and Finland**

### **Research question 1.1: How and to what extent did programme activities meet the priorities of Tanzania?**

Country programme activities seem at first glance to meet the priorities of Tanzania as declared by the government. As the following points make clear, however, differences among sectors and modalities emerge with more detailed study, making some of them very much in line with the government's priorities while others are not.

- Contributions to GBS rank highly in meeting government priorities, particularly in the expansion of social services as stipulated in MKUKUTA Cluster II.
- Support to local government reform is moderately in line with government priorities but seems to be affected by government hesitation in deepening the reform agenda. Although the government is supportive of decentralisation as a vehicle for service delivery, it seems less enthusiastic over turning LGAs into autonomous units of self-governance and accountability.
- The forestry/land-use area of cooperation seems to be in line with government's declared intention to deal with land and environmental issues. In practice, however, forestry issues do not rank highly among the priorities of government's development plans and budgets.
- The SDI is quite well in line with government priorities at the highest political level, yet the current project is in conflict with the original intention of the intervention.
- The DRPS project is helping to relieve one aspect of the energy crisis in Tanzania, but does not address the first government priority of improving generation capacity.
- SMOLE in principle accords with GoZ priorities, since it aims to enhance sustainable land use planning and management, but as it risks failing to produce results it also risks failing to meet those priorities.
- LIMAS is in principle in line with the national government's priorities on development of the private sector, but is not in harmony with the priorities of the regional administrations or rural people of Mtwara and Lindi.

### **Research question 1.2: How and to what extent did programme activities meet the priorities of Finland?**

The main elements of the country programme are in line with the current and past priorities of Finland in terms of promoting poverty reduction, good governance and/or regional policy, and sustainable use of natural resources. Finland's main tool for poverty reduction has been GBS, which has met Finnish priorities reasonably well, although it has not focused specifically either on extreme poverty (the main goal of Finland's 2004 policy) or poverty and sustainable development (the main goal of Finland's 2007 policy). Overall, country programme activities have met the latter goal

better than the former. The use of LCF to promote human rights issues can be traced to the 2004 policy (which was more explicit on human rights issues than its successor) and the justification of LIMAS can be linked to the regional policy emphasis of the 2007 policy. The new areas of cooperation can also be justified by creating similar connections. The DRPS project, for example, can be linked to energy efficiency as mentioned in the 2007 policy. The fact that the Finnish policies refer to such a wide range of generic issues naturally makes it easy to create such links in order to justify a variety of interventions. The various development policies provide a framework to define which sector or theme to support, and indicate a preference for certain modalities, but are not articulate on how to deliver that support. This may or may not be clarified in sector guidelines, but the evidence suggests that much flexibility remains in how the policies can be interpreted. While noting this space for interpretation, the evaluation team notes that country programme activities do generally meet the priorities of Finland, but that some interventions may not do well under policy scrutiny. Such doubtful matches are evident in the energy sector (the DRPS project), in private sector development (LIMAS) and in sustainable development (the SDI).

### **Research question 1.3: How and to what extent did policy dialogue help enable development?**

At the beginning of the evaluation period, there was a strong shift from bilateral policy dialogue to a policy dialogue shared with other donors. Tanzania was a leader in aid harmonisation and coordination, and Finland was eager to align its policies and practices with those of Tanzania and the global community of practice. After 2001, most policy dialogue occurred within the dialogue structures shared with other donors where Finland had a strong role (e.g. in chairing the DPG). During this period, policy dialogue helped enable development, in particular in the context of GBS which among other things contributed to more public spending being channelled to pro-poor sectors. Similarly, policy dialogue seems to have been effective in directing more resources to the LGAs. On government reform, however, policy dialogue has never been as effective as donors hoped it would be, and this, with a number of other factors, started to affect the quality of dialogue from 2007 onwards. The quality of policy dialogue around Finland's main areas of cooperation then weakened considerably. Together with capacity constraints on the Tanzanian side, this was detrimental to the developmental impact of the country programme. The weakening of policy dialogue in Tanzania coincided with a new and less participatory approach to policy making and implementation in Finland. Thus the minister, while visiting Tanzania in late 2007, had a dialogue with Tanzanian authorities and personally identified a number of 'new areas of cooperation'. In the absence of analysis and transparency, it is questionable whether this form of high-level policy dialogue helped enable development.

## 5.3 Modalities and the Paris Declaration

### Research question 2.1: How do the various modalities rate in Paris Declaration terms?

The GBS modality is well in line with the principles of the Declaration, not only because it implies use of national PFM and procurement systems but also because it promotes joint analyses, mutual accountability and use of results-oriented frameworks. The predictability of Finnish GBS contributions has also been good, partly because Finland has not applied serious conditions. The predictability of Finland's programme-based cooperation suffered from the failure to move to the SWAp in the forest sector, when the donors in 2009 jointly decided not to channel funds through the ministry. Thus although predictability might be desirable, it may have to be sacrificed when the underlying conditions for cooperation do not exist. Along with the increase of project cooperation in Tanzania since 2007, Finland has increased the number of parallel implementation structures, and reduced the use of national systems, thus eroding Declaration performance. While much attention is paid to the principles of the Declaration in GBS and local government support, cost-intensive technical assistance and parallel systems are used in programmes such as SMOLE, compromising their sustainability as well as their Declaration compliance.

By signing the Paris Declaration, Finland committed among other things to providing two-thirds of its ODA to Tanzania through programme-based approaches, yet this share declined from 90% in the 2008 survey to 76% in the 2011 survey. Now that GBS for 2012 is planned to be reduced from the current €15 million to €10 million, and project cooperation has proliferated in the forestry sector and in the new areas of cooperation, the Declaration target may be even harder to meet from 2012 onwards. A presentational solution might be to use the ambiguity offered by the Declaration in terms of what is considered a programme-based approach, which is defined by OECD/DAC as being "being based on the principle of co-ordinated support for a locally owned programme of development, such as a national poverty reduction strategy, a sector programme, a thematic programme or a programme of a specific organisation" (MFA Denmark 2006, 9). Taking the issue more seriously, however, could require modifications to the structure or modalities of the country programme. Reform of the country programme is needed, but this will take time and meanwhile Finland may have to accept that for now it is simply not feasible to reach the Declaration target for programme-based cooperation in Tanzania. This would be partly because the prevailing conditions are not conducive, and partly because of Finland's own actions which have taken the country programme in the direction of project-based cooperation.

## 5.4 The cross-cutting themes

### **Research question 3.1: How and to what extent are the cross-cutting themes mainstreamed in development cooperation?**

The CCTs are conventionally listed as comprising good governance, democratic accountability, rule of law, human rights, gender equity, HIV/AIDS, and the proper functioning of political parties and parliaments, with environmentally sustainable development as a parallel objective. The main challenge associated with the CCTs is how to mainstream them in all aspects of planning and implementation. This has been attempted in the Tanzania country programme in several ways: (a) by building them into the government-donor dialogue structures, in that the leading donors in the DPG sectoral and thematic working groups are tasked with promoting them; (b) by establishing thematic working groups on various CCTs, in which Finland has been active; (c) by Finnish efforts to raise them in the bilateral dialogue with Tanzania; and (d) by considering them in bilateral programmes and projects.

Results on good governance and anti-corruption measures have been mixed. There is a feeling amongst donors that the government may not consider such themes as its own top priorities, and will simply do the minimum to ensure that they will not become obstacles to cooperation. Instead, government has been stressing the Paris Declaration principles, which are neutral in terms of the CCTs. Gender and some other CCTs have however been incorporated in the GBS reviews and the PAF. Progress in advancing them has been achieved, for example in the education sector where gender parity has been reached. Similarly, the MKUKUTA monitoring system has increasingly come to include CCT-related indicators.

The quality of treatment of the CCTs chiefly depends on the knowledge and skills of the people involved in the dialogue and programming processes, whether bilateral or multilateral. Although advisers may comment remotely from Finland, there is seldom anyone directly involved from the Finnish side in these processes who has specialised knowledge on the CCTs. Hence they easily become neglected in the formulation of interventions. The MFA has issued general guidelines and organised some training on the CCTs, but these fall short of ensuring that they are properly addressed at the formulation stage. A common solution is to call in a short-term specialist at the early implementation stage, but this is often too late as key decisions have already been taken. Thus an evaluation of the CCTs in Finnish development cooperation concluded that “while cross-cutting themes are often taken up in the policy dialogue with partner countries, the statements tend to remain as political manifestations of Finland’s keen interest in the issues or an expression of concern in a particular situation” (Kääriä, Poutiainen, Santisteban & Pineda 2008, 25). The established mechanisms, such as the scrutiny of the CCTs during Quality Group review, do not seem to ensure the translation of the policy into practice, and a deeper consideration of the CCTs from the beginning of country strategy formulation would seem to be needed. This would also need to involve raised understanding on CCT issues among all those implementing government programmes and separate projects in the field, including the staff of consulting firms.



### **Research question 3.2: To what extent has paying attention to cross-cutting issues contributed to achieving the aims of development cooperation?**

The LCF modality is where the CCTs are best taken into account by far, and where paying attention to them most strongly contributes to achieving development cooperation aims. This is because they comprise the objectives of the modality itself, which shows how serious efforts to mainstream the CCTs would need them to be treated as both preconditions and purposes of development cooperation. Elsewhere in the country programme, the CCTs have been incorporated in the GBS reviews and the MKUKUTA monitoring system, but the results in advancing them through GBS have been mixed. Otherwise, the mainstreaming of the CCTs is not apparent; if addressed at all, they are treated as issues of peripheral rather than central importance, and their impact is accordingly limited.

## **5.5 Translating policies into activities**

### **Research question 4.1: What processes are used to translate development policy into activity designs?**

New programming processes followed the release of the 2004 and 2007 development policies. After 2004, Finnish ODA was programmed in a context that was increasingly government-owned, programme-based and shared with other donors, thereby benefiting from joint analyses and plans. After 2007, the MFA regional departments and embassies were tasked with preparing the 2008 CAPs. This was done with limited detailed guidance and against a very tight deadline, and in the case of Tanzania the resulting CAP was set aside and declared a ‘non-public’ document. Thereafter, the processes by which a number of new areas of cooperation and projects in those areas were identified were neither transparent nor based on collective decision-making. The 2008 bilateral country consultations confirmed both the old and the new areas of cooperation. Even if the programming process had not been sidelined like this, it would have been challenging to match the Finnish programming cycle with any joint programming exercises. This is partly because the Finnish cycle is based on the four-year term of the government in Finland, and partly because the MFA’s financial planning takes place on a rolling basis, meaning that financial commitments are commonly made beyond the timeframe of the country programme. In any case, since 2008 the embassy in principle has had lead responsibility in designing interventions, although even here there were intrusions from Helsinki that led, for example, to the appointment of a Finnish programme director to the SDI with a very unclear role. By 2011, however, a division of labour agreement was being developed between the MFA and embassy that will clarify and regularise the roles and responsibilities of the participants in line with emerging standard practice based on the embassy decentralisation pilot that has been underway since 2005.

## 5.6 Finnish added value

### **Research question 4.2: Is Finnish added value reflected in the selection of modality and activity design?**

After 2007, FAV has been an important criterion in the selection of areas of cooperation, and in particular in the identification of projects in those areas. With regard to different modalities, application of FAV (if defined as use of Finnish expertise and know-how, as in Finland's 2007 policy) is easiest in project-based forms of cooperation, and FAV considerations indeed contributed to the increased use of the project modality in the Tanzania country programme. This in turn is one of the reasons for the serious fragmentation of the programme. These considerations seem to have affected activity design as well, for example in the ICT and innovation field, where incubation activities and development of mobile applications are to be supported.

## 5.7 Strengths and weaknesses of the country programme

### **Research question 5.1: What are the main strengths and weaknesses of the country programme?**

The main strength of the country programme is the reservoir of trust on the part of the Tanzanian government towards Finland, which is due to the long-term partnership between the two countries. Such trust should not only facilitate dialogue on sensitive issues, such as corruption and perceived lack of commitment to reforms, but it should also make for easier decisions at a technical level, such as in cases where cooperation activities have to be discontinued. Another area of strength is Finnish influence in the donor community that is exerted by having the Minister-Counsellor and Counsellors of the embassy as chairs or co-chairs of the DPG and various sectoral and thematic working groups, including those on local government reform, natural resources, environment, and innovation and technology. Moreover, a number of donors including Norway and the UK expressed a clear appreciation of Finland as a valued participant in their efforts to advance in strategic areas, particular in the important nexus between DeNRM, forest inventories, REDD and mainstreaming climate change adaptation and mitigation. Finland has thus contributed strongly to donor coordination and leadership. The main weakness of the country programme is its fragmentation and incoherence, partly due to capacity constraints on the Tanzanian side which did not allow the planned shift to a SWAp in the forest sector, and partly to Finland's failure to apply a programmatic approach since 2007. At present the country programme consists of around 18 interventions, roughly a third of them being in the forestry sector, and another third result from opaque project identification processes. Moreover, a number of new and old projects are hard to justify from developmental, socio-economic and/or financial points of view.

### **Research question 5.2: Can strengths and weaknesses in cooperation programmes be traced to strengths and weaknesses in policy or in the mechanisms that translate policy into practice?**

Neither the trusting and comfortable relationship with government nor the influence obtained by creative and energetic Finnish participation in donor dialogue structures can be traced to whatever strengths there may be in either the 2004 or 2007 policies, as these result from the qualities of the country team and particularly the embassy staff. Weaknesses of the country programme can however be traced to weaknesses in the 2007 policy in particular, which was vague for example on aid modalities, and established a definition of FAV which proved hard to apply consistently and wisely. The ambiguity of the policy allowed for different interpretations, and in the absence of clear guidance from MFA the programming process as a mechanism to translate policy into practice was disordered. The minister's interpretation of policy prevailed, and the definition of FAV in the policy contributed to the fragmentation of the country programme.

### **Research question 5.3: Can best practice examples be identified?**

One best practice was identified, namely the partnership model with FAO, which is very much an alliance of strengths with a specialized UN agency. The partnership has given rise to the NAFORMA project which seems a well targeted enabling activity with potential for long-term, irreversible impact. Assuming that the sustainability of NAFORMA is assured, it should be possible to use its results creatively to support further investments in decentralised natural resources management, including forestry.

### **Research question 5.4: Can worst practice examples be identified?**

Several worst practices were identified.

- The absence of comprehensive reporting by the embassy in Dar es Salaam, compared with the reporting regimes that have been in place in other countries (i.e. at least Nepal, Nicaragua, Mozambique and Vietnam). The absence of such reporting makes it hard for anyone not directly involved in the programme to make sense of it or to understand its relations with government programmes, and may also have contributed to the unchallenged continuation of a disordered and opaque programming process in Tanzania after 2007.
- The weak quality of dialogue and decision making surrounding the Mtwara and Lindi interventions (including the unsatisfactory negotiation process from RIPS Phase III through DESEMP to LIMAS), combined with what was apparently a decisive intervention from Helsinki. This is also a worst practice in the sense that local ownership of LIMAS is lacking, as it results from views imposed by the Finnish side. Moreover, although RIPS had been active in the Mtwara and Lindi regions for 17 years, LIMAS does not seem to build on that experience.
- The decision-making processes surrounding SMOLE also qualify as a worst practice. The project's high level of political vulnerability must have been known when it was designed, and should have been taken into account at the

latest when the limited results of Phase I were reported. The decision to continue and even extend SMOLE is hard to understand, although might be explained if it was thought that Zanzibar's low share of GBS required Finland to do more there for political reasons. It might also have been assumed that the outputs of technical assistance efforts would improve land-use planning regardless of factors such as the vested interests of the political elites and government departments in Zanzibar, which in practice continue to undermine the achievements of SMOLE Phase II. Neither political considerations on their own nor unjustified assumptions in any circumstances provide a sound basis for development programming.

- The SDI, and the opaque means by which such a large commitment was made to such ill-defined ends qualifies as yet another worst practice. The case would reward further examination in the interests of accountability and learning.
- The DRPS project is out of line with the country programme, the spirit of energy sector cooperation of Finland's development policy, and the role of bilateral grant financing. It is a worst practice case of an infrastructure investment which in the Finnish context is large, but which strategically is of limited value.

#### **Research question 5.5: Were development instruments complementary with one another and coherent with policy?**

The three main areas of programme-based cooperation are complementary with one another and coherent with the Finnish policy. There are other cases, however, mainly in the new areas of cooperation, where individual interventions and/or instruments are not complementary with one another. For example, while Finland promotes renewable energy projects through private-sector entities via the regional EEP programme, it simultaneously supports the state-owned TANESCO which can carry on monopolising the energy sector only with external support, including that from government and donors. Also, whatever its original concept, the SDI as it is now has few complementarities with the rest of the country programme.

## **6 CONCLUSIONS OF THE EVALUATION**

### **6.1 Putting policy into practice**

Global, Tanzanian and Finnish development discourses and policies have all had an impact on the evolution of the country programme between Tanzania and Finland. What has changed over time is the relative influence of each of these on the dialogue and programming processes, and on the structure and content of the country programme. The principles of poverty reduction and aid effectiveness were having a big impact on the country programme in the first half of the evaluation period, since the policies and practices of both sides were built on them. The processes by which Finland's 2004 development policy were put into practice were government-owned and

shared with other donors. The policy was explicit, especially on preferred aid modalities, and in line with it the embassy, with the support of the MFA, aimed to focus on three areas of cooperation (GBS, local government reform and forestry/land-use) and to increase programme-based cooperation. Choices among areas of cooperation were shaped by global discourses (e.g. on aid effectiveness) and the 2004 policy itself (e.g. with forestry as a priority). Continuity and consistency with past cooperation, as well as perceived FAV, also played an important role in these choices. Although the MFA formally took decisions, the embassy was very much in the driver's seat.

Several factors combined to change this pattern in the second half of the evaluation period. The effect of providing GBS on reducing income poverty had proved below expectations, and it had also become clear that donors had over-estimated the influence they could exert through policy dialogue on government policies and action, including on corruption. Moreover, the Tanzanian financial and operational management capacities that would be needed if programme-based cooperation was to be increased had proved to be weaker than expected. Hence the donors began to search for other means of cooperation, and they were increasingly attracted back to the use of targeted interventions such as TA projects. Thus on the donor side there was a pull away from strict adherence to the Paris Declaration principles. Although this was resisted by government, a complicating factor was that the donors also tended to advocate the cross-cutting themes, such as good governance and the rule of law, which were of less interest to government than budget support and joint programming. The outcome of this three-way tension, between effective delivery of high-impact aid, country ownership and longer-term aid effectiveness, and donor values, have not been entirely satisfactory either to the government or to the donor community. In the case of bilateral interventions involving Finland and Tanzania, an added factor is that the MFA lacks specific mechanisms either to implement the Paris Declaration or to mainstream the CCTs.

All this also coincided with a weakening of dialogue between government and donors, making it harder to resolve issues, and a perception amongst donors that government commitment to reform was diminishing. Changes in Tanzania's own development strategy could also be seen, as the first five-year plan was launched and proved to be based on dual development approach, on the one hand stressing poverty reduction but on the other economic diversification through investment. In this context, the role of new economic partners and donors such as China and India was becoming increasingly important.

Finland's 2007 policy focussed on poverty reduction and was progressive on sustainable development, but although it remained ambiguous on modalities such as GBS there was no particular reason to expect major consequences for the country programme as a result of its adoption. Even so, in the second half of the evaluation period the way in which this new policy was put into practice had a profound impact on the country programme. A short and disordered programming process in early 2008 involved the embassy and MFA in producing a CAP. This confirmed the exist-

ing three areas of cooperation but also signalled that new areas could be explored through pilots. Some of the criteria used to confirm the areas of cooperation were innovative; for example, support to local government reform was now linked to regional policy while earlier it had been linked to good governance. Standing financial commitments were also taken into account, in particular with regard to GBS, the reduction of which before 2012 would have required a difficult political decision. At the end of the programming process, however, the CAP proposal was set aside. Thereafter, while the three main areas of cooperation continued, opaque project-identification processes took place, seemingly based on the minister's dialogue with Tanzanian stakeholders and on his own development views, including on the interpretation of the concept of FAV. These amplified the trend towards project-based cooperation which had already become established in the donor community as a whole, but permitted a particularly rapid fragmentation in the case of Finland's country programme.

Thus the next programming process in Tanzania will have as its starting point a highly fragmented country programme, Finland's new development policy, dual government priorities and a different development context. Consolidation of the country programme is essential, implying the phasing out of projects and/or of areas of cooperation. As several projects are in their early stages of implementation, however, this process will necessarily take several years. The tragedy in all this is that Tanzania, like the rest of the world, is quickly running out of time to address issues of overwhelming importance, foremost among them the loss of ecosystem goods and services, and climate change. These are what will set the anti-poverty agenda in coming years, and they should be being addressed through a vigorous country programme that is implemented in partnership with other donors. This whole agenda, however, seems likely to be neglected in Tanzania while the country programme addresses the consequences of past mistakes by one former minister.

## 6.2 Matters of performance

Table 10 summarises the conclusions of Section 4, which in turn are based on the findings of Section 3. Scores are given by the 14 evaluation criteria for the country programme as a whole and/or for components of it. If all the scores are transformed into their numerical equivalents ( $d = 1$ ,  $c/d = 2 \dots a = 7$ ), their overall mean value is 3.4, in the bottom quartile of scores for 22 Finnish development cooperation activities as assessed by Caldecott *et al* (2010). In other words, while there are some bright points, chiefly in the main long-term areas of cooperation and especially in GBS, local government reform, decentralised natural resource management, forestry plantations and inventories, and civil society participation, the quality of the country programme as a whole is undermined by diverse problems and deficiencies.

**Table 10** Country programme scores for evaluation criteria.

<b>Criterion</b>	<b>Notes and scores</b> (where 'a' = <i>very good</i> , 'b' = <i>good</i> , 'c' = <i>some problems</i> , and 'd' = <i>serious deficiencies</i> ; and NAC = 'new areas of cooperation').
Relevance	GBS 'b', forestry/land-use 'b', LGRP 'b', NAC 'c' (overall 'b/c')
Efficiency	GBS 'b', forestry/land-use 'c', LGRP 'c', SMOLE/LIMAS/SDI/DRPS 'd' (overall 'c/d')
Strategic effectiveness	GBS and forestry/land-use 'a', LGRP 'b', TANZICT 'b', SMOLE/LIMAS 'd' (overall 'c')
Impact	GBS 'b', forestry/land-use 'b/c', LGRP 'c', NAC 'c/d' (overall 'c')
Sustainability	GBS 'b', others 'c/d' (overall 'c')
Coordination	'b'
Complementarity	Internal 'b/c', external 'b' (overall 'b/c')
Compatibility	'b'
Connectedness	'c'
Coherence	'c'
Finnish added value	'c'
Partner satisfaction	'c'
Programming logic	'c'
Replicability	'c'

**Source:** Sections 4.1-4.14.

Five criteria stood out as those for which Finnish activities consistently received high scores in the 2010 synthesis evaluation, these being relevance, coherence, partner satisfaction, compatibility and FAV (Caldecott *et al* 2010). Performance of the Tanzania country programme is partly in line with this finding, in that relevance and compatibility were among the criteria which received the highest scores. Thus, the main areas of cooperation are relevant and compatible with Tanzanian and Finnish policies. Aid coordination in Tanzania is advanced which explains the additional high score for coordination and external complementarity. Strategic effectiveness was also found to be good, implying that the main areas of cooperation potentially contribute at a national level to significant poverty-reducing economic development. The country programme's low scores for coherence, partner satisfaction and FAV, however, reflect dissatisfaction in Finland and Tanzania over how programming and project identification have been carried out in recent years, including the application of different inter-



pretations of FAV. This stressful experience has translated into a country programme with which nobody is content, despite its accomplishments.

Conclusions can also be drawn from the differences in scores among the three main areas of cooperation i.e. GBS, local government reform (LGR), and forestry/land-use, on the one hand, and the stand-alone programmes LIMAS and SMOLE and the 'new areas of cooperation' on the other. Overall, GBS is the most successful modality within the country programme and consistently received the highest scores; it has served well as Finland's main contribution to poverty reduction, above all in terms of non-income poverty and the attainment of the MDGs, even though its policy leverage has been more limited than expected. Since the need for GBS will naturally decline as government obtains more domestic and external resources, it can in any case be seen, like debt relief, as a temporary measure. There is, however, another way to look at GBS, as a form of core funding in the context of Finland's overall partnership strategy. The best partnerships tend to be open-ended arrangements between Finland and entities that share its aims and are competent to advance them, in which Finland provides **core funding** so that the partner can function properly and grow, and also **contract funding** so that the partner can deliver on specific goals or tasks. Thus, for example, Finland has selected FAO as a partner organisation, gives it core funding, and also contracts it to deliver services such as NAFORMA (see Section 3.5). It might be considered whether a similar approach can also be the basis for Finland's relationships with its chosen developing country partners, to some of which Finland already provides GBS. This would mean that while the importance of the underlying conditions for GBS would remain, Finland would not engage directly in measuring technical performance, thus saving embassy staff capacity for other work. Other donors have greater technical capacity to lead such measurement, and in the case of the EC this would also be in line with current budget support policy (EU 2011).

Performance in the other two main areas of cooperation was more mixed, with relatively low scores awarded in efficiency, impact and sustainability particularly towards the end of the evaluation period. The stand-alone projects LIMAS and SMOLE received consistently low scores, and this also applies to some projects in the 'new areas of cooperation' which have advanced to an implementation stage. In such cases, the main reason is probably a lack of analytical work to support the decisions that continued or launched them. The lack of analytical work also affects negatively the prospects for other new projects which have just begun. Thus, the following observations can be made regarding the various specific interventions:

- **Agribusiness development in the Mtwara and Lindi regions.** It would be reasonable to reassess continuing support for the Mtwara and Lindi regions beyond LGRP and LGDG financing, considering also the new gas and mining investment projects in the regions and further inland. If the need is still there, it would make sense to use the Newala and Liwale districts as a pilot for an LGA support project, or a DeNRM one, and to discontinue the business development approach there. Finnish support to business development processes

could be moved to a more reasonable location, or else rolled out nationally. An anticipated mid-term review may be necessary to provide guidance.

- **Land-use and environment in Zanzibar.** The planned mid-term review could provide an opportunity to refocus SMOLE Phase II on delivering at least some concrete results (e.g. fully-trained land surveyors) in its remaining three years, during which time the embassy would have the opportunity for dialogue with GoZ on the identification of possible future cooperation areas.
- **Other areas of cooperation.** (a) Tanzanian and Finnish priorities seem to match in the ICT and innovation area, and TANZICT remains appropriate and valuable. (b) It may be too late to revise the DRPS project, without the risk of losing the investment already made. (c) The opaque means by which such a large commitment was made to the SDI would reward further examination. (d) The One UN, CGIAR and ICI initiatives consume the limited resources of the country programme and their strategic value is not obviously enough to justify this. (e) A planned evaluation should clarify the value of further steps in support of regional cooperation programmes. (f) The LCF is a beneficial and complementary part of the country programme, but this role is inhibited by the loss of its ability to support small CSOs.

## 7 RECOMMENDATIONS

The following recommendations are offered in respect of the Tanzania country programme, several of which have more general applicability:

- (1) Embassy participation in multi-donor mechanisms amplified their effectiveness and the positive influence of the country programme, so **multi-donor mechanisms should be seen as containing opportunities for energetic and influential participation that disproportionately favour Finnish capabilities.**
- (2) Mixed results on mainstreaming of the CCTs were obtained by all modalities other than the LCF, suggesting that **a country strategy should be developed by the embassy and MFA country team, identifying key CCTs and means to address them, and that clear and practical guidelines on how to mainstream the CCTs should be developed in dialogue between the MFA and embassy teams.**
- (3) Personal interventions by the Minister of Foreign Trade and Development are believed to have distorted the country programme, suggesting that **programming should be based on rigorous and transparent analysis and collective decision making, guidelines to this effect should be issued, and these principles should be written into division of labour agreements with embassies.**
- (4) In view of the fact that diverse interpretations of FAV were applied and contributed to the proliferation of projects and fragmentation of the country programme, **the FAV criterion should be used very cautiously in making pol-**

icies and decisions, and if it is considered in any context it should be clearly defined in that context.

- (5) Back-sliding in Paris Declaration compliance after 2008 is attributed to a number of factors which, taken together, suggest that **clear operational guidelines for applying the Declaration across the country programme should be developed in consultation with government.**
- (6) The country programme is highly fragmented and requires consolidation, so a **country strategy should be developed in consultation with government in which every proposed change should be considered in relation to the long-term plans and visions of government, with the aim of yielding as appropriate an agreed exit plan, continuation plan, modification plan, or proposal for each intervention.**

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## THE EVALUATION TEAM

The evaluation team was contracted by S.A. AGRER N.V., Belgium

**Dr Julian Caldecott (Team Leader)** is a British environmental consultant and Director of Creatura Ltd. He has led major evaluations of sustainable development actions for the EC (South-east Asian regional programmes and projects in Thailand, Indonesia and China), the UK (in México and Guyana), Norway (the Indonesia-Norway REDD+ Partnership) and Finland (synthesis evaluation of sustainability in development interventions). He has also led strategic programme reviews and project identification missions for the EC (covering the Asian region and Nigeria, Bangladesh and Indonesia), and studies for the United Nations Environment Programme on disaster risk reduction and environmental policies, laws and treaties. His published books include *Hunting and Wildlife Management in Sarawak* (World Conservation Union), *Designing Conservation Projects* (Cambridge University Press), *Decentralisation and Biodiversity Conservation* (World Bank), the *World Atlas of Great Apes and their Conservation* (California University Press), and *Water: the Causes, Costs and Future of a Global Crisis* (Virgin Books, republished in Finnish and Spanish).

**Arto Valjas (Core Expert)** is a Finnish consultant with over 25 years of experience in the planning, management and evaluation of technical and financial assistance programmes in the fields of economic and social development. He has carried out short-term and long-term assignments in more than 40 countries in Africa, Asia and Latin America. These have included several major programme, thematic and management evaluations for bilateral and multilateral donor agencies. Apart from consultancy work, he has been a staff member of UNDP (Mozambique 1986-1989) and the EC (Brussels 1999-2003, Damascus 2003-2006). He possesses an expert knowledge of development policies, assistance delivery mechanisms, aid management systems and evaluation techniques. He is fluent in Finnish, English, French, Spanish, Portuguese and Italian.

**Dr Bernadeta Killian (National Expert)** is a Tanzanian political scientist, professor and consultant with wide experience in research and writing on democratisation, gender issues, governance and public policy analysis. She led the evaluation of Finnish-supported NGOs in Tanzania and has published on the role of Finnish development cooperation in southern Tanzania, as well as more widely on issues such as the promotion of democracy in East Africa, identity politics in Zanzibar, globalisation and national governance, and the empowerment of women. She has also undertaken consulting work for donors that include the USA, Denmark and UNDP.

**Dr Anu Lounela (Researcher)** is a Finnish anthropologist with extensive field experience in Indonesia and consultancies in development cooperation management. Her background is in curatorship, research, university teaching and course design, information management and the coordination of non-governmental programmes. She

is an expert on environmental conflicts and global-local relations, including climate change debates. She is fluent in Finnish, English, Swedish and Indonesian, and has published widely on development and environmental change.

## ANNEX 1 TERMS OF REFERENCE

Ministry for Foreign Affairs of Finland  
Office of the Under-Secretary of State  
Evaluation of Development Cooperation (EVA-11)

### **EVALUATION OF COUNTRY PROGRAMMES BETWEEN FINLAND AND NEPAL, NICARAGUA AND TANZANIA (89889101)**

#### **1. Background**

About 10 years have elapsed since the last comprehensive evaluation of entire development cooperation programmes in the long-term partner countries of Finland. In the autumn 2010, a questionnaire was launched to the embassies of Finland and to the respective units of the regional departments of the Ministry for Foreign Affairs of Finland to establish the best possible point of time to carry out these evaluations. The responses indicated that in 2011 it would be desirable to include three country programme evaluations in the work programme of the centralized evaluation (EVA-11), namely those of Nepal, Nicaragua, and Tanzania.

When thinking about the scope and the approach of this evaluation, the fact that regular evaluations are carried out on each individual bilateral development intervention was well recognized. Moreover, it was noted that the joint assistance strategies are regularly reviewed and from time-to-time jointly evaluated by the respective partners. Similarly, the sectoral aid programmes and the budget support have their mechanisms of annual or bi-annual reviews and audits and evaluations. Also the multilateral system and the EU have their own annual tri-partite or other review mechanisms and evaluations at the decentralized and centralized levels of the organizations.

Thus, in this country cooperation programme evaluation the major focus will be at the more strategic level, taking into account the international and national frameworks, including the Millennium development goals, the Paris Declaration, the countries' own development plans *cum* poverty reduction strategies and goals, and the overall development policy goals of Finland and how through the programming these goals have been translated into practical action.

#### **2. Framework for the Evaluation Process and the Product**

The overall technical evaluation framework constitutes of the OECD/DAC development evaluation Principles (1991) and Quality Standards (2010). The Final Product, the evaluation reports individually for each of the three country cooperation pro-

grammes will also adhere to the European Commission's quality standards of evaluation reports. The overall guidance will be provided by the Evaluation Guidelines of the Ministry for Foreign Affairs of Finland of 2007, "Between past and Future" (<http://www.formin.finland.fi>).

### **3. Scope of the Evaluation**

The country programme evaluations will cover the years from 2002 to 2010 of Finland's support, so that the starting point will be the last country programme evaluations which took place in 2000-2001. The focus of the current evaluation will be at a strategic level. The individual interventions will be utilized to update and validate this process. The evaluation will include all the development cooperation instruments of the bilateral cooperation, and the multilateral and the EU cooperation, and how Finland has been able to utilize wider frameworks. Similarly, the Finnish contribution to the joint cooperation strategies and instruments will be looked at and also Finland's overall role in the policy dialogue with the government and as a member of the group of the European Union, and any other specific involvement at the coordinative or policy level. The actual programming process and how results of policy dialogue and policies are transmitted through the programming to practical implementation and results will be a central dimension of this evaluation.

The earlier evaluations of the country programmes (Nepal and Nicaragua) will be used to assess, how the lessons learned have been taken into account in the programming and the cooperation overall, and what has been the influence of general trends and changes in the aid architecture on Finnish country programme portfolio and cooperation modalities.

In the period of time covered by this evaluation, the development policies of Finland have changed in 2004 and 2007. The evaluation will look at the changes in these policies as compared with the 2001 policy paper, and the effects of these changes at the country level. Significant changes have also taken place in the international scene, including the adoption of the Paris Declaration in 2005.

The scope of information sources will include the partner government's development assistance strategies, Finland's development policies during 2000-2011 sectoral strategies, guidance on cross-cutting themes, possible country analyses or reviews, evaluations and results assessments, development cooperation plans, agreed minutes of bilateral and other consultations, proceedings of sectoral instrument reviews, programmes and project documents and reports, annual plans at country programme level and at sectoral / intervention levels, agreements, assessment memoranda and alike.

The development cooperation management systems, the distribution of tasks, and guidelines of the Ministry for Foreign Affairs of Finland will need to be looked at, including the sectoral and project planning guidelines, norms and guidance on indi-



vidual development instruments, development dialogue and negotiations, and administrative instructions.

Similarly, the key documents of the European Union, including EU's Code of Conduct, the Common Framework on Country Strategy Papers, and the European Consensus for Development will be perused. The documentation shall constitute one source of information, complemented by interviews of primary knowledge holders at different levels.

In addition to the specific documentation on Finland's relations to the particular country, the evaluation will look at a limited selection of other donors and their country strategies and programmes. For the context analyses basic information can be derived from recognized international organisations' up-dated publications and statistics.

#### **4. Purpose of the Evaluation**

The purpose of the evaluation is to draw lessons from the past eight (8) years of co-operation in Nepal, Nicaragua, and Tanzania.

It is expected that the evaluation will bring to the fore issues and recommendations which the decision-makers in the regional departments of the Ministry, the embassies of Finland in the respective countries may utilize. The evaluation will also benefit the development policy-making overall.

Moreover, evaluation *per se* is a tool for accountability. Thus, the evaluation will also inform the general public, parliamentarians, academia, and development professionals outside the immediate sphere of the decision-makers in development policy of what has been achieved by the use of public funds.

#### **5. Objectives of the Evaluation**

The objective of the evaluation is to build a comprehensive overall independent view on the achievements and the contribution of the Finnish development cooperation support to the development process of the three countries. The evaluation will offer recommendations for the development partnerships from policy dialogue and programming to practical cooperation levels. Similarly, the evaluation will provide recommendations with regard to Finnish added value in development partnership.

The specific objectives of the evaluation will be to seek answers to the following major evaluation questions:

- a) How does the Finnish development cooperation programme comply with and adhere to the country's own development and poverty reduction strategies and the development Policy of Finland and its poverty reduction and sustainable development goals? Has the policy dialogue between Finland and the partner country been able to further the creation of enabling environment for development?
- b) Are the modalities of development cooperation conducive to the effective implementation of the Paris Declaration? The three countries included in this evaluation are at different stages in the implementation of the principal goals of the Paris Declaration, for example in Tanzania harmonization and coordination has advanced well, and joint financing instruments are significant. Thus in the finalization of the specific questions to each of the three countries, it is important to extrapolate the evaluation questions and the scope to the specific situations in those countries.
- c) What are the major mechanisms of enhancing, programming and implementing the cross-cutting themes of the Finnish development policy in the cooperation context and what are the major results?
- d) What is the process of transforming the development policy into practice? Does the selection of the development sectors, instruments, and activities in which Finland is involved, correspond to the special value added that Finland may bring in to the overall context of external development funding in a country, including other donors?
- e) What are the major achievements and possible failures in the last eight (8) years` of the cooperation policy in the context of the partner countries, and in the implementation of the cooperation programme? Any best or clearly un-successful practices identifiable? Have the selected development instruments been complementary and their use coherent with the policies?

## 6. Evaluation Criteria

The evaluation will use the development evaluation criteria, *relevance, effectiveness, efficiency, sustainability and results/effects in the longer-term, and the additional criteria of coordination, cooperation, coherence and Finnish value added*. The criterium "impact" has deliberately been left outside, because the purpose of this evaluation is not to scrupulously examine each individual intervention, but rather the entire programme that these interventions constitute. An evaluation matrix will be constructed and included in the inception report which will attribute these criteria to the specific evaluation questions in section 5, questions [a)-e)]. In items 1-5 below, some elaboration is done of the different dimensions of the evaluation criteria which should be kept in mind in the compilation of the evaluation matrix. The evaluation matrix shall take into account also the specific features and situations of each of the three individual partner countries, Nepal, Nicaragua and Tanzania, and the cooperation modalities of Finland therein.

In the following some dimensions of the evaluation criteria are elucidated. The list below is by far not exhaustive, but should be further elaborated in the evaluation matrix of the inception report:

1. The *relevance* should be looked through the overall national poverty reduction goal/plans and how it is reflected into the different levels (policy dialogue, overall plans/strategies, operational planning and programming, programme and intervention documents, annual implementation plans, reports, reviews, assessments and evaluation of implementation and results) of cooperation and selection of cooperation instruments, including the budget support and sector-specific development strategies, down to project and intervention levels. What has been the basis of development programme planning?
2. Similarly, the assessment of *effectiveness* should include the context and its challenges and enabling factors, including the economic, political, and development situation, and whether the strategic level informs and influences the planning and implementation of development interventions. What is the value of the Finnish programme as a contributing factor in development in the country? What are the modalities used to integrate the cross-cutting themes in the policy level, in the programming, and in the practical activity level? What are the most effective ways for concrete results of development and concrete results in terms of cross-cutting themes? Modalities of effective dialogue and its practical value?
3. *Efficiency* and *cost-efficiency* relate to the working modalities. Issues, such as leadership and the role of the partners in development, alignment, harmonization, and accountability will be looked at, and the ways of Finland's contribution be assessed.
4. What are the *cooperation* and *coordination* mechanisms and measures to ensure internal *coherence* in policy and decision-making through to the local implementation, in other words, is there a clear from policy to practice chain? What is Finland's role in all this? Is there *coherence* in terms of policy dialogue and agreements and their relation to the results of the implementation of cooperation? Moreover, is there *external coherence* and *modalities* to securing *coherence* between the different partners in development, including the donor community?
5. *Sustainability* in its three dimension, economic, ecological and social, is a leading theme in the latest (2007) development policy of Finland. This criterium shall be looked at in terms of connection between policy level and practical level implementation as well as at the level of the results of the implementation of development interventions at some extent. Are the modalities used at the different levels such that they further the sustainability goal or are they conducive to that goal? Involvement of wider circles of the society, namely the private sector, civil society actors and groups, and other traditional and non-traditional donors?

Is there any *complementarity* to secure the sustainability of results? How are the global challenges, such as climate change, probability of natural disasters, growing competition of natural resources, food and water, and like, been featured in from the policy dialogue to implementation? Partner government's budgetary allocations and plans to secure cooperation results?

6. *Finnish value added*: Are there specific areas / sectors or themes or functions, where Finland is involved such, in which Finland's value added becomes best utilized? Are any concrete results identifiable in which Finland has distinctively contributed to discernible policy change or development results? Any indication of longer-term effects of achievements?

## **7. Approach, Sequencing and Deliverables, and Modality of Work and Methodology**

### **Approach**

As explained above the evaluation will be forward looking. The approach and working modality will be participatory and elaborated further in the inception report.

This evaluation looks at the development programmes at the whole of programme level, trying to assess the contributions of Finland within the development plans of a country and as one of the development payers in that context. Yet, it is necessary that the evaluation will examine Finland's policy level and practical level development efforts also within the context of the other donors and development contributors. It is important that the evaluation recognizes the domestic efforts of the countries concerned, and how Finland, among donors, contributes towards the partner government's goals.

The evaluation will not only look at the extent of achieving the set objectives and goals, but also at the cooperation modalities used in trying to identify successful practices and less successful ones. The country programme evaluations will outline the total ODA expenditure of Finland in the countries concerned by this evaluation. It will also assess Finland as one of the overall contributors to the development of the country.

The situations in the three countries, Nepal, Nicaragua and Tanzania are different in many respects. The approach and the way of conducting the evaluations in each of these countries, must be based on the situation analyses derived from the preliminary phase.

### **Sequencing of the Evaluation Process and Deliverables**

The reporting specified below is organized so that each of the three target countries, Nepal, Nicaragua and Tanzania will finally have reports of their own.

The evaluation will be sequenced into phases and respective deliverables, namely

1. *Kick-off meeting* of the evaluation shall be organized, most likely during the week 13 of 2011 (starting 28.3.2011). The objective of this meeting is to discuss through the evaluation process, reporting, and the administrative matters. The contracted service provider to this evaluation will present a brief *start-up note* to EVA-11 on how the evaluation team intends to approach the evaluation task and the issues contained in the terms of reference. This start-up note will constitute the basis for the inception phase.
2. *Inception phase*: Production of a work plan with the evaluation matrix constituting the Inception report. The inception report will peel open the general questions into specific research questions, respective indicators and judgment criteria, and indicate what sources of verification will be used. The methodology will be explained, including the methods and tools of analyses, scoring or rating systems and alike. The Inception report will also suggest an outline for the final report, which will be used in the other reports, following the established overall structure of the Evaluation reports of the Ministry. The structure will be the same for each of the individual three country reports. – The Inception Report should be kept short and concise, no more than 20-25 pages, annexes excluded. The Inception report shall be submitted in three (3) weeks from the start up of the evaluation.
3. *Preliminary phase* will include perusal of document material and preparation of explicit questions for the first interviews in Finland and potential other stakeholders outside the target countries. During this phase, the evaluation team will acquaint themselves with the overall framework and context analyses of the country/-ies.
4. There will be a *desk report* produced at the end of the preliminary phase, which will include specific questions and issues for each of the countries to be studied during the field visit phase taking into account the differences in the overall situations of the countries. The evaluation matrix will be complemented after the preliminary phase, if need be, with the country specific questions. The desk report will include a brief work plan for the field phase. – The desk report is subject to approval by EVA-11 prior to the field visit. The desk report may be submitted as one report with clear sections for each of the countries or as three separate country reports. The report(s) should be kept concise and clear. It should be submitted no later than nine (9) weeks after the kick-off meeting.
5. *Field visit* to each of the three countries will take place in June 2011. The purpose of the field phase is to reflect the results of the preliminary phase against the policy and programming situation in the field, and to make further assessments as may be required, and to fill in any gaps of information. Also the involvement of other donors, bilateral and multilateral, the EU commission, will briefly be assessed.

**Additional note to the Field visits item: The best possible time for the field visit in Nepal and Tanzania are in September 2011. It is thus preferable that the field visit be scheduled at that time, and subsequently the report of the Nepal and Tanzania country programme evaluations will be available with a corresponding delay.**

**As for the timing of the field visit to Nicaragua, it must take place in June, as field visits there are no more desirable after August 2011.**

**Text above in bold is an addition to the original Annex B published.**

The preliminary results of the field visit will be presented, supported by *power point*, to the staff of the respective Finnish embassy, and also to EVA-11 after return from the field. The latter can also be done over a conference call arrangement.

6. After the field visit further interviews and document study in Finland may still be needed to complement the information.
7. *Final reporting:* The draft final report for each of the three countries separately will be prepared, combining the preliminary and the field phases and the possible further interviews and document study. The draft final report will be subjected to a round of comments by the parties concerned. It should be noted that the comments are meant only to correct any misunderstandings not really to rewriting any part of the report. As mentioned in item 2, the draft final report will follow the same format of the final report with abstracts, summaries, references, and annexes.

A special effort should be done by the evaluation team to produce a concise and informative report, which is easily legible also to non-specialists in development. The editorial and linguistic quality must be ready-to-print. The final report is due no later than 30.09.2011.

8. *A policy brief* – A draft of the policy brief will be submitted together with the draft final report, no later than 29.08.2011, and in its final form no later than 30.09.2011.

A policy brief is a meta-summary paper (a maximum of 5-10 pages) will be prepared, which draws together the results of the three country programme evaluations from the particular angle of lessons learned and overall general non-country-specific recommendations and good practices.

The Inception report, draft desk reports, draft final reports, the final reports and the summative policy brief are subject to being approved by EVA-11.

It should also be noted that the final reports shall be subjected to a peer review of internationally recognized experts. The views of the peer reviewers shall anonymously be made available to the service provider contracted to perform this evaluation.

### **Modality of Work and Methodology**

The evaluators will be provided with a selection of document material either as hard copies or saved on a flash drive, but this material is not all inclusive. The evaluation team must be prepared to use the archives of the Ministry and also the internet, and any other means, including contacts with the consultancy companies, to acquire additional material they may need (pls. see also section 8.).

As for the interviews in the Ministry, the evaluators will provide to EVA-11 in advance the interview questions and identify the groups of interviewees, for EVA-11 to inform in advance those concerned. The actual logistics of organizing the interviews and appointments remain the task of the evaluation team. EVA-11 will issue a circular in the Ministry and the respective embassies informing of the forthcoming evaluation in the Ministry and in the Embassies to facilitate smooth contacts later on by the evaluation team.

A tentative outline of the proposed timetable is included in section 10.

In the inception report, the evaluation team shall include a description of analytical methodologies, as well as in the other reports. It is not adequate to say that something has been “analysed”, but it needs to be elaborated, how, and what tools have been used, possible scoring systems, and what benchmarking has been deployed to arrive at the results described. If results are only a perception of the team, it should be said so.

## **8. Expertise required**

### **Overall Qualifications of the Evaluation Team**

The evaluation of the three country programmes shall be organized so that all three are carried out by one team as a parallel process. This process is, however, subject to the stability of the situation in all of the countries concerned by this evaluation. It is suggested that the team includes the overall team leader working with other three members of the core team. One additional country specific team member per country, will be based and working in the respective country. The country level team thus includes one member of the core team and one local member. A junior assistant may also be included. He/she should have adequate working experience to be able to do document search and to analyze documents written in the Finnish language.

The evaluation of country programmes of three long-term partner countries of Finland (Nepal, Nicaragua and Tanzania) requires senior expertise in overall international development issues, development instruments, and players in the global scene, solid experience in evaluation of comprehensive development programmes and themes,



hands-on longer term experience at the field level achieved for instance by serving in the partner country's administration and/ or in the implementation of development programmes through bilateral arrangements and/or in the international organizations. The competencies of the three core members of the team and the team leader shall be complementary.

The country specific team members, one in each of the countries, shall have extensive experience in that particular country, and preferably originate from there. They will also have proven evaluation experience and be knowledgeable of the development scene of their country.

A more detailed requirements of the competencies of the evaluation core team and the country specific members, are included in the Instructions to Tender, which constitutes Annex A of the Invitation to Tender, to which these terms of reference constitute Annex B.

The core team shall include both female and male experts.

All team members will have a minimum of MSc or equivalent academic qualifications.

### **Document retrieval**

It is necessary that there is a capable junior team member who is working in Helsinki and is charged with the task of searching the archives in various places, retrieving the documentation, doing some document analyses, and organizing travel and meeting logistics. There shall be no charges for accommodation or per diems payable for the junior assistant team member.

### **Skills and proficiencies**

The entire team needs to have good writing and communication skills, and excellent command of both written and oral English. At least the junior team member will need to be fluent also in written and oral Finnish. One team member, and the locally recruited team member in Nicaragua, should be fluent in Spanish. In Tanzania and Nepal the locally recruited experts would preferably master the prevalent respective languages used in the administrations of these countries.

### **Quality Assurance**

In addition to the evaluation team, the service provider will nominate two persons, external to the team, who are responsible for the quality of the substance content of the reports, the language, and the editorial quality of the evaluation reports. The quality control experts are not members of the team, but their CVs must be presented in the tender dossier and their roles explained. They must have earlier proven experience in quality assurance tasks, and be senior of their stature. The quality assurers will fill in the EU Commission's evaluation report quality grid with their assessment of the final reports. The quality grid will be surrendered to the Ministry at the time of submitting the final reports. The grid will also be made available to the peer reviewers.

## 9. The budget

The total budget of the country programme evaluation of the three long-term partner countries of Finland, namely Nepal, Nicaragua and Tanzania, will be no more than 570.000 euro, VAT excluded. It is estimated that one country programme evaluation will cost no more than 190.000 euro (VAT excluded), which is divided approximately so that the 90.000 euro (VAT excluded) be used for the desk study phase and the 100.000 euro (VAT excluded) for the country study and the finalization of the reports and the policy brief.

## 10. The Time table

It is estimated that the evaluation will start during the 13<sup>th</sup> week of 2011 (starting 28.3.2011). The desk study and interviews will be conducted so that the inception report shall be available within three (3) weeks, and the draft desk report within nine (9) weeks from the start up of the evaluation. The time for the visits will be June 2011. The draft final reports (one for each of the countries) and the draft summative final policy brief shall be available by 29 August 2011. The draft final reports are subjected to a round of comments by the respective embassies and other relevant stakeholders. The comments shall be considered by the evaluation team in the finalization of the reports. The final reports shall be submitted no later than 30 September 2011.

It should be noted that should the political or security situation deteriorate in any of the countries concerned in this evaluation, it may be necessary to alter the time scheduling of the field visit. Moreover, due to June being a holiday season in Finland, including in the Embassies of Finland in the respective countries, some of the key interviewees may not be available in June in person, and thus, telephone interviews may need to be conducted before or after the field visits.

There will be a public presentation of the evaluation results organized in Helsinki, after completion of the evaluation, sometime in October 2011. The option of organizing special presentations also in the countries concerned by this evaluation will be kept open and the team should feature such an option in their plans. The materialization of this option is subject to approval by the respective embassy of Finland in each of the three countries.

The overall time table is quite tight, which means that the evaluation team must be prepared to devote their full attention to perform this evaluation. The time table featured above must be kept.

## **11. Mandate and Authority of the Evaluation Team**

The evaluation team is expected to perform their evaluation task in accordance with the terms of reference taking into account also the cultural considerations in each of the countries visited. The team will make the contacts necessary, but it is not allowed to make any commitments on behalf of the Government of Finland or on behalf of the Governments of the partner countries.

Helsinki, January 11, 2011

Aira Päivöke  
Director  
Evaluation of Development Cooperation

## ANNEX 2 PERSONS AND INSTITUTIONS CONSULTED

The authors acknowledge with thanks the active cooperation of embassy and project staff in Tanzania, and the willingness of all stakeholders and knowledge holders in Tanzania and Finland to share freely their information and perspectives.

Name	Role/Institution
Adkins, Julie	Governance Advisor, Netherlands Development Organisation (SNV), Tanzania
Alarcón, Eeva	Senior Adviser, Unit for General Development Policy and Planning, Department for Development Policy, MFA
Antila, Sinikka	Ambassador, Embassy of Finland, Tanzania
Airaksinen, Helena	Director, Unit for Eastern and Western Africa, MFA
Asseid, Bakari S.	Deputy Principal Secretary, Ministry of Agriculture and Natural Resources, Government of Zanzibar
Banasiak, Magdalena	Regional Climate Change Adviser, DFID Tanzania
Bakary, Amin	Associate Country Director, Oxfam Tanzania
Bwoyo, Deusdedit	Coordinator, Forestry and Beekeeping Division, Ministry of Natural Resources and Tourism, Government of Tanzania
Cooper, Ros	Deputy Head of Cooperation, DFID, Tanzania
Dalsgaard, Soren	Chief Technical Adviser, NAFORMA/FAO, Tanzania
Dulle, Moses	Acting Assistant Commissioner, Bilateral Aid, Ministry of Finance and Economic Affairs, Government of Tanzania
Elliot, Marshall	Head of Cooperation, DFID Tanzania
Eirola, Martti	Deputy Director, Unit for Eastern and Western Africa, MFA
Ferdinand, Victoria	Acting Chief Executive Officer, Wildlife Conservation Society of Tanzania
Gibbons, Helga	Planning, Monitoring and Evaluation Specialist, UN Resident Coordinator's Office, Tanzania
Ikonen, Pertti	Counsellor (Aid for Trade), Department for Development Policy, MFA

Habel, Gisela	Head of Division for Development Cooperation, Embassy of the Federal Republic of Germany, Tanzania
Hares, Minna	Senior Officer, Unit for NGOs, Department for Development Policy, MFA
Hassinen, Anu	Adviser (Energy), Department for Development Policy, MFA
Hautala, Heidi	Minister, International Development, MFA
Hellman, Pasi	Deputy Director General, Department for Development Policy, MFA
Juel, Michael	Chief Technical Adviser, SMOLE, Zanzibar
Jutila, Vuokko	Counsellor, Department for Africa and the Middle East, MFA
Jokinen-Gavidia, Johanna	Adviser (Democracy and Good Governance/Anticorruption), Department for Development Policy, MFA
Kaarakka, Vesa	Adviser (Forestry), Department for Development Policy, MFA
Kajimbwa, Monsiabile	Portfolio Coordinator, SNV Tanzania
Kattanga, Hussein A.	Permanent Secretary, Regional Administration and Local Government, Prime Minister's Office (PMO-RALG), Tanzania
Küsseli, Matti	Programme Officer, Unit for Development Financing Institutions, MFA Finland
Klemola, Antti	Senior Adviser, Unit for General Development Policy and Planning, Department for Development Policy, MFA
Knudsen, Niels	Program Management Specialist (Aid Effectiveness), UNDP Tanzania
Kombo, Saleh	Programme Coordinator, SMOLE, Zanzibar
Komulainen, Meeri	Chief Technical Adviser, LIMAS, Tanzania
Koponen, Juhani	Director, Institute of Development Studies, University of Helsinki
Kurkela, Vesa	Project Manager, Hifab, Tanzania
Kyöstilä, Pirkko-Liisa	Director, Unit for NGOs, Department for Development Policy, MFA
Lehtonen, Petri	Deputy Managing Director, Indufor, Finland
Lundström, Tor	Head of Division, Niras, Finland

Lyamuya, Bartholomew	Accountant, Ministry of Finance and Economic Affairs, Tanzania
Lyangu, Abdallah K.	Finland Desk Officer, Bilateral Aid, Ministry of Finance and Economic Affairs, Tanzania
Lähde, Kristiina	Chief Technical Adviser, TANZICT, Tanzania
Mallya, Joseph	Local Government Reform Programme Secretariat, Regional Administration and Local Government, Tanzania
Martinsen, Mari	Aid Effectiveness, UNDP Tanzania
Masika, Peter	Country Director, Tanzania Youth Alliance, Tanzania
Matafu, Jennifer	Senior National Programme Officer, Local Governance, Embassy of Sweden, Tanzania
Matembele, Alice	Finance Management Office, Ministry of Finance and Economic Affairs, Tanzania
Mgalula, Happiness	Deputy Executive Secretary, President's Office, Planning Commission, Tanzania
Milledge, Simon	Embassy of Norway, Tanzania
Mmasi, Raphael	Executive Director, Tanzania Commission for Science and Technology, Tanzania
Mulamula, George	CEO, Dar Teknohama Business Incubator, Tanzania
Mwalim, Mwalim A.	Principal Secretary, Ministry of Water, Construction, Energy and Lands, Zanzibar
Mwinuka, Alex	Finance and Administration Officer, Institute of African Leadership for Sustainable Development, Tanzania
Mustalahti, Irmeli	Post-Doctoral Researcher, Institute of Development Studies, University of Helsinki
Mäkelä, Merja	Counsellor (Natural Resources), Embassy of Finland, Tanzania
Mwasha, Anna	Director, Poverty Eradication Division, Mkukuta Secretariat, Ministry of Finance and Economic Affairs, Tanzania
Naess, Inger	Embassy of Norway, Tanzania
Nevalainen, Helena	Country Director, Service Centre for Development Cooperation (Kepa), Tanzania
Nummelin, Jussi	Second Secretary, Political Affairs Officer, Embassy of Finland, Tanzania

Nummelin, Matti	Senior Adviser (Environment), Department for Development Policy, MFA
Olkkonen, Timo	Director, Unit for General Development Policy and Planning, Department for Development Policy, MFA
Onkalo, Pertti	Land Administration Adviser, SMOLE, Zanzibar
Oscarsson, Par	International Agronomist, LIMAS, Tanzania
Otoo, George	Operations Adviser, UN Resident Coordinator's Office, Tanzania
Paavola, Marja	Director, Senior Consultant, Ramboll, Finland
Paukku, Jorma	Ambassador (Gender and Equality), MFA
Pitkänen, Niina	Advocacy and Policy Officer, Kepa
Rijaal, Hamza	Focal point for SMOLE II, Department of Environment, Ministry of Agriculture, Livestock and Environment, Zanzibar
Ruhara, Clara	Programme Assistant, Embassy of Finland, Tanzania
Rytkönen, Antti	Adviser (Forestry), Department for Development Policy, MFA
Sadick, Sadick M	Former Regional Commissioner, Lindi, Tanzania
Salmimies, Okko-Pekka	Director, Unit for NGOs, Department for Development Policy, MFA
Salminen, Pekka	Finnish Environment Institute
Schleuning, Stefan	Head of Section, Economics, Governance and Regional Integration, Delegation of the European Union, Tanzania
Santala, Satu	Counsellor, Unit for Development Financing Institutions, MFA
Saxen, Anu	Senior Management Adviser, Unit for Eastern and Western Africa, MFA
Semboja, Joseph	CEO, Institute of African Leadership for Sustainable Development, Tanzania
Seppinen Ulla	Chief Technical Adviser, Institute of African Leadership for Sustainable Development, Tanzania
Seppo, Maija	Director for Organizational Development, Kepa
Silfverberg, Paul	Adviser, Unit for Eastern and Western Africa, MFA
Soiri, Iina	Senior Adviser, Department for Development Policy, MFA



Strampelli, Enrico	First Counsellor, Head of Cooperation, European Union, Delegation of the European Commission, Tanzania
Suller, Paul	Economist, Ministry of Finance and Economic Affairs, Tanzania
Suoheimo, Maria	Researcher, Institute of Development Studies, University of Helsinki
Särkioja, Tomi	Counsellor (Economic Affairs), Embassy of Finland, Tanzania
Taivalmaa, Sanna-Liisa	Adviser (Agriculture and Rural Development)
Talvela, Klaus	Deputy Managing Director, Senior Consultant in Rural Development, Niras, Finland
Tamminen, Lauri	Associate Professional Officer, NAFORMA/FAO, Tanzania
Taubert, Elena	Programme Assistant, Embassy of Finland, Tanzania
Tiikkainen, Raija	Training Programme Advisor, Institute of African Leadership for Sustainable Development, Tanzania
Toivonen, Juhani	Formerly Ambassador to Tanzania, MFA
Uusihakala, Juho	Counsellor (Governance), Embassy of Finland, Tanzania
Vaahtoranta, Tapani	Programme Director, Institute of African Leadership for Sustainable Development, Tanzania
Vehnämäki, Mika	Economic Adviser, Department for Development Policy, MFA
Voipio, Timo	Senior Adviser (Socially Sustainable Development), Department for Development Policy, MFA
Wangwe, Samuel M.	Executive Director, Research on Poverty Alleviation, Tanzania
White, Pamela	Director, Senior Consultant, Finnish Consulting Group, Finland
Ylöstalo, Tuire	Director, Senior Consultant, Ramboll, Finland

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Bakusa J & McManus E 2005 United Republic of Tanzania. In: Caldecott J & Miles L 2005 (eds.) *World Atlas of Great Apes and their Conservation*. UNEP World Conservation Monitoring Centre & California University Press, London, pp. 412-416. ISBN 0-520-24633-0 (printed).

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Documents located in the MFA archives:

<b>a) Tanzania general documents</b>	
<b>Title</b>	<b>Date</b>
Tanzania Handing-Over Notes from previous members of the MFA Tanzania team	4 August 2011
Annual National Policy Dialogue 2010: Government of Tanzania report, Key Summary by the Development Policy Group Secretariat, Embassy of Finland in Dar es Salaam memorandum	20 December 2010
Report of the Natural Resources Adviser (Embassy of Finland in Dar es Salaam)	2 September 2010
Update on the Cooperation Programme (Embassy of Finland in Dar es Salaam)	24 February 2010
Report on the NGO Day (Embassy of Finland in Dar es Salaam)	18 February 2010
Memorandum on the Budget Support Annual Review Week 2009 (Embassy of Finland in Dar es Salaam)	15 December 2009

Update on the Cooperation Programme (Embassy of Finland in Dar es Salaam)	7 October 2009
Memorandum on Dialogue and Division of Labour (Embassy of Finland in Dar es Salaam)	15 June 2009
Memorandum of the Forestry Adviser (MFA)	5 June 2009
Agreed Minutes of the Conclusions of the Consultations on the Bilateral Cooperation	7 October 2008
Memorandum on Millennium Development Goals (Embassy of Finland in Dar es Salaam)	13 August 2008
Appraisal of Phase II of the Local Government Reform Programme, Draft Final Report	25 June 2008
Tanzania Draft Country Assistance Strategy (Embassy of Finland in Dar es Salaam)	31 March 2008
Memorandum on President Kikwete's visit to Finland (Embassy of Finland in Dar es Salaam)	5 February 2008
Instructions for the operationalisation of the Development Policy Programme (MFA)	4 February 2008
Memorandum on Finnish contribution to the Local Government Capital Development Grant 2008-2010 (Embassy of Finland in Dar es Salaam)	11 December 2007
Memorandum on the Finnish-Tanzanian relations (Embassy of Finland in Dar es Salaam)	22 November 2007
Memorandum on the Harmonisation of Aid and Donor Cooperation (Embassy of Finland in Dar es Salaam)	21 November 2007
Action Plan of the Embassy of Finland in Dar es Salaam	26 October 2007
Aide Memoire on the Public Expenditure and Financial Accountability Review (Embassy of Finland in Dar es Salaam)	April 2007
Memorandum on the situation of the energy sector (Embassy of Finland in Dar es Salaam)	4 December 2006
Memorandum on the Poverty Reduction Budget Support review 2006 (Embassy of Finland in Dar es Salaam)	21 November 2006
Memorandum on local government reform (Embassy of Finland in Dar es Salaam)	14 September 2006
Memorandum on Education Sector Review 2006 (Embassy of Finland in Dar es Salaam)	13 April 2006

Finnish Programme Document for the Poverty Reduction Budget Support (PRBS) 2006 (Embassy of Finland in Dar es Salaam)	15 August 2006
MFA commentary of the PRBS project proposal 2006-2009 (Embassy of Finland in Dar es Salaam)	23 November 2005
Project proposal for the PRBS 2006-2009 (Embassy of Finland in Dar es Salaam)	10 November 2005
Memorandum on the Ambassador's visit to Mtwara/Lindi (Embassy of Finland in Dar es Salaam)	22 April 2005
Memorandum on the PRBS review 2004 (Embassy of Finland in Dar es Salaam)	15 March 2005
Agreed Conclusions of the Consultations on the Bilateral Relations	23 February 2005
Action Plan of the Embassy of Finland in Dar es Salaam	22 August 2003
<b>b) Thematic sub-directories</b>	
<b>Sub-directory</b>	<b>Documentary content</b> (mostly in Finnish)
Sub-directory on Political Relations	Relations between Finland and Tanzania (confidential). Visit of a Tanzanian delegation to Finland (2007). Ministerial meetings.
Sub-directory on Economic Relations	Seminar and discussion notes. Documents on business cooperation. Meeting notes (Minister Lehtomäki) (some confidential). Documentation from the Business Forum (2004).
Sub-directory on Investment Promotion and Protection	Agreements on investment protection.
Sub-directory on Initiatives and Inquiries	MFA quality group memos. Lists of project decisions. DESEMP correspondence. Memorandum of Understanding on institutional support to Ministry of Finance and Economic Affairs. Zanzibar forestry sector support documentation.
Sub-directory on Development Cooperation Relations	Development Policy Group meeting memoranda (limited use). Meeting notes and reports on trade, sustainable development and natural resources. Consultancy contracts. Minutes of the MFA quality group meetings. Travel reports. Tanzania Development Cooperation Plan 2009-2011. Agreed conclusions of the consultations on bilateral relations. Memos of ministerial meetings. Memos on aid harmonization. Energy

	sector assessment. Memos on corruption cases (some confidential). Onnela-project memos. Paris Declaration follow-up report and Finnish achievements in Tanzania. JAST documents. Budget support background papers. Donor cooperation documents. Division of labour in the education sector. Project planning and other documents.
Sub-directory on Programme Planning	Project proposals. Funding decisions. Materials regarding the MFA quality group meetings.
Sub-directory on Cooperation Agreements	Comments on draft bilateral agreements, on clauses and procedures. Agreed conclusions of consultations. Signed agreements.
Sub-directory on Environmental Policy	Visit of President Kikwete to Finland (2008). Budget support and environmental questions. Background paper on forest and environmental policy (confidential, revised).
<b>c) Project and modality sub-directories</b>	
<b>Sub-directory</b>	<b>Documentary content</b>
Sub-directory on Local Development Funds	LCF annual reports (2005-2010), reports of 2007 monitoring visits.
Sub-directory on IKI-instrument	Documents on geologic research cooperation (2009).
Sub-directory on Support to National Forest Programme (NFP)	Documents on economic forests and carbon trade, on Mama Misisitu-campaign, on FAO and NAFORMA-project. Expert reports on natural resources. National Forest and Beekeeping Programme documentation. Participatory forest management review documentation. Consultancy contracts. Financing agreements.
Sub-directory on poverty reduction	Meeting memos (some confidential). Memos of MFA quality group meetings. Poverty Reduction Strategy Paper documentation.
Sub-directory on Local Government Reform Program (LGRP)	Meeting memos (some confidential). Quality group meeting memos. LGRP documentation (2001-2010).
Sub-directory on Education Sector follow-up	Documentation of the primary education development plan programme.
Sub-directory on regional border cooperation support	Memo of the quality group meeting. Project proposal (International Organization for Migration).

Sub-directory on improving the reliability of electric power supply in the city of Dar es Salaam	Consultancy contracts (some confidential). Travel report. Documentation on procurement and the funding decision (2009-2010).
Sub-directory on support to democracy and human rights	Memoranda on corruption. Project proposals and meeting reports (2001-2006).
Sub-directory on Information and Communication Technology (ICT)	TANZICT project documentation (consultancy contracts, agreements, memoranda).
Sub-directory on Sustainable Management of Land and Environment (SMOLE)	SMOLE documentation (2002-2011).
Sub-directory on Rural Integrated Project Support (RIPS)	RIPS documentation. Shangani and Mtuleni Hill project documents.
Sub-directory on Developing Potato Sector	Consultancy contracts. Project proposal. Funding decision.
Sub-directory on local livelihood projects (DESEMP/LIMAS)	LIMAS and DESEMP documentation (2004-2011). Project proposals. Funding decisions.
Sub-directory on Local Government Capital Development Grant (LGCDG)	LGCDG documentation (2008-2010).
Sub-directory on Institute for African Leadership for Sustainable Development	Memos, reports, discussion papers (some confidential). Consultancy reports and contracts.
Sub-directory on the Development of Special Needs and Inclusive Education	Documents, contracts, memoranda (2004-2010)
Sub-directory on Ecosystem Livelihoods and Forest Conservation Project	Documentation on the Great Mahale Ecosystem Livelihoods and Forest Conservation Project (2010)



## ANNEX 4 NET AID FLOWS TO TANZANIA, 2008-2009

	2008	2009
<b>a) Debt forgiveness/IDA grants</b>		
Debt forgiveness grants	2,40	0,00
International Development Association grants	31,32	28,24
<b>Total (US\$ millions)</b>	<b>33,72</b>	<b>28,24</b>
<b>b) Bilateral donors</b>		
United Kingdom	231,79	254,22
United States	166,89	246,95
European Commission	187,11	185,90
Norway	114,29	127,65
Sweden	107,76	125,53
Denmark	90,07	119,24
Netherlands	128,15	114,86
Germany	65,00	87,43
Japan	721,66	70,99
Ireland	52,09	65,47
Canada	56,73	44,74
Finland	36,65	42,79
Switzerland	24,03	27,73
Belgium	13,76	18,53
Italy	4,31	6,03
France	2,96	4,78
Spain	7,99	3,36
Australia	2,61	1,92
Austria	1,50	1,68
New Zealand	1,08	1,18
Luxembourg	0,68	0,50
Greece	0,67	0,15
<b>Total (bilateral, US\$ millions)</b>	<b>2 017,78</b>	<b>1 551,63</b>

<b>c) UN agencies</b>		
UN Children's Fund	14,99	17,93
International Fund for Agricultural Development	14,32	14,77
UN Development Programme	9,46	10,82
World Food Programme	7,58	5,59
UN Population Fund	3,09	4,06
UN High Commissioner for Refugees	0,90	2,63
UN Transitional Authority	2,95	1,07
Joint UN Programme on HIV/AIDS	1,13	0,54
<b>Total (UN agencies, US\$ millions)</b>	<b>54,42</b>	<b>57,41</b>
<b>GRAND TOTAL (US\$ millions)</b>	<b>2 105,92</b>	<b>1 637,28</b>

Sources: Trading Economics 2011; IndexMundi 2011.

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IndexMundi 2011 *Tanzania - debt forgiveness grants (current US\$)*. <http://www.indexmundi.com/facts/tanzania/debt-forgiveness-grants> (accessed 4 August 2011).

## ANNEX 5 EVALUATION OF GBS IN TANZANIA

General budget support (GBS) in Tanzania was reviewed by Thornton, Dyer, Lawson, Olney, Olsen & Pennarz (2010). It was found that the volume of GBS had contributed 18-20 percent of total public spending and about 25 percent of total ODA from 2004 to 2008, during which time both had more than doubled. It was found that GBS had contributed to the following achievements and issues.

- A dramatic expansion in the scale of service provision, in particular in education and health but also in infrastructure (roads) and agriculture.
- This has not been followed by improvements in the quality and equity of service delivery that is necessary for progress at outcome level and achievement of the MDGs.
- Progress in the reform agenda has been disappointing. Domestic political considerations ultimately drive reform. Attempts to catalyse responses through the dialogue mechanisms have been ineffective and have weakened the quality of the dialogue.
- The policy dialogue has become too rigid. Rigour around the eligibility conditions – timely information and effective monitoring should be matched with a wider engagement in what is generally a successful GBS environment.
- GBS continues to be effective – delivering higher public spending in the right areas for relatively low transaction costs (relative to alternative modalities).
- Until problems in equity and efficiency in service delivery are resolved, GBS however provides diminishing returns. Thus, it does not seem appropriate to raise public spending and a relative reduction in the scale of GBS seems appropriate.
- A balance of modalities, within the principles of alignment and harmonisation, enables innovation and flexibility that can enrich GBS.
- Sector programmes provided complementary opportunities to focus more on equity, efficiency and quality. Experience is sector specific depending on instruments, actors and the capacity of government to lead. Choices also depend on the comparative advantage of a donor.
- Measures should be taken to revitalise policy dialogue and re-establish confidence, around a narrower agenda focused on the budget and service delivery issues. Policy dialogue at sector level can enhance the depth and quality of the discourse and can extend sector wide policy engagement more comprehensively, engaging non-BS donors and non-state actors.

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Thornton P, Dyer K, Lawson A, Olney G, Olsen H & Pennarz J 2010 *Joint Irish Aid and DFID Country Programme Evaluation, Tanzania, 2004/5 – 2009/10*. Glasgow & Limerick, 94 p. [http://www.dfa.ie/uploads/documents/Dar%20Es%20Salaam%20EM/tanzania%20jt%20cpe%20final%20report\\_rev3.pdf](http://www.dfa.ie/uploads/documents/Dar%20Es%20Salaam%20EM/tanzania%20jt%20cpe%20final%20report_rev3.pdf) (accessed 5 December 2011).

## ANNEX 6 WORLD BANK INVESTMENTS IN TANZANIA

The World Bank's Country Assistance Strategy (CAS) for 2007-2011, which used GBS as its principal instrument, was reviewed in a completion report (World Bank 2011). The findings are considered relevant to the Bank's work in all low-income countries and have been incorporated into its CAS for 2012-2015 in Tanzania. The review summarises the mixed results of MKUKUTA I as follows. Under **Cluster I**, achievements include macro-economic stability, a broadened tax base, improved roads and access to electricity, but there was lack of progress in the business environment, infrastructure management and water supply and sanitation. Under **Cluster II**, substantial progress was made in basic education enrolment and infant and under-five mortality, but this has not been matched by improvements in the quality of education. Under **Cluster III**, progress has been marginal or even reversed in four of the five core reforms (i.e. Public Finance Management Reform Programme, Public Service Reform Programme, National Anti-Corruption Strategy, and Legal Sector Reform Programme). Only on the Local Government Development Grants had the government shown commitment, making a contribution in the 2010/2011 budget for the first time exceeded donor contributions. The detailed findings included the following:

- Government commitment to policy reform slowed significantly, which compromised the performance of reform programmes, and actual outcomes fell short of expected results.
- In a slow policy reform environment, the size and scope of GBS should be revisited in favour of interventions in areas with high impact and strong government commitment.
- JAST focused on broad-based governance reform programmes, which did not progress as rapidly as desired. More attention should be given to strengthening governance at the level of service delivery through local government and sector-specific support.
- JAST did not reduce transaction costs as intended. Rather than elaborating a joint strategy, donors and government should focus on on-the-ground operational mechanisms for aid effectiveness. The GBS Framework which is aligned with MKUKUTA is a strong mechanism for coordination and harmonization among donors.
- Efforts to improve government implementation capacity were not always successful. The building of institutions approach did not always work. Reform by doing less might yield more, e.g. through a selective focus on how government can remove costly obstacles to private investment.
- The original CAS Results Matrix was overambitious in trying to align it with MKUKUTA goals. More realism and less complex design are instrumental for ensuring outcomes.

- The weak statistical capacity of government made it difficult to track progress on MKUKUTA indicators which were missing baselines, targets, and progress data. Although monitoring and evaluation were given more attention since 2007, there were no adequate data to evaluate progress in certain sectors.

Reference:

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## ANNEX 7 FINNISH SUPPORT TO FORESTRY IN TANZANIA

The main findings of a review of Finnish support to forestry and biological resources (Forbes & Karani 2010) included the following points.

- All interventions were in line with Tanzanian environment, forestry and land policies.
- There is a lot of cooperation amongst donors through various forums but not all subscribe to the SWAp so they often pursue their own aid modalities.
- There has been increased participation and decentralisation in forest management and there is more demand for participatory forest management as a result of the ‘Mama Misisu’ campaign.
- There has been an increase in income in a few villages due to income generated under participatory forest management, but poverty reduction is still not yet evident at household level.
- Transparency, accountability and weak management capacities are still challenges being faced by MNRT.
- Integration of cross cutting issues is still a challenge for the interventions.
- There has been a steady increase of forestry contribution to GDP from 2005, but it is difficult to measure the extent to which Finnish aid has contributed to this growth.
- There are no systems for monitoring poverty alleviation attributed to investments in the forestry sector, but there is an opportunity under NAFORMA for this.
- Tanzania has the potential to set best practices in forest monitoring under NAFORMA, but the sustainability of this comprehensive system remains to be seen.
- Participatory forest management has not really worked as communities are yet to benefit fully, and it may be difficult for it to become self-financing. When the new Tanzania Forestry Service is in place, it should be able to finance it through enhanced revenue collection.
- The ‘Mama Misisu’ Campaign project was a success and needs to be replicated and up-scaled in other districts.
- Evaluations and impact assessments have not been conducted for a number of MNRT interventions. It is essential that these are done in order for lessons to be learned and appropriate action is taken to improve implementation, accountability and transparency.
- Finally overcoming the issues of weak capacities within government will remain a challenge for Finnish aid as results are not evident. There may be a need to review how the NFB planning, implementation and monitoring processes should be changed in order for the programme to cease being seen as a project.

## Reference:

Forbes A & Karani I 2010 *Evaluation of Finnish Support to Forestry and Biological Resources. Country Reports: Kenya, Tanzania, Zambia*. Evaluation report 2010:5/II Parts 1, 3, 4. Ministry for Foreign Affairs of Finland, Kopijyvä Oy, Jyväskylä, 70 p. ISBN 978-951-724-878-5 (printed).

**ANNEX 8 CONTRIBUTIONS OF THE RIPS PROGRAMME**

The main findings of a review of Finnish support to agriculture (MFA 2010) revealed the following contributions by the Rural Integrated Project Support programme in Mtwara and Lindi.

- The evolution of an operational model for the facilitation of organizational development and capacity building.
- Strengthening the capacity of local government in Lindi and Mtwara regions to respond to community priorities in development and poverty reduction.
- Increased interaction between local government and civil society.
- Widespread use of participatory planning within Local Government Authorities.
- The raising of awareness among stakeholders at village level about their rights, roles and responsibilities.
- Increased people's ownership of the development process.
- Improved agricultural production: improvement in various agricultural husbandry methods and practices which led to significant increases in crop and animal production.

Reference:

MFA 2010 *Evaluation of Agriculture in the Finnish Development Cooperation*. Evaluation report 2010:6. Ministry for Foreign Affairs of Finland, Kopijyvä Oy, Jyväskylä 110 p. ISBN 978-951-724-896-9 (printed).



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ISBN: 978-951-724-783-2 (printed), ISBN: 978-951-724-786-3 (pdf), ISSN: 1235-7618
- REPORT 2009:4 Meta-analysis of Development Cooperation on HIV / AIDS  
ISBN: 978-951-724-769-6 (printed), ISBN: 978-951-724-770 2 (pdf), ISSN: 1235-7618
- REPORT 2009:3 Support to Development Research  
ISBN: 978-951-724-755-9 (printed), ISBN: 978-951-724-756 6 (pdf), ISSN: 1235-7618
- REPORT 2009:2 Agriculture and Rural Development. A Preliminary Study  
ISBN: 978-951-724-746 7-(printed), ISBN: 978-951-724-747 4 (pdf), ISSN: 1235-7618
- REPORT 2009:1 Finland ´s Development Cooperation in Central Asia and South Caucasus  
ISBN: 978-951-724-728 3-(printed), ISBN: 978-951-724-729 0 (pdf), ISSN: 1235-7618
- REPORT 2008:7 Kosovo Country Programme  
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Email: [eva-11@formin.fi](mailto:eva-11@formin.fi)



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