

## Tanzania Governance Support Programme 2011-15

### PROGRAMME SUPPORT DOCUMENT

**Country:** United Republic of Tanzania  
**Title:** Tanzania Governance Support Programme  
**National  
Implementing  
Partners:**

1. Ministry of Finance
2. Ministry of Constitutional Affairs and Justice
3. Foundation for Civil Society
4. Tanzania Media Fund
5. Legal Services Facility

**Starting date:** April 2011  
**Duration:** 2011 - 2015  
**Overall budget:** DKK 250 million

#### Signatures:

On behalf of  
the Government of the  
United Republic of Tanzania

On behalf of  
the Government of Denmark

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Signature

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Signature

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Title

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Title

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Date

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Date

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## LIST OF ACRONYMS & TERMS

CIDA	Canadian International Development Agency
CSO	Civil Society Organizations
DfID	Department for International Development (UK)
DKK	Danish Kroner
DP	Development Partner
EU	European Union
FCS	Foundation for Civil Society
FY	Financial Year
GBS	General Budget Support
GGHRD	The Embassy's Good Governance, Human Rights and Democracy programme 2008-2010.
GoT	Government of Tanzania
HO	Host Organisation
JAST	Tanzania Joint Assistance Strategy
JSC	Joint Steering Committee (PFMRP)
LGA	Local Government Authorities
LSRP	Legal Sector Reform Programme
MDA	Ministries, Departments, Agencies
MDG	Millennium Development Goal
MKUKUTA	National Strategy for Growth and Reduction of Poverty
MoF	Ministry of Finance
MoCAJ	Ministry of Constitutional Affairs and Justice
MoU	Memorandum of Understanding
MTS	Medium-Term Strategy (LSRP)
MTEF	Medium Term Expenditure Framework
M&E	Monitoring & Evaluation
PAF	Performance Assessment Framework
PFMRP	Public Financial Management Reform Programme
PRS	Poverty Reduction Strategy
SBS	Sector Budget Support
SDC	Swiss Development Cooperation
TANLAP	Tanzania National Legal Aid Providers
TCC	Technical Coordination Committee
ToR	Terms of References
USD	US dollar
UFT	Udviklingsfaglig Tjeneste
WiLDAF	Women in Law and Development in Africa
WLAC	Women's Legal Aid Centre
ZLSC	Zanzibar Legal Services Centre

# 1 Introduction

## Background

The Tanzania Governance Support Programme 2011-2015 (TGSP) aims at supporting and promoting selected areas of the Government of Tanzania's (GoT) substantial reform agenda. The TGSP was developed on the basis of the principles of aid effectiveness as well as on the local agreement on Division of Labour between GoT and Development Partners (DPs).<sup>1</sup> Further the programme is in line with Danish strategies on Democratisation and Human Rights<sup>2</sup> and Effective and Accountable Public-Sector Management.<sup>3</sup> The programme aims to sustain and build upon the previous Danish governance support, and to uphold a balance of support to the supply and demand sides of governance, while adhering to a new programmatic framework calling for prioritisation and reduction of the number of partners (1-3-5 principle).

## Summary of analysis<sup>4</sup>

The United Republic of Tanzania is a peaceful and stable country which since independence in 1961 has successfully built a strong national unity and significantly reduced the impacts of tribal or regional divisions resulting in one of the strongest track records of political stability in Africa. Since embarking on the reformist path in the early 1990'ies Tanzania has also made considerable political and economic progress.

Despite good progress in recent years, democratic governance in Tanzania is still fragile and faces critical challenges: The legislative framework and institutional arrangements in Tanzania have remained too restrictive to allow a well-functioning governance system. Critical oversight institutions, e.g. the Controller and Auditor General (CAG), the Prevention and Combating of Corruption Bureau, and the Registrar of Political Parties are financially dependent of the Executive. Opposition parties and civil society organisations are raising demands for a new, more democratic constitution fully catering for multi-party democracy. Laws governing elections, political parties, media, and civil society organisations are also seriously contested by opposition parties and civil society organisations. Access to political and economic functions remains limited in the sense that it is reserved to a powerful elite, which too often is part of, or closely associated with, the ruling party. In order to progress further on the reform agenda the challenge

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<sup>1</sup> The local agreement on Division of Labour between GoT and Development Partners is striving for an optimal allocation of responsibilities and tasks both within GoT and with DPs based on comparative advantages

<sup>2</sup> Ministry of Foreign Affairs of Denmark: Democratisation and Human Rights for the benefit of people - Strategic Priorities, June 2009

<sup>3</sup> Ministry of Foreign Affairs of Denmark: Effective and Accountable Public-Sector Management - Strategic Priorities, August 2007

<sup>4</sup> The full underlying analysis underpinning the programme development comprises an Identification Paper; a Scoping Paper, and a Concept Paper for the Tanzania Governance Support Programme (TGSP) 2011-2015. The papers are available at the Danish Embassy in Tanzania.

for Tanzania is to rid itself of systems of political patronage, personal power relationships, and the close intertwining of politics and business.<sup>5</sup>

In developing the TGSP the Embassy has been guided by an ambition to address the challenges which democratic governance is facing in Tanzania through a support programme with elements of both supply side and demand side strengthening of governance.

As regards supply side strengthening, Denmark has in the near past supported several of the six core governance reforms that are being implemented in Tanzania.<sup>6</sup> Currently Denmark supports the Public Financial Management Reform Programme (PFMRP), the Legal Sector Reform Programme (LSRP) and the Business Environment Strengthening Tanzania (BEST).<sup>7</sup> While each reform programme has mechanisms to support both the supply and demand sides of governance, the core reforms are mainly supply side focused in supporting the development of government agencies and policies. Each reform is distinct in focusing either on the public service, the legal sector or public financial management, but all reforms are closely interlinked as they are essentially about changing the way in which Government is doing business.

Through the TGSP Denmark chooses to sustain the support to the LSRP and the PFMRP based on the rationale that there are comparatively few donors involved with the two reform areas as well as the fact, that Denmark over the years has developed a set of comparative advantages within these reform areas to be sustained further to the benefit of Tanzania. The support which will be provided through the TGSP to the LSRP and the PFMRP targets some of the most important institutions in addressing the perennial governance challenges in Tanzania: Through support to the LSRP Denmark is sustaining almost a decade's involvement in the legal sector, i.a. working to strengthen the Judiciary towards fulfilling its role as independent adjudicator of disputes in a democratic society, and to safeguard human rights. Through supporting the PFMRP Denmark is further supporting the strengthening of control of money flows through an integrated financial management system as well as the accountability in the budget process through the Public Accounts Committee's scrutiny of the Executive, based on reports of the CAG. Further, the CAG reports are discussed in Parliament and in turn by the media, addressing any lack of inclusiveness, transparency and oversight in the budget and budget control processes. The

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<sup>5</sup> For more on political economy in Tanzania see: The National Governance and Anti-Corruption Survey (2009); the Tanzania Country Self Assessment Report (APRM), July 2009 (<http://www.aprmtanzania.org/>); Hyden, G. (2005), "Why do things happen the way they do? A power analysis of Tanzania", for the Swedish Embassy; Hussmann and Mmuya: Anti-corruption policy making in practice: Tanzania – A Country Case Study U4 REPORT 1:2007 PART 2E; "Understanding patterns of accountability in Tanzania – final synthesis report", report for the Governance Working Group of the development partners in Tanzania.

<sup>6</sup> Public Service Reform Programme, Local Government Reform Programme, Legal Sector Reform Programme, Public Financial Management Reform Programme, National Anti-Corruption Strategy and Action Plan, and Business Environment Strengthening Tanzania.

<sup>7</sup> BEST is supported through the Business Sector Programme.

cooperation with Tanzania and other DPs in improving the public financial management systems through which aid funds are flowing is moreover seen as crucial in underpinning the delivery of general budget support to Tanzania. To fully utilise the apparent synergies between the GBS programme and the TGSP the two new programmes have been developed in parallel.

As regards demand side accountability in recent years the media, the Parliament and CSOs have been given increasingly more room to voice their dissenting opinions, sometimes directly influencing the policy discourse. E.g. since 2006 a number of high profile cases related to corruption and misuse of power have been revealed; and the degree to which high level politicians (such as the former Prime Minister's) involvements were discussed and documented was unprecedented in Tanzania and in Africa. These developments over the past few years have further confirmed how Parliamentary oversight committees, the Media and CSOs can act as agents for policy change in Tanzania. However, challenges remain regarding editorial independence in the media curtailing investigative journalism, a fragmented and detached civil society, and self censorship in critical research and advocacy for democratic development. The TGSP will work with the Foundation for Civil Society, the Tanzania Media Fund, and a Legal Services Facility in strengthening the public demand for accountability and democratic governance.

## **2 Development objectives**

The development objective of the Tanzania Governance Support Programme is:

*Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption-free at all levels.<sup>8</sup>*

This objective derives from the National Strategy for Growth and Reduction of Poverty, known under its Kiswahili acronym MKUKUTA. The MKUKUTA is conceived as three thematic clusters of which Goal 1 of the Governance and Accountability pillar (Cluster III) has been selected as the development objective of the programme.

## **3 Immediate objectives**

### **3.1 Component 1: Democratic Interaction and Accountability**

#### **Partners:**

- 1) *Foundation for Civil Society*
- 2) *Tanzania Media Fund*

#### **Immediate objective:**

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<sup>8</sup> See Annex K. The National Strategy for Growth and Reduction of Poverty is Tanzania's national development framework for the period of 2010/11-2014/15 (MKUKUTA II).

The immediate objective is shared for the two partners of component 1:

*Principles of democracy, rule of law, integrity, accountability, transparency, inclusiveness, effectiveness and efficiency ensured and applied at all levels;*

Source: MKUKUTA, Cluster III, operational target of Goal 1.

**Expected outcomes:**

- Citizens are able to monitor and influence policy processes for progressive improvement of service delivery.
- Citizens are aware of their rights and responsibilities, and able to demand accountability in spending of public resources.
- A more open society where people can access information, debate issues and express views freely.

*Summary of Foundation for Civil Society programme:*

The Foundation for Civil Society (FCS) was founded in 2002 as a non-profit company with the purpose of supporting the development of CSOs through:

- Grant services: (65% of budget 2009-13)
- Learning services: (7% of budget 2009-13)
- Linkage services (7% of budget 2009-13)
- Research and monitoring (6% of budget 2009-13)
- Administration costs (15% of budget 2009-13)

The budget for the strategic plan period 2009-13 is USD 58 mil.

The main activity, grants to support CSO, is divided into four lots, each of which takes aim at specific target groups: Small registration grants, small rolling grants, medium time-limited grants and large strategic grants for 3 years. The grants are awarded on the basis of four main key result areas: 1) Policy engagement, 2) Governance and Accountability, 3) Civil Society Capacity Strengthening. A fourth area is to strengthen the capacity of the Foundation itself including improving Foundation services, training and networking among grantees.

*Summary of Tanzania Media Fund programme:*

The support to Tanzania Media Fund (TMF) provided since 2008 under the GGHRD programme will be sustained from 2011-2015. TMF is a grant-making institution hosted by Hivos-Tanzania<sup>9</sup>, and it was created in 2008 to foster independent, diverse, vibrant and high-quality media in Tanzania by supporting

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<sup>9</sup> Hivos-Tanzania is a not-for-profit company limited with no shareholders governed by a Board of Directors. Hivos-Tanzania is part of the global Hivos consortium based in The Netherlands. (<http://www.hivos.nl/eng>)

investigative and public-interest journalism and facilitating critical reflection and learning. TMF is entering into a new strategic phase from 2011-2015, and the media is supported through different types of individual and institutional grants as well as mentoring programmes for journalists.

**Component strategy:**

The component strategy is based on the Danish Civil Society Strategy<sup>10</sup> which has the overall objective to contribute to the development of a strong, independent, and diversified civil society in developing countries, as well as a set of Guidelines for Civil Society Support developed in collaboration between Tanzanian CSOs and development partners in 2007. Among agreed principles is the resolve to move towards core-funding and to coordinate support through basket funds so as to minimise transaction costs and reporting requirements for CSOs.

The component aims at enabling the Foundation for Civil Society and the Tanzania Media Fund to realise their respective Strategic Plans through a 5 year contribution to the existing basket funds, and thereby to support the quantitative and qualitative growth and deepening of Tanzanian civil society incl. media, which in turn should impact positively on the process of decision-making and the process by which decisions are implemented in Tanzania.

**National indicators at outcome level (targets and baseline):**

The MKUKUTA contains no well-suited national indicator covering development of civil society. Within the MKUKUTA, civil society as an entity is seen more as an instrument for attaining government aims than as a desirable institution in its own right. However, both FCS and TMF have well established internal results monitoring frameworks, including well defined targets and baselines. The Embassy will use these frameworks to continuously monitor results as an integrated part of the oversight of the support being provided.

**Reference to national programme documentation or other DP support:**

- Foundation for Civil Society Strategic Plan 2009-13 and FCS management documentation cf. Annex A1.3
- Tanzania Media Fund Semi-Annual Report January – June 2010 and TMF management documentation cf. Annex A8

## **3.2 Component 2: Legal Sector Support**

**Partners:**

- 1) *MoCAJ (legal sector institutions)*
- 2) *Legal Services Facility*

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<sup>10</sup> Ministry of Foreign Affairs of Denmark: Strategy for Danish Support to Civil Society in Developing Countries, December 2008.

**Immediate objective:**

The Legal Sector Reform Programme has been the GoT's vehicle for implementation of legal sector reform since 1999.<sup>11</sup> The Legal Services Facility is a new institution to be set up under the programme. The immediate objective is shared by both Partners:

*Promoting and protecting human rights for all, particularly for poor women, children, men and the vulnerable, including people living with HIV/AIDS;*

Source: MKUKUTA, cluster III: Goal 3.

**Expected outcomes:***Legal Sector Reform Programme*

- Expected outcomes are yet to be determined for a new phase of the reform programme to take off in 2<sup>nd</sup> half of 2013.

*Legal Services Facility*

- Legal aid and paralegal services enhanced in quality and quantity and covering all districts of the country thereby improving access to justice for the poor and vulnerable;
- Government responsibility for legal aid provision, incl. paralegals, formalised through legislation and institutionalised;
- Innovative approaches to legal services provision supported;
- Advocacy and legal skills of legal aid and paralegal service providers improved;
- Enhanced awareness about the role and importance of legal aid and paralegal services amongst public and private legal sector stakeholders.

**Summary of partner programme:***Legal Sector Reform Programme*

The Medium-Term Strategy which is the foundation on which the programme was predicated formally expired in 2008, but remains the major strategic reference document in the sector. The strategy has six key result areas.<sup>12</sup> DPs support to the legal sector reform was set to expire in 2008, but it has been extended until end of FY 2012/13 as results have proven to be slow in materialising. It is a no-cost extension using only previous unspent balances in the programme.

Due to unsatisfactory progress in the LSRP, DPs and Government have agreed to a restructuring of the DP support to the reform with a clear focus on results. A new and less comprehensive list of key result areas and a complementary

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<sup>11</sup> See Legal Sector Reform Programme, Medium-Term Strategy 2005/06 – 2007/08.

<sup>12</sup> 1) National Legal Framework; 2) Access to Justice for the Poor and the Disadvantaged; 3) Human Rights and Administration of Justice; 4) Knowledge and Skills of Legal Professionals; 5) Service Delivery Capacity in Key Legal Sector Institutions; and 6) Program Management, Coordination, Monitoring and Evaluation

results management framework has been developed to be implemented between FY 2010/11 – 2012/13. The number of implementing institutions in the refocused support is down from originally 15 to 8, which now count Ministry of Justice; Judiciary; Director for Public Prosecutions; Attorney General's Chambers; The Human Rights Commission; Police; Prisons; and Legal Sector NGOs. On the infrastructure side, the support will establish a new Law School, and a number of new Primary Courts.

*Legal Services Facility:*

The programme of activities will be established during the first programme year.

Main expected outputs are:

- Legal Services Facility set up to administer a basket fund open for other DP contributions;
- Increased availability and coverage of legal aid and paralegal services in Tanzania;
- Improved institutional and technical capacity of legal aid and paralegal service providers in Tanzania;
- Pro-poor regulation and monitoring of legal aid and paralegal services enhanced.

**Component strategy:**

The legal sector reform support will support key legal and judicial reform of the supply side of the justice system, while the Legal Services Facility will support organisations that assist individuals in claiming their rights, redress grievances, and which protect fundamental human rights. The support aims to consolidate the results achieved in the development of the legal sector and to support the continued development of the legal sector institutions (public, private and CSO) as well as the concepts of democratic development and application of laws, safeguarding human rights, and upholding the independence of the Judiciary.

**National indicators at outcome level (targets and baseline):**

MKUKUTA contains several national indicators of relevance to the component.

The current main indicator is:

- *Percentage of court cases outstanding for 2 years or more* (target: 40% by 2011; baseline 2005: 70%).

Possible additional indicators will be developed on the basis of the monitoring framework for the MKUKUTA. A revised results monitoring framework for LSRP has been developed to fit the refocused programme (Annex B3).

**Reference to national programme documentation or other DP support:**

- Legal Sector Reform Programme and Medium Term Strategy 2005/06-2007/08 with subsequent modifications.
- See Legal Services Facility subcomponent description (Annex B2).

### **3.3 Component 3: Public Financial Management Reform Programme**

**Partner:** *Ministry of Finance*

#### **Immediate objectives**

The Public Financial Management Reform Programme (PFMRP) has provided support for Tanzania's PFM reforms for more than a decade, and is currently in its third phase. Phase I (1999-2003) engaged primarily with the Ministry of Finance (MoF); Phase II (2003-07) with MoF, the National Audit Office (NAO), the Public Procurement Regulatory Agency (PPRA) and Zanzibar; whereas Phase III (2009-10) extended to also engage with the Parliament of Tanzania, Ministries of natural resources, local government, lands, education, health and infrastructure.

The current mission statement, as reflected in the Strategic Plan for PFMRP III, is:

*To achieve and maintain sound financial management, fiscal discipline, accountability, resource mobilisation and allocation, public debt management, government asset management through developing robust fiscal and monetary policies, efficient provision of Treasury Services and enhancing professionalism.*

#### **Expected outcomes:**

PFMRP III has been extended until 30 June 2011. Since a clear agreement to narrow the scope of PFMRP has been established among Government and the DPs, the mission statement of PFMRP IV - and hence the immediate objective of Component 3 – is expected to be more specific than that of PFMRP III.

#### **Summary of partner programme:**

The 2009 GBS Annual Review meeting addressed the need to speed up reforms within the on-going PFMRP. Based on these discussions the Government presented an action plan to improve Tanzania's PFM systems, including five core priorities, which address the main concerns about fiduciary risk in Tanzania:

- Performance, scope and coverage of the Integrated Financial Management System (IFMS)
- Cash management
- Flow of funds to all levels of government
- Quality of reporting
- Budget management

The remainder of PFMRP III will have a clear focus on the five core priorities and the next phase is expected also to maintain focus on these priorities.

#### **Component strategy:**

During the 2009 GBS Annual Review, the Government presented a joint Action Plan focusing on interim, remedial actions to be undertaken by November 2010 (before the next annual review of GBS) within each of the five areas listed above. A monitoring matrix for the Action Plan has been made and budget allocations are in place for most of the envisaged actions. In addition, a detailed results oriented matrix exists with some possible steps to be taken under each of the five areas over the period up to June 2012. The matrix includes indication of the responsible parties and time frames for each step. The priorities beyond 2012 are as yet unknown, but PFMRP IV, due to start 1 July 2011, is expected to have a five-year time frame. PFMRP IV is expected to maintain the focus on the five priority areas.

**Outcome indicators:**

MoFEA has initiated the process to develop a strategy and medium term implementation plan for a comprehensive reform of public financial management in Tanzania (PMFRP IV). MoFEA did acknowledge the critique of the Strategic Plan for PFMRP III raised in the independent 2009 review of the PFMRP, in particular the program's fragmentation and shortcomings in terms of results matrix and measurability. In recognition hereof, the early preparation of PFMRP IV point to the need for development of a performance management system, which enables online access to real time PFMRP performance across the programme's components. Performance monitoring for this component will make use of such performance monitoring system as it becomes available.

**Reference to national programme documentation or other DP support:**

In due course, the existing MoU between Government and DPs in support of a harmonised approach to the implementation of the PFMRP needs to be updated to reflect the strategic plan for PFMRP IV. Currently, the World Bank, DFID, Norway, Japan, Germany and Denmark are joint signatories to this basket funding arrangement. Ireland and Canada may also sign up. In addition, the Swiss Development Cooperation and several UN agencies provide targeted project funding to the PFMRP.

## **4 Cross-cutting issues and priority themes**

The support to the Foundation for Civil Society and to the Legal Services Facility will comprise gender equality, human rights protection and issues of democratic participation. For both these partners capacity in gender mainstreaming will be a part of the organisational assessment of grantees and in the technical assistance to be provided to grantees. The restructured support to the Legal Sector Reform Programme comprises elements that seek to improve the human rights situation, e.g. support to the Human Rights Commission, prison reform, human rights training of the police, civilianisation of the public prosecution, and better case management in the courts aiming at reducing case back-log. The LSRRP, however, continues to have weaknesses in the area of gender. An external TA on gender was recruited to strengthen that aspect of the programme.

The support to the implementation of PFMRP IV will not contain specific measures to address any of the cross-cutting issues or priority themes. However, the PFMRP will have a direct bearing on a range of good governance issues. In particular, improved public financial management across the MDAs and LGAs will allow these to plan, budget, allocate and account for scarce public funds more efficiently and thus improve service delivery. In the same vein, improvement in public financial management (in particular increased budgetary transparency and better oversight functions) is also a prerequisite for the provision of general budget support and other modalities based on alignment.

## **5 Budget**

### **Sector Budget Support**

The issue of moving towards budget support is a recurrent topic of discussion among DPs, most notably within the GBS DP group. Support to the legal and public financial management sectors is already aligned to national mechanisms and will continue to adhere to the aid effectiveness agenda through a basket fund modality for the respective sectors.

In a recent Joint Steering Committee meeting, the option for DPs to simply contribute more GBS and for Government to establish a PFMRP that was fully government funded was discussed. This option was rejected by the Permanent Secretary of MoFEA, who preferred to continue with the PFMRP basket with improved working modalities. MoFEA finds that sector budget support is not a feasible option for the cross-cutting reform areas that include PFM, and that the common basket facility (see MoU signed April 2009) represents the best platform for DP support to PFMRP. Moreover, none of the participating DPs in Tanzania currently have any inclination to move to SBS.

Legal sector implementing institutions have previously accessed LSRP funds via the MoCAJ. This contradicted the separation of powers and caused further delays in implementation. The LSRP has with effect from FY 2008/09 been better aligned and integrated into standard GoT planning processes and institutional MTEFs as implementing institutions access LSRP funds through their respective votes directly from the MoFEA. The LSRP basket is aligned to GoT procedures and systems with the World Bank reserving a no objection in respect of procurement. The support can, however, not be considered SBS as basket funds are separated from GoT resources, the planning does not include all GoT resources, neither are all resources included in the reporting framework, and the LSRP funds are audited separately.

Continued implementation delays and reporting problems have led DPs to favour a tighter management dialogue about the implementation of the reform programmes. For both PFMRP and LSRP goes, that results have not been adequately monitored by Government. Results monitoring frameworks do exist, but across the board the Government is challenged by the need to establish credible baselines and to continuously and systematically collect the information

required to keep the monitoring tools relevant and effective. Efforts are ongoing within each reform area to strengthen results monitoring, but it will take some time before systems have been established and tested to an extent that they can be considered fully reliable.

In light of the above it would be counter-intuitive for Denmark to make a unilateral move to SBS.

### **Unallocated funds / Technical studies**

Budget allocations at this stage of development of the programme are summary by necessity as allocations to the reform programmes impinge on the development of new phases. Moreover, the area of good governance is inherently volatile and sudden changes might occur in the political and social environment which might cause Government and/or DPs to wish to reconsider or reconfigure support in the governance area. Such changes should nevertheless be considered carefully and should be thoroughly justified, e.g. by technical studies.

To preserve the opportunity to react to unforeseen contextual changes within the next programme phase, which for the first time is increased to 5 years, 15% of the programme budget remains unallocated. Such reallocation could be made subject to recommendations from a mid-term review.

The next round of general elections in Tanzania is in 2015, and Government would likely request DPs for support to conduct those elections. Without prejudice to other needs arising, and subject to a joint Embassy and UFT assessment unallocated funds could be utilised to support any upcoming elections support project.<sup>13</sup> Additional funds could also be utilised to support future phases of the two reform programmes.

### **Programme budget at a glance:**

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<sup>13</sup> That would require establishing a 6<sup>th</sup> programme partner, which according to the Guidelines for Programme Preparation can be allowed in special cases.

Components and outputs	Budget in DKK million
<b>Component 1: Democratic Interaction and Accountability</b>	<b>80</b>
Sub-component 1.1 Foundation for Civil Society	50
Sub-component 1.2 Tanzania Media Fund	30
<b>Component 2: Legal Sector Support</b>	<b>98</b>
Sub-component 2.1 Legal Sector Reform Programme	30
Sub-component 2.2 Legal Services Fund	68
<b>Component 3: Public Financial Management RP</b>	<b>30</b>
Technical assistance (programme level)	0
<b>Sub-total</b>	<b>208</b>
Unallocated funds	25
Other costs (reviews, etc.)	5
Contingencies	12
<b>Grand total</b>	<b>250</b>

## 5.1 Component 1: Democratic Interaction and Accountability

### *Foundation for Civil Society*

The total budget of the Foundation for Civil Society for the period 2009-13 is estimated in the Strategic Plan at USD 58.34 million. The budget is estimated to grow from USD 8.3 million in 2009 to USD 14.3 million in year 2013, cf. below.

The contributions and commitments of the six members of the basket fund<sup>14</sup> for 2010 amount to approximately USD 7 million thus leaving a funding gap at present of USD 3.8 million. Funding estimates beyond 2010 are incomplete pending commitments from DPs.

### FCS budget 2009-13 (USD '000)

APPLICATION OF FUNDS	2009	2010	2011	2012	2013	TOTAL	%
Company functions and meetings	260	280	287	302	302	1,431	2
Recurrent Expenditure	1,103	1,198	1,276	1,342	1,398	6,319	11
Capital Expenditure	54	240	40	40	45	419	1
Grants disbursement and support service	6,768	8,892	10,628	10,551	12,285	49,127	84
HR & Institutional Development Prgr.	196	196	196	205	250	1,043	2
<b>Total</b>	<b>8,384</b>	<b>10,807</b>	<b>12,428</b>	<b>12,441</b>	<b>14,281</b>	<b>58,342</b>	<b>100</b>

<sup>14</sup> DfID, SDC, Irish Aid, Netherlands, Norway, CIDA.

Source: FCS Strategic Plan 2009-13

#### *Tanzania Media Fund*

The budget for the Strategic phase 2011-2015 is not yet developed, but is expected to arrive at USD 15m.

## **5.2 Component 2: Legal Sector Support**

#### *Legal Sector Reform Programme*

The budget for the current, extended phase of the LSRP is USD 110m. From programme start in FY 2006/07 until the end of 2009 disbursements account for some USD 70m. The basket fund originally had five members of which two have since left.<sup>15</sup> The Danish contribution amounts to a total of DKK 35m originally over 3 years, but now to be extended to 7 years (3+2+2).

A new phase of the LSRP is expected to be ready for implementation from FY 2013/2014. An allocation of DKK 30m during the last two years of the programme is budgeted for, based on the assumption that an LSRP, phase II may take time to garner sufficient support from DPs, and an initial Danish commitment may allow for a smooth transition from one programme phase to the next.

#### *Legal Services Fund*

A rough budget for the Legal Services Facility is set out below and is an estimate based on experience and actual costs from the comparable FCS and TMF. The level of awards is estimated at 3 times the amount presently provided bilaterally by Denmark to three large legal aid providers in Tanzania, based on the assumption that there is indeed an adequate number of legal aid and paralegal organisations eligible and willing to apply to the foundation. It is assumed that other DPs supporting legal sector NGOs will consider shifting from bilateral support to supporting to the basket fund once it has consolidated itself.

2011	2012	2013	2014	2015	<i>Totals (DKK)</i>
2,000,000	13,590,000	17,780,000	22,255,000	12,505,000	68,130,000

## **5.3 Component 3: Public Financial Management**

The details of the budget for Component 3 cannot be determined until PFM RP IV has been fully prepared. Hence, there may be a need to update the budget for Component 3 at a later stage. Nevertheless, some of the modalities are already in place and PFM RP's funding situation and budget performance so far provide certain indications for the future.

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<sup>15</sup> Belgium and SIDA

Denmark's allocated commitment to PFMRP III totalled DKK 40m. To date DKK 20m has been disbursed. Under-spending has been a recurrent feature of PFMRP. According to the GBS Annual Reviews, only 27% of the committed funds were spent in 2006. In 2007 spending increased to 52%. According to the 2009 External Review, spending on the total PFMRP budget FY 2008/09 reached 59%. MoFEA believes that some of the past leadership and management limitations have now been addressed, which includes the establishment of an improved and more well-staffed PFMRP Secretariat embedded in MoFEA, paving the way for a better utilisation of the available funds in the future.

The PFMRP budget for the 2009/10 Annual Work Plan amounts to Tsh 33,79 billion (approx. . The sources of funding are: Government funds 48%, basket funds 40%, project funds 12%. The distribution of resources to the basket fund for 2009/10 is the following: World Bank USD 5m, DFID USD 2,3m, Denmark USD 1.8m, Norway USD 1m and Japan USD 0.5m.

## **6 Management and organisation**

The programme components will be managed according to their specific setup as described in the component description and national partner documentation attached. Each component will be managed discretely and no overall TGSP programme management is foreseen.

### **6.1 Component 1: Democratic Interaction and Accountability**

#### *Foundation for Civil Society*

The management structure of the FCS is set out in the Memorandum of Association that establishes the Foundation for Civil Society as a limited company under the Company Act of Tanzania of 2002. The Members (“founders” in the sense of the Company Law) of the FCS count 5-7 and constitutes a self-replenishing body that is the highest organ of the Foundation. Decisions regarding policy, budgeting and all activities of the Foundation are entrusted to a Board of Directors appointed by the Members consisting of 5-7 members. The Board is responsible for appointing an executive director and to oversee the running of the secretariat. The daily business of the FCS is headed by the Executive Director. Functions are divided into four departments, each with a Department Head.

Grants are based on formalised procedures for receiving, screening, due diligence, and decisions on awards. The Board of Directors is responsible for decisions on the Strategic Grants, while Management headed by the Executive Director is authorised to decide on all other applications. The FCS has developed and progressively simplified standard application forms and guidelines for applicants. Other guidelines implemented include due diligence reports and field

visits. The FCS has developed and implemented procurement manuals, staff regulations and HR policies. The staff is currently at 39 persons.

#### *Tanzania Media Fund*

The management structure of the TMF is based on the original tender document and currently consists of the following bodies: the TMF Secretariat; Hivos Tanzania (Serengeti Advisors); a Steering Committee; a Basket Fund Committee; and a Grant Selection Committee.

It was originally the intention that by the end of the pilot phase in May 2011, TMF would be an independent Tanzanian organisation, and that Hivos would no longer be part of the TMF. Hivos plans to end its tenure as TMF's hosting agency in 2011. By that point, TMF aims to have established itself as a stable and independent organisation.

As originally planned, a Tanzanian Executive Fund Manager (EFM) has taken over from the current (Hivos) EFM in June 2010. While Hivos is still formally the Host Organisation Hivos in June 2010 contracted the local Tanzanian company, Serengeti Advisors to run the daily operations in collaboration with the TMF management. TMF, Hivos and DPs have jointly decided that a new four year strategy for 2011-2015, including programme content, programme management, governance and staffing structure of TMF will be drafted by February 2011.

#### **Development Partner cooperation:**

The component consists of two basket funds in support of existing organisations with well-developed and consolidated management structures and organisation. Denmark will contribute to the two basket funds based on agreed procedures stipulated in MoUs, and will receive periodic reporting in return. In case of special requests for changes in spending priorities from the organisations, the partners in the basket fund in question will confer and decide upon the request.

#### **Administrative procedures:**

Danish participation in the two basket funds will be managed by the Embassy of Denmark.

## **6.2 Component 2: Legal Sector Support**

#### *Legal Sector Reform Programme*

The policy and implementing framework as established under the MTS is entrusted to the Steering Committee composed of the heads of the legal sector institutions. A Joint Programme Implementation Review committee (JPIRC) composed of the coordinating agencies under the MoCAJ and the DPs reviews progress reporting and the M&E framework, and can make recommendations to the Steering Committee. A Technical Coordination Committee at the level of chief executive officers for each implementing agency is responsible for assessing technical reports and issues and recommending to the SC and JPIRC. Under the

MoCAJ, which has the overall coordinating role, a Programme Coordination Office (PCO) is in charge of day-to-day coordination. The latter has now been integrated in to the Ministry's Planning and Policy Department. Three external TA have been recruited to the LSRP to strengthen the programme. As basis for the refocused support a new results management framework has been developed, and DPs are cautiously optimistic that good results can be registered in the extension phase.

CIDA doubles as chair for the Legal Sector Working Group, which is the designated political dialogue forum between Government and DPs, as well as being chair of the group of DPs supporting the LSRP. Naturally, the management and organisation under a revised phase of the LSRP / MTS may differ from the existing setup described; however, it can be expected that it will build on the systems and procedures already implemented and applied as part of the government systems.

#### *Legal Services Facility*

The Legal Services Facility presents special management considerations owing to the fact that it concerns the establishment of a new grant giving mechanism. The management and organisation is described in greater detail in Annex [A2.12.] For as long as the Facility will be under management by a Host Organisation/Fund Manager, decisions affecting the component will be made according to the contractual terms and involve the Embassy of Denmark as proposed in the attached draft ToRs for the Host Organisation/Fund Manager.

### **6.3 Component 3: Public Financial Management**

#### **Management structure:**

The MoU for the basket fund sets out the principles of cooperation between Government and the DPs providing financial support for the implementation of PFMRP. The MoU (together with the PFMRP Strategic Plan and the PFMRP Operations Manual) establishes the management and organisational setup of the Danish support under Component 3. These arrangements are summarised below.

The leadership and coordination of PFMRP build on the existing arrangements for policy formulation and implementation of public sector reforms in Tanzania. These are the Inter-Ministerial Technical Committee that includes all Permanent Secretaries responsible for leadership and oversight of all public sector reforms, and the Joint Steering Committee (JSC) for the PFMRP.

#### **Decision-making/Steering Committee:**

The JSC comprises as members representatives of the Government, DPs and East Africa Regional Technical Assistance Centre. The JSC is co-chaired by the PS-Treasury and the Chair of the PFM Working Group of the Development Partners Group. The JSC is responsible for maintaining strategic oversight. Performance is to be reviewed by the JSC in quarterly meetings.

The Deputy PS-MoFEA is responsible for managing the programme on a day-to-day basis together with a PFMRP Secretariat in MoFEA. Component Managers are appointed in each of the implementing agencies.

The PFM WG is currently led by EU-delegation with DfID as deputy chair. Apart from this, a small unit has been established by the DPs to coordinate activities within Cluster III of the MKUKUTA, which comprises governance and public financial management.

**Administrative procedures:**

Danish participation in the basket fund will be managed by staff from the Embassy of Denmark.

## **7 Financial management and procurement**

Financial management and procurement will utilise partner systems both in civil society and the state sector.

Denmark and other DPs disburse their contributions to the public sector component partners through the Exchequer System. Basket funding DPs, including Denmark, deposit their financial contributions to the respective basket fund accounts, which are in USD and maintained by the Accountant General at the Ministry of Finance.

All procurement of goods, works, services and selection of consultants by the public sector component partners will be in conformity with the law, including the Public Procurement Act. The Procurement Management Units and their respective Tender Boards in the respective MDAs will be responsible for all procurement.

### **7.1 Component 1: Democratic Interaction and Accountability**

*FCS and TMF*

Both partners prepare narrative and financial reports on a bi-annual basis for distribution to all development partners contributing to the respective baskets and to the public at large. An international audit firm, Deloitte & Touche, currently audits both partners.

*The Foundation for Civil Society*

The financial reporting provides details of funds received from each of the development partners, expenditure, and balance of unutilised funds. The report attempts to apportion expenditures and balance of funds proportionately to each development partner, which is not in line with the spirit of basket funding (it is an attempt to track the expenditure and balance of funds to contributing partners).

The finance department has three staff including the Head of Department (Finance and Administration Manager). The number is adequate given the size of the institution (total 30 staff). There is no internal audit unit, instead the Monitoring and Evaluation Department provides some elements of controls when visiting the grantees to perform due diligence.

In addition, the Foundation is commissioning audits of grantees as a way of getting assurance that the grants issued are used for intended purposes. Such audits focus on the funds disbursed by the Foundation to the grantees and are conducted on sample basis (do not cover all the grantees).

Apart from the audits, the grantees are required to prepare and submit to the FCS quarterly reports (both narrative and financial reports). Satisfactory quarterly report triggers the release of funds to the grantees.

#### *Tanzania Media Fund*

The TMF is being hosted by Hivos-Tanzania through the Tanzanian company, Serengeti Advisors (HO). As part of the scope of responsibilities, the HO is providing an institutional home for the Fund to enable it to set up systems, procedures and policies and fully develop its programmes. The HO is availing its operational, financial and administrative systems and capacities to the Fund, and provides financial systems support to the Fund as a model that the Fund is using to develop its own financial systems and procedures.

Following the inception phase in 2008, disbursement of funds to individual grantees only started in 2009. In 2009 a small external audit was conducted covering the preceding year. Since no grants were disbursed in 2008, the audit focused on the setting up phase (May-December 2008). No major issues were identified. In 2009 TMF spent 82% of its budget. No under-expenditure is expected in 2010, if all institutional grants applications are received and processed as planned.

## **7.2 Component 2: Legal Sector Support**

#### *Legal Sector Reform Programme*

Under the present LSRP, the World Bank maintains a system of “no objection” for procurements exceeding the pre-determined thresholds. For example, for procurement of consultancies the World Bank requires prior review of the Terms of Reference; for other procurement packages using international competitive bidding (ICB) the bank requires prior review. The procurement thresholds for a “no objection” are determined on project by project basis, for example, the Bank has raised the procurement thresholds for works to USD 5m and above.

#### *Legal Services Facility*

Legal Services Facility represents a special case in so far that Denmark (and other funders choosing to join the basket) will be establishing a separate basket fund.

It will be a condition under the contract to be signed with the Host Organisation/Fund Manager that adequate financial and procurement manuals, HR policies and grant procedures are established at the outset and adapted in practice.

### **7.3 Component 3: Public Financial Management**

The procedures for financial management and procurement are specified in the MoU for the PFMRP basket fund. Government procedures are used.

This implies that the PFMRP Strategic Plan (currently Phase III, 2008/09-2009/10, and subsequently Phase IV, FY 2011/12-2016/17) provides the starting point for the development of the rolling annual PFMRP Work Plan and Budget, which must be approved by the JSC. All contributions to PFMRP are fully reflected in Tanzania's MTEF and annual budget. Once approved, Government's annual budget will allocate the resources needed by Component Managers to achieve the targets specified in the annual Work Plan and Budget.

Annual external financial audits of the PFMRP basket fund will be undertaken by the NAO within six months after the end of the Government financial year.

## **8 Monitoring, reporting, reviews and evaluations**

### **Monitoring & evaluation**

Results from the TGSP support are monitored at sub-component level. Each sub-component has its own results monitoring framework with specific indicators and baselines against which progress is being measured. In addition, a logframe covering the whole programme will be developed to complement the said monitoring. Results will be monitored as follows at sub-component level:

*Foundation for Civil Society:* The FCS is conducting four types of monitoring and evaluation activities to ensure the relevance, effectiveness, efficiency and accountability of its programmes and grants. These are Impact Evaluations, Outcome Assessments, Output Monitoring and Process Monitoring.<sup>16</sup>

*Tanzania Media Fund:* The TMF has an M&E system which has indicators focusing on outputs, outcomes and impact. The targeted outputs include establishing a grant mechanism, establishing a learning programme, and establishing an independent/Tanzanian organisation. The targeted outcomes are to increase quality and quantity of investigative journalism and to improve the capacity of journalists/media institutions. The desired impact is that the media is becoming a critical player in domestic accountability in Tanzania.<sup>17</sup>

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<sup>16</sup> FCS Strategic Plan, p. 41-45 (cf. Annex 1Aa)

<sup>17</sup> TMF Project Implementation Plan, p. 35-43

*Legal Sector Reform Programme:* For the period 2010-2013 a dedicated result monitoring framework for the refocused LSRP has been developed including the targeted outcomes, indicators, and baselines as well as annualised targets for the years 2010-2013. A similar results monitoring framework would be developed for the next phase of the LSRP expected to be implemented from 2013.

*The Legal Services Facility:* An integrated part of the Terms of Reference for the Host Organisation is to oversee the development of the monitoring and evaluation system and ensure effective implementation of the sub-component.

*Public Financial Management Reform Programme:* As part of MoFEA's refocusing of PFM reforms on the five key areas, a monitoring matrix for the Action Plan has been drawn up. In the dialogue with MoFEA and the PFMRP Secretariat Development Partners have highlighted the importance of developing a good M&E framework to allow for stock-taking of progress achieved with regards to the five key areas.

### **Reviews and reporting**

The programme will be subject to a mid-term review during the summer of 2013, the exact timing of which should be aligned to coincide with other expected DP missions related to PFMRP and LSRP. The purpose of the mid-term review is to take stock of developments and progress and to advise the Embassy on at least two major milestones in the programme itself, viz. the launching of the Legal Services Facility and the formulation of renewed support to the LSRP. In addition, the mid-term review should advise the Embassy on the priorities for unallocated funding.

The outline review and reporting plan is as follows:

<b>Component</b>	<b>Reporting</b>	<b>Mid-term review</b>	<b>Timing</b>
Component 1	Annual reporting	Mid-term programme review (incl. TAS)	Mid-year 2013
Component 2.1	Quarterly reporting	Formulation and appraisal joint with programme mid-term review.	Mid-year 2013
Component 2.2	Bi-annual reporting	Mid-term programme review (incl. TAS). End of prog. evaluation.	Mid-year 2013 4Q 2015
Component 3	Quarterly reporting	Mid-term programme review (incl. TAS)	Mid-year 2013

The MoU for the basket fund provides for external reviews of PFMRP implementation to be undertaken by an independent consultant. This has already been done in 2006 and 2009. The timing, purpose and terms of reference of these reviews will be endorsed by the JSC.

## 9 Key assumptions and risks

The risks and assumptions for the programme have been analysed and presented at the level of the programme itself as well as in relation to each of the three components. For each identified risk, mitigating actions have been identified. The programme level risks are to a wide extent shared with the risk assessment for the General Budget Support Programme.

Key assumptions for the TGSP are:

- The TGSP will be implemented in a continued stable political environment;
- GoT and partner DPs stay committed to public sector reform programmes, incl. LSRP and PFMRP;
- Other equally relevant areas for potential support under TGSP remain adequately supported by other DPs under the established principles for Division of Labour.<sup>18</sup>

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<sup>18</sup> Summary of Agreement and Finalized Division of Labour and Structure of Dialogue, Update for JCG 13th November 2009 Meeting (on file with Embassy)

## Annex A: Risk matrix

Risk	Examples of risks identified	Likelihood / impact	Examples of safeguards	Responsible Unit
<b>Programme level</b>				
1. Deterioration of the current level of good governance, with regards to respect for human rights, a free press, pluralistic democracy and the rule of law.	<u>Example:</u> The judiciary remains largely independent, but reports of incidences on non-adherence to international standards of fair trials lead to concerns.	Possible/major	The underlying principles in the Partnership Framework Memorandum would be at risk if there were deterioration of the respect for human rights and good governance. This would initiate high-level political discussions between GBs DPs and GoT.	Embassy - engagement in GBS group.
2. Corruption and accountability: A set-back in GoT's anti-corruption efforts and ability to take decisive measures on grand corruption.	<u>Example:</u> A new series of grand corruption cases are revealed in the wake of the 2010 general elections, and GoT fails to take decisive measures.	Possible/major	The support to the PFMRP and the LSRP is essentially about mitigating risks in relation to GoT's financial management and strengthening Tanzania's ability to prosecute, i.a. for corruption.	Embassy
3. Weakening or deteriorating quality of PFM systems can lead to mismanagement and inefficient use of public funds.	<u>Example:</u> Weak internal audit and expenditure control would increase the risk of misuse of funds.	Possible/minor	Development Partners (through the PFMRP, PSRP/ LGRP) are involved in continuously addressing the issue.	Embassy
4. Low compliance with rules for public procurement increases risk that value for money is not achieved in the use of public funds.	<u>Example:</u> Deterioration or lack of progress in compliance with procurement regulations	Likely/moderate	The PFMRP WG, LSRP WG, and the GBS group will continue to raise this at a technical and political level. In addition the compliance with rules for public procurement is part of the assessment criteria for the so-called MDG-tranche of the Danish GBS programme.	
5. Deterioration in general working conditions and recognition of CSOs.	<u>Example:</u> legal or regulatory obstacles to CSO registration and or functions	Unlikely / moderate	Advocacy on behalf of CSOs	Civil society / support from Representation and other DPs
6. Overlap with other projects and interventions: There is a risk of duplication of activities within	<u>Example:</u> The Foundation for Civil Society and the Legal Services Facility support the same organisation for the same activities.	Possible/moderate	Constant dialogue with other development partners as well as with programme partners.	Embassy

the programme and with other development partners.				
7. Commitment of partners and stakeholders: The success of the programme will depend on active participation and coordination between the various stakeholders in the public and private sector.	<u>Example:</u> The Embassy and its partners have to push for timely development and implementation of work plans. <u>Example:</u> Required reporting is not adhered to.	Possible/moderate	Constant dialogue with partners	Embassy
8. Capacity constraints	<u>Example:</u> Implementing partners are under capacitated bringing the timely implementation of the programme in jeopardy	Possible/moderate	Constant dialogue with partners	Embassy
9. Monitoring capacity	<u>Example:</u> Developed results monitoring frameworks are not being used leaving the programmes unable to adequately account for results	Possible/moderate	Constant dialogue with partners	Embassy
<b>Component level :</b>				
<b>Components 1 (Foundation for Civil Society) and 2.2 (Legal Services Fund)</b>				
5. Failure to establish a value for money service and in particular, failure to achieve a significant impact with the investments and grants awarded.	<u>Example:</u> Some or several grantees do not reach the self-assigned outputs in their project applications.	Likely /moderate	Improve grant and due diligence screening, improve monitoring and capacity building programmes.	Foundation for Civil Society
6. Patronage in awarding grants	<u>Example:</u> Some of the grants awarded are based on favouritism on the part of the organisation and/or kickbacks	Possible / moderate	Regular monitoring of grants awarded and regular audits of grants awarded, if necessary through random forensic audits.	The Fund / Embassy
7. Grantees abuse awards	<u>Example:</u> Some of the grantees abuse the awarded grants severely hampering the intended impact.	Possible / moderate	A solid system of screening grantees as well as regular monitoring of results and expenditure is maintained.	The Fund / Embassy
8. Misuse of funds by grantor	<u>Example:</u> The granting institutions misuse a part of available funding for purposes outside their mandate or for private gain.	Possible / catastrophic	Regular monitoring of Foundation financial statements and public accountability measures.	Embassy
9. Lack of qualified staff / board	<u>Example:</u> Not possible to recruit capable	Possible / major	Screening of candidates, considering	Embassy

members available for the Foundation for Civil Society and the Access to Justice Foundation	management and/or board members with sufficient qualifications and integrity.		remuneration package and providing management training and supervision during the establishment phase.	
<b>Sub-component 2.1: Legal Sector Reform Programme</b>				
10. Weakened commitment by GoT or DPs to support the LSRP.	<p><u>Example:</u> The GoT fails in the short-term to deliver on action points agree to during the ATIP restructuring mission (February 2010) thus causing the World Bank to withdraw prematurely from the basket fund.</p> <p><u>Example:</u> The GoT fails to develop a new phase of the LSRP to be launched from 2013.</p>	<p>Possible / major</p> <p>Unlikely / moderate</p>	<p>LSRP DPs actively engaged in assisting MoCAJ in ensuring that action points are met, including hiring of dedicated support staff in planning/procurement inside the World Bank.</p> <p>LSRP DPs to actively engage GoT on the timely development of a new phase</p>	LSRP DPs
11. The dialogue between GoT and DPs in the LSRP WG is ineffective or breaks down.	<u>Example:</u> Owing to insufficient progress DPs engage in micro-management, which is disliked by GoT. This leads to a relationship characterised by fragmentation and confrontation.	Possible/moderate	This problem would be discussed in the JPIRC and possibly higher levels of GoT-DP dialogue.	LSRP DPs
12. The measurement of specific LSRP performance indicators continues to prove elusive, and it is not possible to demonstrate that actual improvement is taking place.	<u>Example:</u> While a suitable results framework may be developed and agreed upon, the participating MDAs and LGAs fail to deliver reliable and timely data for the monitoring system, wherefore it is not possible to demonstrate that actual improvement is taking place.	Likely/moderate	The LSRP DPs would raise the problem at technical and political levels. In addition, Government's ability to manage the reform programme and demonstrate performance improvements from this could be required (jointly by the DPs) as a condition for continued support through the basket fund.	LSRP DPs
<b>Component 3: Public Financial Management</b>				

13. Weakened commitment by GoT or DPs to support reforms in the area of PFM.	<u>Example:</u> The performance in the five priority areas of the Action Plan for the remainder of PFMRP III fails to live up to expectations. This would raise serious doubts with regard to the viability of a more comprehensive PFMRP IV. As a result, some DPs might leave the Basket Fund and opt for project aid to get things done.	Rare/major	The commitment of all parties to the Paris Declaration principles augurs against DPs leaving the Basket Fund. Discussions would be initiated in the PFM WG to counter this development.	PFM WG
14. The dialogue between GoT and DPs in the PFMRP WG is ineffective or breaks down.	<u>Example:</u> Owing to insufficient progress DPs engage in micro-management, which is disliked by GoT. This leads to a relationship characterised by fragmentation and confrontation.	Possible/moderate	This problem would be discussed at the JSC and possibly higher levels of GoT-DP dialogue.	PFM WG
15. The measurement of specific PFMRP performance indicators continues to prove elusive, and it is not possible to demonstrate that actual improvement is taking place.	<u>Example:</u> While a suitable results framework may be developed and agreed upon, the participating MDAs and LGAs fail to deliver reliable and timely data for the monitoring system, wherefore it is not possible to demonstrate that actual improvement is taking place.	Likely/moderate	The PFMRP WG would raise the problem at technical and political levels. In addition, Government's ability to manage the reform programme and demonstrate performance improvements from this could be required (jointly by the DPs) as a condition for continued support through the basket fund.	PFM WG
16. Lack of independence or insufficient capacity of NAO could open a window for misuse of basket funds, misuse of powers, insufficiencies in the budget process, and lack of accountability.	<u>Example:</u> Insufficient autonomy and lack of NAO independence would make it difficult to hold key players in the Government accountable.	Unlikely/major	The PFMRP and GBS working groups would raise weakened capacity and decreased autonomy of NAO in its contacts with the Government.	PFM WG / GBS Group

## Annex B: Assessment of the ten budget support principles

Period covered: December 2008 – September 2009

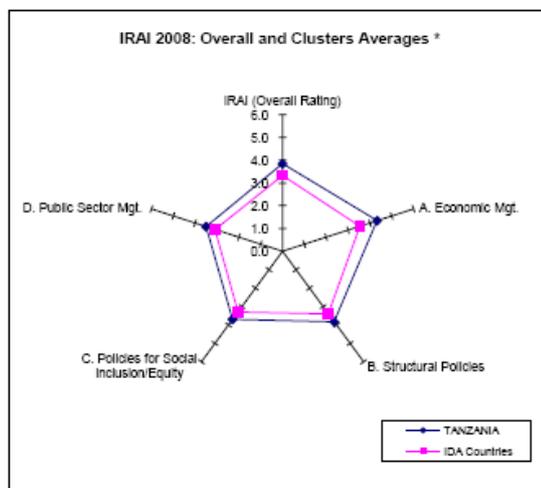
### A. COUNTRY CONTEXT

Rating a/ Satisfactory: The technical preconditions for continuing with - or considering - general budget support are in place.

Rating b/Less satisfactory: There is political will and capacity for reform. General budget support may be continued – or applied - within a well defined framework of conditionality and/or technical safeguards.

Rating c/Unsatisfactory: Technical preconditions for General Budget Support are not in place.

	<p>Rating: a [ ] b [x] c [ ]</p>	<p><i>Good governance, encompassing a minimum respect for human rights, a free press, pluralistic democracy and rule of law, including independence for the judiciary.</i></p>
<p><b>1. Good governance</b></p>	<p>Good Governance, corruption and red-tape in general continues to be a challenge in Tanzania for both businesses and people. In the area of democratisation and domestic accountability Tanzania continues to be a stable multi-party democracy. The ruling party, through their majority in Parliament, continues to influence the legislative as well as the executive branches of government, although in recent by-elections opposition parties in some areas enjoyed marked progress and in one constituency even succeeded to win a seat previously held by the ruling party, CCM. The government generally shows respect for democratic values and principles, incl. freedom of expression for media.</p>	<p>Coming from a high level of performance Tanzania has experienced a recent set-back in some of its good governance indicators. According to the World Bank's most recent performance indicators, the so-called IRAI scores, Tanzania slides back from being the second best performer among IDA countries borrowing from the World Bank's "soft loan" window to now being the fourth best performer among IDA countries when it comes to IRAI scores. While Tanzania maintains its standing on macro-economic management, structural policies and policies for social inclusion and equity the set-back is mainly due to a lower rating in the public sector management cluster of the IRAI scores resulting from lower ratings on the sub-categories related to "Transparency, accountability and corruption in the public sector" and to "Quality of budgetary and financial management".</p>



	<p>While Tanzania as one of the few African countries has demonstrated willingness to tackle a number of grand corruption cases in the last few years the World Bank's view is that the prosecution process is taking too long and prevent the discontinuation of a culture of impunity for the most well-connected culprits. The Embassy shares the concerns of the World Bank on this issue but do also acknowledge that investigation, prosecution and conviction processes in cases of economic crime are extremely complicated and lengthy and the robustness of the Tanzanian system to prosecute people involved in these corruption scandals is still being tested. At such times it is important to continue to support the anti-corruption system, which in a number of other African countries has been sidelined when it came to prosecution of high-ranking officials. The deterioration in the indicator on the quality of budgetary and financial management is discussed in section A8. In the area of human rights pls. see the annex for a detailed description of Tanzania's accession and compliance with international human rights conventions. Events in relation to Albinos and to land and human rights for pastoralists have recently been of particular concern in connection with human rights. Events in relation to voter registration in the build up to 2010 general elections pose a risk to the development of pluralistic democracy in Zanzibar. The judiciary remains largely independent, but reports of incidences of non-adherence to international standards of a fair trial, in particular in relation to land rights cases, have caused concern. Tanzania plays an active role in ensuring regional security most recently demonstrated by its chairmanship of the African Union where Tanzania played an active role in the power sharing agreement in Kenya and in the conflict in the Comoros.</p>
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	<p>Rating: a [x] b [ ] c [ ]</p>	<p><i>Anti-corruption with implementation of prevention and control measures, as well as follow-up with a view to improving the country's standing in the international corruption league table.</i></p>
<p><b>2. Anti-corruption</b></p>	<p>In the 2008 Transparency International Corruption Perception Index Tanzania dropped to a ranking of 102 compared to 94 in 2007. Tanzania was recently ranked best in the East Africa Bribery index with a 17% bribery incidence vis-à-vis Kenya (45%) and Uganda (35%). In the most recent Afrobarometer survey 56% of the public believed that government was fighting corruption in the 2008 survey (albeit a fall from 61% in 2005). On the other hand, anecdotal evidence tells that despite having a rigorous regime of laws, regulations and oversight agencies intended to prevent, investigate and sanction corrupt practices, Tanzania still struggles with several cases of grand corruption, some of which are currently being investigated and some of which are currently in court. The National Anti-Corruption Strategy and Action Plan was mainly focused at putting in place bureaucratic safeguards in its first phase (2000-2005), but in its second phase (2006-2010) it is focusing more on engaging local government authorities, civil society and the private sector in the fight against corruption. According to the official case statistics of the Prevention and Combating of Corruption Bureau (PCCB), 21% of reported cases between 1995 and 2009 were investigated, of which only 0.4% led to convictions. The annual statistics on cases investigated and convictions</p>	

	are however showing an upward trend. Business-relevant areas in which corruption persists include government procurement, licensing, police, privatisation, taxation, ports, and customs clearance.
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	Rating: a [x] b [ ] c [ ]	<i>Solid poverty reduction strategy and the will to implement it( e.g local ownership and PRS integrated in national budget), including assessment of progress in the country's PRS process during 2009 based on the latest PRS review.</i>
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<b>3. Poverty</b>	<p>Since 2000 Tanzania has successfully implemented a PRS. A well-defined PRS is currently in place in the form of the so- called MKUKUTA, which covers the period 2005-2010, and consists of three main components relating to income poverty, social sectors, and governance. A separate poverty reduction strategy for the semi-autonomous Zanzibar (MKUZA) is also in place. As the MKUKUTA expires next year, joint efforts by the Government and Development Partners are currently underway to prepare for the next PRS which is expected to cover the period 2010-2015. Although the implementation of Tanzania's PRS has not been without problems, it has for the last 7 years been rated as satisfactory by the budget support partners co-financing the strategy. The share of MKUKUTA spending in the National Budget in the fiscal year 2008/09 was estimated at 68 percent – in line with previous years. A monitoring system for the MKUKUTA is also in place.</p> <p>In November 2008 the National Bureau of Statistics published the preliminary results of the 2007 Household Budget Survey, which showed that the proportion of people living below the poverty line (TSH 13,998 per month) had decreased by 2.1%, from 35.7% in 2001 to 33.6% in 2007. The survey also showed mixed results in terms of how public expenditures have reached poor people, with good performance for education and health but poor results for water and electricity. For further information on results pls. see section B.</p> <p>As a consequence of the Household Budget Survey, poverty played a pivotal role in the latest annual review of budget support to Tanzania, and the review stressed the need to ensure that the next PRS emphasizes the increased importance of broad-based growth to make sure, that progress is not only limited to the social sectors. The preparatory work on the successor to the current PRS consists of a first stage of analysis of the main determinants of poverty in Tanzania.</p>
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Comments on Danish effort to the development and implementation of PRS ( <i>not part of rating</i> )	Denmark contributes to fund the implementation of the MKUKUTA through its development programme, including through the provision of general budget support. Through its sector programmes, Denmark contributes to the MKUKUTA targets that relates to governance, health, environment, the private sector and infrastructure, although Denmark is in the process of phasing out of the infrastructure sector. As the chair of the budget support donor group (from May 2008 to April 2009), Denmark helped ensure that poverty featured as the main theme at the annual budget support review in late November 2008. In addition, Denmark used the review to press for a timely preparation of the next PRS. Finally, Denmark has also been funding the National Bureau of Statistics in Tanzania in order to make sure that several key
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	surveys on poverty is carried out.
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	Rating: a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/>	<i>Positive experiences with development cooperation generally and budget support specifically, as well as ongoing documentation of concrete development results.</i>
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<b>4. Track record</b>	<p>Since 2001, Denmark has provided budget support with the objective of contributing to the financing of the implementation of the PRS and the reform agenda, while maintaining macroeconomic stability. During the period 2001-2005, Denmark has provided budget support in the amount of DKK 380 million. During the current budget support appropriation covering 2006-2010, Denmark will be providing support for more than DKK 450 million.</p> <p>The Joint Assistance Strategy for Tanzania (JAST) is the main axis of the aid effectiveness process and of the mutual commitments which it entails. According to the JAST general budget support is the Government of Tanzania's preferred aid modality. The 14 General Budget Support donors coordinate their activities under the umbrella of the Poverty Reduction Budget Support (PRBS) Group.</p> <p>Between 2001 and 2007, real GDP growth averaged 7% per year. Tanzania has during the same period experienced a high degree of macroeconomic stability although inflation has been rising during the last year. The strong growth performance has however not translated into significant reductions in poverty levels. According to the Household Budget Survey of November 2008 (cf. section A3), the proportion of people living in poverty has decreased by 2.1%, from 35.7% in 2001 to 33.6% in 2007 with no evidence of a strong imbalance in trends between rural and urban areas although there is a clear gap in poverty levels between these areas. The survey also showed mixed results in terms of how public expenditures have reached poor people, with good performance for education and health but poor results for water and electricity, which has consequences for gender relations, as women and girls continue to spend a disproportional part of their time collecting water and fuel. The Human Development Index gave Tanzania the score of 0.467 – 159th out of 177 countries, whereas the Gender related Development Index (GDI) score was 0.464 – 137th out of 156 countries in 2005. Tanzania was ranked relatively better in terms of adult literacy rate (103rd), and 148th for school enrolment.</p> <p>The speed of core reforms in the legal sector, business sector, public sector and in public financial management is still too slow due to lack of leadership and limited capacity to implement reforms across government.</p>
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	Rating: a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/>	<i>The Finance Act process, with publication of budget and accounts, as well as parliamentary consideration.</i>
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<b>5. Finance Act</b>	A Public Finance Act (2001, revised 2004) is in place and provides the legal framework for the budget process. An additional revision of the act is expected to be passed by parliament in 2010. While the preparation of the budget takes place in a timely manner in accordance
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	<p>with the Public Finance Act, not all stakeholders – domestic as well as donors – are duly consulted during the process. The budget estimates are formulated in line with detailed macroeconomic forecasts on future growth, inflation and external sector trends. Following the preparation of budget guidelines and ceilings for all ministries, departments and other Government agencies, the Ministry of Finance then formulates goals, objectives and budget priorities which should be achieved in the forthcoming financial year.</p> <p>The main scrutiny of the budget takes place at parliamentary sessions, before the national budget is finally approved by Parliament and the budget is made public. Apart from the involvement of domestic and foreign stakeholders in the budget preparation, the main weakness concerning the Finance Act process relates to the fact, that parliamentary consideration and scrutiny of the budget is often not very critical, as the ruling CCM-party has a confident majority in Parliament. Although the capacity of the legislature to scrutinize the budget is low there are encouraging signs with regards to the parliamentary oversight bodies, as several of the Parliamentary Committees are becoming increasingly involved in the oversight of public expenditures.</p>
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	<p>Rating: a [ ] b [x] c [ ]</p>	<p><i>Rules for public procurement broadly in accordance with international standards.</i></p>
<p><b>6. Public Procurement</b></p>	<p>A new Public Procurement Act which set improved standards for transparent and effective procurement entered into force in 2005. The rules for public procurement, as codified in the Act, are in line with international standards. The actual implementation and compliance to the rules are nevertheless still below par. There are however encouraging signs, that more emphasis is put on the enforcement of the Procurement Act, as ministries are beginning to strengthen their procurement in line with the Act. Although Tanzania's Public Procurement Regulatory Agency (PPRA) is weak in terms of manpower and capacity, it has been given additional resources to enforce its mandate. According to the latest audit report of the Controller and Auditor General for the fiscal year 2007/08, an assessment of procurement audits shows a relative low level of compliance with procurement laws and regulations. According to the PPRA common weaknesses include poor record keeping, interference of powers, inappropriate tender evaluation, deviations from appropriate procurement channels, inappropriate tender evaluation and communications on the award. PPRA continues to monitor the average level of compliance of procuring entities through procurement audits. These audits showed an average level of compliance among procuring entities in 06/07 of 39% increasing to 43% in fiscal year 07/08. For fiscal year 08/09 PPRA has finalised 30 out of 100 procurement audits and preliminary figures indicate that the level of compliance continues to increase.</p> <p>In addition, several of the major cases of corruption and of misuse of power that have surfaced during the last few years have dealt with deviations from the procurement rules and regulations. This has both highlighted, that procurement remains opaque and not effectively monitored, but at the same time, it has led to new calls for better</p>	

	monitoring and enforcement of public procurement rules.
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	Rating: a [ ] b [x] c [ ]	<i>Presence of an independent National Audit Office or similar functioning inspection body.</i>
<b>7. Audit</b>		<p>Tanzania has the ambition of moving upwards in the ranking of the so-called AFROSAI international audit standards by reaching level 3 by 2010, with its most recent ranking being level 1. Several measures have been taken to achieve this target of which enactment of the Public Audit Act in 2008 is the most significant.</p> <p>The Public Audit Act in 2008 has strengthened the independence of the National Audit Office. For many years, the main weakness of the National Audit Office was its lack of autonomy and authority. Although the new Public Audit Act has not given the National Audit Office a statutory independence from the executive branch, as the head of the National Audit Office, the Controller and Auditor General continues to be appointed by the President, it has greatly enhanced its autonomy. In case the Controller and Auditor General was to be appointed by Parliament (and not by the president) Tanzania's constitution needed to be changed and such a change is therefore premature.</p> <p>Firstly, the Public Audit Act will enable the National Audit Office to upgrade the financial audit capacity and quality of audit reports. In addition, the Act allows the Controller and Auditor General to appoint and decide the remuneration of his own staff, and the Controller and Auditor General now has the full freedom to decide on the type and scope of the audits undertaken by the National Audit Office. Secondly, while NAO's budget is still submitted to the National Assembly by the Minister of Finance and Economic Affairs, the Minister now needs to give regard to the advice of the Public Accounts Committee (PAC) in Parliament. Thirdly, the National Audit Office will no longer be audited by the Ministry of Finance.</p> <p>Finally, although weak and of varying quality, the Controller and Auditor General has for the 3rd year in a row submitted his reports in time to Parliament. Although not all of the Controller and Auditor General's recommendations are followed-up, there are signs, that several of the key oversight bodies in Parliament are playing a more assertive role in the scrutiny of public expenditures.</p>

	Rating: a [ ] b [x] c [ ]	<i>Expert appraisal of quality and capacity in public finance management</i>
<b>8. PFM</b>		<p>Tanzania's public financial management systems score better than most African countries. This comparable position partly reflects the important and highly praised efforts made by Tanzania in the decade up to 2005 which saw major improvements in the areas of cash management, the introduction of an integrated financial management system and policy based budgeting. However the results over the last 3-4 years reflect a slowdown in reform and increasing awareness of the need to tighten up on some of the fundamentals. This slowdown has resulted in a drop in Tanzania's performance on PFM compared to other countries over the last 3-4 years and is behind the downgrading of Tanzania's score on "Quality of budgetary and financial</p>

	<p>management” in the World Bank’s IRAI, ref. section A1.</p> <p>Over the last 3-4 years Tanzania has seen a decline in several of the PEFA indicators relating to PFM systems and the credibility of the budget. It includes lower ratings for expenditure out-turn compared to the original approved budget and predictability and control in budget execution, which includes a marked decline in Tanzania’s recording and management of cash-balances, debt and guarantees, and in the effectiveness of internal audit – although the country is on a positive trajectory when it comes to the scope, nature and follow up of external audit.</p> <p>Improvements in PFM, such as the creation of an internal audit department at the Ministry of Finance, which will strengthen the internal control systems at the central level, are therefore overshadowed by several areas of particular concern. The concerns relate to the transparency of intergovernmental activities, the oversight of public entities and a number of control risks concerning the payroll, fund flows, reporting and the integrated financial management system. In addition, there are concerns about cash management and bank reconciliation and further work needs to be addressed in the area of External audit.</p>
<p>Comments on progress in public sector reform</p>	<p>There remain major weaknesses within public financial management (PFM) systems reforms, and the pace of reform needs to be accelerated to provide continuing confidence to development partners. The 3rd phase of the Public Financial Management Reform Programme (PFMRP III) officially started in July 2008. The main areas of focus of the current phase of the PFMRP are improvements in cash management, payment systems, coverage and integration of Integrated Financial Management System (IFMS), and budget classification. In addition PFMRP III will ensure a roll-out of the program to several important MDAs, and several key oversight bodies, such as the National Audit Office (NAO), the Public Procurement Regulatory Authority (PPRA), and the Prevention and Combatting of Corruption Bureau (PCCB), as well as several parliamentary oversight committees will have the possibility of accessing funds from the PFMRP-basket in order to strengthen their oversight function.</p> <p>One of the main challenges being addressed this year is the need to ensure appropriate capacity of the PFMRP Secretariat, which has been operating under the auspices of the Ministry of Finance. There has been continued delays in the recruitment of additional capacity for the secretariat which has had a direct impact on the process of developing quality work plans for 2009/10. The recruitment needs to be accelerated and complemented by additional short term expertise where appropriate, and specific help to support the work planning process is needed. There continue to be concerns over the control environment, covering basic payroll and bank reconciliations, the need to upgrade the integrated financial management system, address cash flow management, and compliance with procurement regulations. There is an urgent need to provide updates to development partners of progress in these areas to provide reassurance that areas of key fiduciary risk are being addressed.</p>

	<p>The annual general budget support review in November 2008, where several of the above-mentioned weaknesses were raised, acted as a catalyst for new impetus on the PRMRP. Shortly after the review Government appointed a new Deputy Permanent Secretary with specific responsibility for PFM reforms. He is now leading further actions to strengthen the PFMRP secretariat, ensure that work programmes address areas of weakness and concern.</p> <p>Monthly monitoring meetings have also been initiated to review progress in the Accountant General's Department and the Budget Department. There is also agreement to align the program more directly with overall outcome indicators which are monitored by and through the PEFA initiative. There has also been agreement to undertake an independent review of PFM in the Autumn 2009 which will provide input to the discussion of PFM during the General Budget Support review in November 2009. All these steps are important to specifically address the monitoring weaknesses which have been highlighted.</p>
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	Rating: a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/>	<i>Mutual observance of agreed obligations.</i>
<b>9. Partnership</b>	<p>There has been a mutual observance of agreed obligations, as stipulated in the Partnership Framework Memorandum, and in the bilateral Government Agreement (2006) between Denmark and Tanzania. In addition there has also been a mutual observance of agreed obligations with regards to the stipulations in the Partnership Framework Memorandum which sets out the conditions for the commitment and disbursement of general budget support.</p> <p>The emergence of several cases of corruption and of misuse of power in 2007/08 momentarily led budget support partners to postpone their planned commitments, as this constituted a breach of one of the underlying principles in the Partnership Framework Memorandum relating to good governance. In accordance with the Partnership Framework Memorandum, a special dialogue with Government was initiated, and as several of the cases of corruption and of misuse of power were addressed by the relevant Tanzanian authorities, the general budget support process was resumed.</p> <p>The Government is clearly taking the lead in the dialogue with development partners but the predictability of budget support and Government's implementation of actions agreed in the Performance Assessment Framework for budget support needs to be strengthened.</p>	

	Rating: a <input checked="" type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/>	<i>Consensus among all budget support donors regarding approach (incl. rules for transfer and monitoring) and conditions for general budget support.</i>
<b>10. Harmonisation</b>	<p>Tanzania is one of the pioneering countries when it comes to donor coordination. The Joint Assistance Strategy for Tanzania (JAST) is the model for many other countries, although implementation speed gives room for improvement. Denmark and the other 13 Budget support donors have signed with the government a Partnership Framework Memorandum which describes the process, the information</p>	

	<p>requirements and the commitments of both partners. All budget support donors, except the African Development Bank, provide funds through the same account in the Bank of Tanzania, and receive the same audit reports and statements from the Ministry of Finance and the National Audit Office.</p> <p>Challenges remains from different budget support partners having different types of conditionalities for part of their budget support which risks sending mixed signals to the Government of Tanzania as regards performance.</p>
<p>Description of joint donor-govt. coordination structure – and the Danish participation (<i>not part of rating</i>)</p>	<p>A GBS troika system consisting of the World Bank as well as an incoming-, current-, and outgoing chair is in place. As chair of the general budget support group during the period of May 2008-April 2009, Denmark was at the heart of this coordination, representing the interests of all budget support donors in the dialogue with government. During the Danish tenure as chair of the general budget support group, efforts were made to improve the efficiency and dialogue between development partners and Government and a revised technical note on transfer of budget support funds into the Bank of Tanzania and on to the Exchequer account was signed to complement the Partnership Framework Memorandum.</p> <p>A review assessing the progress against the jointly identified targets and indicators in the so-called Performance Assessment Framework (PAF) takes place annually, and throughout the year there is a continuing dialogue between the donors, the Ministry of Finance and other partners involved in PAF implementation. On the basis of a joint overall assessment of the implementation of the PAF-matrix at the annual review and the identified Government budgetary requirements, each budget support donor will decide on its planned funding level. The pledged amounts will then be disbursed in the beginning of the following fiscal year. Development partners' early disbursement during the fiscal year to improve the Government of Tanzania's planning and execution of the budget can still be improved.</p>

## Annex C: Gender Equality Rolling Plan

Basic information	
Programme title	Tanzania Governance Support Programme 2011-2015
Sector	Governance
Country	Tanzania
Budget (Danida's contribution)	DKK 250 million
Starting date and duration	2011-2015

Phases in the programme cycle and documentation	Action required	Responsibility
Preparation phase  GERP annexed to the concept note	<p><b>National level</b></p> <p><b>1.i International &amp; regional conventions</b> Tanzania has ratified the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) in 1985, adopted the Platform of Action after the Beijing Conference on Women in 1995 and subscribed to the Optional Protocol to CEDAW in 2006. Tanzania is also party to the Protocol to the African Charter on Human and Peoples Rights on the Rights of Women in Africa.</p> <p><b>1.ii National strategies, policies and legislation,</b> Article 13 of the Constitution of the United Republic of Tanzania guarantees equality of both men and women. Gender equality and empowerment of women in all socio-economic and political relations and culture are well considered in the Tanzania Development Vision 2025</p>	

Phases in the programme cycle and documentation	Action required	Responsibility
	<p>and the National Strategy for Growth and Reduction of Poverty (MKUKUTA), 2005. The National Women and Gender Development Policy, 2000 which gives direction to stakeholders in advancing gender issues socially, culturally, economically and political is in place. Emphasis on gender equality is also integrated in national sector policies such as Education and Training policy, 1999, Employment policy, 1997.</p> <p>The legal framework for enhanced gender equality is to a large extent in place. The government has passed several laws in favour of gender equality and advancement of women such as the Land Act of 1999 and the Village Land Act of 1999 (which repeal and replace the previous legislation on land matters thus enabling women to enjoy equal rights with men in access, ownership and control of lands); Sexual Offences Special Provisions Act of 1998 (seeks to protect women from sexual harassment and abuse). Sector legislations such as Education Act and Employment Act emphasise equal rights for both men and women. Tanzania has also adopted an approach to planning that integrates gender equality considerations into planning and budgeting process in all ministries and regional and local authorities.</p> <p>Promotion of women participation in politics and decision-making is among the critical policy areas of concern for Tanzania. The government has changed regulations and taken affirmative action to include women in decision-making. The parliament has passed a Bill to increase the special seats for women in parliament representation to 30% in 2005 from 20% in 2000 and efforts are ongoing to reach the SADC target of 50%. Another national strategy for increasing</p>	

Phases in the programme cycle and documentation	Action required	Responsibility
	<p>the number of women in decision-making position is through Cabinet Decision no. 23 of 1996 on appointment of women in political and public services such as board directors, heads of institutions, commissioners and national delegates.</p> <p><b>Institutional set ups and capacity:</b></p> <p>The Ministry of Community Development, Gender and Children is the focal institution for gender equality issues. The Ministry has put in place the following institutional mechanisms to help smooth execution of its mandate of facilitating and promoting women development and gender development across all sectors through: -</p> <ul style="list-style-type: none"> <li>• Establishment of Gender Mainstreaming Section and Women Development Section within the Department for Gender and Development.</li> <li>• Gender focal points have been established in ministries, regions and districts to ensure that gender concerns are taken into considerations in development policies, plans or programmes in those levels.</li> <li>• The presence and involvement of the Ministry in Public Expenditure Review (PER) process contributes potentially to all efforts, which are geared towards ensuring gender issues are mainstreamed in the budget processes</li> <li>• Most Ministries, Departments and Agencies (MDAs) have gender policies and strategies. However, there is limited capacity in the MDAs for effective implementation of policies and strategies.</li> </ul>	

Phases in the programme cycle and documentation	Action required	Responsibility
	<p><b>1.iii Non-governmental stakeholders</b> Tanzania Gender Networking Programme (TGNP) has since 1995 remained an active NGO working on gender equality. In implementing the Beijing Platform of Action, Tanzanian human rights activists particularly women/gender organizations built a coalition of like-minded organizations known as Feminist Activism (FemAct) in 1995. The NGOs interventions include training and awareness creation on gender equality, advocacy for women participation in politics and decision-making and work to remove discriminatory provisions in existing laws. Most NGOs have gender policies and strategies.</p> <p><b>2. Sectoral level</b></p> <p><b>2.i Policies, legislation, institutional set-up</b></p> <p>Gender has been systematically mainstreamed within the current PRS. With the overall objective of formulating a gender policy, a three-year master plan has been developed. Government addresses gender disparities in employment and income. The implementation of the PRS addresses gender issues at various levels. For instance, advocacy and sensitisation on gender issues is carried out, equal-employment initiatives are undertaken and women’s access to higher learning institutions is supported.</p> <p><b>2.ii Indicators</b> Indicators for achieving gender equality according to the current PRS include:</p>	

Phases in the programme cycle and documentation	Action required	Responsibility
	<ul style="list-style-type: none"> <li>- Proportion of women among senior civil servants</li> <li>- % of women representatives elected to district council</li> <li>- Proportion of women among members of parliament</li> <li>- Proportion of women with secure tenure over land or property</li> <li>- Number of cases filed on infringement of women rights</li> <li>- % of cases of sexual abuses reported that resulted in conviction.</li> </ul> <p><b>Issues, opportunities and constraints:</b>  The legal and political framework is to a large extent in place, but major issues/constraints for addressing gender equality have been noted: -</p> <ul style="list-style-type: none"> <li>• In Tanzania, women’s legal and human rights are constrained by inadequate legal literacy among women. The main reason being that the existing legal system does not reach the majority of women who live in rural areas.</li> <li>• Like many societies in Africa, customary laws and practices remain discriminatory against women on issues of inheritance particularly on land, as well as institutionalised violence against women eg. - wife battering, female genital mutilation and the existence, side by side, of multitude of statutory, religious and customary laws that might be conflicting.</li> <li>• There are also discriminatory applications of statutory laws, inadequate legislative protective mechanism such as protection orders, baring orders and safety orders in the legal system and in insensitive investigations and prosecution of cases involving</li> </ul>	

Phases in the programme cycle and documentation	Action required	Responsibility
	violence against women and children.	
Preparatory studies	<p>Gender is a cross-cutting issue in the TGSP, in particular in the support to the legal sector where gender disaggregated data is sought collected routinely. Moreover, gender is addressed separately in the Gender Equality and Women's Empowerment Programme, Phase I (2009-2011).</p> <p>The programme's overall objective is to improve the living conditions of women and men in Tanzania through the support of special initiatives that promote gender equality and empowerment of women.</p> <p>Specific objectives are:-</p> <ul style="list-style-type: none"> <li>• To strengthen systems of coordination, mainstreaming, monitoring and evaluation of gender equality policies and programmes.</li> <li>• To increase the capacity of CSOs in engaging with and challenging policy and institutional structures to enable them to yield positive and gender sensitive impacts.</li> <li>• To contribute towards economic empowerment and enhancing socio-economic status of women in Tanzania, in particular through support for women's entrepreneurship at the grassroot level.</li> </ul>	Embassy

<b>Phases in the programme cycle and documentation</b>	<b>Action required</b>	<b>Responsibility</b>
Formulation		
Appraisal		
Annual reviews	The Gender Equality and Women's Empowerment Programme, Phase I (2009-2011) will be reviewed annually, first time in 2010.	
Programme completion report		

## Annex D: Environmental Screening Note

### Basic Information

Programme support title (title of appropriation):	Tanzania Governance Support Programme 2011-2015
Sector:	Governance
Country:	Tanzania
Danida budget:	250 Million DKK
Description of the Programme support:	See the concept note
Dates (expected):	Programme committee: 11/12/2009; Appraisal: March 2010; Board: December 2010.

### Module 1: Screening of Country and Sector Environmental Framework

Assessment of the adequacy of the legislation, policies, procedures in Environmental Management and Environmental Assessment in the country and sector. (Click yes or no. If no, comment and further work is required in the right hand column – and to be included in Next Step - PAP section).

<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>
1. Do national procedures for <b>Strategic Environmental Assessment and Environmental Impact Assessment</b> (e.g. legal framework) exist?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Do operational <b>national environmental action plan(s) or environment sector programme(s)</b> exist?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3. Do up-to-date <b>state of the environment reports and environmental monitoring systems and indicators</b> exist?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. Have sufficient assessments been made of <b>environmental aspects of policy reforms and budget support</b> (and underlying PRSP's or similar)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5. Is environmental management sufficiently integrated into <b>sector plans</b> (the sector to be supported)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6. Is sufficient <b>institutional capacity for environmental management</b> available to/in the sector (to be supported)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
7. Are there adequate <b>harmonization, alignment and coordination</b> for environmental management in the sector (to be supported)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Summarize the overall impression of the Country and Sector Environmental Framework:

The PRS builds on Tanzania's robust environmental institutional framework and considerable capacities to set environmental management standards. The institutional framework is defined by the 1997 national environmental policy and the 2004 Environmental Management Act (EMA). The EMA has since 2005 adopted Environmental Impact Assessment (EIAs) as a management tool to screen undertakings likely to pose adverse impact on the environment. EIAs become legal in 2004 and are applied to all development

projects and programs that have the potential to give rise to significant social and environmental impacts. EIAs are mandatory for several types of activities including mining operations, agriculture, and petroleum and gas field development, construction of roads, dams and harbours. In addition, EMA has also recognises the need for Strategic Environment Assessment (SEA) as a tool for the assessment of major policies, plans, strategies and programmes.

The Strategic Environmental Assessment (SEA) was introduced in 2004 under EMA as a tool to evaluate the potential environmental (natural resources management linkage), social (poverty indicators, livelihoods and health impacts and vulnerability impacts on the poor) and institutional (institutional targeted impacts) effects of the PRS and any plans or programmes that would be derived from it. SEA involved consultations with Ministries, Departments and Agencies, Civil Society Organisations and NGOs resulting in policy refinements on environmental and sustainable development issues. The following list includes example of recent SEAs that have been carried out: SEA for PRS credit (World Bank), Mafia Island airport development (Millennium Challenge Corporation/IRA) (report available by International Resources Group, Washington, 2008),SEA for Minerals Policy 2008, Scoping study for the Strategic Environmental and Social Assessment (SESA) for the Sustainable Management of Mineral Resources Project (SMMRP) in Tanzania (report available, 2009).SEA for transport sector investment programme (2005-2006), Management plan for Ramsar Site in Kilombero Valley. Plans (DMTDPs).

## Module 2: Screening of environmental opportunities and risks of programme support

Assess the possible environmental impact of the programme support on the following issues in terms of opportunities and risks:

<i>Will the programme support...</i>	Oppor- tunity:	Risk:	None:
1. ... have an impact on <b>soil, water or air pollution through emmissions or similar?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. ... lead to changes in land and resource <b>tenure and access rights?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. ... include activities within or adjacent to <b>protected and environmentally sensitive areas?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. ...result in <b>livelihood changes</b> (including resettlement) that can increase or decrease the pressure on available natural resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. have an impact (direct/indirect) on <b>occupational health and safety?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. ... have an impact (direct/indirect) on <b>environmental health?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. ... include <b>economic and sector policy initiatives</b> with direct or indirect impacts on the use of natural resources and the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Summarize and elaborate on Environmental **Opportunities:**

The Legal Sector Reform Programme *may* in a second phase, which would run from mid-2013, address issues of resource tenure and access rights by supporting the Ministry of Lands and Human Settlements Development and/or Ward Tribunals (customary law, quasi-judicial body for mediating small claims, land disputes and minor offences at the ward level. A ward comprises of several villages in a locality of a District Council or urban authority under the local government system. )

Summarize and elaborate on Environmental **Risks**: N/A

The reforms required in a Governance programme are unlikely to have a significant negative effect on the country's environment and natural resources.

Identify requirements for Environmental Impacts Assessment. EIA categories: [ A ] Full EIA required; [ B ] Partial EIA required; [ C ] No EIA required<sup>19</sup>.

*Component Name:* *Category A, B or C:*

1: Democratisation & Domestic Accountability C

2: Access to Justice and Legal Sector Reform C

3: Public Financial Management C

Will activities of the programme support with potential environmental impacts be subject to national regulation and procedures for EIA? – Yes  - No

When will the EIA be done?

**Next Steps – process action plan (PAP)**

**NB! To be attached to module 1, and updated and attached to module 2**

Need for further work (click the box if action is needed during preparation or formulation and appraisal phase, or implementation):

*Suggested activity: N/A* *Action needed* *Comments and elaboration:*

1. Assessment of Environmental Management in sector development plan.

2. Assessment of capacity for Environmental Management in the sector.

3. Prepare ToR for and conduct Country Analytical Work.

4. Prepare ToR for and conduct SEA(s) of sector policies or plans.

5. Prepare ToR for and conduct EIA(s) for programme support activities.

6. Initiate donor harmonisation in the sector on environmental assessment and management.

7. Other...?

**Signing of the Environmental Screening Note**

Dar es Salaam, date

.....

Embassy of Denmark in Tanzania

<sup>19</sup> Category A = Intervention is likely to have adverse environmental impacts that may be sensitive, irreversible, and significant in scale/scope; B = Intervention is likely to have negative impacts, but which are less significant, not as sensitive, numerous, major or diverse; C = The environmental risk of the intervention are of little or no concern.

## Annex E: Updated Proces Action Plan

<b>PAP for GBS programme and Good Governance programmes Tanzania</b>			
<b>Activity/Output</b>	<b>Timing</b>	<b>Unit responsible</b>	<b>Status (available / to be prepared)</b>
<b>Preparation phase</b>			
Assessment according to the 10 budget support principles		Representation	Available
Gender equality rolling plan	Nov 2009	Representation	Available
Environmental screening note	Nov 2009	Representation	Available
Presentation of concept note to MFA Programme Committee	Dec 2009	Representation	Available
<b>Formulation and Appraisal phase</b>			
Draft Danida Programme Document	March 2010	Representation	Available
Appraisal	March 2010	UFT/Representation/in co-operation with Accra for GBS	Available
Final Programme Document and draft Board paper	June 2010	Representation	Available
Board presentation	Dec 2010		Available
Minutes of the Board	Dec 2010	MFA/HUC	To be prepared
Signing of Government Agreements with Partners	Jan 2011		To be prepared

## Annex F: Draft Programme Budget

Components and outputs	Budget in DKK million
<b>Component 1: Democratic Interaction and Accountability</b>	<b>80</b>
Sub-component 1.1 Foundation for Civil Society	
Core support	50
Sub-component 1.2 Tanzania Media Fund	30
<b>Component 2: Legal Sector Support</b>	<b>98</b>
Sub-component 2.1: Legal Sector Reform Programme	30
Sub-component 2.2: Legal Services Facility	68
<b>Component 3: Public Financial Management</b>	<b>30</b>
<b>Sub-total</b>	<b>208</b>
Unallocated funds	25
Other costs (reviews, etc.)	5
Contingencies	12
<b>Grand total</b>	<b>250</b>

## Annex G: Draft Annualised Programme Budget

	2011	2012	2013	2014	2015	Total
<b>Component 1</b>						
Denmark	16	16	16	16	16	80
Partners	-	-	-	-	-	
Others	-	-	-	-	-	
<b>Component 2</b>						
Denmark	2	11	15	39	31	98
Partners	-	-	-	-	-	
Others	-	-	-	-	-	
<b>Component 3</b>						
Denmark	6	6	6	6	6	30
Partners	-	-	-	-	-	
Others	-	-	-	-	-	
Technical assistance	0	0	0	0	0	0
<b>Subtotal</b>	<b>24</b>	<b>33</b>	<b>37</b>	<b>61</b>	<b>53</b>	<b>208</b>
Unallocated funds			10	10	5	25
Other costs (reviews, etc.)			2		3	5
Contingencies			2	5	5	12
<b>Grand total</b>	<b>24</b>	<b>33</b>	<b>51</b>	<b>76</b>	<b>66</b>	<b>250</b>

## **List of other documentation (Annexes A1 – D3)**

### **Component 1: Democratic Interaction and Accountability**

- Annex A1a: Foundation for Civil Society Strategic Plan 2009-13
- Annex A1b: FCS – Strategic Plan Budget
- Annex A2: FCS Annual Report 2008
- Annex A3: FCS Procurement Guidelines
- Annex A4: FCS Memorandum of Association
- Annex A5: FCS Financial Procedures and Policies
- Annex A6: FCS Staff Policies and Procedures
- Annex A7: FCS Grants Application Guide
- Annex A8: Tanzania Media Fund Semi-Annual Report Jan. – June 2010
- Annex A9: Programme timeline (milestones)

### **Component 2: Legal Sector Support**

- Annex B1: Medium Term Strategy, 2004
- Annex B2: Sub-component Description: Legal Services Facility
- Annex B3: LSRP Revised Results Framework
- Annex B4: Draft ToR for Fund Manager Legal Services Facility

### **Component 3: Public Financial Management**

- Annex C1: PFMRF: Strategic Plan
- Annex C2: MoU on the PFMRF basket fund
- Annex C3: Action Plan on Key Issues on PFM at Central and Local Government Levels by November 2010
- Annex C4: GBS Key Issues for 2010: Monitoring Matrix on Action Plan

### **Other relevant documentation**

- Annex D1: Status on DPs Division of Labour
- Annex D2: MKUKUTA Master Plan
- Annex D3: Aide Memoire – ATIP Mission