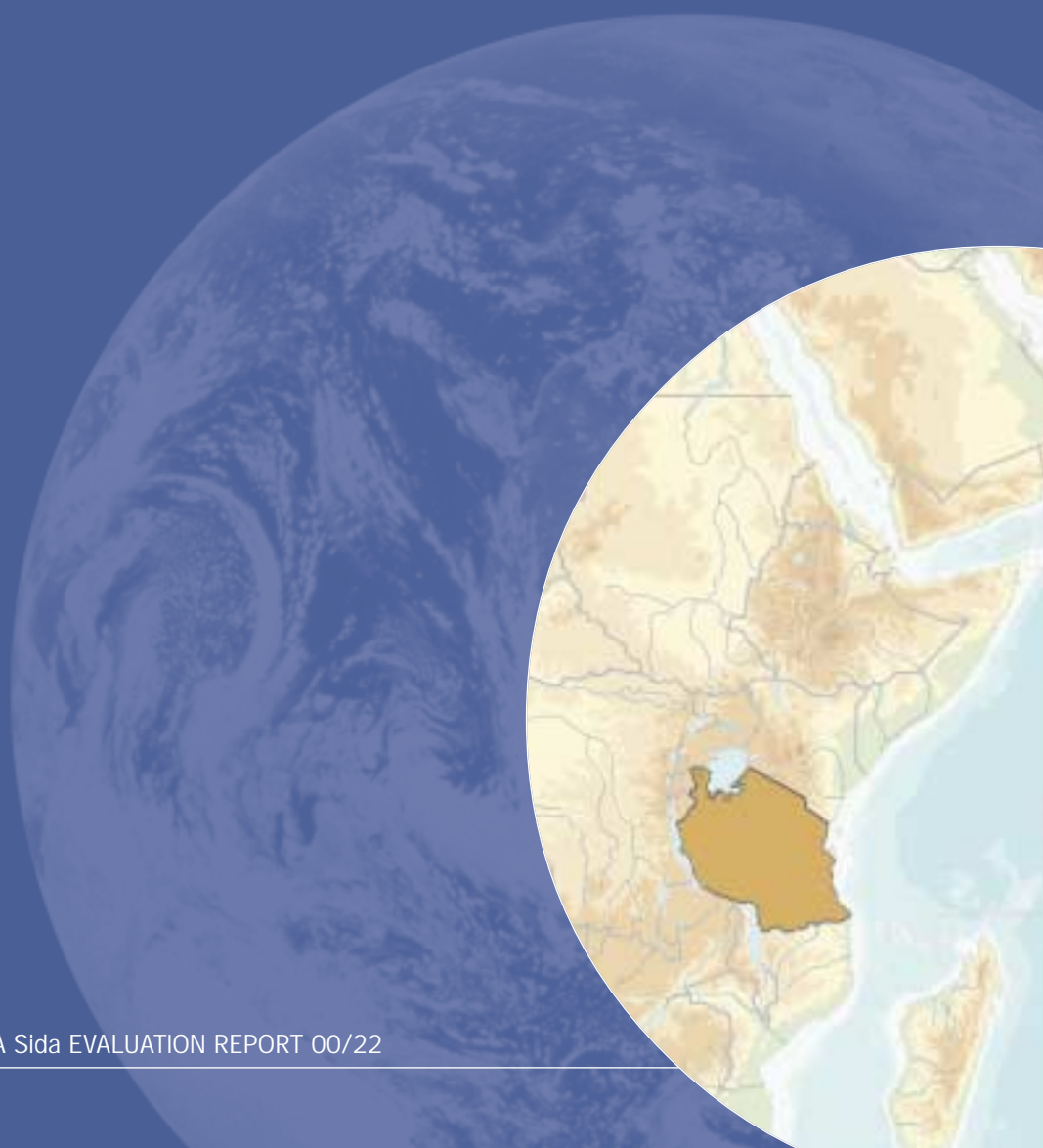


# Fighting Poverty Strategically?

Lessons from Swedish Tanzanian Development Co-operation, 1997–2000

Overseas Development Institute



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## Preface

The turn of the 21st century is a challenging moment for development co-operation, with a renewed commitment to poverty reduction. This will call for substantial changes in the way poor countries use the resources at their disposal, including external assistance, and in the way such assistance is typically designed and delivered.

It is therefore important to scrutinize the portfolio of development co-operation projects and programmes with an aim to make better use of the resources. We need to ask questions such as: How relevant are individual projects and programmes to combating poverty? Is the portfolio strategically positioned in order to reduce poverty in the country? These questions are crucial when a new country strategy is to be formulated and when decisions on new directions are to be made. In Sweden's co-operation with Tanzania, a new country strategy was decided upon in 2000.

An important input into the process of developing this country strategy has been the evaluation of the previous country strategy, valid from 1997. The evaluation was jointly commissioned by the Swedish Embassy in Dar es Salaam, the Regional Department for Africa and the Department for Evaluation and Internal Audit at Sida. The Overseas Development Institute in the UK was contracted to carry out the evaluation with an independent team of evaluators. The evaluation of the Swedish Tanzanian co-operation covers the period January 1997–May 2000. It is not an impact evaluation, but a qualified assessment of the coherence and relevance of the co-operation given the overall objective of poverty reduction. This report can also be seen as a progress report on the new partnership thinking in a bilateral development co-operation programme.

The report contains five chapters. The first chapter is an introduction to the evaluation and the second is a summary and discussion of the findings on the way the country programme was steered. Chapter 3 looks at ten major programme areas, in a fairly detailed way. This chapter can be read in whole or in part depending on the reader's specific interest in the various programmes. Chapter 4 is concerned with the principles of partnership and co-operation, while Chapter 5 concludes the evaluation and discusses the implications.

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# List of acronyms

APO	Assistant Programme Officer
BEMP	Basic Education Master Plan
BMDP	Budget Management Development Programme
BMU	Book Management Unit
CA	Country Analysis
CCM	<i>Chama cha Mapinduzi</i>
COMESA	Common Market for Eastern and Southern Africa
CS	Country Strategy
CSD	Civil Service Department (Office of the President)
CSRP	Civil Service Reform Programme
CUF	Civic United Front
DAC	Development Assistance Committee, OECD
DDP	District Development Project (planned)
DPSP	District Planning Support Project (abandoned 1998)
DSE	Dar es Salaam Stock Exchange
EGDI	Expert Group on Development Issues
EIA	Environmental Impact Analysis
EU	European Union
ESDP	Education Sector Development Programme
FSD	Financial Sector Development
FILMUP	Law Revision Project
GADP	Government Accounts Development Project
GER	Gross Enrolment Ratio
GoT	Government of Tanzania
HADO	<i>Hifadhi Ardhi Dodoma</i>
HESAWA	Health through Water and Sanitation
HIPC2	Enhanced Highly-Indebted Poor Countries Initiative
HIV/AIDS	Human Immuno-deficiency Virus/Acute Immune Deficiency Syndrome
IFI	International Financial Institution
ILFEMP	Institutional Framework for Environmental Management Project (World Bank-funded)
IMF	International Monetary Fund
INEC	Sida Department for Infrastructure and Economic Cooperation
IPC	Inter-Party Committee (Zanzibar)
IRDP	Integrated Rural Development Programme
ISO	Industry Support Organisation
LAMP	Land Management Programme
LFA	Logical Framework Analysis



LGRF	Local Government Reform Programme
LSO	Local Support Office (for LAMP, within Districts)
MALISATA	Man-Land Interrelationships in Semi-Arid Tanzania
MCT	Media Council of Tanzania
MDF	Multilateral Debt Fund
MIT	Ministry of Industry and Trade
MOEC	Ministry of Education and Culture
MOF	Ministry of Finance
MoFA	Ministry of Foreign Affairs (Sweden)
MP	Member of Parliament
MRALG	Ministry of Regional Administration and Local Government
MSEK	Millions of Swedish Kronor
MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
MUCHS	Muhimbili University College of Health Sciences
NBS	National Bureau of Statistics
NEC	National Electoral Commission
NEMC	National Environmental Management Council
NGO	Non-Governmental Organisation
PER	Public Expenditure Review
PO	Programme Officer
PPP	Pilot Project for Publishers
PPPC	Parliamentary Political Parties Committee
PRBS	Poverty Reduction Budget Support
PRIDE	Promotion of Rural Initiative and Development Enterprises (NGO)
PSD	Private-Sector Development
PSO	Project Support Office (for LAMP, within MRALG)
PSRP	Public Service Reform Programme
RA	Results Analysis
SAPU	Strategic Analysis and Planning Unit – within FBD in Ministry of Natural Resources and Tourism
SAREC	Swedish Agency for Research Cooperation/Sida Department for Research Cooperation
SASDA	Secretariat for Analysis of Swedish Development Assistance
SCAPA	Soil Conservation and Agro-forestry Programme, Arusha
SDP	Sector Development Programme
SEK	Swedish Kronor
Sida	Swedish International Development Cooperation Agency
SIDA	Swedish International Development Authority
TANESCO	Tanzania Electrical Supply Company
TADREG	Tanzania Development Research Group
TAS	Tanzania Assistance Strategy
TCC	Tanzania Communications Commission
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TCTF	Tanzania Culture Trust Fund

TDFL	Tanzania Development Finance Company Limited
TFNC	Tanzania Food and Nutrition Centre
TGNP	Tanzania Gender Networking Programme
TIC	Tanzania Investment Centre
ToR	Terms of Reference
TPTC	Tanzania Post and Telecommunications Corporation
TRA	Tanzania Revenue Authority
TRP	Telecommunications Restructuring Programme
TTC	Teacher Training College
TTCL	Tanzania Telecommunications Company Limited
TURA	Tanzania Utility Regulatory Authority
TVCF	Tanzania Venture Capital Fund
UCLAS	University College of Lands and Agriculture
UDSM	University of Dar es Salaam
UNICEF	United Nations' Children's Organisation
UPE	Universal Primary Education
URT	United Republic of Tanzania
WSSP	Water Supply and Sanitation Programme (to 1985)
WUG	Water User Group (HESAWA)
ZLSC	Zanzibar Legal Service Centre

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# Executive summary

## Introduction

This external evaluation of Swedish Tanzanian development co-operation is focused on the Country Strategy cycle beginning in 1996 and ending in the second quarter of 2000. It was commissioned as a case study on the effectiveness of Country Strategy processes in steering Sida country programmes, and also to provide practical recommendations for improving Swedish Tanzanian co-operation in the next Strategy period.

The scope of the evaluation is limited to consideration of the relationships of coherence and relevance between the steering instruments and the country programme and its implementation. Relevance to poverty reduction and other Swedish and Tanzanian objectives is assessed, and this involves comparison with feasible alternative options. Evaluation of impact is specifically excluded. A major topic is the operationalisation of the new partnership principles that were a strong theme in the 1996 Country Strategy.

This is the first major evaluation of Sida's Tanzania programme since the SASDA report of 1994. Conditions for development co-operation in Tanzania have changed significantly in the intervening years. This report covers some of the same ground as the EGDI study *The Sustainability Enigma*, but is more concerned to identify shortcomings in the current system of strategic management of aid, with the practical purpose of improving it.

The evaluation was conducted in two main parts. A Stockholm-based team undertook documentary analysis and interviews to establish how well the 1996 Country Strategy worked as an instrument for steering the country programme. A larger group, including six Tanzanian residents, then explored the operationalisation of the country programme, using a combination of documentary sources, semi-structured and conversational interviews with a variety of stakeholders, and field visits. Standard checklists and matrices were employed as a guide, but the questions posed by the Terms of Reference called for the exercise of judgement on the basis of available information from different sources.

The assessment of relevance at different levels posed substantial challenges. Relevance to Sweden's overarching goal of poverty reduction is especially difficult, because there are both direct and indirect ways of addressing the needs of poor people, and there is a general lack of conclusive evidence on many of the crucial linkages. Nevertheless, we know some fundamental things about poverty in Tanzania – it is overwhelmingly rural and female, and faster agricultural growth would be the most effective way of reducing it.

Reasonable questions to ask about a country programme and its components are, therefore: Is there, *prima facie*, a different pattern of activity that would be expected to be more efficient or in reducing poverty? And was the design of the activity based on an explicit consideration of alternative means of tackling the problem?

### Steering the country programme

Chapter 2 of the report summarises and discusses the findings on the way the 1996–2000 country programme was steered. It was found that a generally good Country Analysis was poorly reflected in the content of the Country Strategy. The Results Analysis, on the other hand, drew too sparingly on critical analysis of results' data to provide a guarantee that decisions were evidence-based. The CS was in broad terms a relevant document, given Swedish objectives and the country conditions in 1996. But it lacked qualities of clarity, justification and monitorability that are essential in a steering instrument. In a number of senses the notion that the CS “steered” the country programme was unrealistic.

The Tanzania country programme did develop in the ways indicated in the 1996 Strategy, but to a large extent the Strategy document was a “showcase”, reflecting decisions taken earlier, often in sector departments. Neither the big-disbursing programmes that inevitably continued to dominate the country programme for most of the period, nor the shifts in emphasis that were implemented, were the subject of explicit argument in the CS or anywhere else about comparative effectiveness in meeting poverty-reduction and other policy objectives.

A partial exception is the case made for cutting back on project support to create space for sector programmes, and for the adoption of a new-partnership approach generally. A particularly pertinent instance of failure to think strategically about poverty-reduction priorities is the handling of the central institutional problems of small-holder agriculture in Tanzania. The 1996 CS did not explain either why the Country Analysis was wrong to emphasise these problems, nor why it would not be appropriate for Sweden to expand its already significant support to local natural-resource management to cover these wider issues.

The report tries to distinguish between the numerous contingent factors that affected the Country-Strategy process in 1996, and problems of a more generic sort. On the latter basis, the following are recommended:

- Measures to ensure that the guidance available to Sida staff contains *uniform instructions from the MoEA and Sida* on the purpose of preparing a Country Strategy, and the approach and methods to be followed.
- Adoption in this guidance of the principle that Swedish co-operation at the country level is not to be supply-driven, but *designed strategically on the basis of evidence-based arguments* about ways of being maximally effective in meeting objectives.

- *Agreement on some practical rules* which ensure at least some measure of sequential working from the Country Analysis and Results Analysis to the Country Strategy, and from the Country Strategy to all subsequent decisions about the make-up of the country programme.
- Adoption of a *Logical Framework exercise as a mandatory component* of the Country Strategy process. It should be recognised that it is inconsistent to recommend logframes for projects but not for country programmes. The Indicators and Assumptions/Risks columns should be given particularly close attention.
- Supplementation of this general guidance, and that provided in the Poverty Action Programme, with *further instructions on a stepwise approach to prioritising interventions and selecting forms of Sida support* in terms of their likely effectiveness in reducing poverty.
- *A review of the scale of the results-oriented work currently undertaken on Sida projects and programmes* (project appraisals and reviews, process monitoring arrangements, in-house and independent evaluations). The purpose would be to determine whether or not these provide a sufficient basis for a genuinely analytical Results Analysis as a required component of every CS process.

### Operationalising the country programme

Chapters 3 and 4 of the report are concerned with two aspects of the operationalisation of the country programme during 1997 to early 2000. These are the content of the aid-funded activities implemented, and the co-operation methods employed, especially the application of the partnership principles.

Chapter 3 looks in turn at ten major programme areas, recognising that some programme objectives such as gender equality and promotion of human rights and democracy are treated as cross-cutting. The questions posed in the Terms of Reference are covered as far as possible in relation to each area, under the headings of implementation experience, relevance to poverty reduction and issues of prioritisation and coordination. The chapter covers high-disbursing areas first – starting with infrastructure, basic education and natural resources. It then deals with programmes that have disbursed less but have been strong focuses of effort measured in other ways – ending with support to civil society and democratic governance.

There are five thematic conclusions, not counting the issue already raised in Chapter 2 about the neglect of general agricultural problems. These draw on the findings from at least one and sometimes several of the programme areas reviewed, including both positive and negative experiences.

Major support has been given by Sweden to electric power and telecommunications investments, and ownership reforms. The report questions whether these commitments, now concluded, were sufficiently justified in poverty-reduction terms. But a positive message is that Sida should build on the strong

position it has acquired by remaining actively involved in sector-policy work. The focus should be on pro-poor regulation and on enabling the Tanzanian authorities to become strong partners of the private sector and other major actors such as the World Bank. The theme that sector-policy work is becoming more relevant than contributing to specific investments is supported, also, by the trends in Sida's support to private-sector and financial-sector development in Tanzania.

The examination of implementation experience and relevance issues in the support to basic education throws up some serious questions for Sida and the Government of Tanzania. One concerns whether the risks of primary-school textbooks' being produced, but not delivered for free use as intended, have been taken sufficiently seriously. The other concerns whether continued substantial project funding through the Ministry of Education and Culture is, on balance, favourable or unfavourable to the completion of the tough-minded sector development programme that is needed to effect real improvements in educational outcomes for poor people.

The "links in the chain" dilemma – whether to continue building one link when others are known to be missing or weak – is, of course, characteristic of development co-operation generally. It is illustrated more positively in the area of Sida activity in Tanzania where new forms of flexible budget support are complemented by a set of projects designed to improve accountability in public administration. Here, a number of things seem to be coming together, but this cannot be taken for granted. Close coordination between the responsible officers is the subject of one of the recommendations made.

The evaluation was not able to consider impact, and not much impact evaluation was available to draw on. In the case of the HESAWA programme in particular, this is a pity, as important things could be learned from its experience, and there are many unanswered questions. In the case of LAMP a poverty-sensitive formative evaluation is under way. HESAWA and the textbook project are candidates for more evaluation attention.

The Swedish support to research managed by SAREC is found to be one area where intra-agency learning and synergies are not as fully developed as they might be.

Support to both cultural activities and the area of democracy and human rights is complicated to manage, as it involves support to many small organisations, whose likely performance is hard to assess, even for the most active resident Programme Officer. Partly for this reason, the support to democratic governance in Tanzania has been slow to develop, and characterised by a number of biases – towards accountability in public administration as against parliament and civil society, and towards democratic participation during national election periods as opposed to the times in between. Although human rights, and children's rights in particular, are picked up in other parts of the country programme, legal aspects of human rights should be given more support.

A difference between the culture and democracy areas is that the former has a functioning model, in the Tanzania Culture Trust Fund, for disbursing support cost-effectively to many small projects. It is suggested that this might be examined closely as a possible model in finalising the much-delayed comprehensive programme for democracy and human rights in Tanzania.

The recommendations flowing from these conclusions are:

- In the context of a more strategic approach to country programme design, Sida should pay more comprehensive attention to a key issue identified in successive Country Analyses for Tanzania: that of the low productivity of small-holder agriculture and other natural-resource-based activities. If reasons exist for not giving further priority to this fundamental poverty issue, including its gender dimensions, these should be explicitly stated and open to critical inspection.
- Sida should remain actively engaged in policy discussions in the energy and telecommunications sectors. Continued dialogue, and related support, could usefully focus on: 1) ensuring that privatisation is done in a transparent and commercial manner; 2) finding instruments that will spread the benefits of the reforms and investments to rural areas and poorer households; 3) the design of the future regulatory body (TURA); and 4) helping the respective ministries to become strong partners in dealings with the private sector and the World Bank.
- In project design generally and in educational support in particular, institutional risk factors should be clearly specified, linked to conditions for continued disbursement and then monitored closely with a view to ensuring that project aid does not contribute to further deterioration in the institutional conditions for efficient, pro-poor sector management.
- Sida management of its budget support and aid to reform of the budget and accountability arrangements in public administration should be closely coordinated, taking into account the complementarities and risks posed by poor sequencing in this area.
- HESAWA should be considered a candidate for an independent long-term impact evaluation. Poverty targeting issues should be covered, along with the most rigorous form of impact analysis that is feasible with available baseline data.
- Sida should initiate an internal examination of possible ways of improving the linkages between Swedish-supported research in Tanzania and the development of the country programme. A related task would be to strengthen linkages between research and sectoral programmes and projects.
- The comprehensive programme for democracy and human rights should be finalised and implemented, with close attention to the range of democratic processes needing support. The possible application of the trust-fund type of approach in this area should be actively considered, as a means of delivering substantial support cost-effectively to an area characterised by a multiplicity of small organisations.

## Partnership and co-operation principles

Chapter 4 of the report evaluates the operationalisation of the country programme in terms of the co-operation guidelines in the Country Strategy. These were strongly influenced by the then recent Nordic-Tanzanian agreement on development partnership and the broader discussions around the Helleiner report. A key requirement is Tanzanian “ownership of and responsibility for” Swedish-supported programmes and projects.

The evaluation findings indicate uneven progress in implementing the new-partnership agenda, mostly reflecting the inherent difficulties of the task. Significant progress has been made in restoring to Tanzanians the leadership of macro-economic and public expenditure management. The handling of the negotiations about Tanzania’s Poverty Reduction Strategy Paper (PRSP) and Tanzania Assistance Strategy (TAS) will provide a further test.

Sweden’s record in accounting for aid expenditure to the Tanzanian authorities is exemplary, but steady progress needs to be made towards restoring the situation where funding is not just reported but disbursed through the Ministry of Finance. This depends on other things, but a “road map” is needed to define a route to the abolition of so-called D-funds, stating how and under what conditions progress will be made.

Outside the sphere of public finance management, examples of structural change in which Tanzanians sit in the driving seat are harder to find. This is not surprising in view of what the research literature tells us about the absence of authoritative institutions, the ubiquitous role of patronage relationships, and the effects of loan- and grant-funded project aid in weakening national interest in planning. A few examples of changing relationships between particular ministries and groups of donors were found. However, traditional projects seem to reproduce traditional relationships.

Outside government-to-government relations, the new-partnership agenda has less obvious relevance. However, a few examples were found of the good practice of extending Swedish funding to genuine non-governmental initiatives (notably, at the University). Recognising this type of initiative, as well as providing appropriate support to effective sector ministries, calls for the kind of close attention that is most likely to be provided by staff who are resident in the country. In this respect, substantial benefits are to be expected from the current experiment in Embassy decentralisation in Tanzania.

The following steps are recommended:

- Continuation of active Swedish support for the implementation of the letter and spirit of the Nordic and Helleiner agreements, and the implementation of the TAS and PRSP processes in the same sense.
- Consideration by Sida of medium-term perspectives for advancing the new-partnership agenda, including a) influence on other donors to come up to Swedish standards of donor-to-recipient accountability, and b) the definition of a “road map” for phasing out D-funds.



- Full endorsement of the decision to decentralise Sida staffing to the country Embassy level, as one of the practical preconditions for wider country ownership of Swedish-Tanzanian co-operation.

### Some further implications

Chapter 5 returns to questions posed in the Introduction about the potential for a better application of strategic-management principles. A related set of questions from the final section of the Terms of Reference are also picked up.

Does this evaluation suggest there is scope for improving the relevance of development co-operation to poverty reduction, and giving it a “design-driven” (as opposed to “supply-driven”) character? It certainly shows that the 1996 Tanzania Strategy could have been more evidence-based and attentive to strategic choices than it was. Moreover, some of the problems were generic, and these can be addressed in feasible ways. It follows that the potential for doing better, within the same basic framework of aid management, have not been exhausted by any means.

How important is it to have coherent documents? The evaluation shows that quite a lot can be achieved operationally even with significant flaws in the formal “steering” process. But this does not mean that the latter are unimportant.

The questions that have been raised about the relevance of certain programmes, and about the basis of the decisions reflected in the 1996 CS, are not negligible. The failure to look strategically at the number-one task facing poverty-reduction efforts in Tanzania, that of restoring growth in small-holder agriculture, is quite serious. The kind of hard thinking that such issues require can only be done, within a large organisation, by putting issues on paper and having them actively discussed. The need for documents that are internally coherent, and logically related to each other, follows from this.

Chapter 5 has conclusions and recommendations on two remaining issues to do with documentation. First, the conclusion about the general importance of coherent documents does not imply that *all* the documentation currently required by Sida is necessary. Supplementing the recommendation from Chapter 2 that the inputs to Results Analyses be reviewed, an additional recommendation is that this could reasonably lead to a reduced form of RA.

Second, the evaluation has highlighted another kind of problem with Sida documentation. Increasingly, as projects are scaled down and policy dialogue becomes the main concern of Programme Officers and other embassy staff, the most important activities and achievements are not documented in the traditional fashion; that is with project memoranda and other bulky in-house paperwork. At the same time, because of the increased use of e-mail, important documentation is taking what is in practice a fairly inaccessible and perishable form.

This was a problem for the evaluation, leading the team initially to pay undue attention to some things and neglect others. We recommend that future

ToRs pay attention to this possible pitfall in any evaluation of a country programme that is based in part on access to paper documentation. There are also more general issues for Sida and other agencies facing the combined effects of the transformation of aid by new partnership principles, and the transformation of office routines by electronic technology.

# Chapter 1

## Introduction

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### 1.1 The challenge

The turn of the 21st century is a challenging moment for development co-operation – rich in opportunities and full of dangers. This is true of development co-operation generally, and it applies to Sweden’s co-operation with Tanzania in particular.

On the side of hope, the international community is committed as never before to a concentrated effort to eliminate or substantially reduce the scourge of absolute poverty. There is a new recognition that this will not be easy – that it will call for substantial changes in the way poor countries use the resources at their disposal, including external assistance, and in how such assistance is typically designed and delivered. It is increasingly acknowledged that reducing poverty will call for joint efforts based on shared values and commitment to a common cause. Correspondingly, bilateral and multilateral discussions across much of the globe are being dedicated to a new kind of partnership, based on specific poverty-reduction objectives and common frameworks.

According to the counsels of cold realism, these commitments and shifts in thinking need to be regarded as no more than a hesitant first step in the right direction. The truth is that public discourse has changed much more than institutional frameworks and the fundamental incentives that determine action on both sides of the co-operation relationship. The corresponding danger is that the fundamentals will prove incapable of changing as fast as the new international goals require, and as the world’s poor have a right to expect. Although more firmly-rooted and sophisticated than previous doctrines of international development, the new principles of partnership for poverty reduction contain the seeds of a further wave of disillusionment with the whole enterprise of development co-operation.

As so often in its history, Tanzania finds itself the focus of international attention, as a key exemplar of current development challenges. Having been in various past periods a striking example of disappointing development performance, Tanzania has become a test case of the progress made in articulating and implementing a better vision of the future of development co-operation for poverty reduction. On the one hand, “new partnership” principles have been formally set out and agreed with exceptional clarity, with broad

external support. On the other hand, the breadth of this consensus is partly a reflection of the recognition that, in terms of fundamentals, Tanzania is one of the more difficult places in the world in which to make development co-operation work.

Sweden has been consistently among the largest bilateral donors in Tanzania over three decades, and has played a substantial role in ushering in the new thinking about development partnership in the country. Both SIDA and Sida, the new organisation formed by merging the different branches of Swedish international co-operation in 1995, have a long-standing mandate from Sweden's parliament to ameliorating the lot of the world's poorest people. The most significant recent renewal of that mandate, contained in the 1996/97 Government Report *The Rights of the Poor – Our Common Responsibility* (MoFA, 1999/97), is explicit about the need for this to be done on the basis of a broad partnership at various levels of the national community in the recipient country, with national governments taking primary responsibility for preparing and implementing plans of action.

The period of roughly three years covered by this external evaluation of Swedish Tanzanian co-operation (Jan 1997–May 2000) is a significant one from several points of view. The period begins with the discussion around *The Rights of the Poor* and the several related Sida Action Programmes. It coincides with the initial efforts by donor agencies and the Government of Tanzania to apply the new partnership principles set down in the 1996 Nordic-Tanzania Agreement and the Jan 1997 agreement on the findings of the Helleiner Report. The evaluation is thus in the nature of an interim report on the progress that has been made in applying the new thinking in one key donor programme.

The evaluation is concerned with the strategy cycle beginning with the preparation of a Country Strategy and the signing a new agreement between the governments of Sweden and Tanzania in 1996, and concluding with a new strategy process in 2000. The evaluation is intended to give Sida information about the ways in which the 1996 Strategy was informed by various important sources of information and guidance, and how well it served in turn to steer and give appropriate focus to the country programme and its implementation. The Terms of Reference of the assignment (reproduced as Annex 1) are centrally concerned with issues of *coherence* and of *relevance*, as applied to the relationships between the steering documents, and between those and the operationalisation of Swedish co-operation in Tanzania in the relevant period. A second purpose of the evaluation is to provide recommendations to Sida on ways of improving Swedish Tanzanian development co-operation in the next strategy period.

## 1.2 Adding value

The focus on the strategy process, and the very specific emphasis given to the roles played by guiding documents and other management tools, calls for a somewhat fuller explanation. Some further contextualisation will help to locate the purposes of the evaluation in relation to previous exercises focused on Swedish support to Tanzania. It will also help to clarify the value-added to be expected from our report relative to what has already been learned from these previous studies.

### Previous studies

This is the first external evaluation of Swedish-Tanzanian co-operation since the one commissioned by the Secretariat for Analysis of Swedish Development Assistance (SASDA) and undertaken by a team from the Universities of Göteborg and Oxford (Adam et al., 1994). Although the SASDA evaluation included a review of major projects and programmes, and a chapter on corruption, it was notable mainly for its analysis of macro-economic issues affecting the impact of Swedish assistance. Institutional issues in the aid relationship were not brought into strong focus, nor was Sweden's approach to designing and managing its programme in Tanzania.

While many of the arguments in the SASDA study remain valid, they cover a long period between the early 1970s and the early 1990s, and are now chiefly of historical interest. There have been significant changes in the situation in Tanzania, with respect to macro-economic management in particular, since 1994. A more up-to-date assessment focused on Swedish programme aid (balance-of-payments and budget support) is provided by van Donge and White (1999). This is more directly concerned with the policy period covered by the present evaluation, with a relevant discussion of the contribution of programme aid to policy dialogue and structural reforms relating to poverty reduction. The focus is, however, only on programme aid, and the overall coherence and relevance of the country programme are not addressed.

A more direct point of reference for the present evaluation is the book-length study of aid dependency and project sustainability in Swedish-Tanzanian co-operation commissioned by the Expert Group on Development Issues (EGDI). This study (Catterson and Lindahl, 1999) contains important findings and conclusions that are relevant to the evaluation of the 1997–2000 strategy period. Although the book is nominally concerned with the apparently narrow issue of project phase-out, the authors argue, with the support of a rich body of evidence, that this question cannot be properly addressed outside the framework of a broader consideration of institutional sources of aid dependency. Their analysis of these issues contains some propositions and concepts that are essential starting-points for the evaluation, even though their recommendations diverge from ours.

Catterson and Lindahl show that the difficulties Swedish aid has faced in withdrawing from projects in a way that ensures sustainability of activities is part of a wider problem of ownership and aid effectiveness. This in turn is linked to a “perverted incentive structure” in which recipient institutions have no interest in taking real charge of aid-funded activities or assessing their cost-effectiveness, since it is believed – by and large, correctly – that new funding from the same or an alternative donor can always be found. This incentive structure is matched on the donor side by informal disbursement pressures, which have the effect of weakening concerns about aid quality.

### The critique of supply-driven aid

Catterson and Lindahl give the case-study projects, including several that concern us here, low marks for performance-orientation in general and clear linkage to poverty reduction in particular. They trace these deficiencies to the fact that most Swedish aid is “supply driven” – not designed to meet a well-identified demand – and oriented overwhelmingly to the public sector. They recognise that there was significant learning about the aid relationship during the 1990s and cite the Agreed Notes on the Helleiner recommendations. However they express concern that too much of the criticism has been directed at the project modality as such and too little at the underlying incentive structure, which can be expected to influence other forms of aid delivery as well.

“The issue in the ‘new partnership’”, Catterson and Lindahl conclude, “is not so much the orientation, but the implementation. There is a risk that the new partnership will make little difference as it is being implemented in essentially the same system” (1999: 173). In other words, a close watch needs to be kept on whether the new principles of aid management are capable of producing changes in actual practice.

The Terms of Reference of this evaluation make no reference to Catterson and Lindahl. However, in effect they require a judgement on whether that book’s sceptical conclusions seem to be justified at the end of one strategy cycle in Tanzania and the beginning of another.

The issue raised by Catterson and Lindahl is unquestionably the most important and difficult one confronted by the evaluation, and we do not evade it. However, our approach differs in one important respect from theirs. The difference is partly a function of our Terms of Reference, but it is also a matter of conviction. It concerns the type of remedy that needs to be applied if and when aid performance fails the relevant tests of quality.

### Wagering on strategic management

Catterson and Lindahl propose a radical reform of the aid system “shifting aid from a supply driven, disbursement oriented venture towards a truly demand driven, performance oriented one”. The proposed mechanisms are a re-direction of development co-operation away from government-to-government

relations, the abandonment of aid disbursement through country frames and the opening up of competition for donor money, within and possibly between recipient countries. Funds would then be allocated to alternative providers on the basis of demonstrated capacity to deliver, with Sida providing a limited range of knowledge-based support and supervision services (166-69).

This proposal goes somewhat beyond earlier schemes, supported by Göran Hydén and Roger Riddell among others, for the payment of aid into “autonomous public funds”. It should not be dismissed too quickly, and certainly not on the grounds that it sees development co-operation agencies as part of the problem of making aid effective, for which there is plenty of general evidence (Lancaster, 1999; Rimmer, 2000).

We shall see in Chapter 3 how some specific arrangements based on this type of thinking have already proven their worth within Sida’s Tanzania programme, and the Embassy has plans for extending these into new areas. However, as a general solution to the problem of aid quality it is open to some strong general objections. One is that social needs, and those of the poorest groups, are not likely to be faithfully reflected in the demand for aid money generated by the type of competitive tendering that is envisaged. Like other market-based solutions, such a process would need to be moderated by considerations of social efficiency and justice. That, in turn, would call for quite a lot more than “support services” from the funding agency.

We also question whether the solution favoured by Catterson and Lindahl is the only intellectually coherent one. Given an under-performing supply-driven aid system, it makes some immediate sense to move towards a more “demand-driven” arrangement. But the market metaphor obscures the third option that large-scale organisations generally take quite seriously – that of achieving better performance in meeting fundamental objectives by what might be called a design-driven or strategic approach.

Most development co-operation agencies, including Sida, are committed to the idea of strategic aid management, and mechanisms are in place for applying it to poverty reduction and other fundamental objectives.<sup>1</sup> In principle, these mechanisms are capable of achieving a marriage between identified social needs (on the “demand” side) and effective means of meeting them (on the “supply” side). The latter legitimately include assessments of an agency’s own comparative advantages as a supplier, with the difference that these are expected to be evidence-based and are not allowed to “drive” decision making, over-riding considerations of need.<sup>2</sup>

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<sup>1</sup> Also, current understandings of new partnership involve, as a central component, the idea that recipient governments themselves are capable of institutionalising key elements of performance-based management.

<sup>2</sup> Strategic management here should not be identified with the so-called “blueprint planning” tendency, which has been rightly criticised over three decades for its mechanistic and institutionally naïve understanding of the rational pursuit of objectives. In the language adopted in this report, strategic management can, and in most development cooperation contexts does, imply a “process” or adaptive-planning approach.

It has to be recognised that the jury is still out on whether this relatively established and conventional remedy can work. It is by no means clear that it will. We certainly take seriously the point that the new language of partnership does little by itself to change the structure of incentives, and that incentives are the key. On the other hand, the step of evaluating how well current efforts towards strategic planning for poverty reduction are working, and whether there are practical things that can be done where it is not, should not be skipped. We see this as the distinctive purpose of the evaluation reported here.

## 1.3 Scope and limits of the exercise

### Some necessary limitations

In many respects, the effort to produce more design-driven country programmes, with poverty as the central objective, is still in its infancy. As Catterson and Lindahl point out, some projects that survived as components of the country programme into the 1990s would have failed quite a simple test of relevance to poverty reduction using a Logical Framework matrix. The idea of designing a country programme strategically is even more recent than the logframe approach to project appraisal. The strategic cycle that is the focus of the evaluation was the first of its type, as far as Swedish-Tanzanian co-operation is concerned. For this reason alone, it would be surprising if it had been an extremely coherent process with striking effects in reducing supply-oriented, performance-blind thinking.

Actually, it is known that the 1996 country strategy process took place under peculiarly difficult circumstances. It is not an entirely typical case and may not be a particularly good model of what is possible, even for Tanzania. As mentioned above, the period covered by the strategy coincided with a particularly interesting set of new initiatives, from both a Sida perspective and a Tanzanian one. But the strategy *formulation* process was affected by the character of the immediately preceding period. In Tanzania between 1994 and 1995, Government-donor relations were at a particularly low ebb, leading to repeated postponements of the strategy exercise and consequent co-ordination and personnel problems at the Embassy. In Stockholm in 1996, Sida was newly formed and taking its first hesitant steps as a unified organisation. The strategy discussion was influenced, as a result, by the needs of forging institutional convergence between several previously separate entities.

Neither of these sources of difficulty is present in the current (2000) strategy process, which may be expected to be quite different as a result. There is little chance that some of the features of the 1996 process identified in Chapter 2 of the report would ever be repeated, since they reflect the pressures and opportunities of a particular historical moment. Once these particularities have been taken into account, however, there are some useful lessons of a more generic type that can be drawn from the 1996 experience and formulated as recommendations for the future, including the strategy process current-





Photo: Annika Lysén

*“The turn of the 21st century is a challenging moment for development co-operation – rich in opportunities and full of dangers. This is true of development co-operation generally, and it applies to Sweden’s co-operation with Tanzania in particular.”*

ly under way. This gives some basis for the supposition that strategic management has not yet exhausted its potential.

The difficulty of making general recommendations on the basis of historical experience represents one limitation of what is attempted here. Other limitations are spelt out in the Terms of Reference. The evaluation is not an impact assessment of Swedish co-operation. It is a study of country programme preparation, design and operationalisation, with a focus on the two key variables of coherence and relevance.

The assessment of *relevance* is defined to include some consideration of options taken as against alternative options forgone, but within the limits imposed by the absence of evidence on actual impacts. The assessment of *operationalisation* extends to the issue of whether the programmed outputs were produced, but not to whether final and intermediate objectives were achieved. These restrictions are deliberate and reflect the recommendations of the recent report to Sida on the evaluability of country strategies (MPI, 1999).

## Organisation

The structure of the report is closely based on the evaluation’s Terms of Reference. Chapter 2 corresponds to chapter 4.1 of the ToR. It deals with the questions of relevance and coherence as they relate to the relationships between the Country Strategy and other components of the design and management of the country programme.

Chapters 3 and 4 of the report correspond to section 4.2 in the Terms of Reference, where the focus is on the operationalisation of the country programme, as defined above. Chapter 3 deals with the implementation of the main components of the country programme with particular reference to their relevance for poverty reduction and other priorities and objectives (paragraphs a to d, ToR 4.2). Chapter 4 is addressed to the co-operation principles set out in the Country Strategy, especially those concerned with implementing the Helleiner recommendations on partnership (paragraphs e to g).

An assessment of the findings and their implications is made at the end of each of Chapters 2–4. Chapter 5 provides a concluding discussion with particular reference to the issues posed in section 4.3 of the Terms of Reference. The conclusions and full recommendations of the evaluation are indicated in the Executive Summary.

The evaluation is the product of a large team working in a closely co-ordinated way over a relatively short period in March–May 2000. The desk study and interviews on which Chapter 2 is largely based were undertaken by Lars Rylander, Alexandra Silfverstolpe and Jonas Ewald, with smaller inputs from David Booth, Lucia Hanmer and Tim Conway. The work in Tanzania involved 12 consultants, equally divided between members and associates of the Overseas Development Institute, London, and the Tanzania Development Research Group (TADREG) in Dar es Salaam. In addition to those named above, team members included Anders Berlin, Brian Cooksey, Andrew Kiondo, Ruth Meena, Edward Mhina, Fidelis Mtafifikolo, Abu Mvungi and Alison Tierney.

In the in-country stage of the evaluation, a substantial body of documentation was digested and interviews were arranged with numerous Swedish and Tanzanian government staff, stakeholders in programme activities and other selected informants, as listed in Annex 2. Although no new data were generated, a large volume of information and opinion was collected, cross-checked and assessed. Only the most relevant and salient points are able to be reported here.

The consultants are grateful to all those who spent time assisting them, and to the Africa Department of Sida and the Swedish Embassy in Dar es Salaam for their help, including feedback on an initial presentation of our findings and detailed comments on two drafts of the report. The team is wholly responsible for any errors of fact or judgement that remain. The team leader assumes responsibility for any deficiencies in the drafting of the report.

## 1.4 Assessing coherence and relevance

The evaluation was undertaken in a relatively compressed time in order to allow its preliminary findings to feed into the Country Strategy process being undertaken during the first half of 2000. Following presentation of an Inception Report in February, the interview and documentary work in Stockholm was completed over two weeks in March. The evaluation of the operational-

isation of the country programme in Tanzania took place during three weeks in April. Synthesis work and initial reporting was completed in early June.

## Evaluation methods

In all its stages, the evaluation was guided by tightly-specified Terms of Reference, centring on the twin concepts of coherence and relevance. The teams in Stockholm and Tanzania met at the beginning of the respective periods of research to reach agreement on the scope of the work and the approach and methods to be adopted. Two general assumptions guided this thinking.

First, none of the issues included in the Terms of Reference could be settled on the basis of a simple data-collection exercise. Every question called for the exercise of judgement on the basis of available evidence, including the team's collective experience of development-co-operation issues and knowledge of Tanzania. Methodological tools were needed primarily to structure and record the process of forming a judgement, thereby ensuring quality and consistency. It was particularly important to have a consistent system for reporting the findings of the work on the steering documents (ToR, 4.2) in view of the fact that the evaluation was being undertaken in two stages by distinct, and only partly-overlapping, teams. Methodological formulas designed for different purposes would not be of use.

Second, the evidence to be drawn on would be diverse and of varied quality. The chances of reaching erroneous conclusions on the basis of a single type of information would be quite high. This meant that the reliability and validity of the findings depended on the possibility of "methodological triangulation", that is the regular cross-checking of information derived by different means or from different sources. Robust conclusions could be reached, but they would not be arrived at easily or without initial mistakes or confusions.

These assumptions were generally reinforced by the experience of doing the evaluation. A particular lesson learned concerns the dangers of relying too heavily on documents when evaluating country-programme activities that are incompletely documented. This was major theme of the response to our initial draft report. In a number of respects, our interpretations and judgements had been skewed in particular directions by a bias towards well-reported activities and easily-quantified measures of implementation, such as formal projects and disbursement rates. Poorly-documented activities and qualitative shifts in practice were easily missed, and in some cases had been.

The initial work of the Stockholm team focused principally on the relationships of coherence and relevance between the country programme's various steering instruments. To guide and record the assessment of coherence, a three-column matrix was constructed for each of the steering documents and each major project or programme area. Issues and themes identified in the appropriate guiding instrument(s) were recorded in the left-hand column. Qualitative judgement was exercised in making this selection. The middle column was devoted to comparison of the thematic content of the two docu-

ments, while the right-hand column contained additional comments pertaining to the questions posed in the ToR.

The documentary analysis was checked and enriched by reference to background literature and the results of the interviews, which were recorded in note form. The interviews were also a major source for constructing interpretations and assessments of the reasons for the particular relationships of coherence and incoherence that emerged from the study of the documents. The core group working from Stockholm provided an analytical synthesis, as well as valuable note-form information, to the rest of the evaluation team.

In some instances, analysis of relevance called for much the same comparative procedure as the assessment of coherence. In other cases, the requirement to consider the alternatives forgone in pursuing a particular line of action implied a separate exercise. We return to the topic below.

The work of the evaluation team in Tanzania was structured by an initial preparatory workshop, held at the Karibu Hotel in Dar es Salaam. An approach, timetable and division of labour were agreed. Key documents were identified and shared or distributed.

Documents on cross-cutting issues, and on the Country Strategy and programme as a whole, were received by all team members. They included the Strategy document, recent Semi-Annual Reports, Annual Work Plans and Minutes of Annual Consultations. A few items of background analysis were also shared by the whole team. Additionally, full sets of documents relating to each programme area were compiled with the assistance of Embassy staff and copied only to the relevant sub-teams. These generally included project memoranda, reviews and evaluations where available, draft results analyses and relevant correspondence. A few gaps were identified and filled.

Interviewees or key informants were selected and interviews arranged in three stages. First, a list of official counterparts and programme stakeholders was prepared, at our request, by the Embassy. A block of interviews was arranged on this basis by the Embassy. Second, a list of other key informants was constructed by the team. Further interviews were arranged from this and the previous list by the TADREG office. Finally, each team member or sub-team identified and arranged further potentially useful meetings on a “snowball” basis, as the work proceeded. This approach was taken to maximise the benefits and minimise the disadvantages of a close association with the Embassy (timely, high-level access versus limited independence and openness to critical views).

Most interviews were semi-structured, conducted on the basis of an interview guide derived from the Terms of Reference. Some meetings with senior officials assumed, despite our intentions, a rather formal character, while others followed an informal conversational mode, with often informative results.

On the basis of the documents and interviews and an initial “brainstorming”, team members drafted synthesis reports covering the relevant parts of the ToR as they applied to particular programme areas. A second meeting of the

full team was used to draw together findings and develop analytical themes. The drafts of this report have been circulated to the whole team, all of whom have contributed useful comments. Naturally, not all team members agree fully with all parts of the report.

## Assessing relevance

The assessment of relevance was discussed in the evaluation Inception Report. There we said that this would involve examining the criteria used by Sida to decide between alternative aid-financed activities. One approach would be to examine how the opportunity cost of different activities had been evaluated. It was not expected that specific costings would be able to be attached to alternative activities but it might be possible to rank some or all activities according to reasonable assumptions about their capacity to deliver outcomes, with “back of envelope” assessments of relative costs and benefits.

Another approach – we said – was to examine how well the thinking by Sida about particular aid-financed activities had covered the link to expected outcomes. What information and data were used to inform the design of particular activities? Were they appropriate? Were base-line studies used, in any projects or programmes, to provide a basis for later impact assessment?

The assessment of relevance to poverty reduction was recognised as one of the most challenging parts of the evaluation. It involves difficult questions about the analysis of poverty and the assessment of causal processes and the comparative effectiveness of different forms of intervention. Although less difficult than assessment of impact, forming judgements on relevance to poverty represented a substantial challenge. The Inception Report argued that, nonetheless, a good deal of relevant evidence exists. Certain rough and ready judgements would be able to be made. The remainder of this section is devoted to a further elaboration of this point of view.

## Poverty concepts and sources

Like *The Rights of the Poor*, we take the meaning of poverty to be multi-dimensional. In *The Rights of the Poor* poverty reduction is seen as enhancing conditions of life on three broad dimensions – “security”, “capacity” (or capabilities) and “opportunities”. These dimensions are meant to capture a vision of poverty that is “holistic, diverse, multidimensional, cross-sectoral and culture-specific” in which powerlessness and inability to participate in basic social processes are treated no less seriously than inadequate material means.

This broad understanding of the meaning of poverty is now widely accepted in the international development community. It owes much to the development of participatory poverty assessments and other “contextual”, methods alongside, and sometimes closely integrated with, improvements in household-survey work (Hanmer et al., 1997; Booth et al., 1998; Robb, 1999). Some of this pioneering work has been undertaken in Tanzania, although it is not yet widely influential in the country (Narayan, 1997; Shinyanga, 1998).

The Government of Tanzania's own understanding of the poverty-reduction objective is expressed officially in the 1998 Poverty Eradication Strategy (URT, 1998). It is quite inclusive but less so than the recent international definitions. This is reflected in the major review of indicators and data undertaken by the National Poverty Eradication Division (VPO, 1999). Work remains to be done to secure wider acceptance of a fully-rounded poverty concept among senior policy makers in Tanzania, but a consultation on the subject hosted in Dar es Salaam for the DAC by the Swedish Embassy, in March 2000, did not suggest any major obstacles to this.

Sources for an assessment of the poverty situation in Tanzania are somewhat problematic but do exist (Cooksey, 1994; NBS/OPM, 1999). The statistical sources, including those used in the last major poverty assessment by the World Bank (1996), suffer from serious comparability problems. These limitations especially affect the detection of trends. There are also problems, due to the small sample size of all surveys undertaken to date, in constructing a profile of the distribution of poverty by regions, districts or agro-economic zones. Nonetheless, a few fundamental things are quite clear and generally agreed on the basis of existing data.

*First, most poverty is rural, and rural poverty is deeper.* Rural households were no less than 92 per cent of poor households at the last count. The incidence of poverty was around twice as high in rural areas than in urban areas other than Dar es Salaam, and many times the incidence in Dar es Salaam itself. The depth of poverty – a measure of how far households fall below the poverty line – is greater on average for rural than for urban areas, and much less in Dar es Salaam than the rest of mainland Tanzania. These things are true despite allowances for differences in prices (which mean that, in money terms, the poverty line is much higher in Dar es Salaam than elsewhere) (Cooksey, 1994; World Bank, 1996).

Second, in Tanzania as in other parts of the world, *poverty is experienced differently and in different degree by women.* If individual consumption-poverty could be measured, capturing both the distribution of women between richer and poorer households, and shares in consumption within households, it would unquestionably show women as the principal victims of poverty. We know, anyway, that women have fewer assets and suffer more from powerlessness and social deprivation (Narayan, 1997: Ch 4).

Third, the incidence of household consumption poverty is highly correlated with *family size, illiteracy and isolation from markets.* And there are powerful linkages between these things. For example, the poverty-reducing effect of proximity to a road increases with educational attainment, meaning that improvements in educational outcomes may be expected to have a particularly beneficial effect when combined with improvements in transport infrastructure (World Bank, 1996: 59–60).

Finally, in spite of the doubts surrounding the trend data, there are good reasons for thinking that both trends in inequality and rates of economic growth

are important for poverty reduction. It is, however, *particularly rural economic growth that reduces poverty*. Growth in rural areas is possibly *four times more efficient* in reducing poverty than growth in towns excluding Dar es Salaam, while growth in the capital is even less efficient (World Bank, 1996:77).

We do not know all we need to know about poverty in Tanzania, and it is still true that research on the subject is weak. However, this can be exaggerated.<sup>3</sup> At least in broad sectoral and social terms, there is some empirical background for judgements about the relevance of different operational instruments to poverty reduction, compared with the main alternatives.

### Relevance to poverty reduction

Having said that, for Tanzania as well as other countries we still lack a comprehensive picture of the causal complexes that underlie persistent poverty. Not enough is known about poverty-reduction processes generally, and the impact of different types of donor-funded activity in particular. That being the case, there is in general no conclusive way of comparing the likely effectiveness of alternative interventions, and thus of declaring a particular aid-funded activity to be relevant or not relevant to poverty reduction. Firm and definitive judgements are not possible with the existing state of knowledge. However, two more limited kinds of question can usefully be put.

First, about a given activity it can be asked: is there, *prima facie*, an alternative set of activities which could be expected to be more effective, or more efficient, as an instrument of poverty reduction?

Second, we can ask: was the design or development of the activity based on an explicit consideration of alternative means of intervening in the causal chains that produce poverty? And, relatedly, were any means put in place of monitoring impact, or learning about effectiveness in achieving the desired outcomes?

Two features of the causality of poverty need to be borne in mind in applying these tests. First, both *proximate* and *underlying* causes are important. Direct and indirect instruments therefore both have a place.

In the language of Sida's Poverty Action Programme (1996) there are four basic types of intervention that may be considered relevant to poverty reduction:

- 1) direct interventions aimed at poor people;
- 2) direct interventions where poor people are targeted as members of a wider category of beneficiaries;
- 3) indirect interventions intended to create stable preconditions for poverty reduction;

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<sup>3</sup> For example, the survey data do not suffer from the radical weakness imagined by the authors of the 1996 Sida Country Analysis, namely a complete failure to capture the informal economy.

- 4) other kinds of indirect interventions, including programme support, investments in infrastructure, private business and the environment.

A more economical conceptual framework that we recommend is one that merges 3) and 4) in a single category of “enabling” measures, which have in common that they demonstrably contribute to preconditions for sustained poverty reduction (cf. OECD DAC, 1999).

In these terms, the alternative to a poorly-chosen enabling measure, is not necessarily a more targeted one: it may be, and in most cases will be, a better-designed enabling measure. In our assessment of relevance, we try to compare like with like in this sense.

Second, causes of poverty-reduction form complex networks of necessary and sufficient conditions, not single-stranded chains. The assessment of the relevance of a measure has therefore to include a judgement about whether other necessary conditions for the selected activity to have an impact on poverty have been provided for in some way. This is like asking whether the Assumptions and Risks column of the project logframe has been properly completed and appraised. But the question is a crucial one whether or not the actual language of Logical Frameworks is adopted.

These are the assumptions we make, and forms of reasoning that we try to deploy, in the parts of this report that assess relevance generally and poverty in particular. In many places, we are conscious of being only partially successful.



# Chapter 2

## Steering the country programme

### 2.1 Introduction

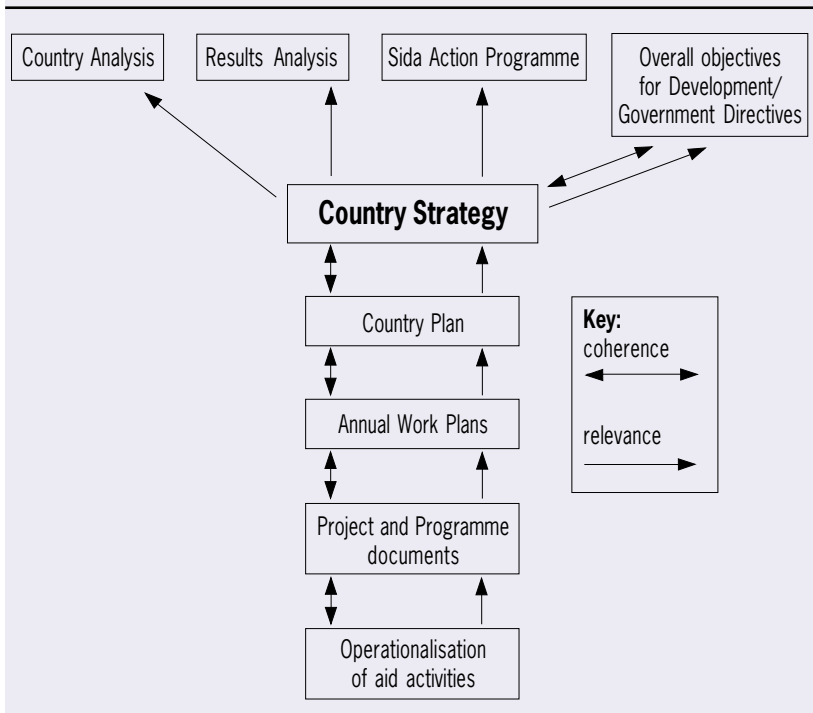
In 1996, Sida prepared a Country Strategy to govern the conduct of Swedish Tanzanian development co-operation over the period 1997–2001. As is conventional, the Strategy had a five-year perspective but was mainly intended to cover the three years to the end of 1999, at which point a new five-year strategy would be prepared. In fact, the agreement between Sweden and Tanzania on the Country Strategy was prolonged in December 1999 to cover the period up to 31 December 2000. A new Country Strategy for Tanzania is being elaborated in the first half of 2000. This evaluation is considered an input to the process.

The aim of the evaluation is to analyse the *coherence and relevance* of the current (1997–2000) Country Strategy and Sida's ongoing country operations in Tanzania. As emphasised in the Introduction, it is not an evaluation of the *impact* of the Swedish development assistance.

The particular focus of this section is on coherence and relevance within and between the different steering documents for Sweden's co-operation with Tanzania, including the rather diverse set of documents that are taken to constitute the country programme. These are the Country Plan, Annual Work Plans, the agreed minutes of annual consultations with the Government of Tanzania (GoT) and individual project and programme documents.

As explained in the Introduction, there is a very serious point to this exercise. It is to test the degree to which the principles of a strategic approach to aid management have been observed, and to assess the consequences of any deficiencies in this regard. What can be concluded from such an assessment is not just of historical interest. It bears on the vital issue of whether a country programme that is relevant to the reduction of poverty and other objectives agreed between the Tanzanian and Swedish governments *could* be achieved by means of a tighter approach to aid management, and if so how. We begin by explaining the several steps and processes that are involved *in theory* in the elaboration and application of a Country Strategy.

Figure 1: Steering the country programme: coherence and relevance



Source: Adapted from ToR

## 2.2 The process in theory

### Relations between the steering documents

The theoretical relationship between the steering documents and the corresponding country programme is depicted in Figure 1, reproduced from the Terms of Reference of the evaluation. The point of departure in the development of a Country Strategy is the preparation of two preliminary documents. These are the Country Analysis (CA) and the Results Analysis (RA).

The Country Analysis is expected to be a thorough and up-to-date analysis of development issues and needs in the recipient country. It should be reasonably comprehensive while covering only those areas that are relevant to, and may have an impact on, the implementation of Swedish co-operation. The link between the CA and the formulation of the Country Strategy is what, in theory, guarantees that the Strategy responds to the real needs of poor people and other priorities within the country, rather than being “supply driven” – that is, based largely on what Sweden wishes to provide.

The Results Analysis is meant to be a synthesis of relevant experience of Swedish development co-operation, based upon evaluations and project re-

ports from the country together with any other relevant studies on the effectiveness of Swedish development co-operation. In the Results Analysis, Sida draws conclusions regarding what kind of co-operation can be expected to have positive results, which channels are working best and what problems have been experienced, including any weaknesses in the co-operating partner's institutional arrangements. This link is supposed to ensure that emphasis is placed on forms of support that are known to be effective and those that perform poorly are brought to an end.

The Country Strategy (CS) is the centre-piece of the relationships of relevance and coherence that are to be evaluated. According to *Sida at Work* (Sida, 1998), this type of document “states the Swedish Government’s view on co-operation with the country and stipulates the scope, focus, design and expected results of ... all Swedish support to the country” (Sida, 1998: 31). *Sida at Work* recommends the use of a Logical Framework approach for project assessment, but stops short of putting this forward as the basis for Country Strategies. This may arise from the belief that in a partnership framework there is a need to be flexible in the use different technical instruments, and especially not to apply mechanically those developed for project work. Nevertheless, the Country Strategy document is expected to define objectives and select means of achieving them that are clear, justified and monitorable.

Once agreed, the Strategy is supposed to be reflected in a Country Plan and detailed work-plans, elaborated after negotiations at sectoral level and the annual bilateral negotiations between the two governments. The work-plans and the agreed minutes of the annual consultations are supposed to guide the implementation of the strategy. This, in theory, guarantees that the country programme as a whole will be relevant to strategic objectives and managed in a performance-based way.

### Division of responsibilities

Organisational responsibilities for the Country Strategy process are divided. The development co-operation office or division of the Embassy elaborates the Country Analysis on the instructions of the regional department at Sida. This work is generally co-ordinated by the Country Economist. The Results Analysis is done by the sector departments at Sida headquarters, with inputs from the different Programme Officers at the Embassy. On this basis and paying attention to the full range of relevant Government Directives and instructions, the Country Strategy is drafted.

Under the regulations now in force (which post-date the 1996 process) the Embassy takes the first step of preparing a preliminary draft or Hypothesis. This is submitted for elaboration and further guidance, first to the regional department and then to the Ministry of Foreign Affairs (MoFA) in Stockholm. The Ministry considers the document, contributes further drafting, and final-

ly gives a directive to Sida to formulate a proposed strategy.<sup>4</sup> A final version is then prepared which provides the basis for a negotiated government-to-government agreement.

Consultations with the national government and other stakeholders are supposed to take place at various stages in the process. Ideally the counterpart should be involved from an early stage in a dialogue that influences all three documents. In the end, however, a Country Strategy for Tanzania is intended to govern *Swedish* aid to Tanzania. The ownership of the policies in the document should be Tanzanian, but the Strategy itself is a Swedish policy document.

The regional department at Sida has overall responsibility for aid to a specific country, including the development of the Country Strategy and monitoring that the projects and programmes that make up the country programme are in line with the Strategy. However, the sectoral departments based in Stockholm play a major role in assessing project and programme proposals and monitoring their implementation. Some sectoral staff may be based as Programme Officers at the Embassy, as is increasingly the case in Tanzania thanks to the pilot scheme of Embassy decentralisation. In other cases, the Embassy's role is limited to providing linkage to project owners, and managing the implementation of the approved projects and programmes.

### Some necessary concessions to reality

The above is how things are *supposed* to happen. In actual practice, the process is by no means so neat, and it is as well to recognise this in a general way before proceeding with the assessment. In practice, because of time constraints and the fact that so many different levels, departments and organisations are involved, the tendency is for the different pieces of analysis and drafting to be done in parallel, rather than in strict sequence. This, by itself, may make it difficult to realise the ideal relationships between the formal steps in the process.

As we see later, in 1996 several additional factors intervened to distinguish the real process from the one described in theory. Some were specific to particular conditions prevailing at that time and are unlikely to be repeated. Others are possibly of more generic importance and generate some recommendations about how actual practice might be brought closer to the ideal.

## 2.3 Was the Strategy rooted in analysis?

In this sub-chapter, we consider the form and content of the preliminary analysis documents (CA and RA) and their influence on the Country Strategy in the case of the 1996 Tanzania process. In the following sub-chapters, we turn to a broader assessment of the Strategy, and finally to a consideration of its role in steering the country programme.

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<sup>4</sup> Up to August 1996, the Ministry was responsible for the final version of the Country Strategy. Since then, it is agreed that Sida does the final version, after receiving comments from the Government.

## Quality of the Country Analysis

The Swedish government's expectations on what a Country Analysis should cover were well specified in the two Government directives to SIDA/Sida regarding Tanzania issued in 1993 and 1996. General instructions were accompanied by the rider that every CA should be adjusted to the particular country's own situation. Specific directives for the Tanzanian exercise were to make a reassessment, to concentrate on fewer sectors and projects, and to contribute to reduced aid dependence and increased Tanzanian ownership.

The 1996 Country Analysis deviates, in a creative way, from the directives. It is built up in five parts, covering: 1) resources (human and natural) and the potential for development; 2) obstacles and possibilities for development in Tanzania; 3) future development; 4) different scenarios and risk analysis, and 5) conclusions. It is a professional and closely-argued document, with excellent (critical and well-informed) analysis of a number of key topics. These include the potential for agricultural productivity improvement, the importance of gender inequity as a constraint on development, the fragmentation of the Tanzanian policy process, the need for cautious changes in land tenure, the non-achievement of macro-economic stability, and both financial and institutional dimensions of aid dependence.

From a formal point of view, the CA has a few imperfections. It is evidently the product of more than one hand, and different parts of the analysis seem to depart from different assumptions and perspectives. Some sections cite sources of evidence to support their interpretations, while others do not. Not all sections probe deeply into the processes responsible for the problems that are identified. In general, however, it is a good document, expressing sound arguments that deserve to have influenced the Country Strategy.

As we shall see, its influence was muted at best. Attention therefore needs to focus particularly on any features of the document that might have contributed to this result. We have identified three:

- Some issues which were evidently important to Sweden's strategic thinking about Tanzania (since they are discussed in the Country Strategy) are analysed briefly or not at all in the CA. They include the historical context of Tanzania's development, conflict and security in the Great Lakes region, political development in Tanzania and some specific economic issues. It is possible that these *lacunae* resulted in the document's being treated less seriously than it might have been.
- The document has a discussion of poverty in Tanzania but adopts a more cautious line than is justified on drawing conclusions from household expenditure surveys,<sup>5</sup> these being the principal source of published poverty

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<sup>5</sup> It is assumed that expenditure surveys only cover cash purchases. It is then argued that they are largely irrelevant for estimating the extent and distribution of poverty in Tanzania, given the importance of production and consumption outside the market. In fact, the standard method includes estimating and imputing a value to the household's consumption of its own production. This may be done more or less adequately.

information at the time.<sup>6</sup> As a result, no strong argument is advanced about priorities based on the profile of poverty. An opportunity to prompt some hard thinking about poverty focus in the Country Strategy is therefore lost.

- A less quirky and more generally-relevant deficiency of the document is its failure to pull out the implications of cogent pieces of analysis and express them as equally forthright conclusions. Most notably, the reasoning in the main text on the importance of improving agricultural productivity by addressing the weakness of extension services and land tenure, and the multi-faceted importance of laws and customs on gender relations, are diluted or absent in the Conclusions chapter. There is no Executive Summary, or other pithy statement of findings that demand serious attention in the Country Strategy process.

### Quality of the Results Analysis

According to the instructions current in 1996, a Results Analysis should contain Sida's professional and independent assessment of the results achieved during the agreement period that is about to be concluded. In the Tanzanian case, the assignment to perform the RA was given to the Embassy, the Subject Matter (sector) Departments and the NGO Department, in their respective fields of responsibility in March 1996. The assignment required each unit to provide

- basic facts and background;
- the objectives (in terms of sector objective, project objective and outputs);
- findings and conclusions from any evaluations and other relevant and independent studies performed during the period;
- a critical analysis of the results in the evaluations etc. and comments on lessons learnt, the degree of achievement of objectives, internal and external factors that may explain the results, and the cost-effectiveness of the programmes; and
- a brief summary of the results.

In 1996 and 1998, the Department for Evaluation and Audit made an assessment of the Results Analyses produced in Sida. For that purpose a model was developed with the following criteria:

- How much of the programme was assessed?
- Which results were assessed (outputs, short- and long-term effects)?

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<sup>6</sup> The participatory poverty assessments conducted by the World Bank (Narayan, 1997) and Shinyanga Region with the support of UNDP (Shinyanga, 1998) appeared only later.

- What kind of analyses were done (general judgements, rate of goal attainment, cost-effectiveness, relevance, impact and sustainability)?
- Reliability (sources of verification and objectivity)?

Judged by the above criteria, the usefulness of the 1996 RA for Tanzania must be considered quite limited. The Analysis does cover the whole country programme, plus a brief assessment of the NGO support. However, the rather extensive enterprise development area was excluded, on the basis that, following a strategic re-orientation by Swedecorp in the early 1990s, a comprehensive re-designed programme had been put in place, as recently as 1995.

As regards the type of results assessed, the discussion sometimes aims at the long-term effects. However, most of the text refers to the various activities being implemented and gives general descriptions of the preconditions and situations in the sectors. There are no attempts to assess the effectiveness or cost-effectiveness of the programme in relation to objectives. There are no analyses of impact or sustainability.

It is of course entirely possible that the available studies and data would not have supported a systematic coverage of these topics. However, the document is not even structured in a way that would enable the reader to compare stated objectives with verified results, as the basis for a *prima facie* assessment of effectiveness, impact and sustainability. When results are quoted, they sometimes lack a logical or obvious relation to the inputs provided by Swedish co-operation. For example: “The main objective was to support Tanzania’s transition from one-party state to a pluralistic society. The results have been very satisfying since the elections really were undertaken and the process continues”.

One of the few conclusions drawn, with implications for the pattern of future Swedish support to Tanzania, is quoted from the SASDA evaluation (Adam et al., 1994): the focus should shift from project support to programme support, with attention to reducing the debt burden.

The RA finishes, as required, with a list of relevant documents. But there are very few references to these in the Analysis. Under Education, it is mentioned that the Tanzania/World Bank Social Sector Review was an important evaluation. It showed that the deterioration of the education sector during the previous ten years was due to the worsening of public finances during that period. It does not, however, draw any conclusions from this important finding for the orientation of the Swedish support to the sector. Other evaluations are ignored, although in some cases possibly because they do not relate to the relevant time period.

Lastly, there is an important element that seems to have been lacking in the Country Strategy process as a whole and ought, probably, to have been covered in the RA in the first instance. This is systematic consideration of what are Sweden’s particular areas of expertise, or comparative advantage, in the country. Consideration of Sweden’s capabilities, in terms of both in-house Sida capacity and Swedish academic, consultancy and business oper-

ations, should logically be undertaken in close connection with demonstrable results of past engagements. It should not be assessed on a superficial criterion of experience (such as mere duration of involvement with the relevant activity).<sup>7</sup>

We conclude that the RA can easily serve as no more than a general background document for the interested public about the difficulties involved in providing assistance to a country. The 1996 Tanzania RA was definitely not a strategic input, pointing at crucial experiences and lessons learnt. This may help to explain why it did not in fact feed into the formulation of an effective programme for development co-operation with Tanzania.

### Did the Country Analysis influence the Strategy?

We find a lack of coherence between the 1996 Country Analysis and the corresponding Country Strategy. This provides an initial suggestion that the Strategy was not, in any strong sense, based on the Country Analysis.

Understandably, some issues are given more weight in the Country Analysis than in the Country Strategy. This is to be expected for a number of reasons, including the fact that the CS is required to pay attention to the latest Government directives and Sida policy statements (e.g. the Action Programmes), which may not have been adequately reflected in the CA. Political judgements, based on considerations that may not be able to be committed to paper, also have a place in a CS process. However, problems identified as being of critical importance in the CA should clearly be treated in *some* way in the CS – either reflected in its prioritisation of areas for Swedish support, or explicitly excluded on the basis of reasoned argument. This expectation is not met.

By far the most significant issue identified in the CA but largely ignored in the CS is the critical importance of improving productivity in small-holder agriculture. Another issue passed over in silence by the CS is the centrality of gender inequality, as it relates to rural assets and their productivity.<sup>8</sup>

In one important sense, of course, agriculture is central to the Strategy. As discussed in sub-Chapter 2.4 below, one of only four “cornerstones” of the CS is “Ecologically sustainable rural development through environmental management and production-raising contributions”. Furthermore, this has

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<sup>7</sup> We do not pretend that such judgements are likely to be easily made. For that reason, it may be worth re-emphasising that what makes the difference between a supply-driven approach and a design-driven one is that considerations about the supplier’s comparative advantages are strictly subordinated to questions about needs.

<sup>8</sup> These are issues that might have been expected to influence the “what” of Swedish aid to Tanzania. There are also issues that are critical to the “how” of aid management which are treated well in the CA but do not seem to influence the CS. For example, the Strategy’s statements about weak government administrative and analytical capacity do not give a clear view on the sources and significance of these deficiencies, with the effect that the Cooperation Guidelines are able to say little about *how* improvements are to be achieved in this area. The CA includes quite a penetrating analysis of this key problem.



been a major area in the country programme, leading to some worthwhile operationalisation, as we report in Chapter 3.

But this does not entirely meet our concern. The CA outlines a comprehensive range of agricultural issues, highlighting the weak supply response to market liberalisation, the near-total collapse of the agricultural marketing, credit and extension systems, and productivity issues related to gender. There are of course many issues affecting the plight of poor rural people in Tanzania, and sustainable natural-resource use is among the major ones. However, the natural-resources work currently undertaken by Sida is not, and is not meant to be, a response to the general institutional problems of Tanzanian agriculture. Yet the CA argues, and we would agree, that these have to be considered *the* crucial issue affecting the prospects for significant poverty reduction in Tanzania.

To repeat, the test we are applying is not whether or not the larger agricultural issues were adopted as a priority in the Strategy, but rather whether there was *either* an argument for, *or* an argument against, Sweden's moving into this area. The point is that there was neither.

Independently, we know that Sweden has been one of a number of bilateral donors in Tanzania that have deliberately avoided too close an engagement with the difficult institutional issues surrounding the agricultural sector, including the restructuring of the Ministry. A judgement has been made that the preconditions for successful support at this level do not exist, and that what limited interventions are possible are already being organised and suitably funded by the World Bank.

Our view is not that this is necessarily wrong (though it is certainly controversial) but that it should be articulated explicitly and open to critical scrutiny. Perhaps this type of consideration is treated as reasoning that cannot be committed to paper. But if that is the case, the status of the CS as an instrument of strategic planning becomes rather questionable.

There are, then, significant disjunctures between the CA and the CS. In fact, the section of the document titled "Conclusions from the country analysis" has comprehensively different content from the actual CA, showing every sign of having been written independently.

As will be explored further below, there are a number of contingent reasons why this may happen to have been literally the case in 1996. However, in the discussion, we attempt to disentangle the historical and more generic sources of de-linkage between Country Analysis and Country Strategy, in order to be able to formulate pertinent recommendations.

Although it falls outside the terms of reference of the evaluation, the experience of the 2000 strategy-formulation process will be an important test of the degree to which neglect of Country Analysis findings is a generic problem in Sida. The March 2000 CA makes an even more trenchant case for priority attention to agriculture and agro-industry, this time firmly embedded in an

analysis of survey-based and contextual poverty data, and accompanied by a clear plea for a *pattern of economic growth that is pro-poor*. It is to be hoped that the new Strategy will pick up these arguments and deal with them seriously in one or other of the ways suggested.



Photo: Annika Lysén

*“By far the most significant issue identified in the CA but largely ignored in the CS is the critical importance of improving productivity in smallholder agriculture. Another issue passed over in silence by the CS is the centrality of gender inequality, as it relates to rural assets and their productivity.”*

## Results Analysis and Country Strategy

Contrary to the case of the Country Analysis, it is not hard to detect an influence of the RA on the CS. However, in view of the weaknesses of the RA noted above, it is not clear that this should be regarded as a substantial achievement.

The most significant influence concerns the conclusions from the SASDA evaluation, which are reported in the RA and picked up as a major theme in the Strategy. Otherwise, the pattern is for the CS to repeat the same impressive-sounding, but rather uncritical, statements about Swedish-supported activities and, in some instances, their claimed results. Examples include: “In all, over 200,000 copies of children’s books in Kiswahili have been produced and distributed”, and “The HESAWA programme, which aims at improving the health of the rural population ... has led to better access to water for over two million people; mainly women” (6).

The CS says that “sector evaluations that have been conducted show that Sweden can help create the pre-conditions for development within the overall political and economic areas and within those sectors where co-operation is being carried out” (6). But this important conclusion cannot be traced back to the RA.

The projects and sectors of support that are to be phased out according to the 1996 Country Strategy – telecommunications, vocational training, statistics, Tanzania Food and Nutrition Centre (TFNC), Department of Economics and HADO – were not assessed in a way in the RA that explains why this is suggested. They are described in roughly the same way as the projects that will continue, and in several areas the results are described as quite positive.

We know that the policy of “concentration” adopted by the Strategy had strong roots. It reflected a general wish to scale down the number of project-type interventions, in order to provide more support to the country’s core institutions, as recommended by the SASDA evaluation and other trends in international thinking. We have more sympathy for this re-orientation than the authors of the EGDI study (Catterson and Lindahl, 1999). But we agree with their comment that it is odd that in *applying* the concentration policy so little use was made of independent impact assessments or output-to-purpose reviews of the different candidates for withdrawal of Swedish support.

The RA is potentially a very important exercise in a CS process. In fact it is the lynchpin of any system of strategic aid management that purports to be capable of delivering design-driven, performance-based programmes. We return below to the question of how RAs might be made a sharper instrument. Here, we just note that the problem does not lie entirely in the hands of those who are given the task of writing the required document. A good RA would need to be fed by a reasonable flow of thorough evaluation reports or reviews. It would also need to be buttressed by a generalised use of a Logical Framework type of thinking, so that the outputs and objectives supposed to be achieved by supported activities are in all cases clearly specified.

Despite the increased use of logframes in Sida, it is not clear that this second condition is always satisfied. As we explain now, it is poorly satisfied at the level of the country Strategy and programme as a whole.

## 2.4 An assessment of the Country Strategy

### Main lines of the Strategy

The *Country Strategy 1997–2001* begins by providing background on the past strengths and failings of Sweden’s relationship with Tanzania, identifies steps taken in the light of the last major evaluation, and records important shifts in the climate for effective development co-operation in the country since the 1995 elections. The objective of Swedish co-operation with Tanzania is given as:

*“to contribute to a sustainable improvement in the standard of living for Tanzania’s people by helping to create the preconditions for economic growth, intensified democracy, increased gender equality, improved human rights, good public administration, better social services, and poverty reduction” (13).*

There are two subsidiary objectives or expectations:

- intensification of the trend of concentrating the country programme within fewer sectors, and reducing the number of projects within each sector (in order to contribute more strongly to the general preconditions for economic growth and social development); and
- a long-term perspective of increasing the total value of the country programme in line with absorptive capacity, while also bringing more of it within the country frame (i.e., inclusion within the country frame of more projects financed by special appropriations for private-sector development, economic-policy reform, NGOs, democracy and human rights, etc.).

The CS's guidelines for the conduct of development co-operation in Tanzania require particular attention to be paid to:

- increasing Tanzanian ownership of, and responsibility for, programmes and projects supported by Sweden (e.g. by supporting co-ordinated sector programmes, and putting more aid through the national budget, with a plan for scaling-up domestically financed contributions);
- encouraging active Tanzanian co-ordination of external resources, while improving the efficiency, reducing the corruption and increasing the openness with which the state conducts its (now reduced) responsibilities for development;
- promoting a vigorous democratic and pluralistic society, and dynamic market economy (partly by increasing contact between Swedish and Tanzanian institutions at all levels);
- application of a gender-equity approach to the whole programme, more central attention to the rights of the child and children as a target group; and
- close attention to the special situation in Zanzibar.

Four “cornerstones” and a number of “other measures” are identified to give structure to the country programme. The cornerstones are:

- Support for continued democratisation and a more egalitarian society, and the establishing of a good, open and effective public administration system.
- Support for economic growth and balance through economic reforms and broad business sector co-operation.
- Support for human capital growth through improved primary education, higher education and research.
- Support for ecologically sustainable rural development through environmental conservation and production-raising projects.

The other measures include support to culture and the media, assistance to regional initiatives in East Africa, and support channelled to Tanzania through Swedish NGOs.

It is not entirely clear whether “cornerstones” are equivalent to priorities, such that the country programme should be expected to be constructed around them in a strict and measurable way. However, that would be a natural presumption.

Before proceeding to assess the impact of the Strategy on the actual contours of the country programme, we consider three further sets of issues. These are: the degree to which the choices made in the Strategy were influenced by Sida’s published Action Programmes; the relevance of the Strategy to the overall goals and directives laid down by Sweden’s parliament and Government, given the conditions analysed in the Country Analysis; and the degree to which the choices were clear, justified and monitorable.

### Influence of Sida’s Action Programmes

The Sida Action Programmes – on Poverty, Gender, Environment, and Human Rights and Democracy – include specific directives on how these issues should be adhered to in the planning and implementation of Swedish development co-operation. Some refer to the development of the Country Strategy as such, others to the implementation of the programme.

The influence of the Action Programmes on the 1996 CS is not particularly evident. It could be argued that the current Action Programmes only came into force in 1997 and that the Tanzania strategy process started a year before that. The same would be true of *The Rights of the Poor* and some relevant Government directives (see below). On the other hand, it could be argued that the themes and the objectives of these documents had already been widely discussed in Sida and the larger aid community.

Section 4 in the CS does include discussions of the democracy and human rights situation (including conflict and regional aspects and good governance), efforts to fight poverty, and the situation regarding gender inequality. However, environmental sustainability is not treated as a “strategic question for development co-operation” in the same way.

Chapter 5 on “Tanzania’s development priorities” was prepared in joint discussions with national stakeholders. Out of the four areas, only intensified democracy and good governance, increased measures towards economic and social justice, and (institutionally) sustainable development projects, are singled out. Nothing is mentioned about gender equality. The Action Programme on gender states:

*“The policy dialogue is an important instrument to guarantee the government’s responsibility to promote gender issues. In the dialogue on the development, in the development of country programmes and in annual consultations for each sector programme gender issues should be included as an integral part of the discussions (at the same level as political and economic issues are dealt with and issues on human rights and democracy and sustainable environmental development).*

*The policy dialogue should be used to agree on suitable goals, strategies and indicators of gender progress” (Sida, 1997a: 76).*

Section 7 of the CS sets out “Objectives and guidelines” for Swedish-Tanzanian development co-operation. These recognise the poverty issue to some degree, as well as the need to work for democracy and human rights and increased gender equality. However, nothing is mentioned about environmental sustainability. By contrast, the Action Programme on sustainable development states:

*“the analysis of the environmental aspects should be central to the country strategy process. An environmental analysis should be made of the Swedish development co-operation and include environmental aspects on the proposed Swedish support in large and also propose which environmental components should be added to the overall development programme” (Sida, 1997d: 16–17).*

### Relevance to overall goals and Government directives

Improving the living standards of poor people has been affirmed and reaffirmed as the overall goal of Swedish development co-operation on a number of occasions going back as far as 1962. This position was specifically and strongly reaffirmed in the 1996/97 Government Report *The Rights of the Poor*, which was in preparation at about the same time as the Country Strategy (MoFA, 1996/97: 34–35). It is noteworthy, therefore, that in the CS’s definition of the objectives of Swedish co-operation in Tanzania quoted at the beginning of this sub-chapter, reducing poverty appears at the end of a list that begins with economic growth and ends with better social services. Poverty reduction is not singled out as an overarching objective to which the others are subsidiary.<sup>9</sup>

The annual Government instructions (*regleringsbrev*) refer to Sida’s main activity areas and contain guidelines and assignments to be followed by Sida. These are seldom rigorous, but declare that a policy should shift emphasis or be adopted. The instructions during 1997–99 specify that issues such as children’s rights, partner countries’ capacity to increase trade, and IT support, shall be respected and applied in co-operation programmes. There were no directives with a specific bearing on co-operation with Tanzania.

In broad terms, the four cornerstones of the CS may be said to be a relevant response to the country conditions described in the CA. It could not be demonstrated conclusively that these were *not* the best programmatic priorities, in view of the goals of Swedish co-operation. However, given what we have said

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<sup>9</sup> Unless, of course, improving the “standard of living of Tanzania’s people” is regarded as tantamount to poverty reduction. We are aware that this is the way the 1962 decision was viewed for a long time – as a commitment to focus aid on the poorest countries, without much further concern about domestic inequalities. Tanzania, in particular, was widely regarded as quite an equal society, in which nearly everyone is poor, a supposition that is not borne out by the survey data collected since the late 1970s.

about general difficulties in assessing relevance, a more interesting question is whether the CS itself undertakes an explanation of why the priorities are the best. We have already suggested some limitations in this regard.

The guidelines on development co-operation, on the other hand, are well-tuned to the actual conditions of the time. A distinctly different approach could not have been justified. They reflect closely the 1996 Government instruction to initiate the CS and are properly influenced by the Nordic-Tanzania agreement of the same year.

### Were strategic choices clear, justified and monitorable?

As already mentioned, *Sida at Work* does not require that a Logical Framework matrix is used in the preparation of a Country Strategy. It is, nevertheless, expected that the CS will give a clear direction to Swedish aid in the country over the period. This implies that the objectives, priorities and forms of support that are chosen should be i) clear and ii) related to each other in a coherent hierarchy. Justification should be provided for the choices made at each level, with iii) an effort to spell out the assumptions made about preconditions for success and risks of failure. Finally, iv) some indicators of attainment should be specified for the intermediate objectives and outputs (cf. ToR, 4.1e).

Even in agencies where a logframe approach to country strategy is insisted upon, this is no guarantee of a fully rigorous approach. Particularly where poverty reduction is specified as the overarching goal, there is a widely observed tendency for country strategy documents to have a “missing middle”. That is, while the ultimate goal may be specified clearly enough, and the content of the country programme is justified in relation to that goal, the precise mechanisms through which the selected interventions are supposed to work remain cloudy. Also, the reasons for believing that those interventions are likely to be more effective, or more cost-effective, than the alternatives in reducing poverty are frequently not articulated (Booth and White, 1999).

We find that the objectives in the 1996 CS were clear, although, as we have seen, they were not entirely consistent with the prevailing Government directives and Action Programmes. At the next level of the hierarchy, however, the status of the “cornerstones” is unclear. While they set out an entirely reasonable set of intermediate objectives or priorities, the cornerstone concept is ambiguous. Are these the priority areas into which the country programme will be expected to concentrate? Are all four of equal weight? Are the “cornerstones” more important than the “other” focuses of Sida activity that are also listed? The specification of these points is not so clear as to permit a decisive answer to many of the questions that follow about whether the country programme was in conformity with the CS or not.

As to justification, or the coherence of the linkages in the hierarchy of objectives, the method of selecting the cornerstones is unclear. There is no attempt to justify their selection from among a range of possibilities, *either* on the grounds that they represent tried and tested pathways to achieving the final

objectives that have been set, *or* on the basis that they correspond to the comparative advantage of Sweden as a co-operation partner of Tanzania. On the latter point, there is a section on development efforts supported by other donors in Tanzania. However, the implications for the pattern of Swedish activity in Tanzania are not pursued very far.

The Country Strategy does contain a discussion of assumptions and risks. In Chapter 4, strategic questions for Swedish Tanzanian development co-operation are listed. These are both relevant and justified in view of the problems raised in the Country Analysis and previous sections of the CS. They are stated at quite a general level, however, and there is no attempt to go into details about the necessary conditions for Swedish co-operation in each of the areas defined by the cornerstones to achieve the intended results.

The list is followed by a very important statement: “A serious, long-term worsening of any of the above basic pre-conditions should affect the extent of Sweden’s development co-operation”. In the section that follows, each strategic issue is further discussed but the discussion includes no indication of *how much worse* the situation would need to be in order for Swedish development co-operation to be affected, and in what way. The suggestion here is not that such matters are susceptible to simple, one-dimensional treatment, but that the lack of benchmarks of any kind reduces the value the risk analysis as a guide to future action.

We take seriously, here and elsewhere, the fact that the CS is a consultative document, shared with major partners. But this, by itself, does not seem to be a reason for preferring vagueness to clarity. More important, we recognise that any actual decision by Sweden to change significantly the volume of aid to a country such as Tanzania would be taken at the highest political level, with considerations going beyond the field of development co-operation. The CS cannot expect to be binding at this level. Nevertheless, we think that as an instrument for managing the quality of aid, it should be required to say under what conditions the level of support would no longer be justified in development-co-operation terms.

In summary, an attempt is made to incorporate assumptions or risk-factors into the Country Strategy. However, the document stops short of making these monitorable, which undermines their credibility as a basis for future judgements about strategic direction.

Lack of monitorability is a weakness across the CS. No clear benchmarks or qualitative “milestones” seem to be attached either to the overall objectives of Swedish co-operation or to the cornerstones. The overall objectives are expressed in general terms, using words such as “intensified democratisation”, “continued economic reforms” and “better social services and poverty reduction”. The next steps, in Logical Framework terms, of identifying broad



measures of attainment in these areas and their means of verification, are not taken.<sup>10</sup> Again, there is a loss in terms of credibility.

## 2.5 Did the Strategy “steer” the country programme?

Did the content of the Country Strategy influence the development of the country programme? Yes, in a broad way, as we explain in the next sub-chapter. Did the CS *steer* the programme, as it developed over the 1997–2000 period, in the way suggested by the theoretical model? There seems to be a wide consensus that – with the possible exception of the co-operation guidelines and new-partnership concept – it did not. That is, the relationship between the country programme and the CS was not of the sort implied by the “steering” metaphor.

In the 1997–2000 Tanzania strategy period, no Country Plan was prepared until 1999, when the directives for annual work plans changed, although a provisional work plan was prepared for 1997–1999. The agreed minutes of annual co-operation discussions and the Embassy’s Annual Work Plans provide the main documentary sources on the country programme in addition to individual project and programme memoranda. Agreements were signed and annual plans were worked out at sectoral level as well. This whole corpus of documentation defines the country programme.

Using the Country Strategy alone, it would not be easy to understand why Swedish aid in the period was distributed in the way that it was. The cornerstones of the Strategy are never referred back to in the records of the annual consultations. In general, individual project and programme documents do not make reference back to the priorities set out in the Strategy, even in a formal way.

In many cases, this is because the projects and programmes pre-date the Strategy, and are not derived from it. The boot is to some extent on the other foot. That is, the Strategy’s cornerstones derive in part from an effort to massage a country programme that is already in place so that it appears to conform to a limited set of priority areas.<sup>11</sup>

However, the problem is not just linked to the strong element of “inertia” that will necessarily characterise any country programme. We found general agreement that many of the changes that took place in the country pro-

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<sup>10</sup> The sort of outcome, output, input and intermediate process measures that countries are currently being encouraged to include in their Poverty Reduction Strategy Papers could appropriately be used in donor Country Strategies. “Milestones” do not need to be rigorously quantified.

<sup>11</sup> There are some oddities as a result. For instance, HESAWA is characterised as an environmental project strengthening the corresponding cornerstone, while it in fact is a health project. Similarly, the rural development projects are treated as being mainly concerned with environmental management whereas it is arguable that they are more oriented towards district development with a bottom-up perspective.

gramme during 1997–2000 were also decided at *sector* level, guided by *sector* analyses and lessons learnt. It was not (and some suggest, it is not) the CS process and the annual consultations that determines the future pattern of development co-operation, but what happens in the sector departments.

The CS is, on this account, less of a steering instrument and more of a “showcase” – a paper where Sida’s management demonstrates to itself and to the Ministry of Foreign Affairs that all relevant issues, interests and points of view have been taken into account. According to this view, the Country Strategy functions as a consensus-making or bargaining process, where the ambitions of all parties concerned (policy and sector units within Sida, the regional department, the Embassy, the MoFA, and representatives of the recipient country) are moulded together into a more-or-less shared vision.

This is a time-consuming process, but at the same time important, not because it creates a strategic-planning document, but because it builds consensus. It may thus have a certain function as a management tool, as the process helps to bring new issues to the attention of all parts of the organisation and senior management concerns eventually become mainstreamed. But this is a different type of functionality from the one set out in most theoretical accounts.

Thus, the idea of an analytical flow starting with the RA and CA as a foundation for the CS, which then leads and guides the down-stream project work is not based on actual decision-making. It is a nice piece of flow analysis but it does not describe the real process. As the comments summarised above suggest, there are different views about how much this matters, and whether it could conceivably be otherwise.

It is important to distinguish between what may and may not have been a realistic expectation in 1996, and what may and may not be possible in principle. For the future, it is the second that matters. In the final sub-chapter, we try to distinguish the special factors operating in 1996 from the generic factors that may also have contributed to the identified relationship between the CS and the country programme. First, we take a preliminary look at the make-up of the country programme, to probe further the implications of what has just been said, and begin to tackle the larger question of whether the country programme was a relevant one, given the priorities set out in Government and Sida directives.

## 2.6 A relevant country programme?

Assessing the content of a country programme poses several difficulties, which were not entirely overcome in the evaluation. Sida headquarters provided statistics on aid disbursements by sector and year, which were retabulated and expressed in graphical form. Strictly speaking, this represented the operationalisation of the country programme (the focus of Chapter 3 of the report), as the figures are disbursements rather than budgeted amounts. However, there were three more serious problems that had to be recognised in

using the disbursement statistics for measuring the content of the country programme.

First, the sectoral categories used bore an uncertain relationship to the areas of work into which both Sida headquarters' staff and the Embassy divided the programme. While some of the data categories corresponded closely to those used by the Embassy, which were adopted with simplifications by the evaluation team, others were merged or disaggregated in ways that were hard to follow.

Second, the statistical data assumed a sectoralised world. By contrast, the several of the Embassy's main concerns – democracy and human rights, gender equality, etc. – are pursued in a cross-cutting fashion, with a view to mainstreaming them throughout the programme. This is obviously not reflected in the disbursement statistics.

Finally, the figures give a distorted impression of the distribution of Sida effort in another sense. The data include some but not all of the salary costs and expenses of headquarters staff and Embassy personnel working on the programme. There is thus some significant under-counting of the various management and support functions performed by agency employees. In a period where greater attention is being given to working in partnership with recipient-country institutions to enable them to assume new roles and responsibilities, the latter are no less important.

In several respects, therefore, disbursements are not a good measure of effort. Only limited and highly qualified conclusions can be drawn from the figures.

That said, three things are particularly noticeable in the pattern of disbursement. The first is the dominant position of big infrastructure projects (electric power generation and telecommunications) in all the years from 1995 to 1999. The second is the continuing and gradually increasing importance of support to education. The third striking feature is the sometimes large, but highly variable, contribution of the Other category, which consists mainly of programme aid (balance-of-payments or budget support). At the other extreme, very modest disbursements are recorded against democracy and human rights.

A second set of problems arises in using the quantitative data to assess the relevance of the country programme to the Country Strategy. Inevitably, disbursements during 1997–99 primarily reflect commitments made during the previous strategy period. By 1996, when the Country Strategy process got under way, most funds had been committed irreversibly to existing projects and programmes.

This is a general problem faced by a strategic approach to country-programme design (and evaluations of it). Many things, especially in big-disbursing programmes, cannot be changed quickly. The appropriate test of the influence of a Country Strategy on the corresponding programme is whether the *shifts* in emphasis over the period reflect the principles set out in the Strategy

document. What matter are the changes at the margin, not the aggregate figures.

Certainly, the actual pattern of disbursement in 1997–99 could not have been easily predicted from the cornerstones of the 1996 Country Strategy. The volume of investment in education does correspond quite well with the commitment to building human capital. It is also highly consistent with what is known about the determinants of poverty in Tanzania (Chapter 1). On the other hand, the heavy expenditure on electric power generation and telecommunications is not indicated quite so directly by the concern with economic growth and balance, as a number of different approaches could have been taken to improving the conditions for growth.

The moderate level of support to the Natural Resources indicated by the disbursement figures is consistent with the CS, although not with what the CA says about the overwhelming importance of agriculture for poverty reduction. The expenditure in support of Democracy and Human Rights, treated as a “sector”, is, as noted, very modest. But this needs to be weighed against the claim that the cornerstone status of democracy and rights in the Strategy is reflected in an effort to mainstream these issues across the programme.

What about the changes at the margin? The statistics give us almost no help in assessing this issue. However, certain general things are known, and these are confirmed by the Annual Work Plans and Semi-Annual Reports produced by the Embassy, as well as in project and programme documentation. As planned, a number of projects have been phased out or are about to be concluded, creating “space” in the country programme for new departures. Some of these changes stem from the general concern to concentrate that was reflected in the Strategy. Others are the result of intended changes in within-sector priorities that were also clearly expressed in the Strategy, although arguably they did not arise *in* the strategy process.

The first category includes the phasing out of support to vocational training, to the Central Statistical Office and the Tanzania Food and Nutrition Centre. The more gradual withdrawal of support to the HESAWA project (to be completed 2002, with the perspective of designing a broader successor programme for the Lake Victoria region) is another example.

The second category is well represented by the changes that have occurred in the Swedish support to power generation and telecoms. Major investments in hardware and associated institutional development were concluded towards the end of the strategy period, as announced in the CS, creating space for new initiatives. This reflected new priorities in the sector department, INEC, as well as the natural end of an investment cycle.

Thinking about private sector development also took a major new turn, beginning before and continuing after the preparation of the Country Strategy. The main elements were reflected in the CS, and then incorporated, with additional elements, in the 1997–2000 country programme. Both private-sector development and support for democracy and human rights have been given

prominent attention in the Embassy's Annual Work Plans throughout the evaluation period.<sup>12</sup>

Whatever their precise origin, how do these patterns and shifts stand up to a comparison with the declared purposes of Swedish development co-operation in the period? Was either the existing, or the emerging, pattern of support a relevant – that is clearly preferable to feasible alternatives – given the Country Strategy and other Swedish priorities? In some cases, these questions are best answered in the context of the operationalisation of the country programme, in Chapter 3. However, some general comments can be made here.

It will be clear from what we said in the Introduction that such questions cannot be answered in a crude and unqualified way. For example, it is not possible to say unreservedly that a large investment in electric power generation could not be a sound method of contributing to poverty reduction in Tanzania. In principle, it could be. However, the programme documentation does not contain a worked-out justification of the approach taken. There is no systematic examination of the processes most likely to increase growth and/or reduce poverty in Tanzania, or of the importance of power supply as a constraint on those processes. There is instead an unexamined assumption that large-scale industrialisation remains on Tanzania's development agenda, and that any increase in power generation will contribute to such a process. *Prima facie*, those assumptions are questionable.

In other words, the arguments set out are not sufficient to dispel the impression of a sectoral aid policy driven by supply-side considerations – that is, by Sweden's ability to provide, and interest in providing, aid of a particular type without a decisive linkage to identified needs. We return to the details of this topic in Chapter 3.

Turning from existing – or, indeed, now concluded – forms of support to the “emerging” overall pattern, there are certainly numerous instances of change in the general direction indicated in the CS. Projects have been concluded, helping to create “space”. One of the benefits of concentration, namely the ability to participate more actively in sectoral policy and planning has been a prominent theme in recent Annual Work Plans. But for reasons explained in Chapters 3 and 4, significant redirection of project funding into sectoral baskets has been slower than expected.

As regards poverty reduction – not an overarching priority for the 1996 CS but a major Sida objective before and since – it is not easy to be sure that the country programme as a whole has become more relevant than at the start of the period. It has not become markedly less so. Although this cannot be established from the documents, awareness of the need to think about linkages through to poverty has almost certainly increased.

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<sup>12</sup> The Work Plans, of course, reflect the concerns of the Embassy as a whole, not just the development-cooperation section, increasing the importance of trade and political issues.

## 2.7 Discussion

A number of reasons can be adduced to explain the particular deficiencies or departures from theoretical expectations that have been identified in the preceding sub-chapters. Our most important task is to distinguish those that matter from those that do not, and those that represent particular historically-specific circumstances from those that can be the basis of generic conclusions and recommendations.

### Historically-specific factors

The following specific factors seem to have been important:

1. Tanzania was among the first countries where a Country Strategy was required to be carried out. Even though detailed directives were provided by the Ministry of Foreign Affairs at an early stage (MFA U2 PM, 1993-08-18), there remained some uncertainty in Sida about how to proceed.
2. Sweden had changes of Government in 1991 and 1994, producing significant shifts on both occasions in attitudes towards aid and its role in Swedish foreign policy.
3. Under the ministerial team that arrived in 1994, the MoFA was subjected to a thorough reorganisation, for the first time since 1921. In that context a number of policy-formulation processes were initiated. These were articulated in the Action Programmes for the “new” Sida on Gender, Poverty, Democracy and Africa Policy, the content of which was still quite fresh at the time of the Tanzanian CS process.
4. The new Sida was only formed in 1995. With its new structure, Sida got a larger responsibility for the Country Strategy process, but it faced the need to integrate the plans and programmes developed by the previously separate organisations (Swedecorp, SAREC, Credits).
5. There was an unusual time-lag between the initial directives and the decision to go ahead with the strategy process. The first directive to work out the Results and Country Analyses, and begin preparing a Strategy, was given already in August 1993. An initial Country Analysis was drafted at that stage. In effect, the structure and content of the RA and CA were determined several years before the Strategy was designed. The drafts were simply updated each year.
6. There were three postponements of the Strategy process. In common with other major donors, the Swedish government was increasingly concerned about lack of commitment and competence on the Tanzanian government side, as well as about non-collection of counterpart funds, tax evasion and high-level corruption. It was not felt possible to go ahead with a CS under the conditions prevailing between mid-1993 and mid-1995. This made it difficult for the Embassy to maintain the momentum of the process.

7. By 1995, important parallel processes were under way which may have diverted the drafters of the Strategy from closer consideration of the implications of the CA and RA. The pace and a good part of the content of the Strategy was dictated by the progress of the initiative of the Nordic countries to the new Tanzanian government elected in October 1995. The Strategy process was delayed in order to allow a real Tanzanian commitment to the Nordic proposals to develop. When, after the CG meeting of July 1996, the conditions for a joint Nordic-Tanzanian meeting were met and the agreement on a New Nordic Tanzanian Development Partnership was signed (Sept 1996), Sida got the final go-ahead to work out the Country Strategy. The content of the CS was much influenced by these particular circumstances.
8. In a number of respects, senior staffing at the Embassy and at Sida HQ benefited from less continuity than would ordinarily be expected, while the breadth of contacts with and experience of the country context was much less in 1996 than it has been more recently.

### Possible generic problems

The above factors help to explain the lack of coherence and relevance between the steering documents and the 1997–2001 country programme. They are unlikely to be repeated. It is not so easy to be sure about some of the other influences that appear to have been at work.

The first is the *division of responsibility* for the CS process between Sida and the MoFA. In 1993–96, there were different views on how the strategy process should be carried out both within and between the two organisations. The division of labour between departments within SIDA/Sida was not completely agreed. While these things have been clarified to some extent, it does not seem to be excluded that future processes will be hindered by a lack of fully agreed guidelines on how the process is to be conducted. Particularly if responsibility for the process is to remain divided, *there need to be uniform guidelines* to govern it.

The second factor is the *lack of clear instructions* to the effect that CS drafts should refer to the actual texts of CAs and RAs, with the latter document being expected to represent a critical synthesis of all available evaluation material. Time constraints on the work of Programme Officers and Desk Officers may always make it difficult to achieve the sequential pattern of work that is required by the flow-chart conception of the relation between the CA/RA and CS. However, there should be a clear expectation that the CS is to be *rooted in a process of critical reflection* on country experience as well as attentive to current Swedish policy.

Thirdly, there appears to have been no binding requirement that *either* a strict logframe methodology, *or* some equivalent scheme, be adopted to ensure that the CS had the expected qualities of clarity, internal coherence and monitorability. So long as that remains the case, it is unlikely that such expectations will

be met. CS documents will not only have inevitable (and in some ways quite justifiable) “showcase” qualities, but they will be weak as management tools. It seems clear that Sida should take the step of requiring that Country Strategies adopt *at least the standard that it requires of projects in respect of logframe method*.

Finally, there may be some specific capacity constraints within Sida with respect to the analysis of poverty and appraisal of co-operation instruments for poverty reduction. Any guidance or training on the application of the logframe approach to Country Strategies should take this into account. It should include *supplementary instructions on setting priorities and conducting risk analysis* in relation to poverty-reduction objectives.

## 2.8 Conclusions and recommendations

In summary, the 1996 country strategy process did not produce a genuine steering document based on a critical consideration of the country situation and the results of previous development co-operation in the country. For different reasons, the CS was not based on either the CA or a good RA. The CS, in turn, did not in any strong sense determine the content of country programme, although decisions reflected in it, such as the policy of concentration, and the scheduled completion of major infrastructure investments, were implemented. To a substantial and partly inevitable degree, the future direction of Swedish development co-operation with Tanzania was already “given” at the outset of the CS process. More importantly, the CS also lacked the qualities necessary to provide a real steer to how the programme developed. Sector departments and Programme Officers were both allowed and obliged to undertake programme development for themselves.

As a result, examination of the CS process does produce a compelling case that the 1997–2000 country programme was design-driven, rather than supply-driven. It is by no means clear that it was strongly results-based. While there are historically-specific reasons why this should have been the case, a number of more generic problems have also been identified. These need to be addressed if Sida is to make good the claim that its country programmes are put together in a strategic way. The fact that there are practical, implementable steps that can be recommended encourages the notion that significant improvements are possible – a point we return to in Chapter 5.



The following are recommended:

- Measures to ensure that the guidance available to Sida staff<sup>13</sup> contains *uniform instructions from the MoFA and Sida* on the purpose of preparing a Country Strategy, and the approach and methods to be followed.
- Adoption in this guidance of the principle that Swedish co-operation at the country level is not to be supply-driven, but *designed strategically on the basis of evidence-based arguments* about ways of being maximally effective in meeting objectives.
- *Agreement on some practical rules* which ensure at least some measure of sequential working from the Country Analysis and Results Analysis to the Country Strategy, and from the Country Strategy to all subsequent decisions about the make-up of the country programme.
- Adoption of a *Logical Framework exercise as a mandatory component* of the Country Strategy process. It should be recognised that it is inconsistent to recommend logframes for projects but not for country programmes. The Indicators and Assumptions/Risks columns should be given particularly close attention.
- Supplementation of this general guidance, and that provided in the Poverty Action Programme, with *further instructions on a stepwise approach to prioritising interventions and selecting forms of Sida support* in terms of their likely effectiveness in reducing poverty.
- *A review of the scale of the results-oriented work currently undertaken on Sida projects and programmes* (project appraisals and reviews, process monitoring arrangements, in-house and independent evaluations). The purpose would be to determine whether or not these provide a sufficient basis for a genuinely analytical Results Analysis as a required component of every CS process.

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<sup>13</sup> This refers to the Country Strategy Handbook currently in draft (which the evaluation team have not seen) as well as future editions of this document, revisions of *Sida at Work*, and any other guidance of similar standing. If, in view of the developments discussed in Chapter 4 below, it were eventually decided that Swedish strategy at the country level could be absorbed in a common effort under country leadership, as anticipated by the current “Tanzania Assistance Strategy”, these recommendations would need to be adjusted in form. Their substance would apply *a fortiori* to the preparation of the joint strategy.

# Chapter 3

## Operationalising the country programme

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### 3.1 Introduction

The discussion in Chapter 2 has suggested that the 1996 Country Strategy had shortcomings as a steering document and was not well-grounded in a critical consideration of the country situation and previous development-cooperation experience in Tanzania. The country programme was broadly relevant to the Strategy, and became more so with the passage of time, but some unanswered, including a few possibly unanswerable, questions remain about its relevance to poverty reduction and other Swedish policy priorities.

Chapters 3 and 4 now take a closer look at the country programme. Chapter 3 focuses on the coherence and relevance of the aid-funded activities undertaken – that is, it considers further the *content* of the programme as it developed and was implemented over the period. Chapter 4 is concerned with cooperation *methods*. It examines the progress made in applying the new partnership principles set out in the Nordic and Helleiner agreements, and strongly reflected in the 1996 Country Strategy

For the purposes of Chapter 3, we have divided the country programme into ten broad areas, grouping individual programmes and projects in ways that seem to make analytical sense. In some cases, the groupings correspond to the division of responsibilities between Programme Officers. In other cases, they do not. The areas dealt with first are high-disbursing ones. Later sub-chapters discuss programmes that are more intensive in Embassy and Sida staff effort or cross-cutting in nature.

We are conscious that the “sectoral” approach adopted risks suppressing important cross-cutting themes in the work of the Embassy, such as gender equality and human rights. We have tried to ensure these are given appropriate attention where they emerge as significant.

For each area, we outline in turn 1) any major implementation issues that have arisen; 2) the relevance of the choices made with respect to the overall objective of poverty reduction; and 3) any major points that are worth stressing about Swedish and Tanzanian priorities, and donor co-ordination, in the sec-

tor. Descriptive material is kept to a minimum, in order to permit a succinct presentation. Often, fuller descriptions are available elsewhere, in which case the sources are referenced. Conclusions and recommendations are made at the end of the chapter.

## 3.2 Support to infrastructure development

Support to the electric-power and telecommunications industries is – in terms of aid disbursement – the largest component of the Tanzania country programme in the period we are considering. It is also one of the most long-standing Swedish commitments in the country.

Sweden has supported the *energy sector* in Tanzania since the 1970s and has been involved in the finance of the hydropower stations at Kidatu, Mtera, Pangani and Kihansi as well as the gas turbines at Ubungo, Dar es Salaam. This means that Sweden has supported all of the new major power generating investments that Tanzania has made. In addition assistance has been given the rehabilitation of the Kidatu plant, the installation of voltage stabilising equipment, the financing of studies and the formulation of energy policy. Now that Kihansi is completed, Sweden has supported installation of around 600 MW of the 700 MW of electricity generation capacity in the country.

Swedish-Tanzanian co-operation within the *telecommunications sector* dates back to 1978 when the East African Community collapsed and a separate Tanzanian Posts and Telecommunications Corporation (TPTC) was established. In 1994 a comprehensive Telecommunications Restructuring Programme (TRP) was launched, becoming the main focus of Swedish support.

In 1993, the existing telephone network was relatively small in size and in extremely poor condition, owing to faulty equipment and congestion. Telephone density was among the lowest in the world (0.3 telephones per 100 inhabitants). The inadequacy and inefficiency of telecommunications services in Tanzania was having a negative impact on the efficiency of other sectors.

The overall objective of the TRP was to stimulate economic and social development in Tanzania by improved telecommunications in the whole country, with special attention to financial and population centres. More specifically the TRP was to strengthen the institutional framework in the sector by separating policy-making, regulatory and operational functions. The objective was to establish a market-oriented regulatory and policy framework, which included introducing private sector participation in non-basic services in the near term, and developing an action plan to secure private investment in basic services in the medium term.

### Implementation experience

Implementation has been somewhat uneven across the two areas of infrastructure development. Under the last *energy-sector* plan, Power VI, there were four

Sida-supported activities: construction of the Lower Kihansi hydro-power station, rehabilitation of the Kidatu hydro-power station, feasibility studies, and the operation and maintenance of the gas turbines in Dar es Salaam. The Lower Kihansi hydro-power station has run into some environmental problems, which are still to be solved, but the construction was completed before time and within budget. The other activities seem to have been completed more or less on time, adding up to a substantial technical achievement.

*Telephone restructuring* made uneven headway, with implementation problems in the support to both technical improvements (64 per cent of the support) and institutional changes (35 per cent). 24,132 exchange lines have been installed with Swedish support out of a planned 24,200, while international procurement problems delayed the Capital Construction Supervision component. The two institutional-development components supported by Sweden were completed on time. On the other hand, the privatisation of TTCL under the TRP has been delayed.

Recently, some bids for TTCL have been received from a number of international consortia. But it is too early to say whether the privatisation has been successful or not. It has been difficult for TTCL to attract private investors, and it can therefore be questioned how successful the investments and capacity building have actually been. The regulatory body is still suffering from under-capacity, and access to telephones in the rural areas has not improved much.

### Relevance to poverty reduction

The overall objective stated for the support to the *power sector* is to promote economic growth and development in Tanzania. The project objective is to provide the country with sufficient power supply, produced in the most cost efficient way possible. The primary target group is industry. It is also an objective to reduce negative impacts on the environment and import-dependency arising from the use of petroleum to generate power.<sup>14</sup> Social benefits from the Power VI program are said to be secondary, arising as a consequence of increased economic growth.

In principle, these objectives are appropriate to the Tanzanian context, as is the idea of benefiting poor people by providing the preconditions for accelerated economic growth. The fact that the identified route to poverty reduction is indirect is not, in itself, a problem – most of the poverty reduction that has occurred in history has been a by-product of fast growth. In actual reality, however, the preconditions for rapid industrial growth in Tanzania have been and remain poor, while the form of economic growth that would be most likely to benefit poor people in large numbers is rural production and employment growth rooted in improved agricultural productivity. The World Bank

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<sup>14</sup> Currently 90 per cent of the country's total energy use is derived from biomass, 8 per cent from petroleum products and only 2 per cent from hydropower. 80 per cent of the electricity supply is now generated by hydropower.

estimates on the efficiency of different sectoral patterns of growth may be recalled here (Chapter 1.4).

If industrialisation prospects are poor, increased power generation is likely to be of primary benefit to non-industrial urban consumers. This appears to have been the case. At the start of Power VI, an estimated 541 large industrial and commercial customers consumed about 40 per cent of total energy, about 35,000 small industrial and commercial customers consumed 14 per cent of the total energy, and 118,000 domestic consumers consumed 31 per cent.<sup>15</sup> Additional power supply has been targeted in principle at the industrial sector, but in view of profitability considerations another target group has been already well-off groups of private consumers. Even in urban areas, the beneficiaries are not found among the poorest section of the population. There has been very little expansion of supplies in the rural areas, where the large majority of poor Tanzanians live.

It could be argued that this is not a problem if the company makes a profit, and *either* profit is used to subsidise services to the less well off, *or* the publicly-owned utility is sold off and the revenue is used to provide services for the poor. However, neither has happened in Tanzania.

A comparable judgement needs to be made about the actual reality of *telecommunications development*. In the memorandum from 1993, it was stated that “The overall objective of the TRP is to stimulate economic and social development in Tanzania by improved telecommunications in the whole country”. The target group was to be the private sector and social institutions. Economic growth was indicated as the most relevant overarching objective. The case that the pattern of economic growth enabled by this support would be beneficial to poor Tanzanians in particular was not made.

It appears, moreover, that the immediate beneficiaries of the Swedish investment support have been in geographically rather limited areas around Dar es Salaam (although, naturally, the restructuring programme as a whole covered a much wider area). In the north, the following areas were covered by new investments: Mbezi, Kimara, Wazo Hill, Kunduchi, Africana, Tangibovu, Mikocheni, Kinondoni, Sinza, University and Maziwa (21,444 lines). In the southern areas, Kurasini and Temeke were covered (2,688 lines). The northern part of Dar es Salaam is the wealthier side of the city where, among others, the big hotels are situated and the expatriate community reside.

As in the energy sector, this might be justified from a poverty perspective if the profit were used to subsidise services to the less well off, or if the public utility were sold with profit and the profit were used to ensure services for the poor. But neither has happened yet.

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<sup>15</sup> The main electricity-consuming applications in the large commercial buildings are lighting and air-conditioning while a significant portion of electricity consumed by industries is accounted for by electrically powered motor drives, i.e. electrical motors that drive compressors, pumps, fans and conveyor belts (Staff Appraisal Report, Power VI, World Bank, 1993).

## Prioritisation and co-ordination

The energy activities seem relevant to the country programme, even if they were evidently not derived from a careful analysis of how best to bring benefits quickly and reliably to the mass of poor Tanzanians. Another pertinent question about priorities is why it took so long for Sweden, with its broad experience in the sector, to engage itself in more policy-oriented activities in the sector, which are otherwise dominated by a single player, the World Bank.

The aspirations of the Country Strategy were clear in this regard: “Sweden should consider support which aims at the reform of state-owned companies and the establishment of new types of businesses within the infrastructure sectors”. Since the end of 1998, work supported by Sida *has* focused on policy reform and capacity building in public-private partnership for Ministry staff. This focus might have been adopted earlier but for the hiatus in Power VI caused by the divergent views of the Bank and GoT over the IPTL contract. But it is arguable that Sweden could have exercised a useful influence in this area, and in a more timely way, if it had been prepared to act with more independence vis-à-vis the Bank.

Apart from providing an alternative perspective on the sector generally, a distinct Swedish voice could have drawn more attention to issues relevant to combating poverty. With such a focus, the programme would have been less open to the charge of being supply-driven and concerned with creating business opportunities for Swedish and other international firms.

As the above comments imply, the World Bank is the focus for aid co-ordination in the power sector, as well as in telecommunications. Sweden co-ordinated its support under the Power VI agreement brokered by the Bank, which meant subscribing to the same conditions. However, there have also been projects outside this Power VI framework (support for the energy policy and the rehabilitation of the Ubungo substation).

It is difficult to say to what extent the developments in the sector are a priority also for the Tanzanian government. It can be assumed that the investment programmes are very much in line with Government priorities. Officially, the same is true of the restructuring; but the restructuring is only now starting, and there is resistance from different levels in Government.

Most components of *telecommunication restructuring* seem relevant to programme objectives in the view of the problems that existed in the beginning of the 1990s. Again, however, with the benefit of the hindsight it is easy to conclude that the regulating body has been given too little attention, while TTCL have benefited quite extensively. The regulatory body (TCC) suffers from lack of capacity and is given responsibilities that rather should rest with the Ministry, but since the Ministry also lacks capacity there is a problem of who will take responsibility for the social welfare dimension of providing services. The private sector is moving into telecommunications and the regulatory body has no capacity to control what is happening. Fast developments in technology are making the task more challenging all the time.

The telecoms support was co-ordinated under the TRP, and eight different funders contributed to the programme: the World Bank, African Development Bank, European Union, Sida, DANIDA, JICA, Kuwait Fund, and CIDA. There were donor-TTCL meetings quarterly.

The Restructuring Programme was hardly a priority at all for the Tanzanian government. It meant breaking up structures within the Tanzanian Posts and Telecommunications Corporation (TPTC) which had long been closely associated with the Ministry of Communication and Transport. On the question of who was driving the reform, one manager at TCC said it was a mixture of players but that the conditions in the TRP were set by the World Bank – “and who can resist conditions from the World Bank?”.

### 3.3 Assistance to basic education

Sida’s largest single commitment in Tanzania mainly promotes improved access to educational materials through commercialisation of the production and distribution of primary school textbooks and other teaching aids. “Support to the Education Sector” also covers basic and teacher education, but reflects a deliberate effort by Sida to concentrate its support to education in Tanzania in a limited number of sub-sectors with a view to greater effectiveness.

The project has the overall objective of improving the quality of primary education and increasing capacity and enrolment in schools. The specific objectives are:

- to support a sustainable and well implemented decentralisation of school book production and supply system;
- to improve the academic and professional qualifications of primary school teachers;
- to improve physical facilities, e.g. by provision of cost-efficient school furniture; and
- to improve planning and monitoring capacity at ministerial level (Sida, 1997b).

#### Implementation experience

Primary school textbook production and distribution are by far the most important components of the project, and thus the major focus of the following analysis. The Pilot Project for Publishers (PPP) is a key component of Sida support. Support for in-service training of uncertified teachers is a minor activity in terms of cost and scope, as is improving physical facilities, which consists of experimenting with the production of desks using different materials. Improved planning and monitoring capacity is a component of the textbook project. Support to Zanzibar has been suspended pending a resolution of the Isles’ political crisis.



Photo: Annika Lysén

*“The GoT’s and donor agencies’ approach to poverty alleviation stresses both economic growth and human capital development through the equitable provision of basic social services, including education.”*

Swedish support for project implementation and monitoring was worth SEK 165 million for 1997–1999, accounting for around 30 per cent of the 1997–99 country programme. The project has been extended by six months (to June 30, 2000), to be followed by a two-year “bridging agreement”.

The current target is one textbook per three pupils in each subject. The Book Management Unit, and the recent Results Analysis for General Education, claim production and distribution of 7.3 million books over the three years 1996/97–98/99, or 2.4 million books a year. A total of 9 million textbooks produced and delivered is expected at the completion of the current project in 2000. With a school population of about four million, six subjects in the primary curriculum and an average book life of three years, total textbook needs in the period were 24 million. With books shared between three pupils, this falls to 8 million. When achieved, the figure of 9 million textbooks will therefore have met and slightly exceeded the target.

This, however, is only the first step. Embassy sources recognise that while the general availability of textbooks has greatly improved, there remain some distribution problems between the district headquarters and schools as well as problems of utilisation of the textbooks in the schools themselves. Sida and GoT monitoring suggests that schools’ continuing lack of trust in the distribution system leads to hoarding by head teachers, and that teachers lack orientation on the proper use of books (the latter being the focus of another project component). Other sources suggest that illegal diversion of books scheduled for free use in schools into private sales may also be a significant factor (Galabawa, 2000; HR-Consult, 2000; PriceWaterhouseCoopers, 1999; Palme and Hojlund, 1998; TADREG, 1997).



Assessment of the evidence on this problem is outside the scope of this evaluation. However, the fact that, on all accounts, some doubts still surround textbook availability and use in class-rooms calls for some further comment below.

### Relevance to poverty reduction

The GoT's and donor agencies' approach to poverty alleviation stresses both economic growth and human capital development through the equitable provision of basic social services, including education. The poverty concern is reflected in the stalled Education Sector Development Programme, which envisages a net increase in resources allocated to basic education as well as targeted interventions to overcome existing inequalities based on gender or locality-specific factors (MOEC, 1997; TADREG, 1998).

In this context, subsidising the production and distribution of primary school textbooks and other school materials aims at relieving a key resource constraint that contributes to the poor quality of basic education over much of the country. There is no specific attempt to target poor areas, communities or households. Nevertheless, several features of the book programme make it highly relevant to poverty reduction, including its national scope, its sheer size and the intended free availability of the books.

While on these grounds Sida's education-sector support can easily be justified as relevant to poverty reduction, we do not find that Sida documents highlight these linkages particularly. Moreover, the operationalisation of this part of the country programme does not seem to be as attentive to the poverty-relevant dimensions of implementation as might be expected.

There are two different types of issue here, both of which suggest possible changes of emphasis in the future. The first relates to the feature on which the poverty focus of the book project crucially depends, the massive free distribution of books for primary students' use. The second concerns the implications of the weakening thrust towards sector reform.

For better or worse, cost sharing has been introduced into Tanzanian basic education as a means of overcoming financial shortfalls and increasing local ownership. Parents are estimated to contribute about half the cost of primary schooling. Research indicates that, after school uniforms, textbooks are still the largest single parental outlay (PriceWaterhouseCoopers, 1999). This suggests both that the Swedish support is well directed from the point of view of reducing the burdens on poor households, and that free distribution is not yet having very palpable effects.

Against this background, it is surprising to find that the project management have made only limited efforts to publicise the nature and content of the project. This serves to limit the extent to which those parents who are in a position to do so can raise questions about their children's access to free textbooks and school materials. A new monitoring system is proposed to assure

the availability and use of materials at the school level, including information dissemination. However, the targeted “consumer” is the school, not the pupil (URT, 1999a, Annex 8: 2).

In principle, paying for textbooks is not incompatible with the book project, which includes a component for the private sale of a proportion of the books produced. Yet the intention is to provide *most* books free of charge (based on parents’ inability to pay). This obviously introduces the possibility of a black market in “free” textbooks, given the strong incentive to anyone along the distribution chain to benefit from shortages by diverting stocks. Poor people’s lack of voice compared to the non-poor is an additional factor to be considered.

We do not attempt to assess the degree to which this has happened. It is clear, however, that a poverty-oriented operationalisation of the book project would focus extremely closely on monitoring the extent to which free materials are actually being delivered in the requisite quantities to schools and students in poor areas, communities and households. We would propose that actions to inform parents more fully about what they are entitled to under the book project should be included in the next stage of this support. We note that a systematic impact assessment is planned.

Like the majority of observers, Sida sees Tanzanian education in deep crisis. The preliminary CA (March 2000:11) states: “The education system is in a severe crisis, both in financial and institutional terms”. Under these conditions, real doubts have to be entertained as to the relevance of even a very successful effort to improve the delivery of teaching materials and the quality of teacher training. It may be that neither will have a significant impact on the quality of education because a number of other chronic constraints on quality have not been addressed.<sup>16</sup>

This is, of course, a generic problem with projects. It is the main reason why donors, including Sida, are turning to the alternative of sector-wide programmes and budgetary support. This is the second issue to which we think more attention needs to be directed.

The book project is intended to improve quality of education, and thereby increase enrolments, in primary schools. Since books are only one link in a chain of causes and effects that influence quality, enrolments and dropout rates, it would be difficult to demonstrate conclusively that the book project is contributing to attaining these objectives. There is little or no evidence of an upward trend in enrolment rates, and the general state of the sector does not allow one to be optimistic that the other links in the chain are going to be provided by the implementation of sound policies. A pessimistic scenario would see the continued dominance of the education sector by a centralised ministry that is risk-averse and unable to prioritise – a situation that is not conducive to rapid improvements in education policy and practice.

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<sup>16</sup> We are not assessing impact, but the meaning of relevance includes “the extent to which the inputs respond to the problem, or to the extent to which an immediate objective helps to achieve the overall objective, given other feasible inputs and objectives” (ToR: 2).

A wide-ranging revision of sector priorities is needed. But because of the slow progress in setting up the education SDP, projects have continued. Sida and other donors continue with a major input of supplies, thus alleviating some of the financial constraints while leaving the institutional fundamentals untouched. In the case of teaching materials, new sources of funding are coming on stream to support an expanded supply of textbooks, with a target of one book per pupil per subject (discussed further below under aid co-ordination).<sup>17</sup> This further expansion of textbook provision helps to crystallise the question whether any of it represents the best use of aid money under present circumstances.

For certain, this is an extremely difficult question. It is argued that Sida must put children first; that it is supporting a vital activity that can be integrated into a sectoral programme as and when one is put in place; and that Sweden alone cannot be expected to reverse the sector's decline.

While true, these arguments do not lead with an iron logic to the conclusion that a continuation of major project support is the best of the available options. An argument favoured by some other donors – according to Sida staff – is that continuing to fund a Ministry-based programme reduces Sida's leverage over the MOEC on basic changes in policy, and that a tougher bargaining stance would be appropriate. While this too may have its snags, it is an option that should not be dismissed lightly.

### Prioritisation and co-ordination

Tanzanian government priorities are of two kinds. Formal priorities are contained in the numerous general or specific policy documents produced, often with donor assistance. Informal priorities are reflected in actual spending and administrative actions and non-actions. The two are not always congruent.

For example, the SDP foresees “rationalisation” of the primary teaching force and the phased replacement of untrained (former “UPE”) teachers by TTC graduates. However, there has been little or no official endorsement of this policy and officials frequently refer to shortages rather than surpluses of teachers. We should be careful, therefore in taking official policies as a reflection of actual priorities and using them as a test of Sida programmes.

Government priorities can also be unrealistic. The Basic Education Master Plan (BEMP) is part of the Education Sector Development Programme (Inter-Ministerial Task Force, 1997). BEMP targets include:

- gross enrolment rate of 85 per cent by 2003, and universal primary education by 2025;
- pupil-teacher ratio of 45:1;

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<sup>17</sup> The involvement of other donors in an “extended” PPP resulted from Sweden showing “that there are satisfactory modalities for disbursements, distribution, audits and monitoring already in place within PPP” (Sida, 1999: 15).

- school textbook ratio of 1:1 per subject per child within three years;
- increased real non-wage expenditure; and
- decentralisation and empowerment of district councils to plan and manage all basic education resources.

Given present financial and enrolment trends, the GER and UPE targets seem highly ambitious. The MOEC's Education and Training Policy (1995) also foresees UPE, though no time-frame is indicated, and elsewhere the magnitude of the task is severely understated (MOEC, 1996: 3). Decentralisation is taking off on a pilot basis in 2000. The success of this policy will have a profound impact on the basic education sector and the ability of the GoT to mobilise donor finance.

A system of donor co-ordination in the education sector has been operating for a number of years. This system was initially based on information sharing rather than co-ordination of activities. Major donor co-ordination revolved around the preparation of the Education Sector Development Programme. According to Sida, the ESDP failed to take off through the MOEC's failure to respond adequately to the Appraisal Report that committed major donors to the programme. Shortcomings included "the poor management of the process, insufficient financial management system and ... the lack of focus on children and on the situation in the classrooms". More specifically, the MOEC failed to come up with "a short term implementable action plan linked to the MTEF under the PER" (Sida, 1999: 14).

Thus the planned integration of general education support into the sector programme was the result of capacity shortcoming on the part of the GoT, not lack of commitment to partnership or inadequate donor co-ordination. Yet supply-driven donor behaviour may well have been a contributory factor. As already mentioned, donor involvement has been expanding. Sida support to textbooks is now supplemented by additional short-term funding from DFID, the Netherlands, and the European Union.

DFID's initial plan to inject a massive GB£ 7.5 million into textbooks (later reduced to GB£ 0.5 million) threw the BMU off course by diverting staff time into planning how the extra funds could be incorporated rather than proceeding with the implementation of PPP. This is the main reason for the six-month extension to the current support, according to Sida. The short time-frame (less than a year) and the massive money involved, led to widespread criticism of DFID by other donors for "not doing their homework". This may be an understatement.

### 3.4 Encouraging sustainable natural resource use

Sida support to sustainable resource use forms the third most substantial area of disbursement. The Local Management of Natural Resources Programme consists of a cluster of related projects, several of them located in the semi-arid area south of Arusha and east of Singida. Support to the National Environmental Management Council (NEMC) is provided under a separate agreement.

The Soil Conservation and Agro-forestry Programme (SCAPA) is the longest-running project, operating in two districts of Arusha Region. It is widely seen as highly successful in achieving improved rural production and sustainability in the two districts. It is less clear that it has achieved the official objective of generating “best practice” lessons for national policy.

The Land Management Programme (LAMP) is the largest project in the natural resources portfolio. The objective of LAMP is increased productivity through sustainable use of natural resources. It is expected that higher productivity will increase the tax revenues in the districts, which in turn will help to finance expansion of social services and improve the infrastructure. Strategic means to achieve this goal include: a) empowerment of individuals and communities through support to increased self-management of common resources; b) assistance to smallholder families to improve their proficiency in remunerative sustainable farming, and c) strengthening of democracy and managerial mechanisms at the district and village levels.<sup>18</sup>

LAMP is implemented in Babati, Kiteto and Simanjiro Districts and in two divisions within Singida District. In each of these four project areas, ORGUT consultants are to provide advice to the district authorities through a Local Support Office (LSO). All LAMP activities are supposed to be co-ordinated by a Project Administrator in the Ministry for Regional Administration and Local Government (MRALG) in Dodoma, supported by the ORGUT Project Support Office (PSO).

SCAPA and LAMP are both supposed to generate lessons for application elsewhere. The District Programme Support Project (DPSP) was created with the objective of collecting and disseminating information among programmes and institutions of the LAMP districts, but disintegrated mainly on account of lack of commitment by the Ministry of Agriculture (see below). A Strategic Analysis and Planning Unit (SAPU) has been supported within the Forestry and Beekeeping Division of the Ministry of Natural Resources and Tourism with a view to developing and promoting sustainable use of forestry resources, and in particular community management of forests, throughout Tanzania.

The two-year bridging support to NEMC had the purpose of building the Council’s capacity to perform its legal responsibilities in the field of the envi-

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<sup>18</sup> For an early description of programme objectives laid out in the March 1996 LAMP Strategy Document, see the quote in Abuya *et al.* (1998: iv). The emphasis is slightly different from the above.



Photo: Annika Lysén

*“The logic of poverty reduction in LAMP follows two tracks. Depending on who is talked to or what project documentation is read, these are given different emphases. One is that rising production will increase incomes and wealth amongst the farming population. The second is that by raising production the programme will increase local government tax revenue, which can then be used to provide improved basic social services.”*

ronment. Those include advising the Government on environmental impacts, pollution prevention and control, and environmental legislation.

### Implementation experience

If the country programme is taken to be defined primarily by the various Specific Agreements for each project and a small number of other Sida documents relating to LMNRP projects in particular (e.g. Sida, 1997c; LMNRP, 2000), then operationalisation has been relatively coherent. In Singida LAMP appears to have been less successful than in Babati but nonetheless roughly on-track. Planned activities in Simanjiro and Kiteto were disrupted by opposition from large farmers, and by embezzlement by district officials in the case of Simanjiro. More fundamentally, slow implementation reflects a rather poorly conceptualised effort to transplant the relatively successful LAMP model developed in Babati to districts with very different agro-ecological, socio-economic and political characteristics.

All elements of Swedish support to the natural resource sector have been affected to a greater or lesser degree by external factors, notably a changing national-level legal and administrative environment. As just mentioned, some of the delays that affected LAMP have been attributed to programme design.

But further delays to the initiation of activities and the achievement of outputs have resulted from the redrafting of the land law, in the form of Land Act No. 4 (1999) and the Village Land Act No. 5 (1999).<sup>19</sup> Thus, some “incoherence” can be seen as justifiable flexibility, with mutually agreed-upon changes to the original Agreement.

The failure of DPSP stands out as a notable exception. The DPSP was intended to scale up and disseminate findings from SCAPA and other land-husbandry experiences in Tanzania, providing a back-stopping and training function within the Ministry of Agriculture. Inefficiencies in the Ministry and delays in support led to its cancellation in 1998. The reason for lack of coherence between plan and activity in this case was the failure of the Ministry of Agriculture to demonstrate any commitment to the project.

Support to NEMC has also been problematic. An April 1998 NEMC report on progress in Sida-funded activities (NEMC, 1998) identified several areas in which activities lagged behind goals. The document attached blame to both NEMC and Sida. The Government commissioned an Institutional Framework for Environmental Management Project (ILFEMP) funded by the World Bank to advise on streamlining the institutional framework for environmental management. Sida signed a new agreement funding a bridging period from February 1999 in order to support NEMC while awaiting the findings of the ILFEMP.

### Relevance to poverty reduction

The logic of poverty reduction in LAMP follows two tracks. Depending on who is talked to or what project documentation is read, these are given different emphases. One is that rising production will increase incomes and wealth amongst the farming population. The second is that by raising production the programme will increase local government tax revenue, which can then be used to provide improved basic social services.

The poor are thus expected to benefit i) through inclusion in (untargeted) extension activities, and ii) at a later date, through access to better services (again, however, without any specific targeting mechanism). There is in other words little effort to concentrate benefits among poor households. Close targeting may and may not be the best approach. However, a better conceptualisation of the target group and how it was to be reached should have been possible.

One school of thought suggests that in retrospect there is a case for having included more emphasis upon environmental sustainability as an issue in the reduction of poverty through increased agricultural production. While this goal is present in the programme, it tends to be obscured by the primary focus upon empowerment. It is not clear that the project staff have the knowledge to do this. But it would have helped to avoid some misunderstandings with district officials.

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<sup>19</sup> Havnevik *et al.* (1999: 98–103) and Havnevik *et al.* (2000: 15–17) explain the land policy process, and Havnevik *et al.* (2000: 20–22) give a summary of how this has affected land security activities in the LAMP project areas.

Relevance to poverty reduction is not as strongly developed in the documentation on NEMC as might be expected. It is, of course, the case that NEMC's mandate is to advise government on all issues pertaining to the environment, whether or not they affect poor people in particular. Nonetheless, the focus on national-level environmental management functions – pollution control and Environmental Impact Assessment (EIA) – as components for Sida support could perhaps have been more strongly or explicitly related to poverty reduction effects.

That these poverty reduction effects would be indirect – through protecting the livelihoods of future generations of small-holder agriculturalists and pastoralists, or of the urban poor – does not make them any less valuable. It does, however mean, that special care should be taken to spell out the anticipated linkages.

In practice, NEMC and its EIA component in particular have actually been instrumental in some famous recent cases in providing poor communities with weapons with which to defend livelihood interests. The role of EIA in the Rufiji Delta prawn farming plan is an example. Although the specific event could not have been anticipated, the possibility it represents surely could have been.

In summary, the linkage between natural resources/environmental management activities and poverty reduction is generally implicit rather than explicit in project documentation. This varies between different projects: it is weakest (or, at least, less closely specified) in NEMC, relatively strong in SCAPA and LAMP. In these two projects, the poverty focus has become somewhat stronger over time. It is to be hoped that the long-term formative evaluation of LAMP that is now under way will lead to greater clarity on these issues.

### Prioritisation and co-ordination

In the case of LAMP, the project document for the initial intervention in Babati was prepared with extensive influence from the consultants and very little ownership by the Tanzanian government or intended beneficiaries. In the words of one interviewee, “people only really found out about the contents of the programme when they began to implement it”.<sup>20</sup> Arguably, therefore, neither the Swedish nor the Tanzanian governments had any pronounced input to the prioritisation of goals at the inception of the LAMP project. This was recognised when the “new LAMP” was planned, covering the four districts. This built on the experiences in Babati but was prepared in a participatory way, involving all of the stakeholders. This has been the pattern of subsequent project activities.

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<sup>20</sup> “The financing document prepared for LAMP in 1996 is heavily based on a 1990 ‘blue document’ which was the product of a former senior Sida staff member and an ORGUT staff member. Although Sida claimed at the time that the financing document ... was a Tanzanian product and ORGUT was only involved in editing the proposals ..., the final plans for LAMP very much involved a conception role for the consultancy group which itself became the implementation consultant” (Catterson and Lindahl, 1999:164).



Local political stakeholders in the project – MPs and district officials – would prefer more material inputs to show their constituents, which is problematic given that the programme is clearly conceived as based on process and beneficiary contributions.<sup>21</sup> District and village officials had requested roads, health and education services, and commercial sector support. Sida apparently responded that they already supported education at the national level, and so would not replicate that at the programme level. Nevertheless, some of the desire for greater material inputs was accommodated in the revised project document. Rural but not trunk roads were added to the list of options available to villages. Marketing support was added to extension services. Feedback from the district councils suggests they think the concepts are now satisfactory.

Sida priorities took precedence over Tanzanian priorities in NEMC. NEMC project documents suggest that the Council had funding priorities (e.g. biodiversity conservation and land degradation) which did not coincide with those of Sida (NEMC, 1998a, 1998b). NEMC was also insistent that there was a need for some long-term training (i.e. of one year or more), whereas Sida was prepared only to fund short courses of six months or less.<sup>22</sup> The principle followed was that NEMC should be supported in those activities that were likely to continue regardless of the institutional framework recommended by ILFEMP.

It is not clear that the Sida-employed consultant consulted other donors when planning LAMP. Certainly there is little or no programme-level co-ordination in the operationalisation of LAMP. This is mainly because there are no other donors operating in the natural resources field in those districts. (There is some co-ordination with the NGO FARM Africa in planning extension in Babati, and there may be some co-ordination with donor projects in the field of water supply in Simanjiro.)

At the national level, the picture is different. For some years, there has been co-ordination, chaired by the Ministry of Community Development, Women's Affairs and Children, of activities involving participatory planning methods. This brings together the ministries that are most involved in district participatory planning, with the donors working with those methods (Netherlands, Irish Aid, Finland, Sweden and UN agencies) and Tanzanian NGOs.

The formation of the MRALG in 1998 has enhanced the prospects of GoT's exercising forceful leadership on the form and content of local planning. While in the short term disruptive to LAMP implementation (and presumably to other aid-supported projects too), the Ministry's creation is an appropriate

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<sup>21</sup> There is another way in which the priorities of some elements in local government are, for good reason, contradicted by LAMP activities. Some local politicians try to generate support by telling people that they do not have to pay their taxes. Given that the goal of LAMP is to increase local revenue, this is counter-productive.

<sup>22</sup> On this issue, see Milne (2000: iii-iv).

attempt to co-ordinate development planning (government and donor) on an area basis (region and district).<sup>23</sup>

On the environment, there are some efforts towards sector-level information sharing and co-ordination, but these are not particularly impressive. There is a list of donor-supported environmental activities in Tanzania, generated by a DANIDA Identification Mission on Environmental Sector Programmes (1998), but this is now two years old. There is also an Informal Donor Group on the Environment, which meets once a month.

To date this has not been very topical, with a “ragbag” agenda dominated by donor announcements of new and ongoing activities rather than a structured approach to co-ordination. Membership criteria are not very well defined, and those delegates of Government ministries who attend are perceived to be nervous about saying the wrong things in front of donors. The DAC, which was meant to take over the Group co-ordination function, reportedly “went to sleep” soon after assuming the role.

### 3.5 Support to public finance and accountability

This sub-chapter treats Swedish budget support together with the various projects to build capacity in Tanzanian public administration. This grouping of topics anticipates our finding that these components of the country programme are closely complementary and should be managed in an integrated way.

When Sweden resumed balance-of-payment support to Tanzania in 1997 (after suspension since 1994) it took the form of budget support released in monthly tranches as Matching Funds, corresponding to Tanzania’s revenue collection. The matching relation for the period Oct/Nov 1997–March 1998 was 1.42 per cent of GoT’s own revenue collection. During the period, GoT’s revenue collection was 90 per cent of planned collection, and hence 90 per cent of the Swedish Funds was disbursed (SEK 53.9M of SEK 60.0M). Funds were paid out according to the formula, with some minor delays in some months due to late reporting by GoT.

In 1998 (Sept–Dec) Sweden disbursed SEK 65.0M to the newly created Multilateral Debt Fund (MDF). The proceeds from the MDF are used for servicing debts owed to the World Bank, the IMF and the African Development Bank. Since funds for debt service to multilateral institutions have to be set aside in the GoT budget, MDF releases funds to the rest of the budget. The GoT was required to use the savings from the MDF to protect, and if possible increase, budgetary expenditures on education, health, water and roads.

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<sup>23</sup> MRALG has recently conducted (with UNDP funding) a review of approaches to district-level participatory planning (Kikula *et al.*, 1999), which will provide the basis for Ministry guidelines for this type of project.

No budget support funds were available from Sweden in fiscal 1999, but a substantial new Swedish commitment was announced in May 2000. This amounts to SEK 320M over three years, including both a final tranche to the MDF and continuing contributions to a new shared mechanism for Poverty Reduction Budget Support (PRBS). The PRBS is intended as a vehicle for flexible bilateral donor funding that will continue after the completion conditions for Enhanced HIPC debt relief have been met. It is likely to include no more conditionality than the social-sector expenditure clause agreed for the MDF.

There were six significant components of Swedish support to public administration in the period:

1. Government Accounts Development Project (GADP) (1997–2000);
2. Budget Management Development Programme (BMDP) (1998–2000);
3. Gender budgeting (1999–2000);
4. Takwimu (National Bureau of Statistics) (1997–9);
5. Gender Unit, Civil Service Department (1997–2001);
6. Tanzania Revenue Authority, Human Resource Development Programme (1997–2000).

GADP's objective is to strengthen GoT's financial management, accounting and debt-management framework. It is designed to strengthen, in particular, the budget implementation and reporting phases of the financial management cycle.

BMDP aims to improve the Government's budget process. A one-year interim programme was agreed for Jan–Dec 1999 following the final phase of a project that finished in September 1997. The interim programme was agreed to bridge the gap while a new policy paper on public financial management was being prepared and to allow possible co-ordination with other donors (EU and IMF). Its activities include the development of a performance budgeting model.

Gender budgeting (a component of BMDP) was initiated in Jan 1999 and included in the extension of the BMDP, Jan–June 2000. It will assist the Budget Department to undertake:

- gender assessment and training of Budget Department staff;
- mainstreaming of gender training for six departments in ministries;
- design, development and implementation of a capacity building workshop;
- implementation support to six pilot ministries.

A Swedish sub-component of support to the Civil Service Reform (now Public Service Reform) Programme is based in the Gender Unit of the Civil Service Department. Its objectives are to improve the situation of women in the

*“GADP’s objective is to strengthen GoT’s financial management, accounting and debt-management framework. It is designed to strengthen, in particular, the budget implementation and reporting phases of the financial management cycle.”*



civil service, and mainstream gender concerns in the civil service, as a contribution to wider socio-economic changes in Tanzanian society.

The project goal of the support to the National Bureau of Statistics was to assist the NBS’s transformation to executive agency status, following the Sida’s long term support to technical capacity building since 1983. Sida also finances the capacity-building component within the larger Tax Administration Project in the Tanzania Revenue Authority (TRA).

### Implementation experience

Implementation has been comparatively trouble-free across the range of support considered here. Programme aid in the forms used since 1997 has been operationally unproblematic, especially compared with the dismal experience of balance-of-payments support up to 1994. The comparatively simple mechanisms that can be used for budget support under a convertible currency regime have combined with changes of attitude on the Tanzanian side to make this possible. Budget support, particularly the type provided by the MDF and now promised by the PRBS, is highly appreciated by GoT and represents a critical input to the development of better partnership relations, as discussed in Chapter 4.

Effective use of the funds provided in this way is highly dependent on the institutional set-up for allocating, disbursing, and accounting for the use of, public resources. This is the basis of our view of the complementarities in this part of the Sida country programme.

*GADP* experienced some implementation problems in 1998, apparently arising from budget limitations and the civil-service staff freeze. But by the end of 1999 most of the implementation bench-marks had been reached.

GADP is generally perceived as a very dynamic and successful programme. However, its reputation stems mainly from the speed and comprehensiveness of the changes in accounting practice that have been instituted at the centre. It is too early to say whether it will be successful in promoting sustainable changes across government.

It was created by instituting parallel structures, with initial recruitment of graduate staff outside civil-service channels. The 35 new staff in the Accounting Department are, since early 2000, all regular employees of the civil service, but they continue to receive salary top-ups. It remains a little uncertain whether the two structures, containing the old accounting cadre and new recruits, can be successfully fused into a single system. It also remains to be seen how far this sort of transformation can be replicated in other ministries, as is required by the new budgeting and accounting methods.

*BMDP* has kept more or less on schedule, although the sheer number of reform programmes has stretched Ministry of Finance capacity to the limit. Slow progress in integrating the Development and Recurrent budgets is attributed at least in part to donor practices. The development of the Medium-Term Expenditure Framework has also been constrained by the prevalence of D-funds (see Chapter 4), as Government cannot account for all the funds spent or estimate total resources available.

Sida's support for *gender budgeting* builds on work in civil society by the Tanzania Gender Networking Programme (TGNP), which, after some years of independent research on gender budgeting, launched a Gender Budget Initiative in 1997. A workshop in Stockholm at the end of 1997 led to a request from the Ministry of Finance for development of relevant staff skills. This is an interesting example of an initiative within civil society leading to changes in government policies and procedures. TGNP is now contracted under the Swedish bilateral funding to provide gender training to budget staff in Finance and six other pilot ministries.

The main constraint is staff time. Although gender-aware budgeting shares a common logic with the other outcome-oriented changes taking place in public finance management, it inevitably competes to some degree with other reform activities for the attention of the available qualified personnel.

*Gender mainstreaming in the civil service* suffered initially from a lack of co-ordination between the Gender Unit and the Ministry of Community Development, Women and Children's Affairs. This led to some confusion about roles and responsibilities, and duplication of efforts. The Gender Unit appears well led and has managed to engage the CSD's top management, which has proved a critical advantage. The location of the Unit in CSD's Policy Department is strategic and results in its head's attending management meetings and being involved in decision making. A priority for the Unit is to move on from training and workshops into policy analysis in the next stage of the project.

The project implementation in *Statistics* was subject to delays arising from slow decision making in Government regarding the Bureau's transition to independ-

ent status. Disbursements up to Dec 1999 were SEK 4.5M below allocation as a result. However, NBS was launched as an executive agency in March 1999. No implementation problems were reported for the TRA support.

### Relevance to poverty reduction

The case for viewing Swedish and other programme aid as relevant to poverty reduction is not easily made, but can be made, as van Donge and White (1999) have shown. For pre-1994 times, when the delivery of this form of aid was much more problematic, the argument hinges on the thesis that the availability of relatively “free” donor funds overcame a collective-choice problem that would have prevented the adoption of necessary economic reforms. The reforms in turn supplied *some* (not all) of the necessary conditions for a resumption of rapid economic, especially agricultural, growth. They were sufficient to produce a measure of per capita income growth, from which poor people probably benefited.

For the more recent period, the argument probably needs to be more focused on the necessary institutional changes that previous liberalisation could not achieve. These are precisely the reforms to which Sweden is contributing technically and financially through its capacity-building and gender mainstreaming projects.

The argument would be that, through all of its different dimensions, poverty in Tanzania is perpetuated by the poor quality and ineffectuality of publicly-provided services, including regulatory and revenue-gathering activities that affect the prospects for private enterprise, especially in agriculture. Budget and management reforms which provide the basis for more results-based, outcome-oriented behaviour throughout the government system have been correctly identified as the remedy.<sup>24</sup>

This approach to reform is enshrined in the CSRP/PSRP and the policy framework of the Civil Service Department (1999). But actors throughout the system face strong incentives to carry on in the old way. These include the lure of old-style grant- and loan-funded projects, which continue to be offered with very few “strings” of a performance-based type. Meanwhile, there are two sources of disincentive to the adoption of performance budgeting and the associated managerial mind-set.

They are the shortage of funds “to plan with” under the strict cash-limited budgets that currently operate, and unreliability of disbursements for

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<sup>24</sup> Performance budgeting shares with the approach being taken to the Medium-Term Expenditure Framework (MTEF) the emphasis on linking allocations to outcomes. Performance budgeting was linked to civil service reform under the review that defined new functions for ministries and restructured them. It aims to enhance efficiency in service delivery and orientation towards results. An annual report and service delivery plan is produced for each ministry as part of performance budgeting. Reported outputs of BMDP include revision of the performance budgeting manual so that it is MTEF compatible.

planned activities even within those limits (caused by the combination of revenue shortfalls and the technical problems that the Sida projects are seeking to address). The provision of flexible funding through the central budget can help to weaken the first type of perverse incentive provided by aid, and mitigate the problem of lack of predictable resources with which to try out performance budgeting and results-based management.

The argument is somewhat complex, but the case that programme aid of the current type is relevant to poverty reduction seems clear. Just as in the basic education area, however, the way it is expected to operate involves a web of necessary and sufficient conditions. The same applies to each and every one of the capacity-building components.

Fortunately, there is in place something akin to a “sector-wide approach” to the reform of public finance management. Reform initiatives include the rolling PER/MTEF arrangements, which, as discussed in the next chapter, represent the single most important example of the partial institutionalisation of new-partnership principles in Tanzania. The management of these arrangements by the Ministry of Finance, and the reasonably consistent behaviour of a group of donors and IFIs, support the expectation that the different elements in this mix will indeed work together in a synergistic way. However, experience from other countries indicates very clearly that overall dis-co-ordination and lack of direction can quickly destroy whatever momentum such a process builds up.

The technical improvements being supported by Sida are crucial ingredients in the change-producing mix just described. GADP and BMDP are helping to create necessary conditions for performance budgeting as well as increased government transparency and accountability, and reduced opportunities for corruption and misuse of government funds. They also support continued stabilisation, making it easier to bring the fiscal deficit under control, which remains critical to the climate for economic growth. The assistance to TRA may have an indirect poverty-reducing impact, by increasing the resources government can spend on key services.<sup>25</sup>

These areas of Swedish support, including the budget funding that is “lubricating” the process, must be managed in a co-ordinated way by the Embassy. This is essential so that any shortcomings of linkage or sequencing between these and other elements in the package are identified and brought quickly to the attention of the donor-Government group formed around the PER/MTEF. Other things being equal, there would be a case for combining oversight of the public administration (or accountability) projects and the management of the budget support as a single responsibility. If a division of labour

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<sup>25</sup> At the same time, Sida needs to coordinate with other donors and government to ensure that the tax regime and its implementation does not act as disincentive for business, especially small businesses and joint ventures and that corruption is systematically tackled. Fora that enable more dialogue between business and traders organisations and TRA and TIC should be supported. Attention to the degree of progressiveness of the developing tax regime will also be justified at some point.

continues to be preferred, exceptionally close collaboration should be expected of the staff leading these two areas of work.

### Prioritisation and co-ordination

All of the operations supported in this area should be counted as being of high priority. They correspond to several Swedish Government objectives, including the overarching co-operation goal of reducing poverty. They are also considered of high priority by key figures in the GoT, and are of particularly strategic significance for the partnership and donor-co-ordination agendas.

Understanding of the significance of the public finance reforms is not widespread in Tanzanian civil society. It is probably restricted to the handful of public-policy think-tanks and University departments that are currently providing much of the external support to the Ministry of Finance in expenditure reviews and poverty planning. The gender-mainstreaming work in the Budget Department and the civil service is, on the other hand, a high priority area as identified by civil-society groups under TGNP.

## 3.6 Health through sanitation and water

The HESAWA Programme has been running since 1985. It replaced a previous Swedish programme – the Water Supply and Sanitation Programme – which was more decidedly an engineering programme, dealing with the installation of piped water. The main difference between WSSP and HESAWA was the introduction of what are now called software issues – capacity building, human resource development, awareness raising, community participation, etc. Also, with HESAWA, shallow wells were introduced. Now HESAWA supports the installation of a range of different water-source facilities, depending on the topography in the different areas around Lake Victoria where the programme is operating. It also supports construction of household latrines and institutional latrines (e.g. in schools).

Programme documents we consulted and programme staff we interviewed frequently refer to the “HESAWA concept”. This is the composed of five key elements:

- linking health with water supply, by highlighting the importance of sanitation as well as drinking water;
- local ownership, demonstrated through cost-sharing;
- villagers’ taking the lead role in deciding development priorities and responsibility for maintenance of water facilities;
- emphasis on human-resource development through training; and
- sustainability and replicability of water-source installations.

Some stakeholders also emphasise a sixth component – women as top managers of water resources. Views differ as to how prominent this component is in



both the concept and the practice, and whether or not HESAWA has addressed gender issues effectively.

### Implementation experience

The following extract from the Feb 2000 mid-term review (MTR) provides an outline of the programme:

*“HESAWA is an integrated rural water supply, sanitation and health improvement programme covering [sixteen districts in] the Lake Regions of Tanzania – Kagera, Mara and Mwanza regions. Together these three regions have an estimated total population of 5 million. As of 1998, a total of 964 villages with about 2.5 million people have benefited from the programme. The executing agency for HESAWA is the Tanzanian Ministry of Community Development, Women and Children Affairs.*

*The programme is currently in its fourth phase and it is covered by the Specific Agreement between the Government of the United Republic of Tanzania and the Government of Sweden on Support to Health through Sanitation and Water Programme (HESAWA), 1998–2002. Both parties have agreed that Swedish financial and technical support to the programme will be phased out by no later than end-2002.*

*The cornerstones of HESAWA are active community participation in decision-making, planning and implementation, and human resources development. Development priorities are to be set by the villages, with planning assistance from the district. District technical departments are to advise and support the villages in making their development goals both achievable and sustainable. The principles on which HESAWA activities are founded are affordability, sustainability, replicability, credibility and cost-efficiency” (Wang et al., 2000: 11).*

Two of the HESAWA districts – Bunda and Serengeti (both in Mara region) – have been selected as pilot districts for the new Lake Victoria Programme. They will be phased out of HESAWA in the year 2000, and will join DDP (District Development Programme – the working title of Sida’s pilot project for the Lake Victoria initiative). A third district – the island of Ukerewe – has been earmarked as a third pilot district, and Magu has also been suggested as another likely district when the DDP expands.

Opinions differ widely about whether or not the engineering/water technology aspects of the programme are satisfactorily balanced by the community participation/capacity-building/awareness-raising aspects. Views expressed by programme staff ranged between “community participation is well devel-

oped and balances appropriately the technological side”, and “the programme is dominated by water engineers, and the principles of community development are severely neglected”. There are unresolved issues on both the technical and institutional sides.

Attempts have been made to find local firms/individual artisans to supply spare parts to improve the technical sustainability of the programme, but this has not taken off so far. The pumps do not break down very often, having been chosen in the first place for their robust quality, so there is not a great demand for spare parts. However, it is necessary to have reliable, local suppliers when maintenance is needed. At present the parts are available in Dar es Salaam and only a limited number of places in the programme area. The question of maintenance and spares has been flagged as a problem for sustainability, but no solution has been found yet.

It is well recognised that sustainability of programme benefits will be compromised if WUGs (Water User Groups) do not have legal ownership of the facilities for which they are responsible. Again, this question has been flagged but not solved, and the general view we encountered is that it is unlikely to be addressed adequately before June 2002.

### Relevance to poverty reduction

HESAWA does not explicitly aim to reduce poverty, but its achievements do appear to have a significant impact on important aspects of impoverishment and contribute to alleviating poverty. At the same time, the management of the programme has raised, and not solved, a set of classic targeting issues.

Discussions about HESAWA often revolve around what kind of programme it is – whether it is a health programme, an engineering/water technology programme or primarily an exercise in community development. However, the attempt to categorise HESAWA according to conventional sectoral divisions is mistaken; it misses the point and undermines one of HESAWA’s main achievements.

The value of the project is precisely that it spans several different sectors (health, water, community development, engineering); it is an integrated programme which relates well to the multi-dimensional character of poverty. HESAWA was ahead of its time by adopting this integrated approach, combined with an emphasis on participatory methods and on beneficiaries’ taking responsibility for the water installations provided by the programme.

Plausible claims are made about several specific impacts. It is claimed that women’s time carrying water is dramatically reduced, thus allowing them more time for other activities. This can allow them to engage in income-generation activities, and to perform their range of domestic, farming and community management duties more effectively. The health and well being of all members of the user group is also said to be enhanced through having access to safe drinking water, which is of central importance to poverty reduction.



Photo: Annika Lysén

*“HESAWA supports the installation of a range of different water-source facilities, depending on the topography in the different areas around Lake Victoria where the programme is operating. It also supports construction of household latrines and institutional latrines, e.g. in schools.”*

As one woman expressed it, when we visited a well and its user group in Ihale village (Magu District, Mwanza Region): “Now my health is much better than it used to be. I am happy because I am not ill all the time. This means I can perform my duties better, but the main thing is that, every day, I feel happy”. It is beyond the scope of the evaluation to assess how typical this view is and whether it reflects, in particular, the impact on poor residents. More sceptical views are also heard.

Not surprisingly, performance has varied across the sixteen districts where the programme operates. The MTR team identified those districts, villages and district co-ordinators which are “best examples of best practices”, and then examined “why and how particular districts/villages – despite all problems – manage to succeed where others fail” (Wang *et al.*, 2000: 8). The Review team visited eight districts, and, as result of the field visits and discussions with “key implementers”, they ranked these, plus the other eight districts of the programme, as best-performing, average-performing or worst-performing.

The overall thrust of the MTR is that, during the remaining two years of the programme, support should be concentrated on the best-performing districts. The MTR view is that programme funds must be focused on districts where there will be a good return on investment, and that resources will be wasted on poorly-performing districts if they do not review and improve their practice (Wang *et al.*, 2000: 41-2, 55-6).

This brisk, no-nonsense approach is understandable within the conceptual framework of a programme that will be over in two years’ time. However, it is questionable on two counts. Firstly, it does not take account of Sida’s current focus on poverty reduction; and secondly it does not orient the programme within the broader context of Tanzania’s socio-economic reality.

The MTR justifies its recommendation by arguing that those districts that perform well do so because users recognise the need for safe water and are prepared to contribute financially in order to get it:

*Time and again, the argument is raised that people are poor and the expected minimum 25 percent level of contributions [recently increased from 2.5%] by users is prohibitively high. While the MTR team accepts this may be true in certain isolated instances, it basically feels the problem is not as major as many automatically seem to assume it is .... In the villages the Team visited, money was not an issue, which is probably a reflection of good initial and follow-up promotion efforts.*

*... if, for example, users do not themselves prioritise the need for improved water facilities, should the donor and central and local authorities then cover all costs and give the facilities to beneficiaries for free? Thirty years of sector experience in Tanzania, the region and globally says the answer is no (41-2).*

The MTR is not entirely consistent here. Best-performing districts are said to be successful because of the sound management practices of the district-level personnel, who provide “good initial and follow-up promotion”. Yet worst-performing districts fail because of users who lack commitment to improved water facilities. Although the practical logic is clear enough, it may have the effect of further penalising communities that suffer from ineffectual or untrustworthy district authorities. It might be more straightforward to recognise here the classic targeting problem, that the most deprived people may be the hardest to help, rather than bolstering a recommendation by blaming the victim.

The MTR also devotes no space to commenting on the broader socio-economic context of Tanzania. It operates entirely within the conceptual framework of a donor-run programme, and its recommendations are consistent with an objective of how to be as efficient as possible within the time-frame of the programme. In this respect, it contrasts with the assessment of LAMP completed in February 2000 (Havnevik *et al.*, 2000). This explicitly recognises the influence of broader processes of social change, takes account of the historical dimension of the programme, and examines how the concept of partnership as expressed in macro-policies manifests itself at the project, programme and micro levels.

Taking a tougher, more conditional approach to HESAWA districts may still be desirable – we are not in favour of throwing good money after bad, or of wasting opportunities for leveraging better performance, as our discussion of the education project has made clear. However, we suggest that the application of such a policy should be both moderated by a poverty-targeting concern, and informed by close analysis of the factors responsible for poor performance and how best to influence those in the current context.

### Prioritisation and co-ordination

Programme staff at the district and village level told us that one of the achievements of the programme is the increased awareness amongst beneficiaries about the importance of sanitation as well as clean water. Generally speaking, local priorities matched the programme objectives from the outset in emphasising the need for clean water, but the beneficiaries did not appreciate the importance of sanitation. As a result, there was very little demand for household latrines in the early years of the programme. This has now changed, and requests for assistance with the construction of household latrines have increased dramatically. Demand now outstrips what the programme can realistically supply before it ends in June 2002.<sup>26</sup>

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<sup>26</sup> The fact that local understanding about the importance of hygiene through effective sanitation has now been generated is one of the reasons why many programme staff feel that June 2002 is premature as an end date.

## 3.7 Support to research

Long-term co-operation between the University of Dar es Salaam (UDSM), Muhimbili University College of Health Sciences (MUCHS) and a number of Swedish institutions is the basis of Swedish support to research in Tanzania. The UDSM support extends to the University College of Lands and Agriculture (UCLAS).

Sweden assists research with both individual and institutional grants. In addition, there is support for research equipment and libraries. Forty-three PhD students were in training under the programme in 1998. Research on HIV/AIDS (MUCHS) and marine resources (Institute of Marine Sciences) are the largest components of the support. Thematic PhD training programmes target the Faculty of Commerce and Management, and UCLAS. Swedish support is worth SEK 80.5 million to UDSM/UCLAS and SEK 31 million MUCHS for the 1998–2000 period, making Sweden the largest single donor to UDSM and MUCHS.

### Implementation experience

Swedish research support dates back to 1976. Support for the National Research Council (*Utafiti*) came to an end after a 1985 evaluation cited lack of experienced researchers and a tendency for the Council to act “as a political and bureaucratic filter”. A second phase of support to individual researchers or research groups “led to a fragmented situation” according to the recent Sida Results Analysis. The current phase of support to UDSM and MUCHS took off in the early 1990s, and coincided with the launch of the University’s Institutional Transformation Programme (ITP), which SAREC/Sida has actively supported. A 1998 agreement emphasises the role of UDSM’s “management structures in making strategies and priorities for the research co-operation”.

SAREC was integrated into Sida as the Department for Research Co-operation in 1994. The new department is overseen by Sida’s Research Council, which also has a Division on Developing Countries and Programme Support. The Department finances activities in a number of research universities in the South as well as thematic programmes through regional institutions.

The Department’s self-assessment is that it has contributed “to produce research results of relevance to development in Tanzania”. The following examples are cited: electric power distribution; environmental consequences of gold mining and farming; coastal management; entrepreneurship; HIV/AIDS; and reproductive health. Other contributions include research capacity building at UDSM and MUCHS, helping “the set up of structures for research management (academic and financial) and building of laboratories [with] scientific equipment” (Results Analysis: 2).

## Relevance to poverty reduction

Is Swedish-funded research in Tanzania sensitive to poverty issues? Overall, poverty alleviation is not an overarching concern for the Department. Swedish researchers preparing proposals are advised to address priority objectives, including poverty, as expounded in various policy documents. However, it is not clear that the Tanzanian side is exposed to this procedure to the same extent.

Apart from the poverty focus, a number of Swedish development assistance objectives are reflected in the range of research activities that are currently financed. They include gender, economic growth/improved livelihoods, human resource development through basic services, HIV/AIDS, environmental sustainability and (more recently) urbanisation.

AIDS research, which is SAREC's largest bilateral programme, started in 1986. According to the Department, "The scientific information resulting from the programme has been a major source of information for Tanzanian authorities setting the priorities for the National Aids Control Programme as well as for WHO's international surveillance of the AIDS pandemic and has also served to increase possibilities and improve quality in laboratory diagnosis of HIV infection. ... The external evaluation performed during early 1996, was extremely favourable" (Sida, n.d.(a): 9).

Is Swedish-funded research contributing to national development, policy debate and advocacy? Both SAREC and Tanzanian researchers consider academic or intellectual freedom important principles determining what kind of research is undertaken. One interpretation of academic freedom would not find it legitimate to require research to have explicit practical objectives such as poverty alleviation. Basic research may and may not turn out to have long-term developmental relevance, or so the argument goes. Also, it might be argued that the extent to which research helps inform development policy and debate is a partly function of the disposition and motives of Tanzanian academics, over which Sida has no control.

Nevertheless, much of the applied research supported should have practical spin-offs, for example in the environmental, engineering and technological fields. Sweden supports the Faculty of Engineering in research on electrical engineering designed to help TANESCO improve power distribution and utilisation. One component of this research is studying the materials used for transmission that have been developed for use in cold climates, not the tropics. Other supported research with practical implications includes research on mercury contamination associated with small-scale mining, and testing for poisons in fish caught in Lake Victoria.

## Prioritisation and co-ordination

More or less direct linkages might be expected 1) between Swedish-supported research and other aspects of Sida's programme; and 2) between the research and Tanzania's current development strategy, policies and programmes. At

the University level, one might want to know 3) whether research sponsorship is sensitive to non-research components of the Transformation Programme. A final question is 4) whether donor activities are adequately co-ordinated.

Many activities supported by Swedish research co-operation at UDSM have considerable relevance for other Sida-supported sectors and projects in Tanzania. Research on Man(sic)-Land Interrelationships in Semi-Arid Tanzania (MALISATA) undertaken by the Institute for Resource Assessment started by looking critically at the Kondoa Eroded Area, which was the site of a long-term Swedish-supported project. Sida support to the power sector (Chapter 3.2 above) is complemented by the Faculty of Engineering research. In spite of these potential linkages, there is actually no formal connection between the research and other country-programme activities.

Relatedly, one might ask whether the stress on democratisation in the Country Strategy has influenced the choice of social research methodologies favouring participatory techniques. And does Sida's outreach to civil society suggest the possibility of research collaboration with non-government research groups?

There is a feeling among some observers that the Department for Research Co-operation has not yet been fully integrated into Sida – that is, that it does not play a very active role in Sida's programming activities and policy debate. It may be that Department staff do not have the necessary formal and informal channels to use insights derived from the research sponsored in Tanzania for feeding back into the policy-making and programming functions.

Many Swedish universities and research centres have been involved in collaborative research, and many Tanzanians have studied in Sweden. In multiple ways, this should have an impact on policy reflection on both sides. Yet there does not seem to be a rich, organic linkage between Swedish-funded research and policy-making/programming. Perhaps it is unrealistic to expect otherwise, given the different rhythms and organisational arrangements of research and policy making. On the other hand, there would be clear gains from an effort to build more synergies between research co-operation and operational work, based on common concerns.

The Department for Research Co-operation is concerned to fund research that reflects national priorities. In MUCHS, for example, “The research policy [of the College] will ensure that research priorities are within national priorities, deals (sic) with local problems, can be used to solve local problems and provide solutions to scientific questions” (Sida, n.d.(b): 4). Studies related to reproductive health have been “health service oriented, addressing questions that can be immediately useful to efficiently target scarce resources in the health care system” (ibid.: 11). This is arguably too narrow a focus, concentrating on official (Government) as opposed to *national* priorities more broadly defined.

Are Sida-supported researchers using their research findings to improve their teaching? This is a central concern within the UDSM Transformation Programme, but not one on which any assessment has been done until now.



We were not able to get a picture of the level of donor co-ordination in support of research. It is possible, however, to identify some key questions that need to be addressed and have not yet been touched on by any public initiatives.

Are donors co-ordinating their efforts to avoid double-financing of activities and putting too much pressure on available administrative and research capacity? Are rates of payment for researchers harmonised? Is there not a clash between the tendency for donors to hire university staff to run projects or undertake relatively well-paid consultancy work, and the objective of promoting basic research? Do donors, including Sida, make any attempts to hire consultants through university consultancy bureaux rather than directly? Given the scale of Swedish support, it would be reasonable to expect Sida to lead on these issues.

### 3.8 Assistance to NGOs and civil society

The discussion in this sub-chapter is focused on the substantial category of support delivered through Swedish NGOs. In this context, some comments are made about the wider field of NGO policy and Sida's direct involvement with NGOs in Tanzania. The latter topics are returned to in the sub-chapters on culture and democracy and human rights below.

The 1996 Country Strategy expressed the intention that assistance to Tanzania through NGOs should be maintained at a high level. Particular mention was made of NGOs working in the social sectors in ways that complement Government programmes, with emphasis on important issues such as human rights, the position of the child, the disabled, and trade union activities. The possibility of "more flexible and open" co-operation between NGOs and Government programmes was to be examined.

Six large and many smaller Swedish NGOs are active in Tanzania, undertaking a wide variety of projects with local NGO counterparts. Several are church-based. Two Swedish umbrella organisations play co-ordinating roles – the Pentecostal Churches Association of Tanzania (Formerly Swedish Free Mission) and Forum Syd, which works with secular NGOs. The health and education sectors are the major focus. However, capacity building with counterpart organisations forms a third major area of activity, which could be seen as a contribution to the Strategy objectives of building civil society and democracy. Some projects are aimed directly at the disabled, and others centre on gender awareness.

#### Implementation experience

The position of the Swedish NGO support is different from that of other components of the country programme. Sida's support is generally given as a biannual frame to the office of the NGO in Sweden, which then decides on its allocation between sectors and countries. Sida does emphasise the need for consistency with its Action Programmes and for maximum sustainability of

NGO activities in-country. However, the orientation of the supported NGO activities, including the volume of expenditure in a particular country, is not determined by Sida.

Despite this limitation, aggregate disbursements to NGO activities in Tanzania through this route have been between 25 and 35 million SEK per year, according to Sida's NGO section in Stockholm. According to the same source, the pattern of activity has remained fairly stable. No specific efforts seem to have been made to enhance co-operation between NGO and Government programmes in the social sectors. On the other hand, the NGO section attaches importance to the general work of the Embassy in improving the framework conditions for NGO activity in Tanzania. This includes, notably, the support given to formulation of the new NGO Policy, as well as the grants made to a number of individual Tanzanian NGOs, or NGO umbrella organisations, within the programme on Democracy and Human Rights (sub-Chapter 3.11).

### Relevance to poverty reduction

For Sida, there is a long tradition of administering the NGO support from Stockholm, and there are strong interests, as well as good reasons, for maintaining it this way. The direct relationship between the NGO section at Sida headquarters and the Swedish NGOs helps to build public awareness in Sweden, and to encourage fund-raising there. This relationship is widely perceived in both countries as providing a mutually beneficial link, with genuine concern for well being and global justice, between two otherwise distant and diverse cultures. We were not able to investigate its operational content to any degree, but as a general method of aid delivery it seems consistent with several of the objectives of Swedish development co-operation.

Specific relevance to poverty reduction cannot be assessed here, as the evaluation team was largely restricted to Sida documentation, which contains comparatively little information for the reasons explained. There is a *prima facie* case for seeing the Swedish NGO support as poverty focused because of the reported attention to groups with special needs, such as the disabled, and to the rights of the child. On the other hand, concentration on the social sectors does not imply a poverty focus per se, and the best international research on the effectiveness of NGO projects in reaching the poorest groups (e.g., Riddell and Robinson, 1995) does not encourage the assumption that NGOs are invariably good at this.

### Prioritisation and co-ordination

One major issue calls for comment here. That is the relationship between the Sida-supported activity channelled through the Swedish NGO channels and the emerging structures of NGO regulation and co-ordination in Tanzania.

The NGO Policy document, now in its fifth and final draft, reflects a range of different points of view. In Tanzania, the relationship between Government

and NGOs is still perceived by many of the latter in terms of the former's wish to intimidate and control. On the other hand, Sida's support to the Vice President's Office during formulation of the NGO Policy has facilitated a consultative process. The oldest Tanzanian umbrella organisation, TANGO, has been quoted as saying that the document represents a consensus. Others, such as TGNP, are not so convinced but acknowledge that at least there has been a debate and all interested parties have been consulted.

As background to this, there are different views about the proper role and mode of operation of an NGO umbrella. Some of our informants made a distinction between "control" and "coalition-building" in defining what national NGO co-ordination has meant and should mean in practice. The implication was that new forms of co-ordination are emerging as a significant feature of the sector, influencing among other things the process of formulating the NGO policy.

These processes now under way are important for defining the context in which all NGOs work in Tanzania, including those funded under agreements with Swedish organisations. At present, the Socio-Cultural Analyst at the Embassy keeps a watching brief on NGO issues, while the Programme Officer for Democracy and Human Rights manages the relevant direct support. However, it is not entirely clear whether this arrangement ensures a sufficient relationship between the structures for co-ordinating the Swedish NGO network and the national NGOs in Tanzania.

Our information suggests that the Swedish NGO umbrellas in Tanzania do not interact with the Tanzanian NGO umbrella organisations, and instead work in parallel. This seems undesirable, especially in view of the rather different relationships that will necessarily exist between the respective umbrellas and their members. Some steps seem to be desirable to address this problem.

One option – which the Embassy does not favour – would be for Sida to have an NGO Programme Officer based in Tanzania, in order to build up stronger links and working relationships across the range of civil-society support activities that are expected to develop in years to come. It would be important not to damage in the process the relationship which has been built between the Swedish public and the Tanzanian public, mediated by the Sida/NGO funding link. An alternative option would be for an organisation such as Forum Syd to make a deliberate effort to intensify its contacts with Tanzanian NGOs.

### 3.9 Private-sector and financial-sector development

The primary objective of Sida's support to private-sector development (PSD) is "to contribute to the creation of a conducive business environment in which viable companies provide quality goods and services to the benefit of individuals, households and society at large in partner countries". In the fi-

nancial sector, the aim is “to contribute to the provision of efficient, sustainable and competitive financial services to the benefit of government, enterprises, households and individuals”. The two areas of support are obviously related and complementary. They are reviewed together.

Swedish support to PSD has been of the order of 10 million SEK per year during the period under review. There are four areas of current support:<sup>27</sup>

*Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)*: This support is aimed at developing the TCCIA into a sustainable and member-driven Chamber network, able to provide appropriate services and authorities to the business community. The support is provided through a Swedish partner, the Malmö Chamber of Commerce.

*Ministry of Industry and Trade (MIT)*: The following sub-projects are identified:

- a. capacity building of MIT staff in relation to the privatisation and restructuring of industrial parastatals;
- b. reform of the state-owned Industry Support Organisations (ISOs), and the identification of new roles for the Ministry and other establishments in this field;
- c. general capacity building in specific focal areas identified: Competition Policy, Management Information Systems, Transaction Costs, and Trade; and
- d. support to the formulation of a National Trade Policy.

*Enterprise Development Programme*: This programme aims at promoting the development of commercial relationships between Swedish and Tanzanian companies. It is implemented by Boliden Contech of Sweden in collaboration with the TCCIA, and it involves linking companies, capacity building, study tours, and trade fairs.

*Promotion of Rural Initiative and Development Enterprises (PRIDE)*: Support has been provided to explore the possibilities for transforming a non-profit micro-finance NGO into a for-profit entity licensed to attract deposits (PRIDE Bank).

As in other countries undergoing structural reforms, the emphasis on financial-sector policy in Tanzania has been on the removal of financial repression and the enhancement of competition in the financial sector. Major reforms began in 1991, with the Banking and Financial Institutions Act and the LART Act. In 1994 the Capital Markets and Securities Act was passed.

Sida’s assistance aims at contributing to this process, and specifically to the creation of 1) a basic legal and regulatory structure, 2) financial markets, 3) financial institutions, and 4) capital resources. The current assistance aims both to develop an institutional framework and to promote a variety of providers of financial services.

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<sup>27</sup> In addition, 1.9 million SEK of support was provided to the Tanzania Bureau of Standards during 1995–97.

There have been six specific focuses of support in the evaluation period:

*The Capital Markets and Securities Authority:* Sida has supported this Government agency with some MSEK 8.0 to enable it to develop its regulatory and supervisory capacity, and to establish and develop the Dar es Salaam Stock Exchange.

*The First Adili Bancorp Ltd.:* This is a private, indigenous commercial bank, which has received Sida support to the tune of MSEK 5.0 to help place the bank on a firm footing. The bank provides both traditional and investment banking services. The support was a combination of technical assistance and financial assistance in the form of conditional loan (quasi-equity).

*Tanzania Development Finance Company Ltd.:* This is a development finance institution owned by local and international financial institutions. Sida provided support MSEK 8.0 in the form of a credit facility to facilitate TDFL's investments in some locally-based financial institutions.

*The Tanzania Venture Capital Fund and Fedha Fund:* These are risk-capital institutions owned jointly by a group of international development finance institutions, the Tanzania National Provident Fund and TDFL. They are both managed by First Capital Partners, an expatriate-managed operation that aims to become fully localised at the earliest opportunity. Sida provided a MSEK 4.4 conditional loan to Swedfund, which owns the Swedish shares in the TVCF, and some 2.25 MSEK for investments in small and medium enterprises by Fedha. The two funds invest in industrial and commercial ventures, with some preference towards Tanzanian-owned concerns.

*UDC (Tanzania) Ltd.:* This is a leasing company owned by EDFUND, an international investment fund making equity investments in leasing companies. Such companies provide finance for procurement of vehicles and machinery for small and medium sized enterprises. Support to EDFUND, amounting to MSEK 12.0, has been channelled through Swedfund, which owns 17.5 per cent of EDFUND.

*Microfinance:* Sida participated during 1997 in the Joint GoT and Multi-Donor Mission on Rural and Micro Financial Services. Initiatives are in place for support to the development of the micro-finance sector, with particular emphasis on the development of a legal framework for the sector. Some other interventions are direct, such as that noted above in regard to PRIDE.

## Implementation experience

Implementation of the activities covered in this sub-chapter appears to have been generally efficient and trouble-free, with competent and well-chosen intermediaries. There have been some slippages. For example, the establishment of the Dar Stock Exchange was delayed, and the response so far to its creation is considered rather disappointing; but more significant than such minor setbacks is the way the overall shape of support to PSD and FSD has evolved over the period that concerns us.

During most of the evaluation period, the priorities in Sida's PSD and FSD work were those established by Swedecorp, which undertook a major reorientation just prior to its incorporation in the new Sida. As indicated in Chapter 2, these are best seen as expressed in, rather than established by, the Country Strategy. They reflected the earlier shift in Swedish co-operation thinking towards a private-enterprise-led development model, with partner governments being encouraged to adopt a regulatory rather than entrepreneurial role.

Initially the application of this approach in Tanzania involved a significant portfolio of direct support to private businesses and financial institutions, with some involvement of the Swedish private sector. Although support was given to "framework" institutions – the Chamber of Commerce, the stock exchange and its regulatory authority – Government's legitimate responsibilities for enabling and promoting private investment received little attention.

This may well have been justified at the beginning of the evaluation period, but became less so as GoT began to adopt a more positive attitude towards creating the fundamental conditions for investor confidence. In the latest period, Sida's PSD and FSD work has responded to opportunities to shift its emphasis towards support for sector policy work, notably in the assistance to the MIT and microfinance policy. This is a trend that we endorse.

With reference to the financial sector in particular, the Results Analysis for 1995–99 claims some modest successes. The majority of the investments undertaken by the Venture Capital Fund are reported to have been in firms that are Tanzanian in terms of controlling interest. The number of ventures supported has been "substantial", and some of these are already viable enough to be listed by the Dar Stock Exchange, providing a future means of exit by donors as the ventures become locally sustainable. Significant (but unquantified) job creation has taken place as a result.

The Fedha Fund is considered by the RA to have provided conspicuous support to small and medium enterprises, which is considered an area of significant and direct impact on poverty alleviation. First Adili Bancorp is cited as exemplifying the gradual emergence of a local/indigenous private financial system, with increasing competition across a wider range of services in the banking sector. Finally, the creation of the first Stock Exchange in Dar es Salaam has put in place a crucial instrument of financial intermediation and mobilisation. The regulatory system governing the SE is also in place and working well.

On the other hand, the evaluation team noticed a trend in thinking and practice by donors, including Sida, in the general direction indicated above. This may, in due course, result in a somewhat stronger emphasis on financial policy frameworks and less on investments to strengthen particular financial institutions. Care will need to be taken not to over-react to the spate of high-profile failures by innovative "indigenous" banks in the region during the late 1990s. But, in general terms, contributing to an enabling framework for private finance seems to offer a better chance of achieving a broad-based impact, as

well as being accompanied by fewer specific risks. Where capital support is needed, it may better take the form of mutual credit guarantees by a group of donors than direct support to an individual actor in the market.

### Relevance to poverty reduction

It is not easy to form a judgement on the relevance of PSD/FSD support to the objective poverty reduction in particular. It could be argued that the operationalisation of the programme has become more poverty focused in the last few years. The micro-finance initiatives, for example, are an innovation with respect to the original Swedecorp strategy. There has perhaps been a greater emphasis, in the implementation of the venture-capital schemes, on local ownership, job creation and women-owned businesses (Miller, 1999:4). But to take these as the criteria of relevance to poverty reduction runs the risk of reducing relevance to direct or targeted assistance to poor people. We have argued that direct assistance is only one way of being relevant, and not necessarily the most important.

In a broader perspective on poverty reduction, very much depends on the pace and pattern of the economic growth that could, in due course, be facilitated by PSD/FSD work. This in turn depends on other things. Much would rest on how far private investment began to move into agriculture as well as mining and tourism, which cannot be guaranteed. Unrelated factors could certainly swamp the specific effects of successful investments in productive or financial enterprises. In the words of a recent evaluation report on First Capital Partners:

*“[G]iven the relatively small size of these funds compared to the Tanzanian economy, it is impossible to assess any broad measures of economic and social impact... And it is unrealistic to even look for any. There are too many other variables to make such a search worthwhile. For example, overall poverty rates could increase even though FCP were to create 10,000 jobs (and no one is expecting that), because of falling commodity prices, social unrest that reduced foreign and domestic investment in businesses, or the effect of AIDS ...”*  
(Miller, 1999:13).

Given these major uncertainties, we return to our main theme. Other things being equal, a focus on policy, regulation and framework institutions is more likely to have the broad-based enabling effects that are required for significant poverty reduction than supporting individual enterprises and financial intermediaries. In this sense, it is probably a better use of money.

### Prioritisation and co-ordination

Sida efforts in the PSD/FSD area are fully in accord with current GoT policies. increasingly, Sida is participating in a broader partnership between donor

agencies, private-sector institutions and sectors of Government committed to further modernisation the country's policy framework under GoT leadership. There have been, and will certainly remain, differences of view, often cutting across the division between the national institutions and external agencies. Recent disagreements have included the benefits and risks of opening the DSE to foreign equity participation, and GoT's attitude towards participation in the COMESA trade agreement. However, these are reasonably seen as tactical differences within a shared set of strategic priorities.

Thanks in part to the increasing willingness of some major sectors of Government to "sit in the driving seat" and bring donors into line with national plans (see Chapter 4), donor co-ordination in the PSD/FSD area has improved. Other, more coincidental, factors may have contributed to such a trend. In any event, the last two years have seen Sida working closely with DFID, DANIDA and USAID among others, with an increasing focus on sector-wide issues and the national policy framework. In this context, there are bilateral understandings to avoid supply-driven aid overload on particular institutions – e.g. between Sida and DANIDA in supporting respectively the TCCIA and the Confederation of Tanzanian Industries.

### 3.10 Support to cultural activities

Tanzanian society is in a process of rapid change. Globalisation and commercialisation have created both new opportunities and new constraints for different social groups as consumers and producers of culture. So far, unfortunately, significant changes have mostly affected the transmission of cultural expressions from outside into the country and downwards to local communities. How can more endogenous processes of cultural development be supported? How can donors support different strata's possibilities to express their interpretations of contemporary changes and of what is beautiful or interesting?

Sida's programme for culture emphasises that cultural expressions of various kinds have value in themselves, as aesthetic experiences, but also have implications for development. Culture may strengthen self-esteem, identity, spirit of community, trust, togetherness, quality of life and/or perspectives on the future. It has a direct bearing on the development of a democratic culture and indirectly also on economic development ("Kulturens roll i Utvecklings processen", 1996).

Sweden has supported cultural projects in Tanzania since the 1970s. Cultural exchange with Sweden has been an important feature of the support. However, the support was scattered and ad hoc. In 1996 a regional Programme Officer for culture and media was posted to the Embassy with the objective of developing a less fragmented and more efficient form of support.

The following projects have been supported in the Strategy period:

- Tanzania Media Council (1997–1999);



- East-African Book Weeks;
- East African Theatre Institute (1997–1999);
- Children’s Theatre Project (Tuseme) (1996–1998);
- Education through democracy (1996–1998);
- Community based rehabilitation in Zanzibar (1998–2000);
- Pilot community programme;
- Co-production in dance; and
- Tanzania Culture Trust Fund (1998–2001).

### Implementation experience

The support to the *media sector* was concentrated on the Media Council of Tanzania (MCT). A three-year programme has been developed, but awaits the finalisation of the programme for democracy and human rights. Interim support has been given each year. MCT is a key player in the media sector. It aims to build competence and strengthen the regulatory framework in order to protect press freedom and ensure accountability to codes of press ethics in return.

The Media Council provides an important framework for the media in Tanzania. As a regulatory body autonomous from the state, it is almost unique in Africa. Only Namibia has a similar institution. A neutral chairman heads a council made up of seven members from the media and five from the public. It provides an important arena for discussions on media issues. A number of workshops and seminars have been organised. The Council has contributed to both an internal and a public debate about press ethics and the role of media. Its new newsletter *Media Watch* will contribute further to that.

The three new *regional programmes* that have been developed are interest-based and have a multi-stakeholder platform. The aim of the East African Book Weeks is to develop reading culture among East African people through annual book fairs; the East African Theatre Institute seeks to develop East African theatrical production and workshops. There is also pilot project to establish a community radio

*Tuseme* (Let’s speak) focuses on adolescent girls. It is a unique project that provides an arena for girls’ self-expression to counteract gender discrimination in childhood and adolescence. It is active in Dar es Salaam and several other parts of Tanzania.

All of the projects are well documented, with annual and semi-annual reports and proper external auditing. In addition, the documents are well organised in the Sida files. In view of the small resources available for administration, a huge effort has to be spent on detailed annual reporting.

The support was developed through a three-year temporary staff post at the Embassy for “regional culture and media co-operation”, 1996–1998. Since

early 1999, the administration of the support has been transferred to the locally-recruited Assistant Programme Officer for commercial and private sector development. 20 per cent of the post was devoted to administration of support to culture. Recently, the APO has been upgraded to Programme Officer. The support to the media has been transferred to the PO for democratic governance and the children's book project, *Tuseme*, to the PO for education.

A large part of the work during the period was devoted to concentrating the support, identifying networks and designing an initiative that could be cost-effective and efficient, and at the same time inclusive. Piecemeal projects were phased out and a sector-wide approach applied. Finally, with the establishment of the Tanzania Culture Trust Fund (TCTF) alongside the support to the Media Council and the three regional programmes, the bulk of the support started taking the form of projects that in themselves are networks "owned" by the stakeholders.

The preparatory work for the TCTF was done in close co-operation with different stakeholders in all cultural sectors, including the Ministry of Education and Culture, over a three-year period. Swedish external consultants<sup>28</sup> did the outline and the legal framework of the Fund, which draws on some of the ideas about autonomous public funds mentioned in sub-Chapter 1.2.

The Fund is governed by a Board consisting of 10 Trustees, each representing and being appointed by a certain cultural constituency. Five are women and five are men. In 1998 Sida decided to finance the Trust Fund for a three-year period with a total of 10 MSEK. The official inauguration took place in April 1999. The Board's first round of applications (1999) attracted 171 applications. 26 projects were funded, divided into six different areas. 20 of the projects were within the Dar es Salaam region. Both governmental and non-governmental institutions could apply. The Executive Secretary makes the first review of the applications. The Board of Trustees makes the final screening and decision – a time-consuming process requiring a two-day meeting.

Implementation problems have not been entirely lacking. The quality of the applications varied, with many lacking focus. The information on the TCTF could have been better distributed. There is a need for clearer criteria on how support is given. It was difficult to know how serious applicants were, especially if they came from far outside Dar es Salaam.

As a whole, the support to the cultural sector has developed in a sensible direction. The piecemeal and costly administration of the earlier cultural support has been replaced by more participatory, sector-wide methods. The TCTF has provided a mechanism that enables an efficient handling of the cooperation while avoiding as far as possible the fuelling of nepotism/clientelism – or the suspicion of that. It is an interesting and innovative institution, even if still in its infancy and in need of close monitoring. It is a mechanism that with modification could be used in other sectors as well – for example in the democracy and human rights sector, as discussed below.

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<sup>28</sup> Göran Hydén. The legal framework was elaborated by Björn Mothander.

A possible criticism of the Fund is that it provides a way of reducing administrative costs on the donor side by transferring costs to voluntary organisations that already live on tight margins. In the light of this, it might be worth considering strengthening the administration of the Fund.

The objectives of the Fund are all-encompassing, which generates high expectations. If the project is to be sustainable, it may be necessary to either look into the level of financing or review the range of its objectives. The Fund would, anyway, be assisted by clearer guidelines on how applications are to be judged.

### Relevance to poverty reduction

Taken together, the support for these activities enhances self-esteem, democratic culture and grassroots' participation, which is likely to contribute to reduced poverty, especially if poverty is broadly defined, including voicelessness and lack of social capability. A number of projects have also provided training that enhances the economic capabilities of resource-weak strata. The regional programmes contribute to a deepening of democracy, to strengthened relations between stakeholders in the neighbouring countries, and, in that way, to opportunities for interesting mutual exchanges. In these ways, the support is strengthening the countervailing forces to abuse of power and building a culture of reconciliation and democracy

The decision to establish a post at the Embassy for culture and regional cooperation was timely, enabling the PO to work more closely to the setting and to the stakeholders. Interest-based multi-stakeholder networks have been facilitated to constitute platforms for support to the sector. The mechanism supports self-organisation and capacity by stimulating the stakeholders' own processes for identifying selection criteria.

Some possible areas of support that would be relevant to poverty reduction and other Sida objectives have not been well covered until now. One area with huge impact on people's identity and sources of self-esteem is popular culture. "Low" forms of culture are often overlooked in public funding everywhere. Yet Tanzanian popular music is one of the few areas where "local" culture can challenge global culture. Dar es Salaam has at times had one of Africa's richest popular cultures, with theatre groups, orchestras and bands. Unfortunately that cannot be said today. Popular cultural production has been undermined by the legal framework (faulty copyright laws, etc.) and lack of facilities for recording and distributing music. The Trust Fund has supported an interesting project where a modern dance band gets support to study Tanzanian traditional music, but this represents a very small beginning.

There are today too few arenas for larger cultural performances of all types. Proper facilities for theatre, dance or music performance are lacking in most Tanzanian cities, not least in Dar es Salaam. One reason this matters is that "cultourism" is an emerging source of income and foreign exchange earnings. For the time being, very few tourists know about cultural life in Dar es Salaam, and the elite's attitudes are largely shaped by global cultural forces. With more

suitable venues, and better information on cultural activities, both the local and the foreign “culture consumer” could be attracted.

### Prioritisation and co-ordination

The operationalisation of the support to culture has reflected priorities set by both the Swedish and the Tanzania governments, especially in regard to deepening the democratisation process. The three-year programmes create stability and continuity, enabling beneficiary organisations to concentrate on cultural production, rather than hunting for funds.

The design of the support was carefully discussed with the Government. The Director for Culture in the Ministry for Education and Culture was very positive; he had been well informed and was allowed his say in the design of the support. It was of concern to him that the Ministry itself had extremely limited resources to support cultural activities. As the Ministry was represented on the TCTF Board it could influence decisions; and it could also itself apply for funds.

## 3.11 Democracy and human rights

Tanzania is still in transition from a one-party to a multi-party political system. The formal and informal institutions of democracy are still very weak. The presidential system of governance that Tanzania has adopted lacks the checks and balances that a strong parliament, and impartial and effective judiciary, could provide. As in most other African countries, no strong opposition party has emerged. Public administration is extremely hierarchical, centralised and limited by elitist attitudes and weak capacity. A culture of dominance and patronage characterises the society from top to bottom, particularly affecting relations of gender and age.

The 1996 Country Strategy rightly regarded these issues as of fundamental significance, both in themselves and in relation to the prospects for general social and economic progress in the country. The problem that poses itself is whether there are appropriate ways of tackling such a complex and multi-faceted set of issues in the framework of a bilateral co-operation programme.

No less than eleven different objectives were identified in the Country Strategy in the area of support to democracy and human rights:

- to consolidate democratic reforms;
- to strengthen civil society and increase respect for human rights;
- to support democracy in both the state and civil society;
- giving attention to parliament and the judiciary;
- to examine the links between the democratisation of public administration, culture and the media, and at the same time consider the role of state, improve its efficiency, combat corruption and create openness;

- to promote a vigorous democratic and pluralistic society;
- to strengthen civil society with respect both to democratisation and promotion of human rights;
- to increase grassroots participation;
- to strengthen the rights of women and children;
- to strengthen women's political participation;
- to facilitate dialogue between the opposing parties in Zanzibar.

These objectives are diverse and multi-layered. An added complication is that civil society in Tanzania consists, on one rough estimate, of around 9,000 small organisations, active in many different areas. The support to the democratic governance and human rights sector is, consequently, spread across a vast number of areas and organisations in different spheres of society. The interventions may be divided into three general categories:

- interventions that indirectly improve human rights and democracy, or have an element related to democracy (e.g., rights' enhancement dimensions within the support to education, culture, HESAWA, LAMP, etc);
- public sector reforms, that potentially not only improve governance and transparency within the public service but also begin to build accountability mechanisms and capacity for a broader democratic participation (as discussed in sub-Chapter 3.5);
- direct support to civil society, human rights' promotion or the development of a democratic culture.

The last type of intervention has consisted during the period of support to around 20 different NGOs, governmental and professional organisations, and projects, within the fields of democratisation, human rights, conflict resolution and mass-media development. The interventions cover a vast range of activities, mostly in the form of small, selective interventions, e.g., for seminars, exchange programmes and civic education. Some seven organisations, including the Media Council – transferred from support to culture, as mentioned in the last sub-chapter – have received more substantial or more continuous funding:

- Basket fund for the 2000 election (2000): 20 million SEK (half to voter education and NGOs, half to NEC, co-ordinated via the Danish Embassy);
- Parliamentary Political Parties Committee (PPPC) (1997–) (training of political leaders, conference on Zanzibar, training of voter education trainer);
- The Media Council of Tanzania (MCT) (1997–): 400,000 SEK/year (office, code of ethics, network, complaints' resolution, directory, gender issues workshops);

- Inter-Party Committee, Zanzibar (IPC) (1999–): 175,000 SEK/year (to consolidate democracy in Zanzibar; promote human rights and governance; free and fair elections 2000; reconciliation and dialogue between CCM and CUF);
- Law Revision Project (FILMUP) (1993–98, 1999–) (revision and distribution of the revised law book, strengthening of office);
- Zanzibar Legal Service Centre (ZLSC) (1997–1999): 200 000 SEK/year (basic office equipment, capacity-building seminars, legal services to disadvantaged groups);
- NGO Policy formulation process (1997–99): 300 000 SEK/year (Vice President’s Office, Second and Third NGO Policy workshops).

### Implementation experience

It has not been possible to get complete figures for the support given to the democracy and human rights area. The problem is not just the cross-cutting nature of much of the effort put into democracy and rights’ support. There are also no fully-aggregated figures for the more obviously targeted forms of support. For example, in addition to the totals recorded, an amount of 1.33 MSEK was channelled via Swedish NGOs, including churches, to democracy and human rights in 1999. Table 1 shows the disbursements formally recorded as belonging to this area, including the element attributed specifically to the building of political and social rights.

Table 1: Disbursements to democracy and human rights (SEK million)						
	1995	1996	1997	1998	1999	2000*
Democracy and Human Rights	22,1	4,2	4,0	4,6	4,4	24,6
(of which Political and Social Rights)	1,4	1,8	2,3	2,2	2,4	3,4

Source: Sida statistics

Notes: Figures include allocations both in and outside the Country Frame.  
For 2000, planned disbursements.

The disbursed amounts could be considered small. They contrast with the more than 100 million SEK that was paid via the country frame to telecommunications and energy in 1998. The support between elections and outside the formal democratic framework is particularly modest. The support to the election in 2000 is planned to be 20 MSEK, of which half will go to the NEC and half to NGOs via a basket fund. Of the remainder, 3.4 million SEK is to be divided between six different organisations working on rights.

The Country Strategy proposed that a long-term comprehensive programme be developed for human rights and democracy, in line with the discussions on

a new Sida programme for human rights/democracy and the Swedish government's policy on human rights and democracy. This intention has been repeated in successive Annual Work Plans. A number of studies and ambitious workshops were held and several competent proposals were outlined over the years 1998 and 1999. A reference group and a task force group were appointed. Although in principle now under way, this review has not yet been completed. Therefore the work in the sector has been guided by three different interim plans since 1998.

In view of the work on the new plan, few new initiatives have been taken recently. In a number of cases, renewal of support to projects has been delayed. This has created some uncertainty and frustration on the recipient side (e.g., PPPC, Media Council). Instead, interim support has been given for more confined time periods, of 6–10 months. This is a solution that does not contribute to an enabling environment for small resource-weak organisations. The Swedish government's 1999 budget ceiling added further constraints for both the Programme Officer and the co-operating partners. In some cases, a decision on continued support was postponed at very short notice.

Another issue related to implementation suggested by the comments of a number of stakeholders is whether the procedures and priorities for considering applications are sufficiently clear and adequately publicised. It was suggested that most organisations in civil society, as well as in the public and private sectors, were probably unaware of the opportunities that are available to them, and which "windows" are open to them, under the Sida programme.

The basic policy on that point does seem to be ambiguous. It appears that there is no explicit view within Sida and the Embassy on whether there should be an open and competitive application process, or alternatively whether the Embassy should play an active role in identifying which organisations should get support. At the moment, it appears that the pattern of support is determined by a combination of strategic considerations, path dependence and personal networks. Arguably, a competitive application process would be too costly for the Embassy to administer.

### Relevance to poverty reduction

An evaluation report for the Embassy (Rwebangira, 1999) looked at six of the supported organisations. The report provides a valuable overview of Swedish support but not a deeper evaluation of its results or mode of delivery. Evaluations are planned for the Media Council and the PPPC in the year 2000. Our assessment of the relevance of the operationalisation of the country programme in the area of democracy and human rights depends, therefore, on the evaluators' own judgements.

Relevance seems high for each individual project, but limited by the modest scale of the support across the range of supported organisations and institutions. The programme has been able to identify a few strategically-selected NGOs and projects that have worthwhile outreach. With limited resources, it

probably has contributed significantly to the development of civil society and democratisation in Tanzania, as well as respect for human rights and the management of key conflicts. On the other hand, the programme thus far has had an *ad hoc*, fragmented and short-term character. Also, the support has a number of biases that are not obviously justified.

First, within the broad field of support to democratic governance, specific assistance to the institutions and culture of democracy and human rights is modest in relation to the support to central executive functions as discussed in the sub-chapter on Accountability. These areas of support are undoubtedly complementary. The changes in the civil service that are being supported are about creating more democratic and gender-sensitive office cultures, as well as about increasing responsiveness to clients and civil society at large. However, the historical imbalance between the executive branch and the rest of political and civil society in Tanzania continues to be increased by the way aid is distributed. Greater attention to democratic and rights' institutions would be easily justified against this background.

Second, as already noted, within the democracy vote there is a strong bias to support related directly to elections, rather than to broader processes of democratisation in-between the elections. The election support, moreover, is concentrated on national (presidential, parliamentary and district) elections (1995, 2000). Relatively little attention was given to the 1999 village elections, which were an important step towards democratisation in local communities, and an important prelude to the 2000 elections.

Third, comparatively little support has been given, until now,<sup>29</sup> to the legal sector and to legal aspects of human rights. Also, the broader notion of poor people's rights could have been emphasised more strongly, to link up and give greater coherence to different relevant components of the country programme.

Finally, gender issues have been relatively well covered, even if women's rights could have figured more prominently. On the other hand, the emphasis given to children's rights and disadvantaged minorities in the Swedish Government directive has not been carried through fully at the operational level. Presumably, Swedish support to UNICEF and other multilateral organisations benefits these groups, but this does not show up in the country programme. No project within the Democracy and Human Rights sector has a specific focus on children's rights. Minorities and disabled people's perspectives are not explicitly covered, although they appear under other sectors of work to a certain extent.

Strategic choices are clearly necessary in deciding what to support and what not. Too much of the programme has a historical basis, moderated by periodic partial reassessments. Support to organisations and projects like the Media

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<sup>29</sup> GoT launched a Legal Sector Reform Programme in Nov 1999, and Sida and other donors have been in discussions about support for this.



Council, PPPC and the new land law are highly relevant as it has a catalytic effect on broader processes of institution building that also benefit many other organisations and individuals. On the other hand, to make it fully consistent with the directives on the subject the support needs to be both expanded and given a clearer sense of direction and organisation. In this framework, a number of options are worth considering.

The basket fund arrangement for support to elections works well and is an effective way of administering aid. It seems possible that this model could be extended to give better coverage to democratic processes between elections.

Parliament and other existing mechanisms for decision making and participation could be given more attention. Parliamentary committees and MPs' offices would be one possible focus. The structures and conditions that affect the accountability of the MPs vis-à-vis their constituents would be another. During the current parliament, many MPs had very weak links to their constituencies, a great many living in Dar es Salaam without resources (and, perhaps, commitment) to visit their electorate. We do not underestimate the difficulties involved, taking into account the current composition and style of the Tanzanian party system.

Political parties are difficult to support as such, but they form a crucial part of the institutional make-up of a democracy. The political leaders' training being undertaken by PPPC is important and useful. Thought might be given to extending this to other organisations and institutions. An especially big challenge is to find ways to support the development of plural and participatory structures at district and village level.

None of the current interventions in this sector are directly targeted at poor people. This is not necessarily a problem. Support to more transparent administration, and to the wider distribution of information on rights and entitlements etc., has clear potential to reduce powerlessness, and in turn other dimensions of poverty. The links, however, are long and non-automatic in several respects.

For example, increased transparency and dissemination of information will only have limited effects on the bulk of the poor so long as they remain restricted to central ministries and a few cities and towns. An area that is highlighted in the Government directives, but not incorporated fully in the programme, is support to the development of democratic institutions, arenas and culture at the local level. Especially in view of the devolution of significant resources under the current pilot decentralisation, it is at district level and below where most of the poor would have largest possibility to influence conditions that affect their lives. Increased emphasis on designing appropriate forms of support at this level would be an obvious way of increasing the relevance of the programme to poverty reduction.

## Prioritisation and co-ordination

The support is fully in accord with Government of Tanzania policies, at least as they are expressed in *Vision 2025* (Planning Commission, 1999). However, representatives of both NGOs and Government put forward the view that donors generally are more keen to support bounded projects than to assist in general capacity building across a sector of activity. This is a problem for both NGOs and public officials, as it commits them to devote time and resources to designing projects that might be supported by a donor. It is recognised that Sweden has an open attitude towards common-basket forms of funding, and most comments encourage further movement in that direction.

The pure project approach risks creating islands of relatively well-financed activity, within either governmental structures or civil society. Those organisations that get support obtain an advantage relative to others and a better opportunity to be regarded as suitable partners in the future. With 9,000 NGOs, it is a delicate task to select a few to support, as it has big consequences for the relative balance between different actors.

Given the inherent challenges to this type of support, we believe that this is an area in which common-basket or trust-fund models should be further explored. Experiences from the same sector which could be re-examined for lessons on opportunities and possible pitfalls include the basket fund for the 2000 elections, and the support to the Parliamentary Political Parties Committee.<sup>30</sup> Outside the sector, the Culture Trust Fund is another model that could be applied. It is understood that the Embassy has already taken a number of small steps to explore these possibilities, and is thinking in terms of a managed fund for the promotion and protection of human rights and democracy, and another for the support of children and youth in difficult circumstances.

Among donors interested in democratic governance, there is continuous discussion in different fora, but not much formal co-ordination, especially in the area of democracy and rights. Support to the Government-focused reforms is well co-ordinated through a number of working groups/steering committees on different reforms. However, there is no similar mechanism for the wider support to democracy. For the election support, Denmark takes the lead in administering the joint basket fund. However, the support to NGOs/civil society is difficult to co-ordinate, partly because of the character of the sector and partly because most donors do not have substantial programmes on democracy and human rights.

There is co-operation around individual projects, such as the Media Council, PPPC and IPC. Both donors and recipients see a need for greater co-ordination, to reduce transaction costs.

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<sup>30</sup> Regarding the basket funding for elections, it may be worth noting that the NEC do not fully agree with the current design. NEC representatives think they should be more involved in the decision over the support to voters' and civic education.

## 3.12 Conclusions and recommendations

This chapter has been about the operationalisation of the country programme, or the country programme as it actually developed between 1997 and 2000. Our conclusions and recommendations relate to the same level of discussion. It is important to make this clear, so as not to detract from the main recommendation from Chapter 2. That is, that in future the content of country programmes should be derived in a more deliberate fashion from an analysis of the country situation – especially the causes of persistent poverty – and evidence on the effectiveness of past interventions.

In this chapter, the evaluation follows the existing structure of the country programme. The recommendations indicate adjustments that might be made to Sida operations within each of the major areas of activity. But this should not be taken as implying that these areas of activity would necessarily be those prioritised if the country programme were driven more strategically by poverty-reduction objectives.

It is not the role of the evaluation to pre-empt or second-guess what will emerge from the 2000 country strategy process in this regard. However, it is already clear from Chapters 1 and 2 that the low productivity of small-holder agriculture and other natural-resource-based activities poses *the* major challenge to a strategic approach to poverty reduction in Tanzania. The current country programme does address this challenge, with substantial programmes on local natural resource management. However, in view of what is known about the distribution of poverty and likely sources of poverty reduction in Tanzania, Sida needs to have very strong reasons if it decides not to engage more broadly with agricultural issues, including their important gender dimensions.

*This is a more important strategic issue for Sida in Tanzania than any of the others itemised below.* We indicate this with the first recommendation at the end of the chapter.

Five other themes have been developed in the chapter:

- the value of involvement in regulation and sector policy;
- taking seriously the institutional obstacles to project effectiveness;
- the need for long-term, poverty-sensitive project impact evaluation;
- building synergy between Swedish-funded research and the country programme; and
- the managed-fund approach to support to culture and democracy.

### The value of involvement in regulation and sector policy

This theme has been developed particularly in relation to the two main areas in which Sweden has contributed to infrastructure development: power and

telephones. It also has relevance to the area of private-sector and financial-sector development.

On *infrastructure*, we have questioned whether Sweden's past commitments were sufficiently justified in respect to the goal of poverty reduction, and whether their implementation has been as pro-poor as it could have been. The intention to conclude or scale down these commitments is soundly based, to the extent it responds to these concerns. But there is some danger of throwing the baby out with the bath-water. Sweden's now unrivalled experience in these sectors places it ideally to remain involved in the sector policy discussions and regulation issues that are coming to the fore.

Many of the activities within the energy sector are found in the boundaries between the public and private domain. The private sector will in the future play a bigger role in supplying Tanzania with electricity, and the reforms have just started. Therefore it is a strategic moment to engage in these discussions. Sweden has a comparative advantage with its long history as a partner to Tanzania in the energy sector and there is a great deal of mutual trust to build on. There is a danger in the current process that the Government of Tanzania will have limited capacity to engage in the dialogue with the other players, some of which are very powerful. *Mutatis mutandis*, the same arguments apply to telecommunications.

We are persuaded that this approach not only represents a valuable way of using the comparative advantage Sweden has acquired, but also represents the most valid way of articulating poverty-reduction concerns (one that is also consistent with new-partnership principles). On the whole, influencing infrastructure policy and regulation to pay greater attention of poor consumers and non-consumers seems a better approach than supporting one-off targeted operations – of rural electrification, for example. These conclusions are expressed in our second and third recommendations below.

In the areas of *private-sector and financial-sector development*, it appears that conclusions of a comparable kind have already been drawn by Sida. Our general assessment of the work in these areas is that they are shifting the balance away from direct efforts to foster particular enterprises and institutions, towards support for sector policy development and regulatory activities in partnership with relevant ministries and public institutions. We agree with this change of emphasis, even though it is impossible to say anything firm about the possible poverty impacts of this work.

### Taking seriously the institutional obstacles to project effectiveness

This theme, too, is illustrated by one cautionary experience and an example where the trends already seem to be going in the right direction. This refers to basic education on the one hand and public finance/accountability on the other.

We have detailed concerns, that Sida shares, in relation to *the book programme and education-sector policy*. These involve the constraints that are faced to a greater or lesser extent by projects in general. Any success in meeting immediate and longer-term objectives is liable to be vitiated by conditions and events in the wider environment that they do not control.

This is the “jigsaw puzzle” or “links in the chain” dilemma which is one of the most familiar and long-standing issues in development co-operation. The repeated failure of stand-alone projects to yield sustainable results has become, since the 1990s, the main force behind the move towards sector programmes. Yet in Tanzania the inability of the Ministry of Education and Culture to take convincing ownership of the education SDP condemns the donor community and the government to continue with projects.

The question is how passively to accept the logic of this situation. Given the long-term record of large Sida projects failing to meet their objectives for exactly this kind of reason, we would expect a certain hesitancy to continue with more of the same, without the obvious risk factors being highlighted. Yet awareness of risk was not particularly evident in the documents of the education project.

The likely obstacles to realising the most poverty-relevant dimension of the book programme – the massive free distribution of school books – did not seem to be adequately addressed. We also found no general or specific discussion concerning how related areas (curriculum quality, teacher education, teacher motivation, financial and managerial decentralisation under the LGRP, community “empowerment” and so on) both affect and constrain the book project.

Most important, neither Sida nor other donors in the sector were prepared to consider seriously the proposition that the continued availability of more or less unconditional project funding for book supplies could be an obstacle rather than an aid to agreement on a serious sector development programme. A cautiously-worded recommendation on this issue is included below.

The area of the country programme that we have labelled *public finance and accountability* is, in contrast with basic education, a “sector” in which a number of things seem to be coming together, slowly, in a generally virtuous circle. This is happening with the help of a cluster of Sida-supported activities, which include some of the best gender-equity initiatives in the country programme.

We do not want to overstate the positive features of the case – it is generally recognised that it rests on a relatively narrow base of capacity and commitment on the GoT side. But our main concern has been that Sida needs to provide a very coherent and continuous management to its work in this area. A recommendation is made drawing attention to this issue.

## The need for long-term, poverty-sensitive project impact evaluation

Sida's projects in both the *natural resources and the health areas* are a rich source of learning on what works and what does not in poverty reduction at the project level. On the whole, we think this potential has been under-exploited. Although LAMP, HESAWA and their predecessors have been the subject of numerous reviews and evaluations, these have generally lacked the kind of methodological sophistication and independence from project management that is required to address impact issues in a serious way.

The long-term formative evaluation being undertaken for LAMP will be an important experience in this sense. The baseline community-health study that has been completed for HESAWA will be a valuable resource, supporting our recommendation that steps be taken now to undertake an evaluation on the same scale as the one proposed for LAMP. Our recommendation also reflects the observation that project selectivity is being handled in the closing years of HESAWA in a way that raised difficult questions about poverty targeting. The test of the design of the Lake Victoria successor programme will be whether it is capable of fully incorporating the lessons of these experiences in the region.

## Building synergy between Swedish-funded research and the country programme

It has been suggested that in the case of *research* there remain institutional obstacles to intra-Sida learning and synergy. We think these could be overcome, and that there would be worthwhile benefits from doing so in the long run. An appropriate recommendation is made.

## The managed-fund approach to support to culture and democracy

Our conclusions are necessarily tentative in view of the limited experience in this area. However, both the initial experience of the *Culture Trust Fund*, and our review of the costs and benefits of individually negotiating support to particular organisations in the *civil-society, rights and democracy* areas, indicates that this is a way of proceeding that warrants further investigation.

Further support to cultural activities could well encompass a broader range of contemporary cultural forms, including the production and distribution of popular music, and both live performance and radio. However, a more substantial challenge is to apply what has been learned from the trust-fund experience to the broader field of democratic governance and rights.

One concern about wider application of the trust-fund approach is that it should be used as a means of reducing overall transaction costs, not as a means of shifting such costs from Sida to beneficiaries, or to officials or voluntary workers in the corresponding sectors. Care should also be taken than any innovations make reporting systems less, and not more, burdensome for receiving groups.

The intentions behind the new comprehensive programme for democracy and human rights are sound. The delays in developing the programme suggest the recommendation that in future, when new Government directives or policies are issued, they should be supported by adequate resources for operationalisation and implementation, including enough staff with adequate specialist training.

In terms of the pattern of support within the programme, more care needs to be taken to get the right balance a) between electoral and other formal democratic institutions (e.g. parliament), and b) between formal institutions and other organisations that may contribute to the consolidation of democratic practice and a culture of respect for rights. The trust-fund approach may be helpful in this respect, as it tends to reduce the disbursement difficulties that otherwise affect support to smaller and less formal organisations.

## Recommendations

The following recommendations are made:

- In the context of a more strategic approach to country programme design, Sida should pay more comprehensive attention to a key issue identified in successive Country Analyses for Tanzania: that of the low productivity of small-holder agriculture and other natural-resource-based activities. If reasons exist for not giving further priority to this fundamental poverty issue, including its gender dimensions, these should be explicitly stated and open to critical inspection.
- Sida should remain actively engaged in policy discussions in the energy and telecommunications sectors. Continued dialogue, and related support, could usefully focus on: 1) ensuring that privatisation is done in a transparent and commercial manner; 2) finding instruments that will spread the benefits of the reforms and investments to rural areas and poorer households; 3) the design of the future regulatory body (TURA); and 4) helping the respective ministries to become strong partners in dealings with the private sector and the World Bank.
- In project design generally and in educational support in particular, institutional risk factors should be clearly specified, linked to conditions for continued disbursement and then monitored closely with a view to ensuring that project aid does not contribute to further deterioration in the institutional conditions for efficient, pro-poor sector management.
- Sida management of its budget support and aid to reform of the budget and accountability arrangements in public administration should be closely co-ordinated, taking into account the complementarities and risks posed by poor sequencing in this area.

- HESAWA should be considered a candidate for an independent long-term impact evaluation on the scale of the one being applied to LAMP. Poverty targeting issues should be covered, along with the most rigorous form of impact analysis that is feasible with available baseline data.
- Sida should initiate an internal examination of possible ways of improving the linkages between Swedish-supported research in Tanzania and the development of the country programme. A related task would be to strengthen linkages between research and sectoral programmes and projects.
- The comprehensive programme for democracy and human rights should be finalised and implemented, with close attention to the range of democratic processes needing support. The possible application of the trust-fund type of approach in this area should be actively considered, as a means of delivering substantial support cost-effectively to an area characterised by a multiplicity of small organisations.



# Chapter 4

## Partnership and co-operation principles

### 4.1 Introduction

#### Background

This evaluation is taking place at a very particular moment in the history of development co-operation in Tanzania. After a period of strained relations and frustration on both sides, the prospects for effective co-operation between Tanzania and its external partners are now in a phase of fairly steady improvement. Many problems remain, some of them extremely intractable, but for the first time in decades, there are positive new ideas in play and there is some optimism on both sides about the prospects of a more productive co-operation relationship.

Swedish-Tanzanian co-operation has contributed significantly to the emergence of this new agenda during the period covered by the evaluation. The 1996 Country Strategy pays very particular attention to the building of a new type of partnership with Tanzania. These aspects of the context of the evaluation give special significance to the issues identified in the terms of reference.

The Strategy's section on co-operation guidelines was strongly and explicitly influenced by the September 1996 agreement between Tanzania and the Nordic co-operation agencies. This not only set a new framework for co-operation between Tanzania and the agencies directly involved, including Sida, but helped to push forward the whole agenda of discussion about donor-government partnership in Tanzania. This was highly consistent with the main thrust of *The Rights of the Poor*, which also placed a strong emphasis on building better forms of partnership for poverty reduction (MoFA, 1996/97: Sec 5.9).

The Nordic-Tanzania Development Partnership implies a radical change of rules and roles between the partners in development. In the partnership agreement it is said that the guiding principle is that Tanzania fully owns the development co-operation programmes in terms of planning, design, implementation and evaluation. It is also said that all activities should be imple-

mented on the basis of shared financing, where the Tanzanian share successively increases over time.

Preceding and helping to inform the Nordic-Tanzania agreement, the report by Prof Gerry Helleiner expressed a widely-shared diagnosis of what had gone wrong with the relationship between Government and official donors in Tanzania. It found some fault on both sides of the relationship and urged for a fundamental shake-up in basic attitudes and understandings, for which the 1995/96 change of government provided an opportunity. The major recommendations were taken up and agreed at the GoT-donor workshop held in January 1997.

The key sentences from the Agreed Notes of the meeting say:

*“A new donor-Tanzania development partnership implies a radical change of rules and roles between partners in development:*

*a) Tanzania takes the lead in the strengthening and building on existing institutional and other capacities in formulating visions, policies, programmes and projects ...*

*b) Tanzania ultimately takes full responsibility of and accountability for the programmes and resources provided and their results.*

*c) The participating partners always maintain an open, mutual and transparent dialogue on all aspects of on-going development co-operation activities.*

*d) All activities agreed upon should be implemented on the basis of shared financing where the Tanzanian share successively increases over time ...*

*e) The partnership furthermore implies a willingness to move as quickly as possible towards providing budget support to sector investment programmes, based upon clear and consolidated Tanzanian sector policies and plans.*

*f) ... The development partnership should be demand based and not driven by the external partners” (Helleiner, 1999, Annex: 1–2).*

The Terms of Reference for this evaluation call for an assessment of Sida’s experience in the Strategy period of applying the 1996 co-operation guidelines. As reproduced in sub-Chapter 2.4 above, these include a synthesis of the principles in the Nordic and Helleiner agreements. Tanzanian “ownership of and responsibility for” Swedish-supported programmes and projects is a key phrase.

### “Ownership” and structural change

We have already commented (sub-Chapter 3.3) that the expression “Tanzanian government priorities” is a slippery one that needs careful use. The same, obviously, applies to “ownership”.

Everyone recognises the weakness of Government capacity as one of the fundamental obstacles to development progress generally and country ownership in particular throughout sub-Saharan Africa. There is, in addition, a solid research-based literature for Tanzania, of which Bigsten et al. (1999) and Therkildsen (1999) are good examples, which describes the way “capacity” problems have their roots in the nature of the policy process.

Apart from important standard themes to do with the ubiquitous role of patronage-type relationships (Chabal and Daloz, 1999) and corruption (Cooksey, 1998), this work emphasises the lack of authoritative institutions capable of guaranteeing overall policy coherence. Another theme goes back to before the *ujamaa* period in Tanzania. This is the strong tendency of policy formulation processes to be quite disconnected from consideration of implementation experience and its lessons. One source of these conclusions is a consultancy report commissioned by GoT itself (Shellukindo et al., 1998). Lastly, but by no means least, there is the proposition that aid in general, and grant and loan-funded projects in particular, increase policy fragmentation and undermine real local ownership (Foster and Merotto, 1997; Cooksey, 1999; Catterson and Lindahl, 1999).

If the policy process is fragmented, this needs to be taken into account in the way the evaluation approaches the compliance of the Sida country programme with the partnership guidelines in the Strategy. In particular, it means that signs of success in promoting the new-partnership agenda in Tanzania need to be looked for in palpable evidence of structural problems of this sort being brought under control. They will not be found in informants’ judgements of a more or less favourable sort about, for example, the qualities of *x* or *y* as a partner.

Needless to say, our basic data-gathering technique, the semi-structured interview with an interview guide based on the Terms of Reference, generated a considerable volume of interesting but largely irrelevant reportage of the last type. We have handled this selectively and critically. Our findings thus boil down to a limited number of simple generalisations, which are elaborated in the following sub-chapters:

- Sweden has participated in the significant progress that has been made in restoring to Tanzanians the leadership of macro-economic and public-expenditure management, as summarised in the 1999 Helleiner review.
- Further progress urgently needs to be made in this area. While Sweden’s own record in accounting for its aid to GoT appears second to none, GoT still lacks the capacity to use this information. Progress also needs to be made towards phasing out D-funds, or direct disbursement to projects – an additional reason for prioritising and co-ordinating closely Sweden’s support of accountability in public finance.
- Outside the narrow, though critical, sphere of public finance management, real structural changes of a new-partnership sort are still few and rather precarious. This applies, at least, to the sectors and activities in

which Sida effort is concentrated (e.g. we have not considered health-sector management or roads). In brief, project work, even when undertaken within central government offices, seems condemned to reproduce old-style working relationships, with minimal local ownership when it matters.

Wider national ownership (i.e. outside government) is also hard to find in project mode. Strictly, the new-partnership agenda may not have much relevance outside the sphere of government-to-government operations, but there are some examples of Sida's successfully supporting non-governmental national initiatives.

## 4.2 New partnership with GoT?

Early in 1999, the progress report commissioned by DANIDA on the implementation of the Helleiner agreements expressed the view that "The Government of Tanzania has moved significantly toward the assertion and establishment of a degree of leadership over its development programmes". The report also found evidence of changed donor attitudes, better aid co-ordination under government leadership, and some improvements in accountability and GoT openness to civil society (Helleiner, 1999:5 and passim).

### Highlights

One of the most important areas of change highlighted in the Helleiner update is the introduction of a Government-led process in which Government and external stakeholders participate in a joint review of public-expenditure issues on a medium-term basis. The last "traditional" Public Expenditure Review was undertaken by a joint team led by the World Bank in 1993 (World Bank, 1994). This identified a large range of more or less serious problems needing attention. The report coincided with the crisis in donor-government relations in the final years of the Mwinyi presidency, which led several Nordic countries including Sweden to suspend programme-aid disbursements.

The new system that has been operating since 1996 makes the PER a more continuous process with wider participation. A Rolling Public Expenditure Review with regular working-group meetings in Dar es Salaam and a three-year time-frame has taken the place of the former, rather irregular and non-participatory, approach. Following the guidelines on public expenditure management issued by the Special Program for Africa, this is now being developed into a Medium-Term Expenditure Framework.

Like the comparable under way in Uganda, Ghana, Malawi and South Africa, the MTEF process provides the context in which Government policy priorities (including poverty eradication) can influence budget allocations and disbursements in a more effective way. This provides a favourable setting and new incentives for donors to channel funds through the national and/or sectoral budgets, or at least keep the financial authorities more fully informed.

*“The Nordic-Tanzania Development Partnership implies a radical change of rules and roles between the partners in development. In the partnership agreement it is said that the guiding principle is that Tanzania fully owns the development cooperation programmes in terms of planning, design, implementation and evaluation. It is also said that all activities should be implemented on the basis of shared financing, where the Tanzanian share successively increases over time.”*



Photo: Annika Lysén

The initial successes obtained with the MTEF approach have provided encouragement to the proposal that a number of major bilaterals have been promoting of basing their country assistance on a common strategy, worked out in close consultation with Tanzanian stakeholders under GoT (Ministry of Finance) leadership. According to the concept paper (URT, 1999b), the Tanzania Assistance Strategy (TAS) is to be based on the Government's own *Vision 2025*, Poverty Eradication Strategy and other policy documents. The original schedule of preparation ran from Oct 1999 to May 2000. There has been some slippage on account of the HIPC2 and PRSP processes, but at the time of writing there appear good prospects that the TAS will mark significant gains to Tanzanian ownership of the country's development planning.

The research for this evaluation has done nothing to weaken the conviction already expressed in our inception report that this macro-policy process is the most significant advance to be reported under the co-operation-principles heading. Although in every sense a joint effort, the process has benefited from a substantial Swedish contribution, with several strands. They include promotion of the original Nordic and Helleiner dialogues, the international meeting in

Sweden on partnership attended by President Mkapa, Sweden's place at the table of the MTEF and TAS working groups, and the commitments of debt relief and budget support that – we have argued – lubricate key accountability reforms as well as generally enhance the voice of Swedish co-operation.

### Next steps

Although Helleiner is right to emphasise the positive steps taken, it remains the case that they are initial steps up a long and rather steep staircase. The next steps include 1) improvements in donor-to-GoT accountability; 2) a stepwise approach to channelling more project and programme funds through the national budget; and 3) a realistic approach to counterpart finance.

Donor funds are not fully accounted for in the development budget, which would make it hard for a Tanzanian government that wished to impose an overall rationality on public expenditures. The evaluation team established that Sweden is almost alone among bilateral donors in reporting fully both budgeted amounts and actual disbursements for the whole of its country programme. It is also ahead of the field in providing the statistics in the accounting categories used by the Ministry of Finance.

For the time being, Swedish willingness to be accountable in this way to the recipient authorities has limited practical effects. This seems to be because of technical inability to make the intended use of the information within the Ministry. Thus, in the development budget 1998/99 actual disbursements for only three Swedish projects were accounted for (Kihansi, Hesawa and Education). In the development budget for 1999/00 there was an improvement. For most projects that received Swedish support there was a recording of the Swedish disbursement – but not of the correct amount.<sup>31</sup> For 1998/99 and 1999/00 there are only estimates at the time of writing.

These difficulties should not obscure the notable step forward that the Swedish approach represents. Representatives of other bilaterals confided to us that it puts them to shame.

According to officials in the Ministry of Finance, there is a particular problem in recording *actual* expenditure in the development budget (the bulk of which is donor-financed). Committed funds are usually found but, when it comes to execution of the committed funds, all flows to Tanzania are definitely not recorded.<sup>32</sup> The figures in Table 2 tend to confirm that there are widely diver-

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<sup>31</sup> We are informed that the budgets are followed up, vote by vote, by Sida staff to ensure that the correct amount is recorded. Still there are problems in the recording due to the administrative handling of the figures. This would be expected not to happen if it were possible to transfer the “real” funds through the Ministry of Finance (see below).

<sup>32</sup> The budget reforms currently under way involve integrating the development and recurrent budget. Donor projects pose a special problem, as no distinction between recurrent and development expenditures is made by most donors.

gent commitments and disbursements by both donors and Government. This does not mean that committed funds are not spent. Most committed funds have probably been disbursed to projects.

	1995	1996	1997	1998	1999
Local finance	61	26	9	26	79
Foreign finance	43	12	6	42	36

Source: Wangwe *et al.* (2000)

One reason why recording disbursements is so difficult is that the lion's share of bilateral donor funds is disbursed outside the Government's exchequer system. They take the form known in Tanzania as "D-funds", or Direct Funds. That is, they are sent directly to the projects, and the amounts get known much later, often only through the Auditor General's reports.

On average D-funds constitute around 80 per cent of all donor funds (Wangwe *et al.*, 2000). D-funds were introduced because of frequent delays in delivery of funds to projects via the Ministry of Finance and line ministries (so called C-funds). At the time, some funds did not even reach its intended destination and used for other purposes than those agreed between Tanzania and the donor.

Sweden switched to D-funds in the mid-1990s and has just recently discussed moving back to C-funds. HESAWA is currently being used as a test case, and is the only programme, other than budget support, where funds are going via the Ministry of Finance. The current and recent shares of D-funds and C-funds in the Swedish country programme are shown by Table 3. The share of D-funds is extremely low, and not perceptibly increasing – although the final figure reflects the one-year interruption to budget support rather than any true trend.

There is clearly some considerable way to go before once again the bulk of Swedish aid is channelled in the full sense through the budget. Even under current circumstances, in which ministries are constrained by cash budgets and accountability in the Government system is imperfect, it ought to be possible to do better. The World Bank, for example, is an agency that channels its funding exclusively through the exchequer. Sweden could achieve this by the simple device of providing more flexible funds and fewer projects, as is to some extent happening.

	D funds (SEK million)	C funds (SEK million)	Share of C funds (% of total)
1995/96	348.6	1.8	0.51
1996/97	382.0	1.6	0.42
1997/98	325.1	1.5	0.46
1998/99	321.3	0.7	0.22

Source: Sida statistics

More generally, however, donors' confidence in Government capacity to handle project funds is linked to the progress of the technical and institutional reforms. This is an additional reason for regarding Sida support to this area as particularly strategic.

What is needed to rationalise Sida's approach to these crucial issues for the new-partnership agenda is not immediate and dramatic action ("abolish D-funds today!") but a "road map" setting out what, in the medium term, would need to happen for the bulk of Swedish funding to return to the C channel. Ideally, this should be a joint donor exercise in the framework of the Helleiner and TAS processes. The map should identify obstacles to be removed and propose a timetable and any necessary additional support. This is the main recommendation of this chapter of the evaluation.

We are inclined to view the third step, the one involving Tanzanian counterpart funding, as some way away, and as of less immediate priority. The issue *is* in the longer term a crucial one. Tanzania's development budget has for a long time been dominated by donors, implying that the publicly owned capital stock is to a large extent aid-funded. This undoubtedly affects project sustainability and country ownership. In effect, donors can go ahead and implement investments, with the Tanzanian government reduced to a passive spectator.<sup>33</sup> One classic outcome of this relation is that projects are implemented with too little recurrent expenditure to sustain them.

One reason why Tanzanian counterpart contributions remain low is that fiscal discipline is being pursued with the instrument of cash budgeting. Another could be that the Tanzanian government believes donors face strong incentives to support a project to its completion and lowers its effort level in terms of local financing accordingly. We do not underestimate the second factor.

<sup>33</sup> This seems to have happened in the case of the Tanzania Food and Nutrition Centre. Relatively little evaluation time was able to be devoted to TFNC, but there is a section on TFNC in *The Sustainability Enigma* (Catterson and Lindahl, 1999: 86-91) which provides a clear overview of TFNC and its prospects for sustainability. It is interesting to note that, around 1970, when the idea of a specialist nutrition research institute was first mooted, GoT rejected Sida's initial proposal on the grounds that it was too much laboratory-based and not sufficiently field-oriented. As a result, Sida revised its proposal, to suit the requirements specified by GoT and TFNC came into being (86). In later years, however, the sense of local ownership was gradually eroded, with donor priorities and "pet projects" taking precedence, and as a result donor dependency characterises the institute today.



However, so long as the domestic revenue situation in the country remains as weak as it has been, we do not think that new-partnership should be tested primarily by progress on increasing Tanzanian financial contributions.

Table 4 records what is known about the actual situation of counterpart funding in Swedish projects. These data suggest that many Swedish-supported projects did not receive any counterpart finance at all – approximately 20 projects did not. For those that did, it constituted a very modest part of the financing.<sup>34</sup> Reports from the different sectors and projects are consistent with this overall picture.

Table 4: Tanzanian counterpart funds in Swedish projects and programmes				
	1996/97	1997/98	1998/99	1999/00
	Actual exp.	Actual exp.	Approv. exp.	Estim. exp.
Number of projects with local financing (from a total of approx. 25)	2	7	5	7
Average per cent Tanzanian counterpart funds of Swedish contribution	1.5%	9.4%	10%	24.7%

Source: Development Budget for 1998/1999 and 1999/2000

### The general picture

The evaluation team generated a considerable volume of reporting under the Terms of Reference' headings on the relationship between Swedish initiatives and national or sectoral plans. In general, this information is no more encouraging than it was expected to be.

The most promising cases were those where a sector ministry had, with some prompting and/or technical support from Sida or a donor network, taken up the gauntlet and begun work on a sector policy document or regulatory framework. It was only in these cases that we found senior Government officials with a clear understanding of the implications of the new-partnership language. These sectors were also where donor co-ordination was proving most positive, and where conditionalities and dialogue were assuming more productive forms. A good example would be the Ministry of Industry and Trade.

Sectors where the ministerial authorities have not, or have not yet, taken up this challenge were more numerous in our sample. Although we were not in a position to test the view that local government authorities are consistently less aware of the new-partnership agenda and motivated by it, there is no doubt that the devolution of spending powers to districts now under way on a pilot basis poses a major challenge in this respect.

<sup>34</sup> One should be a bit cautious. Many projects probably *do* have some Tanzanian finance through the recurrent budget, by paying wages, providing buildings or meeting other recurrent expenditures. But this is seldom recorded.

We did find, across the board, that traditional projects were characterised by traditional thinking. It is not necessary to record the rather tedious details. Our interpretation is that change will only come as performance budgeting at the centre begins to stimulate a more general effort at policy formulation and budgeting by objectives at the sector and local level. When this happens, donors including Sida will no doubt be encouraged to place more funds in common baskets and sector programmes, and less in free-standing projects. Promoting new partnership in this sense is not going to be the work of a single day.

### 4.3 Wider country ownership?

As the Helleiner progress report records, GoT as represented by the Ministry of Finance has taken some small steps towards greater openness towards non-governmental actors in Tanzania (although some non-governmental PER/MTEF participants we spoke to consider this still rather tokenistic). Our terms of reference also ask for information on attempts to broaden Swedish-Tanzanian co-operation to other actors, outside Government, both in Tanzania and Sweden.

Examples of involvement of wider forces are easily found throughout the country programme (e.g. private sector development, book distribution). However, a more telling question is where, if at all, such involvement adds up to greater country ownership, in the spirit of the 1996 co-operation principles. Good examples of this are harder to find. The changing pattern of support at the University is one.

Collaboration between Swedish and Tanzanian institutions and individuals has been the basis of SAREC's support to research in Tanzania for the last twenty-five years. But recently partnership taken on an institutional-development dimension. The twin forces of UDSM's Institutional Transformation Programme (from the early-1990s) and the Nordic-Tanzanian partnership since 1996 have combined to give substance to the concept of partnership as implementing a jointly-negotiated set of policies and programmes.

UDSM and MUCHS are both involved in comprehensive, long-term transformation programmes. These aim to increase enrolments and improve the quality of teaching, research and community service through improved management and governance structures.

Because of their major role in capital investment and support for training, teaching and research, co-operation agencies have been closely involved in the University transformation process since its inception. As regards research, this has meant a move away from support to individual departments, organised on a project-by-project basis. Instead support is provided to Faculties and Research Institutes, with central co-ordination through the Directorate of Research and Publications. Faculty Funds were introduced in 1998.

Swedish support to the Transformation Programme has included funding studies, publications and workshops, and assisting with the establishment of a

Directorate for Post-Graduate Studies, Research and Publications. Support to gender mainstreaming at the University (through the Gender Dimensions Programme) is also considered exemplary. This is reported to have been particularly effective because it contributed impetus to a process of change already under way in the institution and wider society.

A further good example of wider national ownership is the Gender Budgeting component of the support to public administration and accountability. This is strongly owned by the gender lobby in civil society, represented by TGNP, on the basis that it was working on the issue before Sida support became available.

A lesson from these experiences would be that very close attention needs to be given to initiatives warranting Swedish support that have arisen from real currents of thinking in Tanzanian national institutions. One of the benefits of decentralising programme staff to the Embassy is that it should enable this type of sensitivity to local processes.

## 4.4 Conclusions and recommendations

The following steps are recommended:

- Continuation of active Swedish support for the implementation of the letter and spirit of the Nordic and Helleiner agreements, and the implementation of the TAS and PRSP processes in the same sense.
- Consideration by Sida of medium-term perspectives for advancing the new-partnership agenda, including a) influence on other donors to come up to Swedish standards of donor-to-recipient accountability, and b) the definition of a “road map” for phasing out D-funds.
- Full endorsement of the decision to decentralise Sida staffing to the country Embassy level, as one of the practical preconditions for wider country ownership of Swedish-Tanzanian co-operation.

# Chapter 5

## Some further implications

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### 5.1 Introduction

This short final chapter has two purposes. The first is to conclude the argument begun in the Introduction about ways and means of raising standards of aid delivery in countries like Tanzania, and in Swedish-Tanzanian co-operation in particular. The second is to draw together, and reflect further on, the findings and recommendations of Chapters 2, 3 and 4, as required by chapter 4.3 of the Terms of Reference. The two tasks are closely related.

### 5.2 Fighting poverty strategically

In the Introduction (sub-Chapter 1.2) we argued, against the EGDI sustainability study (Catterson and Lindahl, 1999) that, in seeking a form of development co-operation that works, it is still worth wagering on the possibilities offered by strategic aid management. It is too soon to abandon the field to questionable market-based formulas. At the very least, it would be unwise to skip over the step of looking seriously at current experiences in trying to tackle poverty more strategically. If there are practical things that can be done to enhance these efforts, these should be pursued. The Terms of Reference of the evaluation required us to examine a range of issues that are directly relevant to this debate.

The conclusions of Chapters 2–4, taken together, allow us to return to this debate, while also raising some more practical issues that have not yet been discussed. Chapter 2 showed that, on the evidence of the 1996 Country Strategy process, Sida has still some way to go before the rigorous, evidence-based approach that it follows in theory actually determines its practice.

To some degree, the divergences that we found between theory and practice were due to lack of realism in the theoretical model. To an important extent, they reflected peculiarities of the 1996 Strategy process in Tanzania, which was affected in both negative and positive ways by the downswings and upswings of the general conditions for development co-operation in the coun-

try. But the process also suffered from limitations that are probably generic and can be dealt with in feasible ways.

We have made recommendations in this respect that we hope will be taken up by Sida management. The fact that they have been able to be made suggests that opportunities for improving aid, in the face of the perverse incentive structures described by Catterson and Lindahl, have not yet been exhausted.

Within the very real constraints identified, the 1996 Tanzania Country Strategy *could* have been more evidence-based than it was, and it could have done a better job of explicitly justifying its selection of priorities and making clear what the implications were for the management and monitoring of the country programme. The country programme that emerged was to a greater or lesser extent “design driven”, but the designs were done more in the sector departments than as part of a genuine country exercise. In several cases, they were done some time before the CS process.

The relevance of the aid activities funded was – we concluded – probably quite high in many instances. But in almost no cases was this adequately explained, explored and subjected to critical scrutiny in the programme documentation. Demonstration of relevance to the goal of poverty reduction was usually lacking.

We strongly suspect that these things are generally true of donor efforts at strategic management of country programmes, even in the best of cases. Some of the limitations have to do with the particular difficulties of thinking strategically about poverty reduction. This is a comparatively new commitment for all the DAC agencies. It poses peculiar challenges that are conceptual and empirical as well as narrowly operational.

Fighting poverty strategically has some mileage in it yet, therefore. This does not mean that the alternative canvassed by Catterson and Lindahl is not worth considering. In fact, our recommendations in Chapter 3 point rather strongly to the value of certain types of autonomous public funds in some sectors of Swedish-Tanzanian co-operation. The examples of the Culture Trust Fund, and the management of common funding baskets by non-governmental committees, are extremely interesting, especially as means of handling aid activities that have high transaction costs and disappointing levels of disbursement. What remains questionable is whether such models could ever be applied across the board, cutting out Government and official co-operation agencies altogether.

### 5.3 Are coherent documents necessary?

Chapter 3 showed that that Swedish Tanzanian co-operation during 1997–2000 has been diverse and dynamic. The chapter revealed many instances of good operationalisation, efficient implementation and effective co-ordination. We have raised a number of less comfortable issues, about questionable or at least undemonstrated relevance of some programmes to the poverty ob-

*“The relevance of the aid activities funded was – we concluded – probably quite high in many instances. But in almost no cases was this adequately explained, explored and subjected to critical scrutiny in the programme documentation. Demonstration of relevance to the goal of poverty reduction was usually lacking.”*



Photo: Annika Lysén

jective, about the handling of risk factors, and about the need to build linkages that promote synergy. But the most pointed questions concern areas that have long been scheduled for phasing out (e.g., the large hardware investments in electricity and telephones). The others mostly indicate the need for a slight change of direction, or support shifts that have already been made.

Chapter 4 is even more supportive of the current direction of country-programme management. While it records slow and rather uneven progress in

implementing the co-operation guidelines put into the 1996 CS under the influence of the Nordic-Tanzanian agreement, Sweden is reckoned to have performed well in what is considered still a difficult environment. Sida's reporting procedures seem second to none from a new-partnership perspective. It remains to crack the big nut of channelling more funds through the national budget, but Sida budget support and assistance to national accountability mechanisms are helping to create the conditions where this should be possible. There are a few good examples, as well, of support for national initiatives in non-governmental contexts.

These relatively sanguine comments raise an obvious question. If a country programme can perform as well as this with a rather deficient Country Strategy process, why has so much detailed attention been devoted to the quality of the CS and the relations between the different steering documents? Much of the re-orientation of the country programme indicated in the 1996 CS has, on our own account, been implemented. Technical limitations of the CS as a steering document have not particularly hampered the work of the Embassy, which has had to respond anyway to emerging issues in Tanzania and East Africa, and new directives from Stockholm. How much does it really matter to effective development co-operation to have coherent documents, with sound analysis based on relevant inputs and objectives?

These are the remaining questions posed in chapter 4.3 of the ToR. They need to be answered by underlining a some of the critical conclusions we have reached that counter-balance the rosy picture just given.

First, not very much credit should be claimed for the fact that the CS was "implemented". We have shown that on the whole the CS *reflected* proposed changes; it did not drive them, except possibly in respect to the new-partnership co-operation principles.

Second, while many of the changes were reasonable, the reasons were not subject to the sort of critical scrutiny they would have received if they had been proposed *de novo* within a Country Strategy process – certainly, in one that was scrutinising evidence and thinking hard about best ways of achieving fundamental objectives. Some of the decisions have seemed at least questionable in retrospect.

Third, we have raised the suggestion that Sida has not been engaging sufficiently seriously with the actual needs of poverty reduction in Tanzania. The evidence that is available on what it will take to reduce poverty fast and effectively in Tanzania has not been addressed until now with *either* a programmatic response on the required scale, *or* an explanation of why that is not necessary or not appropriate. That is quite serious.

The 2000 Country Analysis contains some relevant argument on the subject. *We hope to have made it clear in Chapter 3 that our main recommendation for the current Strategy cycle is that its implications are taken up in one sense or another.*

Dealing with challenges of this order implies critical thinking. For most purposes, in development co-operation and other contexts, that means writing

reasons down and subjecting them to consultation and, if possible, vigorous debate. Documents that are inconsistent or badly structured both reflect and encourage sloppy thinking, whereas good documents enable discussions based on evidence and logic. The importance of having coherent documents is, in this sense, amply confirmed by the results of the evaluation.

## 5.4 Steering country programmes: final thoughts

There are a number of questions that can still be asked about the particular documents that are currently required by the CS process. There is also an issue about the level of documentation being produced in the management of country programmes.

### Level of ambition

On the first point, there is no doubt that the requirements already made of the CS process by Sida are quite demanding, compared with those of other agencies. It should be asked whether they are not *too* demanding. Perhaps, better results could be achieved with less writing and a less elaborate process of consultation. Our recommendations in Chapter 2 are not unsympathetic to that judgement.

We have recommended a review of the results-oriented work currently undertaken by Sida, to see if there is sufficient material to support a genuinely analytical Results Analysis as an input to every CS. *If the conclusion is that there is not, we think the requirement should be relaxed.*

RAs might be expected to examine only those programme areas in which real “results”, with significant implications for strategy, can be reported. Descriptive RAs have their uses (this evaluation team found them informative) but they probably do not justify the staff time they absorb.

Country Analyses, in contrast, seem likely to be useful in most cases. We have expressed the view that they may be under-utilised. In this respect, the uniform instructions we have recommended need to be quite tough. This should not complicate the process, although it does imply closer attention to sequencing of the work on the different documents. Also, although no doubt many will disagree, the use of a Logical Framework in preparing a CS does not need to make it a more onerous task.

### Documenting the country programme

This question has been placed in relief by a particular difficulty faced in the evaluation and mentioned in the Introduction (sub-Chapter 1.4). The evaluation team were led to some conclusions about the orientation of the country programme by the volume of good documentation on certain topics – usually



individual – often long-established – projects and programmes. They tended to miss other things because they were supported by thinner documents – e.g. Annual Work Plans or consultation minutes – or none at all. Although interviews were conducted with Programme Officers and other Embassy staff, and these were taken seriously, the weight of paper “evidence” was hard to counteract.

This was a problem for the evaluation. As such it suggests an additional recommendation: *that Terms of Reference for any future evaluations of the type we have undertaken should include an explicit mention of this possible pitfall.*

More important, this should probably be regarded as an issue for Swedish development co-operation generally. If external evaluators are not able to evaluate the real country programme because so many important activities by Programme Officers and other Embassy staff are not documented (or documented informally in perishable forms, such as e-mails), then how is Sida to maintain its own internal quality control?

The problem is likely to increase for two reasons. First, to the extent that new-partnership thinking is successful, donors will become participants in joint programmes with Government in the lead and projects with national flags attached to them will begin to die out. Eventually, the need to evaluate agencies’ country programmes one by one will disappear – or so it is to be hoped – to be replaced by joint sector reviews and Government-led evaluation activities. In the meantime, there will be an awkward phase in which agency staff are spending increasing amounts of time engaging in sector-wide and other joint planning and monitoring, with, in some cases, little documentation to share with colleagues and line managers.

Second, the whole field of office records is in a state of flux. At present two systems coexist – a traditional bureaucratic one, in which decisions and events are validated by hard-copy files, and a new system characterised by the features of the information revolution (e-mail and electronic files). Each system suffers from its own problems of waste, accessibility and perishability. At present, the rules of old-style bureaucracy are being displaced, without being replaced with new conventions, leading to problems of information retention and, thus, institutional memory.

This is not just a problem for Sida, of course. In combination with the implications of the new style of development partnership, the electronic transmission and storage of information poses a challenge to the whole field of development co-operation.

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# Annex 1

## Terms of reference

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### 1. Introduction

A new country strategy for Tanzania is to be decided upon in the year 2000. As a means of improving the effectiveness of Swedish aid in general, and the co-operation with Tanzania in particular, it is proposed that the country strategy and its operationalisation be evaluated. The proposed evaluation is to be an important input into the next strategy formulation.

The Swedish government decided upon a Country Strategy for the development co-operation with Tanzania for the period 1997–2001 in 1996. The strategy has a five-year perspective but concerns primarily the period January 1, 1997–December 31, 1999. The strategy was put in print in a document, dated December 19, 1996, with reference to the background material: a Country Analysis and a Result Analysis.

Every year the strategy is translated into operational plans on different levels: an Annual Work Plan, Agreed Minutes from the Consultation on Development Co-operation and a Country Plan. In the case of Tanzania there has only been one Country Plan during the present Country Strategy. Every project and programme is supported by documents, which lay out the objectives and immediate objectives, e.g. agreements, assessment memorandums and project proposals. The country plan, the annual work plans, the agreed minutes from the annual consultations on development co-operation between Tanzania and Sweden, and project and programme documents represent the Country Programme in this text.

### 2. Purpose of the evaluation

The purpose of the evaluation is to give Sida information about: 1) the relevance of the present Country Strategy and the Swedish Tanzanian development co-operation during the present strategy period; and 2) the coherence within and in-between the steering documents for the co-operation with Tanzania and the operationalisation of the Country Programme. A second purpose is to make concrete recommendations to Sida about how to improve the Swedish Tanzanian development co-operation in the next strategy period.

### 3. Scope of the evaluation

The evaluation comprehends the following:

- a) to assess the relevance of analyses, inputs<sup>35</sup> and immediate objectives in achieving overall objectives in the documents,
- b) to assess the coherence of the analyses, inputs, immediate objectives and overall objectives in and between the strategy documents,<sup>36</sup>
- c) to assess the operationalisation of the Country Programme in Tanzania.<sup>37</sup>

### 4. The Assignment

Definitions: *Relevance* refers to the extent to which the inputs respond to the problem, or to the extent to which an immediate objective helps to achieve the overall objective, given other feasible inputs and objectives.<sup>38</sup> *Coherence* refers to consistency of means and objectives between documents at different levels, and also between documents and the operationalisation of the same documents.

#### 4.1 Relevance and Coherence

- a) Was the Country Strategy a relevant strategy given the preconditions as laid down in the Country Analysis? How did the Country Analysis influence the choices and priorities made in the Country Strategy? Did the Country Analysis provide relevant information about the problems and needs in the country, priorities and interventions of the Tanzanian government and development efforts supported by other donors in Tanzania? Was the information about these issues explicitly taken into account in the Country Strategy? How was the information used?
- b) Did the Results Analysis influence the choices made in the Country Strategy? What information was used? How was the information used? Was there information in the Results Analysis, with potential bearing on the Country Strategy, that was not used?
- c) How were Sida's Action Plans taken into account in the making of the Country Strategy, especially when making strategic choices about issues, sectors and projects?

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<sup>35</sup> Inputs refer to funds, personnel, goods and activities.

<sup>36</sup> The strategy documents refer to all documents from Government directives down to the Country Programme, see appendix

<sup>37</sup> The key issues to assess as regards the operationalisation into aid activities are: 1) if the activities under the Country Programme in fact were implemented, and 2) if the implementation was in accordance with the principles, objectives and conditions stipulated in the Country Programme and the Country Strategy.

<sup>38</sup> Note that the definition of relevance in the TOR implies comparisons of other feasible inputs and objectives, and an assessment of their respective efficiency. See also Sida at Work for the official Sida definition.



- d) Was the Country Strategy a relevant country strategy given the overall goals laid down by the Swedish parliament? Was the Country Strategy a relevant country strategy given the Government directives about the development co-operation with Tanzania?
- e) Were the strategical choices in the Country Strategy clear, justified and monitorable? Did the Country Strategy give a clear direction for Swedish aid in Tanzania for the period? Were the objectives in the Country Strategy clearly expressed, and logically related to each other into a coherent hierarchy? Were monitorable benchmarks or indicators attached to the objectives in order to determine achievements? Were conditions expressed in such a way that they were clear, justified and monitorable?
- f) Was the Country Programme (Country Plan, Work Plans, Agreed Minutes from Annual Consultations on Development Co-operation and Project and Programme documents) a relevant country programme given the Country Strategy?
- g) The consultants are to determine possible reasons for lack of relevance of analyses, inputs and immediate objectives in the documents. The evaluators are to make concrete recommendations about how to improve the relevance of analyses, inputs and immediate objectives in the documents.
- h) To what extent did Government directives, the Country Strategy, and the Country Programme cohere?
- i) The consultants are to determine possible reasons for any deficiencies in coherence in, and between, the documents. The evaluators are to make concrete recommendations about how to improve the coherence in, and between, documents.

#### 4.2 The operationalisation of the Country Programme (the Country Plan, Work Plan, the Project and Programme documents)

- a) Have the implemented aid financed activities been in accordance with the Country Programme? Which deviations from the Programme can be determined? Have the implemented aid financed activities been relevant given the Country Programme?
- b) Have the choices about e.g. issues, sectors, programs and projects, defined in the Country Programme and operationalised into aid activities, been relevant given the overall objective to combat poverty?
- c) Did the operationalisation of the Country Programme reflect the priorities of both the Swedish and the Tanzanian Government? In what areas did it reflect priorities, where did it not?
- d) Has the operationalisation of the Country Programme been co-ordinated with the development efforts supported by other donors and by the Government in Tanzania? In what areas has the implementation been co-ordinated with other donor activities, where has it not? How have the activities been co-ordinated?

- e) Did the operationalisation of the Country Programme (Country Plan, Agreed Minutes from the Annual Consultations, Annual Work Plans and Project and Programme documentation) cohere with the *principles for co-operation* laid down in the strategy? For example:
- To what extent and how successfully has the partnership concept been applied, i.e. the realisation of the agreement about partnership that was signed between the Government of Tanzania and the governments of the Nordic countries in 1996?
  - To what extent has the principle of country ownership been adhered to in the programme, i.e. active participation of relevant stakeholders in the project and programme preparation and implementation?
  - To what extent have efforts been made to broaden the co-operation to include other actors than the Government, e.g. increased contacts between the actors in the civil society and private sector in Sweden and Tanzania? Have the efforts been successful?
  - Has Tanzania provided counterpart financing as envisaged? Is the Swedish contribution accounted for in the government's budget?
  - Has the Swedish support been based on Tanzanian national plans and policies? Has the Swedish support been integrated by Tanzanian authorities into national plans?
- f) Were the conditionalities, as laid down in the Country Strategy and Country Programme for the Swedish-Tanzanian co-operation, adhered to? If not, why, and to what extent did the non-fulfilment of these conditions lead to changes in implementation?
- g) The consultants are to assess to what extent the dialogue (formal and informal) between the countries took up issues spelled out in the strategy, and to the extent possible determine its effectiveness.
- h) The consultants are to determine possible reasons for lack of coherence between the Country Programme and the operationalisation of the programme. The evaluators are to make recommendations about how to improve the coherence between a Country Programme and the operationalisation.
- i) The consultants are to determine possible reasons for lack of relevance of the implemented aid activities, given the Country Programme. The evaluators are to make concrete recommendations about how to improve the operationalisation of the Country Programme. Especially, the evaluators are to make recommendations towards how to improve the operationalisation of the principles for co-operation, including the issues of conditionality and dialogue.

### 4.3 Coherence, relevance and implementation

- a) Based on the analyses in 4.1 and 4.2 the consultants are to assess the importance of having coherent documents, with relevant analyses, inputs and objectives, for an effective development co-operation. The consultants are also to compare the findings of 4.1 and 4.2 to determine which intentions, laid down in the Country Strategy, that were not achieved. The consultants are to discuss if there are deficiencies in the coverage of issues in the Country Strategy e.g. no aid map, no mention of government priorities etc, which still have been taken into account in the operationalisation of the Country Programme.
- b) Based on the analyses in the assignment provide concrete recommendations for the next strategy cycle in terms of potential improvements in the formulation of a strategy and the operationalisation of the same strategy.

## 5. Definitions, methods, timetable and resources for the evaluation

The evaluation should be based on a review of relevant documents and on interviews with stakeholders in Sweden and in Tanzania. The evaluators should elaborate on a methodology for the evaluation in the tender document.

In the inception report the evaluators are to elaborate on an approach to the assignment. The importance of an elaboration of a detailed theoretical and empirical approach to the tasks under 4.2 has to be stressed. The Inception report has to be approved by the Department for Africa before going on to the next phase.

For the tasks under 4.1 the evaluators are expected to carry out a desk study. The most important documents to be considered are: Government directives, Country Analysis, Result Analysis, Country Strategy, Country Plan, Agreed Minutes from the Annual Consultations, Annual Work Plans, Project and Programme documents (agreements, assessment memorandums and project proposals). Some interviews may be deemed necessary to satisfactorily answer all the questions under 4.1.

For the tasks under 4.2 the evaluators are expected to carry out both a field and desk study. Given the large amount of general information available about the situation in Tanzania, and the amount of information available about Swedish aid in particular, the evaluators are to primarily use second hand sources. The task b) under 4.2 is a demanding task. The evaluators are not expected to make an impact assessment of Swedish projects but to make use of available sources about poverty in Tanzania and about Swedish aid to draw some conclusions on the strategical position of Swedish aid in the country. The questions regarding co-ordination, partnership, ownership, conditionality, dialogue etc. need to be addressed by structured interviews, in addition to available reports, evaluations, official documents etc.

A team of external evaluators is to carry out this evaluation. Care should be taken that the expertise has not had a direct stake in Swedish projects in Tanzania. The team should include relevant social and political science competence, as well as competence in economics. Expertise from Tanzania, or from the region, has to be included in the team. At least one team member should be able to read and write Swedish and have a sound knowledge of Swedish development co-operation policy. Sida reserves the rights to participate in the evaluation after consultations with the contracted consultant.

The evaluation should be carried out during the period of December to June 2000. The scope of work is envisaged to require 25–35 person weeks.

The tentative time schedule for the evaluation is:

November	1999:	Tender invitation
December	1999:	Contract consultant
January	2000:	Inception report
May	2000:	Submission of draft report
June	2000:	Submission of final report

## 6. Reporting

The following reporting requirements will apply:

- 1) An inception report shall be presented to Sida no later than January 17, 2000. The inception report should be a deeper interpretation of the terms-of-reference as regards the proposed approach and methods. The inception should also propose a detailed work plan for the assignment. The inception report will have to be discussed with, and approved by, Sida before entering further into the assignment.
- 2) A presentation of preliminary findings is to be held in Tanzania for the embassy and relevant Tanzanian authorities before the consultants leave the country.
- 3) A presentation of preliminary findings, taking in the discussion from the presentation in Tanzania, is to be held for Sida in Stockholm within two weeks after returning from Tanzania.
- 4) A draft report is to be submitted to Sida no later than May 1st, 2000. The report will be circulated by Sida to the Swedish Embassy in Dar es Salaam, the Ministry of Foreign Affairs and Sida for comments. If deemed relevant, the draft will also be circulated to relevant stakeholders in Tanzania for comments.
- 5) Within 4 weeks after receiving Sida's comments on the draft report, a final version in 5 copies and on diskette shall be submitted to Sida. The evaluation report shall be written in English and should not exceed 60 pages, excluding annexes. Format and outline of the report shall follow the guidelines in *Sida Evaluation Report – a Standardised Format* (see Annex 1). Subject to decision by Sida, the report will be published and distributed as a

publication within the Sida Evaluations series. The evaluation report shall be written in Word 6.0 for Windows (or in a compatible format) and should be presented in a way that enables publication without further editing.

- 6) The evaluation assignment includes the production of a Newsletter summary following the guidelines in *Sida Evaluations Newsletter – Guidelines for Evaluation Managers and Consultants* (Annex 2) and also the completion of *Sida Evaluations Data Work Sheet* (Annex 3). The separate summary and a completed Data Work Sheet shall be submitted to Sida along with the (final) draft report.

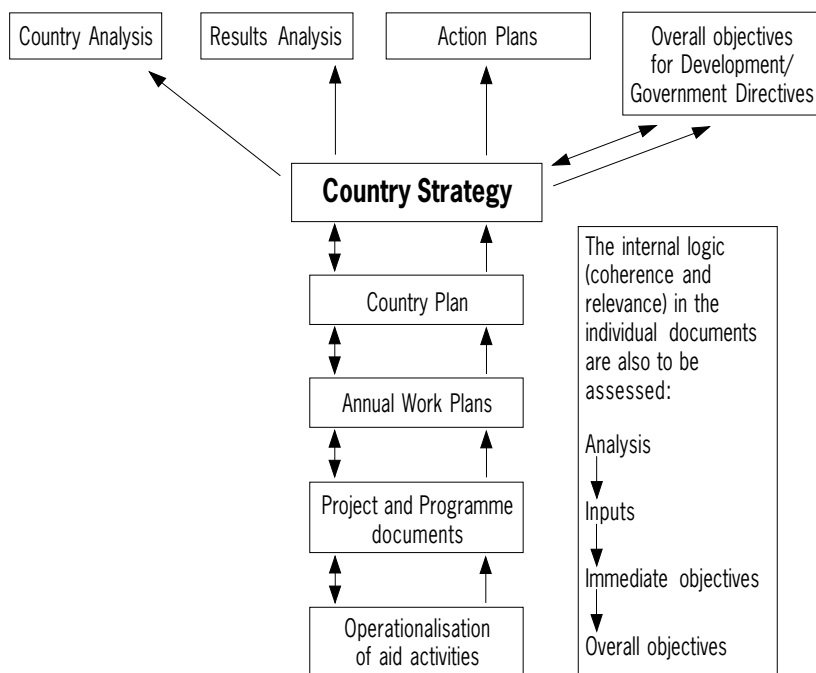
## Appendix A: Coherence and Relevance

The table illustrates the hierarchy of coherence and relevance in the country strategy documents and their operationalisation.

←→ : Illustrates the question in the TOR of *coherence* between the documents (and the documents and their operationalisation).

→ : Illustrates the question in the TOR of *relevance* of inputs and objectives in one document given the objectives/information in the superior document. Last step illustrates the relevance of the operationalisation given the country programme.

The TOR embraces more specific questions regarding each step and therefore this table can only be seen as a model for the study of coherence and relevance.



# Annex 2

## List of persons consulted

### Interviews in Sweden, March – May 2000

Annika Lysén	Desk Officer for Tanzania, Africa Department, Sida
Lars-Olov Jansson	Desk Officer for Angola, Former desk officer for Tanzania, Africa Department, Sida
Lars-Olof Höök	Head of Division, Eastern and Southern Africa, Africa Department, Sida
Marina Berg	Desk Officer, Ministry of Foreign Affairs, Sweden,
Anders Hagwall	Head of Infrastructure Division, Sida
Anders Höök	Programme Officer, NATUR, Sida
Gunilla Essner	Programme Officer, Health Division, Sida
Johan Norqvist	Programme Officer, Education Division, Sida
Erik Korsgren	Sida, former Country Economist, Embassy of Sweden, Dar es Salaam
Lars Ekengren	Head of Africa Department, Sida
Tomas Kjellqvist	Desk Officer, SAREC, Sida
Magnus Alvesson	Senior Economist, Policy Unit, Sida
Björn Ekman	Economist, Sida, former Desk Officer for Tanzania
CarlFredrik Birkhoff	Programme Officer, DESA/DESO, Sida
Finn Forsberg	Programme Officer, Sida/Seka, Stockholm NGOs
Per Knutsson	Programme Officer, Sida/Deso, Stockholm, Culture
Bengt Herring	Programme Officer, Sida/Deso, Stockholm
Bertil Odén	EGDI, Ministry of Foreign Affairs, Sweden
Jörgen Levin	Researcher, Department of Economics, Göteborg University
Lennart Wohlgemuth	Director, Nordic Africa Institute, Uppsala,

Kjell Havnevik	Professor, Swedish University of Agricultural Sciences (telephone interview)
Arne Bigsten	Professor, Department of Economics, Göteborg University, former board member of Sida

## Interviews in Tanzania, Apr – May 2000

### Embassy of Sweden/Sida

Sten Rylander	Ambassador
Christine McNab	Counsellor, Development Co-operation
Charlotta Norrby	Country Economist, Deputy Head of Development Co-operation
Jan Lindström	First Secretary, Socio-Cultural Analyst
Berit Rylander	Regional Adviser, Methods development
Magnus Carlqvist	Programme Officer, Education
Lennart Bondesson	Programme Officer, Natural Resources
Jane Kibassa	Programme Officer
Kristina Kuhnel	Programme Officer, Private Sector Development
Nora Pendaeli	Programme Officer, Public Sector Support, Democracy and Human Rights
Marja Ruohomäki,	Programme Officer, Public Sector Support, Democracy and Human Rights
Tomas Kjellqvist	Sida, Stockholm

### Energy

Bashir J. Mrindoko	Commissioner for Energy and Petroleum Affairs, Ministry of Energy and Minerals
N.C.X Mwiha Section	Ag Assistant Commissioner, Renewable Energy
Dr L. Mwakahesya	Assistant Commissioner, Energy Development
Baruany Elijah Luhansa	Managing Director, Tanzania Electric Supply Co. Ltd (TANESCO)

### Telecommunications

Mr S.H. Msoma	Permanent Secretary, Ministry of Communications and Transport
Col. A.N. Nalingigwa	Director General, Tanzania Communications Commission
Elizabeth Nzagi	Counsel to the Commission

Dr R.C. Mfungahema	Chief Economist and Financial Analyst
John Andrew Mpapakila	Director Telecom Development
Mr A. Mapunda	Managing Director, Tanzania Telecommunications Company Ltd.
Dr Jones A. Killimbe	Director Customer Services
Dr J. Omara	Principal Economist
Adam Messer	Communications Operators of Tanzania
Alex Moshi	Managing Director, TANSOFT Ltd.

### Basic Education

Mike Wort	District Primary Education Programme
Mr Liboy	Co-ordinator, Education Co-ordination Unit, Ministry of Regional Administration and Local Government
Mr Mvungi	Co-ordinator, Book Management Unit, Ministry of Education and Culture
Mr Kalinga	former Co-ordinator, BMU
Mrs Rugumyamheto	Officer, BMU
Eero Syrjanen	Graphium Consult and Opifer Tanzania HB
Khalaf Rashid	Macmillan Aidan Ltd.

### Natural Resources

Richard Musingi	previously Co-ordinator of LAMP, MRALG
Gabriel Bokhay	Chairman of District Council, Babati
Torbjörn Ockerman	ORGUT, PSO Dodoma/Dar es Salaam
Alois Gabriel	District Planning Officer and LAMP Co-ordinator, Babati District
Gösta Ericsson	District Advisor, ORGUT, LSO Babati
Dr Magnus Ngoile	Director General, NEMC
Mr B. Baya	Director, Pollution Control and Prevention, NEMC
Mr R.N. Muheto	Director, Natural Resources, NEMC
Ignus Mchambo	Economist, EIA, NEMC
Monica Kagya	Deputy Director and Beekeeping Officer, SAPU, Forestry and Beekeeping Division, Ministry of Natural Resources and Tourism
Amina Akida	Forestry Officer, FBD
Mr Mkwizu	SCAPA Arusha



Mr Ringo	Catchment Forestry Officer for Ufioni Reserve
Paulo Tarimo	Crop Development Division, Land Use Planning Unit, Ministry of Agriculture

### Public Finance/Administration

Joseph Rugumyamheto	Permanent Secretary, Civil Service Department
Joyce C.N. Kafanabo	Assistant Director, Gender Section
Gray S. Mgonja,	Deputy Permanent Secretary, External Finance, Ministry of Finance
Prosper Mbena	Commissioner for External Finance, Ministry of Finance
Mameltha Mutagwara	Nordic Desk Officer, Ministry of Finance
Mr Myinyimvua	Accountant General
Peter Murphy	Consultant, Accountant General's Office
Abel Mwaisumo	Commissioner for Budget, Ministry of Finance
Mr Magambo	Assistant Commissioner for Budget
Laston Msongole	Principal Statistician, Planning Commission
Mercy E. Sila	Commissioner for Human Resources, Tanzania Revenue Authority
Wilbard Ntamahungiro	Deputy Commissioner for Human Resources, TRA
Blandina Nyoni	Commissioner for Finance, TRA
-----	Gender Representative, TRA
Cletus Mkai	Director General, National Bureau of Statistics
Mr Mbaruku	Project Co-ordinator
Ben A. Mukiramweni	Chief Economist
Mr Mishael	Economist, Ministry of Community Development Women's Affairs & Children
Judith Kizenga	Programme Officer, Ministry of Community Development Women's Affairs & Children
Mr Msimbe	Ministry of Community Development Women's Affairs & Children
Dunstan Mrutu	Executive Director, Tanzania Private Sector Foundation

### Health and Nutrition

Mr Msimbe	HESAWA office, Community Development Department, Ministry of Community Development, Women and Children's Affairs
-----------	--

Eva Sävfors	Senior Rural Development Adviser, Technical Support Office, HESAWA
Thomas Mtandu	Administrative Officer, HESAWA, Hifab Office, Mwanza
Mr Bunduki	Regional HESAWA Monitoring Officer, Technical Support Office, Mwanza
Mr Mtui,	HESAWA Programme Director, Zonal Office, Mwanza
Susan Majiba	District Promotion Adviser, HESAWA, Magu District, Mwanza Region, plus visit to Ihale Village well and Water User Group (WUG).
Richard Mihayo	District HESAWA co-ordinator, Magu District
Henry Mzinu	District Promotion Team Leader, HESAWA, Magu District
Ismail Mwishashi	Programme Promotion Adviser (Participation Adviser), HESAWA, Mwanza
Barnabas Katigula	Human Resource Development Adviser, HESAWA, Mwanza
Mr. Mwalubela	HESAWA Financial Adviser, Mwanza
Noorjehan Mbakile	Senior Community Development Officer (Mwanza Region) and former Regional HESAWA Co-ordinator.
Hans Sjö	Hifab Team Leader, HESAWA, Mwanza
Daniel J. Makerere	Health, Sanitation and Environmental Adviser, HESAWA, Mwanza
John Gwimile	Programme Resource Engineer, HESAWA, Mwanza
Judy Kisenga	Senior Planning Officer, HESAWA (Community Development Dept of MCDWC)
Benedict Jeje	Directorate of Nutrition Policy and Planning, Tanzania Food and Nutrition Centre (TFNC)
Godwin Ndosi	Dept of Food Science and Nutrition (TFNC)
Hilda Missano	Director of Nutrition, Education and Training (TFNC)

#### Private/Financial Sector Development

Mr Ngemera	Director of Policy and Planning
Mr Mwenda	Assistant Director, External Relations
Dr Fratern Mboya	Chief Executive officer, Capital Markets and Securities Authority
Dr Abdiel G. Abayo	Director of Operations and Financial Services, Capital Markets and Securities Authority

Dr Hamisi S. Kibola	Chief Executive Officer, Dar es Salaam Stock Exchange
Robert C. Mathu	Technical Adviser
Mr Kalanje	Executive Director, Tanzania Chamber of Commerce, Industries and Agriculture
Per-Olof Svarvar	Co-Director
Frederick G. Kibodya	Deputy Executive Director
Felix Maliti	Enterprise Development Project, Boliden Contech

## Culture

Dr. D. Ndagala	Commissioner, Ministry of Culture
Anthony Ngaiza	Executive Secretary Media Council of Tanzania
L.D.T. Minzi	Executive Secretary, Children's Book Project for Tanzania
Amandina Lihamba	Project Co-ordinator Tuseme; Professor, Department of Fine and Performing Arts, University of Dar es Salaam
Flora Mtango	Executive Secretary, Tanzania Cultural Trust Fund
Leila Sheik	Director, Tanzania Women's Media Association

## Research: University of Dar es Salaam/MUCHS/UCLAS

Prof Idris Kikula	Director of Research and Publications
Prof T Mbwette	PMU
Prof. Daniel Mkude	Chief Administrative Officer
Prof Nkunya	Chief Academic Officer
Prof Adolfo Mascarenhas	
Prof Segu	
Prof T. Mtabaji	Principal, MUCHS
Prof A. Nikundiwe	Principal, UCLAS

## NGOs

Estomih Mushi	Director, Non-Governmental Organisations Division, Vice President's Office
Sarah Masengo	Senior Programme Officer, Help Age International
Tore Hellström	Field Director, Forum Syd (Swedish NGO umbrella organisation)
Roine Westberg	Pentecostal Churches Association of Tanzania (PCAT) (formerly called the Swedish Free Mission)

Mr Kimore	Karibu Tanzania (a Tanzanian partner working with Forum Syd), in the Ministry of Community Development, Women and Childrens Affairs
Mary Rusimbi	Programme Co-ordinator, Tanzania Gender Networking Programme (TGNP)
Sherbanu Kabisa	Deputy Chairwoman, BAWATA (Baraza la Wanawake Tanzania – the National Women’s Council of Tanzania)
Magdalena Kaihuzi	Administrator, BAWATA
Mary Marealle	Treasurer, BAWATA
Rose Mushi	Deputy Secretary, BAWATA
Vicky Peter	Branch Manager, Pride Tanzania

### Democracy and Rights

Daniel N. Nsanzugwanko	Project co-ordinator, Democracy, Human Rights & Good Governance Project, Parliamentary Political Parties Committee
M.I. Mfunda	Secretary General Association of Local Authorities of Tanzania (ALAT)
Mark Bomani	Judge, Nyerere Foundation
S.S. Mushi	Professor, Department for Political Science, University of Dar es Salaam
Gaspar K. Munishi	Professor, Public Administration, University of Dar es Salaam
Ibrahim Shao	Professor; Director, Institute for Development Studies, University of Dar es Salaam
Majorie Mbilinyi	Professor, Institute for Development Studies, University of Dar es Salaam
Lewis. M. Makame	Justice; Chairman, National Election Committee
I. Mporogomye	Member of Parliament, CCM; Former Deputy Minister of Finance; Consultant
Ndimara I. Tegambwage	Member of Parliament, NCCR; Foreign Affairs Committee; Journalist
Margareth Sitta,	President, TTU, Tanzania Federation of Trade Unions
Grace Manzemgo,	Treasury, TTU
C.M. Mdundu,	Project Co-ordinator, FILMUP/Law book, Ministry of Justice
B.T.M. Nyanduga,	Advocate; President, The Tanganyika Law Society
P.C. Bakilana,	Advocate; Board member, The Tanganyika Law Society

## Other Development Co-operation Agencies/IFIs

Valerie Leach	Special Advisor on UNDAF/UNICEF
Geert Muijsers	UNDP/UNCDF (Capital Development Fund), Mwanza
Prof Benno Ndulu	Lead Specialist, World Bank Resident Mission
Victor de la Torre	European Commission
Alex Baum	European Commission
Charlotta Mruk	Assistant Programme Officer, Royal Danish Embassy
Kjell A. Nilsson	Project Co-ordinator, Royal Danish Embassy
Stevan Lee	Country Economist, DFID
Mavis Owusu-Gyamfi	Enterprise Development Adviser, DFID
Alana Albee	Social Development Adviser, DFID
Jonny Baxter	Education Adviser, DFID

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## Fighting Poverty Strategically?

A new country strategy for the development co-operation between Sweden and Tanzania was written in the year 2000. As a means of improving the effectiveness of Swedish aid in general, and the co-operation with Tanzania in particular, it had been proposed that the operationalisation of the previous country strategy, covering the period 1997–2000, be evaluated. This evaluation was considered an important input into the new strategy formulation.

The Overseas Development Institute (ODI) in UK was contracted to undertake the evaluation, which took place in 2000. This is the first evaluation of a country strategy commissioned by Sida. The exercise has proven to be a valuable learning experience, not only for Swedish development co-operation with Tanzania, but for Sida as a whole.

The country strategy was one of the first of such strategies to be prepared. Naturally, this had implications with regard to quality of the strategy. In the last few years, major efforts have been made to improve the process of developing such strategies. There is, however, still a lot to be learned from this evaluation, which points to historic-specific factors that influenced the strategy, as well as to some generic problems.



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