Evaluation of Capacity Development in Danish Development Assistance

Annex G: Tanzania Country Study

November 2015

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Abbreviations

APHFTA	Association of Private Health Facilities in Tanzania
BAE	British Aerospace
BDS	Business Development Services
BEST	Business Environment Strengthening Tanzania
BoT	Bank of Tanzania
BSDP	Budget Support Development Partners
BSPS	Business Sector Programming Support
CAG	Controller and Auditor General
CCM	Chama Cha Mapinduzi Party
CD	Capacity Development
CIDA	Canadian Aid Agency
CS	Civil Society
CSO	Civil Society Organisation
CSSO	Catholic Social Services Organisation
Danida	The term used for Denmark's development cooperation, which is an area of activity under the Ministry of Foreign Affairs of Denmark
CUF	Civic United Front
DCF	Development Cooperation Framework
DfID	UK Development Agency
DKK	Danish Kroner
DP	Development Partner
EoD	Embassy of Denmark
EPA	External Payments Account
ET	Evaluation Team
EU	European Union
FG	Focus Group
FGD	Focus Group Discussion
GBS	General Budget Support
GDP	Gross Domestic Product
GIZ	German Development Implementation Agency
GoT	Government of Tanzania
GoZ	Government of Zanzibar
GPM	Denmark Guidelines for Programme Management
HDI	Human Development Index
HBS	Household Budget Survey
HRBA	Human Rights Based Approach
HRM	Human Resources Management
HSPS	Health Sector Program Support
HSRSP	(Zanzibar) Health Sector Reform Strategic Plan
HSSP	Health Sector Strategic Plan
HSWG	Health Sector Working group
ICT	Information and Communication Technologies
IFMIS	Integrated Financial Management Information System
ILO	International Labour Organisation
IPTL	Independent Power Tanzania Limited
IT	Information Technology
ITAD	A UK consulting group
JAST	Joint Assistance Strategy Tanzania
HCMIS	Human Capacity Management Information System
KfW	German Development Bank
KRA	Key Result Areas

LG	Local Government
LGA	Local Government Agencies
LGRP	Local Government Reform Programme
MBA	Master in Business Administration
MDA	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MIT	Masters in International Trade
MoF	Ministry of Finance
MoH	Ministry of Health (Zanzibar)
MoHSW	Ministry of Health and Social Welfare (mainland Tanzania)
MoW	Ministry of Works
NES	National Energy Strategy
NGO	Non-Governmental Organisation
Norad	Norwegian Agency for Development Cooperation
NSA	Non-State Actors
ODI	Overseas Development Institute
P4R	Pay for Results
PAP	Pan African Power Solutions
PBM	Performance Based Management
PEAP	Poverty Eradication Action Plan
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Finance Management
PFMRP	Public Finance Management Reform Program
PMO-RALG	Prime Minister's Office-Rural and Local Governments
PPP	Public-Private Partnership
PSRP	Public Service Reform Programme
RAGDP	Real Annual Gross Domestic Product
RBM	Results-Based Management
RFE	Rapid Funding Envelope
ROACH	Results-Oriented Approach to Capacity Change
SECO	Swiss Aid (State Secretariat for Economic Affairs of Switzerland
Sida	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprises
SWAp	Sector-Wide Approaches
TA	Technical Assistance or Technical Assistant
TACAIDS	Tanzania Commission for AIDS
TANESCO	Tanzania Electric Supply Company
ToC	Theory of Change
ToR	Terms of Reference
TRA	Tanzania Revenue Authority
URT	United Republic of Tanzania
UDS	University of Dar es Salam
UDSBS	University of Dar es Salam Business School
USD	United States Dollar
USAID	American Development Agency
WB	World Bank
WHO	World Health Organisation

1. Introduction

1.1 Scope and purpose of the country study

The "**Evaluation of Capacity Development in Danish Development Assistance**" was launched in September 2014. The Evaluation forms part of the "**Joint Scandinavian evaluation of support to capacity development**" involving Danida, Norad and Sida. As stated in the Terms of Reference (ToR) for the Evaluation, the purpose of the Evaluation is to improve decision-making and strategy development in Danida regarding support to capacity development (CD) in developing countries. The purpose has both learning and accountability elements. The methodology of the Evaluation contains five steps, where each step builds on the findings and development of the previous, and provides an opportunity for triangulation between documents and verbal accounts.

- Step 1: Portfolio Screening
- Step 2: Desk-based Review
- Step 3: Country Case Studies
- Step 4: Cross-analysis of all data, development of main evaluation report
- Step 5: Synthesis Report writing (together with Sida and Norad teams)

The **Tanzania Country Study** forms part of Step 3. Tanzania was selected as one of three case countries (Nepal and Uganda being the other two), as the portfolio screening and the desk based review pointed to two programme interventions, which were judged to have a relatively high CD contents and satisfactory results. An additional intervention was recommended by the Embassy of Denmark (EoD).

Box 1: Danida interventions included in the Tanzania Country Study

Two programmes were selected for desk-based review:

- **Health Sector Programme Support (HSPS), Phase IV (2009-2014)**
  - Component 1 Support to Health Sector Mainland
  - Component 2 Support to Health Sector Zanzibar
  - Component 3 Support to HIV/AIDS Mainland

- **Business Sector Programme Support (BSPS), Phase III (2008-2014)***
  - Component 1 Improved Business Environment
  - Component 2 Better Access to Markets
  - Component 3 Development of Micro, Small and Medium Enterprises

Component 3 of the Governance Support Programme was recommended by EoD

- **Governance Support Programme (2011-2015)**
  Component 3: Public Financial Management/ United Republic of Tanzania (URT)/Ministry of Finance (MoF), Public Financial Management Reform Programme Strategy (PFMRP) Phase IV (2012/13-2016/17)

*The focus was on Component 2.

The purpose of the country visit was to expand on the observations and findings from the desk based review with a view to deepening the understanding of the results-chain and change processes as regards capacity development and how this relates to a Theory of Change (ToC) concept. The country visit was carried out from 14-27 March 2015. The List of Persons Met is

attached as Annex A, and the Visit Programme as Annex B. A Tanzania Capacity Development Background Note was prepared prior to the visit to Tanzania to provide an overview of the experience of other donors, attached as Annex C. Field visits were undertaken to: 1) Zanzibar to examine the CD experience within the Zanzibar Component of the Health Sector Programme Support Phase IV (HSPS 4); and to Mwanza to examine the CD experiences in local governments' implementation of Danida's health, business and PFM interventions. Field Notes are attached as Annex D. Two focus group discussions (FGDs) were conducted; one in Dar es Salam and the other in Mwanza – a Synthesis Note is attached as Annex E. Briefs on the Danida interventions (ref. Box 1) are attached as Annex F. A brief introduction on Development/Social Impact Bonds is presented in Annex G. Finally, lessons learned from the Tanzania visit is presented in Annex H.

A briefing session was held with key EoD staff on Monday March 16, and a de-briefing was held with EoD on Friday March 27.

The Evaluation team (ET)[1] would like to thank all stakeholders met and consulted for the valuable support and information that the ET received. We would especially like to thank the staff and management of the EoD for its guidance, content support and logistical help. The Tanzania Country Study Report presents the major observations, findings and conclusions of the ET that are based on stakeholder consultations during the mission and on the documents reviewed prior to and during the visit. The views expressed in the report reflect the position of the ET, which may not necessarily be shared by Danida, other development partners (DPs) or by the Government of Tanzania (GoT), the Government of Zanzibar (GoZ) their ministries and agencies.

1.2 Approach to Capacity Development

To design and manage a capacity development intervention, one needs to start out by defining what end-state of any selected organisation (or group of organisations) is desired. These are typically at an outcome level because that is the highest level over which some degree of influence can be applied. An "organisation" is more than the sum of human or social systems. In dealing with mandates and outcomes, that concept must be broadened to one where an organisation is seen as a socio-technical entity (composed of technical and human vectors) dedicated to collective action in the pursuit of the generation of outcomes and impacts; these will become the goods and services that are transferred to (consumed by) the various elements of the operational/business environment within which it is embedded.

An organisation exists to generate outcomes and impacts. Assuming that a public sector organisation has an approved mandate and strategic targets, a selection among strategic and operational options will define how these outcomes are expected to be produced. Thus, how much of those outcomes or impacts that one wants to generate within a given time or space, given assumed levels and means of production, defines the expected levels of results (what will be produced and how much) that the organisation will generate at the outcome/impact levels. To achieve that performance, the organisation(s) involved (there may be more than one) must decide how they will organise (mix, acquire, etc.) organisational abilities (individual, managerial, strategic and operational) assets and other resources, or any entitlements, authorities and delegations they may require. Obviously, they must also define how much and what kind of these assets, abilities and mandates they need. When organised (i.e. designed, mixed, orchestrated, grouped, deployed,

[1] Mr Robert LeBlanc (IRDC), Mr Per Tidemand (DEGE), and Mr Nasar Sola (freelance).

etc.) to enable a functional or socio-technical system to perform, the integrated groupings are called the capabilities of the organisation.

For a given organisational entity, its **capacity** will be the resulting effect generated from the assemblage, orchestration, mobilization and manifestation of its **capabilities**, (assets, abilities and mandates). The capacity indicates the level of effectiveness of an organisation at whatever level it is being examined. For example, one can speak of the capacity of the organisation, of a division or a sub-unit. One can speak of the capacity to produce a specific product. In reality, a "capacity" is a measure of effectiveness at transforming, and is thus analogous to "productivity". The table below illustrates capacity development levels, elements and approaches.

Capacity Development Framework

Capacity development level	Some elements that define capacity	Main capacity development approaches
Enabling environment	• Socio-political interests and linkages • Social and economic factors • Policy frameworks • Strategies and plans • Laws and regulatory mechanisms • Institutional landscapes • Resource allocation among public sector functions	Reform processes
Organisational level	• Mandate, legitimacy, credibility • Values, political interference • Organisational structure and processes • Planning and approval procedures • Systems and tools including M&E • Knowledge management • Staff levels, qualifications and delegated authority	Organisational development
Individual level	• Skills • Knowledge • Experience • Attitude • Competence	Human resources development

1.3 Limitations

It was encouraging to share findings with the personnel of the EoD and to find that their assessments were largely in line with those of the Evaluation.[2] The EoD agreed to assist the team in proving detailed comments to the country reports, which they did - thus improving the level of reliability and validity in our findings. This Evaluation of capacity development has its own challenges however, including:

1) Two weeks in Tanzania, even if a team is composed of three people, is a very short time to understand such complex programmes and their progress, especially when there is little in the way of objectively verifiable indicators and progress metrics.
2) Many organisations were extremely busy, including EoD. Access to managers was difficult and took time to organise.

[2] Refer to the feedback sent by the Head of Cooperation which very much supported the findings of the Evaluation, as well as the responses of the EoD sector managers who provided specific details and corrected some parts of the report, but where the key messages of the report are supported to a large degree.

3) There were many occasions where misunderstanding and confusion occurred because of a lack of common understanding of what was, in fact, capacity development. Baselines and results frameworks were almost non-existent, making analysis of progress towards expected goals and objectives nearly impossible.
4) Progress reports and other intervention-based documentation rarely spoke of capacity progress, and capacity development outcomes even less. This made the evaluation team to rely more than necessary on individual perception and opinion, rather than empirical evidence.
5) Much of the detailed documentation and data regarding how and why an intervention was designed in a particular way is not readily available.
6) The difference between contribution and attribution being well known, the evaluation team focussed on capacity development *results* and not *process*. Simply noting that a capacity development initiative, action or activity contributed to "organisational strengthening", for example, was not particularly helpful for the objectives of this evaluation. The evaluation team therefore sought to identify in what ways those investments and efforts contribute to the attainment of *organisational performance* (at outcome levels). The documented information was scarce and the evaluation team had to rely on opinion and proxy measures.

Despite the above limitations, it is the opinion of the evaluation team that its findings and lessons learned deducted from the Evaluation can provide inputs to improve decision-making and strategy development in Danida generally and in Tanzania specifically regarding support to capacity development.

2. Context for Capacity Development

2.1 Political

Tanzania Mainland (then Tanganyika) gained independence in 1961. After the Zanzibar Revolution overthrew an Arab dynasty in neighbouring Zanzibar, (which had become independent in 1963), the islands merged with mainland Tanganyika in 1964 and the country was renamed the United Republic of Tanzania. The union of the two, hitherto separate, nations has remained controversial and has been a main issue during the recent debate (2014-15) on the revised Constitution.

Nevertheless, Tanzania has witnessed remarkable political stability since its independence in 1961. The present ruling party in Tanzania, the Chama Cha Mapinduzi Party (CCM), has been in power since the country's independence, longer than any other political party on the continent. Competitive multiparty elections were introduced in 1994 for the "grassroots elections" and in 1995 for Presidential, Parliamentary and Local Government Council positions. During the first national elections in 1995, won by President Mkapa, the opposition – led by the charismatic and popular, Augustine Mrema, managed to gain almost 40% of the votes. However, the popularity of the CCM party increased steadily throughout the tenure of President Mkapa, winning 71% of the presidential vote in 2000, and 80% in 2005, when President Kikwete was elected. This led many observers to dismiss the potential of the opposition, which, in spite of a few committed leaders, showed limited organisational capacity during the 2005 elections.

However, during the 2010 election, the opposition almost doubled its share of the votes. Hence, although President Jakaya Kikwete was sworn in for another five-year term on November 6th, 2011, he took office with a reduced mandate of 62% of the vote. As a consequence of the electoral results and the expansion of the media – particularly new, internet-based media – the opposition has become stronger and more vocal throughout the evaluation period.

Clearly, the Executive has worked under closer scrutiny from the Parliamentary committees and from the media than it did in the pre-2005 period. The political debates and media scrutiny have foremost focused on various corruption cases (discussed further below), whereas the policy stand of the various political parties on wider political issues such as relative role of the public and private sectors, tax reforms, local government reforms, public service reforms, etc. appear rather indistinct.

In October 2014, elections were held for the so-called "grassroots leaders": essentially elected committees at various community levels (village governments, *vitongoji* and *mitaa)*. The electoral system at these levels has certain peculiarities that make it possible for the CCM to maintain a very significant stronghold: more than 250,000 candidates were to be elected and it therefore required an enormous logistical effort to ensure that the party nominated candidates in all location – the elected grassroots structures mirrors CCM local party structures. Moreover, the local government system (rather than the more independent National Electoral Commission) oversees these elections. The CCM has therefore, ever since the introduction of party elections at these levels, managed to maintain almost 95% control of the elections – except in the recent 2014 elections where the opposition share of the elected seats quadrupled.

Politics in Zanzibar has been far more competitive and divisive than on Tanzania Mainland. The two main competing parties, CCM and the opposition party Civic United Front (CUF), have during all elections competed intensively and CCM has on each occasion only won with a slight margin that always have been disputed by the opposition and many external observers. The 2000 and 2005 elections were also marred by violence and subsequent political boycott from CUF. In 2010 the two parties agreed on a power sharing arrangement.

2.2 Governance – Public Sector Reforms and Corruption Issues

Tanzania remained a socialist one party state until the mid-1990s where a range of political and market-oriented reforms was initiated. The Government of Tanzania (GoT) initiated various reforms that, by the end 1990s, were consolidated into several large public sector reform programmes with substantive donor support that served as a means of focussing donor and GoT attention for the development of modalities for the harmonisation of DP support for capacity development. This included:

- The Public Service Reform Programme (PSRP), (growing out of the Civil Service Reform programme, it continued with donor support up to 2014). It aimed at installing a more performance oriented management culture in ministries and agencies through introduction of performance management tools, creation of executive agencies, restructuring of ministries and pay reform initiatives.
- The Local Government Reform Programme (LGRP) (from 2000 up to approx. 2011) that aimed to support systems and policy development ((harmonisation of sector legislation in support of decentralisation, drafting a new Local Government (LG) act and even Constitutional inputs)) and significant capacity building for improved planning, Human Resource Management (HRM) and Public Finance Management (PFM) in Local Government Agencies (LGAs.
- The Legal Sector Reform Programme that aimed of legal reform and strengthening of the judiciary.
- The Public Financial Management Reform Programme that started in 2000 and currently is in its fourth phase (2012/16) (PFMRP) that aimed at improving PFM across Ministries, Departments and Agencies (MDAs) and LGAs.
- Several joint DP funded anti-corruption programmes.[3]

In general it can be concluded that while the reforms successfully achieved progress on many technical aspects of capacity development (such as development and installation of tools for performance management, systems for improved financial management, systems for improved Human Resource Management, etc.), they did not live fully up to their expectations as more fundamental reforms (ex. limitations of Presidential powers in HRM and enhanced autonomy of LGAs) were never realised.

Debate on governance issues focused, however, in particular on various high profile corruption cases. This included cases that the Kikwete government was unfortunate in having "inherited", including two big corruption cases which had their origins during the previous administration but were not uncovered until after 2005 – namely, the External Payments Account (EPA) scandal, involving fraudulent payments of external debt from the Bank of Tanzania, and the British Aerospace (BAE) air traffic radar case. There have also been several other grand corruption cases, which more directly involved members of the Kikwete government – the Richmond power scandal and more recently the "Independent Power Tanzania Limited (IPTL) escrow account scandal", are but two examples.

These cases were all widely covered in the media and the Richmond scandal and IPTL scandals were the subject of Parliamentary investigations. The Richmond scandal led to the resignation of the Prime Minister, Edward Lowassa, and two other ministers in February 2008 while the Governor of the Bank of Tanzania (BoT) was sacked one month earlier because of the EPA scandal. The IPTL case came to light when opposition politicians accused senior government

[3] Norad 2011: Joint Evaluation of Support to Anti-Corruption Efforts, Tanzania Country Report June 2011 Submitted by ITAD in association with LDP (two consultancies).

officials of fraudulently authorizing payments of USD 124 million (EUR 97 million) from an escrow account of the Bank of Tanzania in 2013. The account is jointly held by the state-run power company – the Tanzania Electric Supply Company (TANESCO) and an independent power producer (IPTL), which was recently bought up by the private firm Pan Africa Power Solution (PAP). It was later revealed that several high-ranking government official including ministers had received large cash transfers to their personal accounts from the owners of PAP[4]. Although corrective actions were taken in response to these corruption cases, they certainly led to increased pressure from the media, the opposition and from the DPs.

The quality of the Budget Support partnership and, with it, of policy dialogue deteriorated substantially in the wake of these corruption scandals, and never fully recovered[5]. The DP – Government relationship crisis culminated October 2014 when DPs withheld approximately USD 500 million of a total estimated USD 550 million GBS releases for the FY 2014/15[6]. From October 2014 to March 2015 there was very limited GBS release and dialogue on wider (sector and technical) GBS issues. For instance, there was no agreement on arranging the normal Annual National Policy Dialogue meeting. However, on 11 March, Tanzania's finance minister confirmed that the country's development partners would resume their budgetary support programme imminently while Government would take action on the corruption case[7]. While GBS will be released this fiscal year it appears unlikely that DPs will continue such operations on a larger and continued basis beyond current agreed programs and commitments.

2.3 Socio-economic (Economic Growth and Poverty Reduction)

In 1967, President Nyerere's vision of a socialist Tanzania was articulated in the Arusha Declaration, after which banks and many large industries were nationalised. However, market oriented reforms were reintroduced late 1980s and in the 1990s. Over the past decade, Tanzania has experienced some of the highest growth rates in Sub-Saharan Africa. For the first time since independence, it has broken out of the cycle of short-lived accelerations in growth that characterised many low-income countries, and has enjoyed strong uninterrupted growth since the mid-1990s. Real Annual Gross Domestic Product (RAGDP) growth has increased from below 4% in the early 1990s to an annual average of around 7% during the 2000s.

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[4] http://www.businessdailyafrica.com/The-mystery-tycoon-who-shook-up-Tanzania/-/539546/2563498/-/y8dtn7/-/index.html

[5] Refer to any one of a series of evaluations of GBS that were done in the wake of these circumstances being made public.

[6] http://www.theguardian.com/global-development/2014/oct/13/uk-and-international-donors-suspend-tanzania-aid-after-corruption-claims, http://www.bbc.com/news/world-africa-30585980, http://www.dw.de/donors-freeze-aid-to-tanzania/a-17999275 "What we are waiting for now is the findings of the Controller and Auditor General (CAG) report, and the government action," said Kati Manner, head of cooperation at Finland's Embassy in Tanzania. The donor group which includes Japan, Canada and the African Development Bank as well as European countries, have repeatedly criticized the Tanzanian government for its sluggish pace in fighting graft and threatened to withhold funds unless they see better results."

[7] See: http://www.tzdpg.or.tz/dpg-website/sector-groups/other-groups/httpwwwtzdpgortzbudgetsupport.html : "The Government of Tanzania and the Budget Support Development Partners (BSDPs) had a successful dialogue meeting on the 11th March, 2015 with the view of resuming budget support arrangements before the end of the year 2014/15. The Government of Tanzania confirmed that it continued to handle the IPTL issue including ongoing processes and investigations in line with good governance principles. It should be noted that the IPTL issue is being dealt with in line with the laws of the United Republic of Tanzania and that the respective institutions should be given space to deal with this matter without any undue influence. BSDPs pledged willingness to collaborate with the Government in governance reforms and in strengthening the capacities of anti-corruption institutions."

Tanzania's growth take-off was spurred by several key factors, including the significant structural changes made since the early 1990s as the basic institutions of a market economy were introduced — a private banking system, the unification of the exchange rate, and price liberalisation. Trade liberalisation, foreign exchange, financial sector reforms, tax and investment reforms all served to make the economy more market oriented, expanding the role of the private sector in the economy and establishing its position as the engine of economic growth.

The impressive growth performance has only slowly been translated into a corresponding rate of poverty reduction. The 2007 Household Budget Survey (HBS) found no real improvements, whereas more recent results were announced in November 2013 (HBS 2011/12) that poverty declined from around 34% to 28% in 2012 – the first significant decline in poverty rates in the last 20 years.

In additions several non-income measures of poverty have shown improvements:

- From 2000 to 2007, Tanzania's Human Development Index (HDI) increased from 0.364 to 0.466. There were particularly strong achievements in education and health.
- Since 2003, HIV prevalence in adults (15-49 years) has declined in both males and females, across most age groups.
- The incidence of malaria, which has accounted for the largest burden of morbidity and mortality in Tanzania, especially among young children, has substantially reduced with the introduction of insecticide-treated nets.
- There has been progress in the reduction of under-five and infant (under one year) mortality and Tanzania is now on track to meet the fourth Millennium Development Goal (MDG).

3. Observations and Findings

The Tanzanian Country Programme as a whole took place within the socio-economic, political and governance contexts explained in Chapter 2. But the formulation and implementation of individual Danida interventions and programmes also took place within their own "sub-contexts" that are complex and vary from organisation to organisation, sector to sector and enabling environment to enabling environment (to name only three vectors). The field mission to Tanzania studied these contexts inasmuch as they were presented through documents and interviews. The evaluation team took these contexts into account in their analysis, to the extent possible.

3.1 Relevance

Health Sector Programme Support (HSPS), Phase IV (2009-2014)

Danida has been a major supporter of the Tanzanian health sector for over two decades. The fourth phase of the Health Sector Programme support (HSPS 4) ran from 2009 to 2014. Its budget was DKK 910 million, with a no-cost extension still in effect in some components. A fifth phase is now being planned. HSPS 4 was designed to align Danida support in the sector to the third Health Sector Strategic Plan (HSSP) of the Mainland (2009-14), the second Zanzibar Health Sector Reform Strategic Plan (2006-10), and the National Multi-sector Strategic Framework for HIV/AIDS (2008-12). Overall the HSPS IV is still aligned to the newer versions of the strategies and plans for the mainland and Zanzibar, as well as for HIV/AIDS. It should also be noted that the HSPS programmes have been aligned to the Millennium Development Goals as interpreted by the GoT.

Many documents over the years, including those of the World Health Organisation (WHO)[8], the WB, USAID, CIDA[9], Danida and the Ministries of Health from both the mainland and Zanzibar[10] indicate clearly that the health sector is not in a position to deliver adequate and necessary health services across the country in an equitable and uniform manner. Many of the important health sector targets are not being met, and while WHO indicators for the sector are being monitored and reported against, but few system-wide targets have been set, few performance indicators have been established, and baselines do not exist for many of them. The 2013 WHO analysis, while positive concerning progress in many programme areas, notes that:

> "General government expenditure on health as a proportion of total government expenditure reached the Abuja target of 15% during 2008-09 but has dropped to 11% since. Yet, per capita total health expenditure increased due to greater external funding (2010-11)…. Outpatient utilization rates, often considered an indicator of general access to health services, did not increase during 2009-12 and remained at a very low 0.7 visits per person per year. Service readiness, in terms of general status, diagnostics and medicines availability, improved only slightly during 2009-12 and there is still much scope for improvement. Indicators of universal precautions for infection control in health facilities showed a deterioration."

Other sections of the same report identify a serious capacity gap in systemic performance, but the report does not specifically identify the "capacity for what". Interviews with the Ministries

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[8] For example, " Mid-term Analytical Review Of Performance Of The Health Sector Strategic Plan III 2009–2015" WHO publication in collaboration with Ifakara Institute and National Institute for Medical Research), 2013.

[9] See for example "Project profile: Support to Tanzania's Health Sector Strategic Plan - Phase II" at http://www.acdi-cida.gc.ca/cidaweb%5Ccpo.nsf/projEn/A033848001

[10] For example, refer to "The National Road Map Strategic Plan to Accelerate Reduction of Maternal, Newborn and Child Deaths in Tanzania 2008-2015", Ministry of Health and Social Welfare, dated 2008.

involved indicate that while they have an activity plan to cover CD actions such as training, they don't go about it in as systemic and leveraged manner, and they don't specifically link these actions to organisational outcomes.

That being said, Danida has long provided a significant budget for CD, and provides TA, training courses, equipment, short-term consultancies and systems development support. All of these activities are relevant because the entire health system needs to be "upgraded", and any results that can be generated that helps to provide service delivery or improves the policy frameworks is needed. But, as will be seen further in this document, being worked on is not the same as being the priority.

Danida's support to the sector is often tied to "subsidizing the operations of the sector", in that it is used to purchase medicines and other medical needs for eventual distribution to the local facilities and to the population. For example, almost DKK 120 million was earmarked for "Capacity Strengthening" through "hospital reforms, drug chains, pharma supplies, maintenance and Information and Communication Technologies (ICT)". While these inputs are important and valuable, they typically do not leave the entities with an "endogenous, sustainable ability to perform at pre-determined levels and to evolve as required". Most of these are gifts-in-kind from Denmark to a country that cannot pay for them. The Tanzanian Commission for Aids (TACAIDS) was allocated DKK 50 million for "central and regional capacity development", and a new office building. This support to this specific organisation was relevant and was spent to increase the ability of TACAIDS to generate an endogenous and sustainable ability to perform at a pre-determined level.

The support provided to the Association of Private Health Facilities of Tanzania (APHFTA) was clearly designed to develop the association's ability to use private sector mechanisms to increase the performance of the health sector. Financing was used to develop that agency's systems, processes, protocols, advocacy (i.e. dealing with GoT as well as private sector) and strategic and operational decision-making and monitoring. Because of the prevalence and importance given to HIV/AIDS by the population and the GoT and GoZ, Danida support was clearly relevant. The support provided to the Rapid Funding Envelope (RFE) was clearly relevant in that it responded to a specific need, but was not CD-driven (nor was it designed to be). Nor were its CD efforts designed to be sustainable. Fundamentally, it assumed that the Civil Society Organisation (CSO) that received grants would already have the capacity to achieve their expected results. Reports indicate that some mentoring to improve the financial administration of the CSO was provided. Interestingly, the RFE final report indicated that the CSOs reported that they felt more confident in preparing proposals for donor funding; an interesting unexpected result, but not the objective of either Danida or the RFE.

The implementation link between the Ministry of Health and Social Welfare (MOHSW) and the LGAs takes place mostly through the PMO-RALG, and the ability of the LGAs to deliver health services is weak, especially at lower levels and in more remote areas, with limited staff, weak supervision and poor and often inappropriate resources with which to work. CD efforts were not generally geared to those lower levels, but the work done by technical advisors to address transport and medical storage and delivery capability was clearly needed and relevant. The APHFTA is proposing to extend its reach to more remote locations and any support provided to that end would clearly be relevant, but is would need to be conditional on the GoT's agreement to establish a service agreement with the private facilities through their association.

It should be noted that DPs have consistently tried to develop the capabilities, abilities and capacity of GoT MDA. They have used a wide variety of means and strategies, from training to systems design to familiarization and study tours to long-term technical assistance and more. Moreover, they have often tried to coordinate their efforts; for example, the DPs as part of joint

Working Groups in the health sector provided a fairly extensive analysis of CD requirements in the early 2000's. The Health Sector Working Group (HSWG) in 2006 also identified capacity needs[11]. According to a recent review by the Overseas Development Institute (ODI), these initiatives are not effective any more.

Business Sector Programme Support (BSPS) III 2008-2013

Phase III of the Danish support to the business sector in Tanzania is a five-year programme that has the following overall development objective "Accelerated and more equitable, broad-based and export oriented growth in Tanzania's business sector. The programme comprises three components and 10 sub-components with a financial frame of DKK 550 million for a five-year period. BSPS III is highly relevant as it addresses three areas of problems that Tanzanian businesses face. During our study we paid particular attention to the CD components related to strengthening of the public sector, i.e. Component B "Better Access to Markets Component" – with the two subcomponents: B.1 International Trade Negotiations; and B.2 Trade and Business Education

Component A supports efforts to reduce the costs and complications that businesses have when trying to comply with official regulations. Also it supports government agencies in delivering better regulatory services, e.g. registration and licensing of enterprises, registration of land and property, commercial dispute resolution, regulating the labour market etc. Finally, support is provided to private labour market institutions for improving their functions in the labour market.

Component B supports the development of human resources and institutional capacity that Tanzania needs in order to improve her participation in international markets. MOIT's capacity to manage international trade negotiations will be enhanced. Support will also be provided to develop the planning and management capacity of MOIT. The support will result in higher throughput of students and trainees and a more diverse menu of education and training in business management and international trade and business.

Component C improves the access of selected micro, small and medium enterprises (MSMEs), and small and large commercial farmers to financial services and business development services (BDS). A significant contribution is made to the Credit Guarantee Fund of the PASS Trust, allowing it to cover most of Tanzania and the entire agricultural value chains, including agribusiness.

Overall the ET finds that the capacity development objectives of Component B are relevant to the Tanzanian context as trade negation capabilities is one – albeit possibly not the most critical capacity development issue of MOIT. Thus a recent study suggested that overall project component relevance could be questioned with reference to other possible more pressing needs:

For negotiating capacity to be improved in a sustainable way, the MoIT requires an implementable and manageable strategic development plan, with a comprehensive strategic vision for the role of trade in the national development agenda. The lack of such a plan to develop Tanzania's productive base in a market-based manner, in the form of an active private sector development policy, and as a subset of that, an active National Export Strategy (NES), suggests a reduced degree of relevance for the BSPS. This is because the weakness and coordination of such

[11] Independent Evaluation Group of the World Bank: "Evaluation of Capacity Development: Institutionalisation of Monitoring and Evaluation Systems to Improve Public Health Management", Evaluation Capacity Development Working Paper Series no. 15, January 2006.

plans limits the effectiveness and impact of such a programme, particularly because of its focus on capacity building.[12]

And *the BSPS is aligned to Government strategies, but lacks in relevance because the main problem is market entry and market penetration, not market access. The main issue is limited capacity to understand how trade can be fostered through the development of the productive base of the economy and the private sector. Capacity building efforts of the MoIT are not focused enough on trade negotiation capacity, thus limiting the relevance of the programme to MoIT objectives.*[13]

Public Financial management Reform Programme (PFMRP)

Current Danish support to the PFMRP (Phase IV) is based on experiences gained from previous 16 years of support to earlier phases of the programme[14]. The support is highly relevant for the achievement of Denmark's development assistance objectives in Tanzania:

- Inclusive, sustainable economic growth;
- Improved quality and equity in the provision of social services; and
- Enhanced effectiveness and accountability of public administration.

The planned assistance to public financial management through the development engagement with the Ministry of Finance is in particular targeted to support the third objective of enhancing effectiveness and accountability of public administration, and is assumed to, "in addition, support the other objectives by improving the fiscal space for the GoT as well as improving efficiency and transparency in the overall sector service delivery"[15]. The relevance of support is further found as complimentary to the continued Danish support for GBS, support for the Public Expenditure Review (PER) basket and direct support for Tanzania Revenue Authority (TRA).

The PFMRP IV presents a large and comprehensive set of activities and objectives structured on 5 key results areas (KRA) to be implemented through 19 components. The Strategic Plan for reform of Public Financial Management, Phase IV, is based on diagnostic analysis and consultations within Government and Development Partners. The need for deepening reforms of the public finance management is emphasized in MKUKUTA/MKUZA II and Vision 2025, as key elements for PFMRP IV to achieve:

- Fiscal sustainability and balance in the public economy;
- Restructuring and reallocations for growth and poverty alleviation; and
- Improved public sector performance, efficiency and effectiveness in public administration leading to improved service delivery and development results for Tanzanians.

The PFMRP IV aims at enhancing revenue mobilization, planning and budgeting, transparency, accountability, efficiency and effective use of resources and implementation through 5 KRAs of the PFM system; 1) Revenue management and Tax administration, 2) Budget and Planning, 3)

[12] Imani Development 2012: Study on Danish support to trade related capacity building in Tanzania. A report by John McGrath of Imani Development (International Ltd) and Professor Andrew Temu of Diligent Consulting for Danida October 2012, page 23.
[13] Op. cit p. 26.
[14] Denmark has supported the PFMRP since 1998; Denmark has supported all phases on the PFMRP and has actively supported setting up the PFMRP Basket Fund. The Basket Fund currently receives support from DFID, Germany, Canada, Ireland and Finland as well as Denmark. A number of Development Partners channel support to the reform programme outside the Basket Fund.
[15] Danida: "Background documentation and assessment of the PFMRP and PER baskets Including strategic considerations and justification for the Development engagement for support to Public Financial Management and Fiscal Policy".

Budget execution, Accountability and Transparency, 4) Budget control and Oversight, 5) Change management, Programme Monitoring and Communication.

The current phase of the PFMRP is managed by the MoF and focuses on selected core MDAs (thus excluding sector ministries that were involved in previous phase of support): most notably MOF itself, PPRA, PMO-RALG, PAC, LGAs, and Zanzibar. The support for LGAs is very important for PFMRP relevance in supporting improvements in delivery of basic services in particular for the poor. This part of the PFMRP was (except for minor elements) not originally part of the original PFMRP and is to a large extent financed by a separate DFID contribution.

Comments on temporal contexts for policies regarding programme formulation and capacity development

As regards programme formulation and management, the three sector programmes were formulated at a time when the updated version of the Sector Programme Support (SPS) Guidelines was issued; therein it is stated that: "*In situations where a national sector framework is not adequately developed, SPS will typically focus on support to policy and strategy development as well as capacity support to relevant institutions and organisations (p15)*".

During the formulation and implementation stages of the programmes evaluated in Tanzania, Danida's "Guidelines for Programme Management, 2009" (GPM) guided implementation and progress monitoring. The underlying principle of the GPM was to strengthen and use country systems to the maximum extent possible in the implementation of development assistance to public partners. An update of the GPM in 2011 was prompted by several events, most notably the adaption to the new overall policy for Danish development assistance "Freedom from Poverty – Freedom to Change, 2010". This represented a major change in policy with consequences for programme management, because it focussed on five policy priorities – thereby abolishing the notion of crosscutting issues and particular priority themes. The five policy issues are: 1) Growth and employment; 2) Freedom, democracy and human rights; 3) Gender equality; 4) Stability and fragility; and 5) Environment and climate. The policy notes that the priorities are all interconnected and essential for fighting poverty and reaching the Millennium Development Goals (MDGs).

Overall, the programmes we examined followed at least the first and fourth policy orientations expressed above. The poor absorption capacity of many Tanzanian (including Zanzibar) public agencies and organisations, as well as their inability to qualify for budget support mechanisms, meant that the use of the project modality was to continue for support to most GoT organisations, but Danida showed considerable flexibility and adaptation to local contexts.

As regards capacity development, the key guidelines that were in use during formulation and implementation are: 1) A Results-oriented Approach to Capacity Change (ROACH), 2005; and 2) Guidance Note on Danish Support for Capacity Development, 2006. Capacity enhancement of the public sector in poor countries was seen as needed and desired as a key strategy to achieve sustained poverty reduction. Unfortunately, the ability of the public sector (through its political decision-makers) in Tanzania to rapidly adopt reforms that will lead to effective and efficient public management has often not been evident – being a contributory factor (as internal politics in donor countries generally have been more important to explain shift in donor strategies) to why many donors are reverting to project-focused development assistance and abandoning programme approaches such as sector-wide approaches (SWAp) and budgetary aid. The ROACH focuses on specific organisational results and pays analytical and operational attention on organisations and networks of organisations whose outputs are important. Except for TACAIDS, which is just starting to benefit from this type of management thinking, we have not seen any evidence of such an approach in the sector programmes we examined.

Guidelines for technical assistance were issued in 2009 "Guidelines for Technical Assistance, 2009". Experience of Danish technical assistance had indicated a need for improving preparation of technical assistance inputs, specifically by enhancing capacity assessment of the partner institution. The Guidelines emphasise national ownership, alignment to national procedures and harmonisation of technical assistance. The Guidelines adhere to the "Paris Declaration on Aid Effectiveness" and the "Accra Agenda for Action". Capacity development is regarded as the general objective of technical assistance, and the Guidelines follow the capacity development priority areas that have been identified in the Accra Agenda for Action, e.g. donors' support for capacity development will be demand-driven and designed to support country ownership.

Of the projects we examined, only PFMRP used a results-based approach extensively for guiding its CD interventions. The PFMRP is a special case because capacity assessment tools such as the PEFA with significant resources have been created by an internally recognised institution is available for both DPs and Government for joint an relative neutral assessments. For the other projects we note that while the concept was overlaid over the interventions and their management, we did not find any CD component that created a baseline of existing Capabilities and Capacities at the onset of the project and then measured progress toward specific targets. That does not mean that CD did not happen; but it was nearly impossible to plan for, and monitor progress towards attaining a level of capacity that would ensure am autonomous ability to continue to perform at required levels and to improve again beyond that.

While the PFMRP carried with it a significant CD thrust, the evaluation observed that the CD was essentially aimed at those individuals, systems and resources that were required to make PFM operational. It did not come across examples of where the programmes (and the reform) specifically addressed the need for better decision-making at policy levels, and in improving the quality of strategic analysis dealing with developmental choices.

3.2 Efficiency

Donor agency and partner institutions' capacity to manage development process

HSPS 4

The logic that was used for the design of HSPS 4 was comprehensive and coherent with the problems that faced the health sector of Tanzania and Zanzibar, including the urgency of dealing with a national-level response to HIV/AIDS. The use of basket funding was an efficient way of not only pooling funding for more efficiency and lower transaction costs, but it also provided an opportunity for donors to develop a strategic perspective and a harmonised and prioritized approach to CD. Unfortunately, that is not the legacy of donors in the health sector. The Joint Assistance Strategy Tanzania (JAST) does not present either a CD strategy or a TA framework, although as recently as 2014 DPs considered drafting a Development Cooperation Framework (DCF) that would provide guidance from the GoT on the use of TA.[16]

Largely as a result of a failure to establish "ownership" or even "interest" towards technical assistance on the part of many GoT organisations and officials, some TA that were met during this mission noted that they were relatively inefficient, and noted that they are not doing what their Terms of Reference indicated they should do, a condition that will be referred to under "effectiveness" below.

The operational strategy for dealing with the institutional development of key policy and implantation agencies, including those of the private sector and CSO's was vague in terms of

[16] Tilley, H., "Country Perspective Note: the Demand and Supply of Technical Assistance in Tanzania" Published by WHO, 2014.

strategic and operational details, but there were few options available in a context where much of the sector is under-capacitated, the ownership of a reform-based approach is weak, decision-making is highly politicised, leakage is rampant, public management is stove-piped[17] and not based on rational performance targets and their monitoring, and the donors themselves offer many opportunities for rent-seeking at an individual level[18].

TA has been provided to the Ministry of Health in Zanzibar for many years. A number of new systems have been developed by them and implemented, including a performance-based payment scheme that has shown very promising results. Yet the TA advisers are essentially working by themselves with little direction. Previous TA did not have work plans or ToR that reflected what they were expected to do. The flip side of this complex situation is that there are signs that the MoH itself wants the TA to act as an authorising officer so that it can refer to a local person to obtain authorities to spend resources, and not have to administer them itself (after a week's absence of the TA, the MoH had already changed the allowance amounts so that they would be more generous, without an analysis of any kind). The advice given to the PS is of limited use because the PS is not totally in control: the PS cannot pre-authorise training even if it is not in the training plan because line programmes are funded by donors who leave those decisions to levels below the PS. Another example of poor control at the top is the fact that USD 50 Million that were earmarked for service delivery in Zanzibar was re-directed to supporting big-budget single use programmes without the PS's authorisation. Top-up salaries are paid by big-budget donors, distorting the (potential) resource management strategies of the MoH and concentrating the most respected people in a small number of programmes rather than the entire sector. Questionable decisions are being proposed by donors, and the GoZ is accepting them because the money follows the proposal: the decision to generate positions for community health workers has to be analysed in the light of the fact that primary health workers already, for the most part, live within communities and are already doing that job. A duplicate system is being set up.

The MoH has a "Strategic Plan" partially funded by Danida, but close examination indicates that it purports to do everything but does not indicate how or with what "plan". It is, in effect, a wish list that is out of touch with the financial, human and systems capabilities of the MoH, indicating that the MoH still has a great way to go before it can claim to be capable of running its own affairs in a rationalistic matter. It also indicates that the TA provided to the MoH should focus on these more leveraging mandates. Assuming, of course, that the MoH wants to change. It should be noted that he best place for this type of strategic thinking may not be the MoH at all, but in the President's office or in the Public Service Commission.

There is no CD strategy or even an operational CD human resource plan in place on Zanzibar: the moment any student (employee) secures a loan for training they may go with pay, whether that training is useful to the organisation or not, or whether that student will return. Jobs are not changed to reflect higher levels of ability, and many were already qualified for their job levels before going on training. They are an expensive CD option and should be used much more

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17 Garrett, L. "The Challenge of Global Health", Foreign Affairs 86 (1): 14-38, 2007, notes that:" Stove piping (also stove piping) is a metaphorical term which recalls a stovepipe's function as an isolated vertical conduit, and has been used, in the context of intelligence, to describe several ways in which raw intelligence information may be presented without proper context. It is a system created to solve a specific problem. The lack of context may be due to the specialized nature, or security requirements, of a particular intelligence collection technology. It also has limited focus and data within is not easily shared. Alternatively, the lack of context may come from a particular group, in the national policy structure, selectively presenting only that information that supports certain conclusions. The term is typically used in the health care system. An example would be how money funded for research is not evenly allocated, but instead goes toward one specific ailment remedy".

18 Each of these observations was provided by interviewees or are public knowledge based on published accounts generated by the Auditor General, the donors, multilateral institutions and others.

efficiently and by the top layer of the health ministry. Many people go on training with little visible or sustainable change in the organisation's ability to perform to show for the expense. People often go on courses and attend meetings because they get paid emoluments, or because they will be able to transfer to some other position upon their return. There was no record of training efforts being significant in relation to the CD requirements of the ministries as a whole; they represented an individual-based approach rather than one based on an organisational or enabling environment approach. Efforts by TA and many good national public servants are not efficient in large part because their efforts are not coordinated. Even after only a few hours on site and after analysed many documents produced for Danida and other DPs, it is clear that there is little evidence to support the contention that either the MoHSW or the Zanzibar Ministry of Health are in a position to execute their own reform or CD processes at this time.

It should be noted that there are no village-level or community level forms of CSO in Zanzibar. Decisions at those levels are based on lower-level power structures that are based on *sheha*. These are complex and time-honoured relationships that do not necessarily reflect western concepts of public service delivery, but that link cultural, religious and political forces[19]. In that context, the ideas oaf "supply" and "demand" are not likely to hold.

The CD support to TACAIDS and the private sector (APHFTA) sub-components was relatively effective and could not have been done in a manner that would have been much more cost-effective. In fact it can be argued that the private sector paid for much of its own change in ability/capability, and TACAIDS managed its own CD with some advice on institutional development from a Danida TA. Both obviously benefitted from good internal leadership, excellent champions (especially TACAIDS in the person of the President) and a high level of motivation self-generated to be sure but supported by large funding ceilings and the eye of the world.

A key objective of the HSPS 4 was to find ways to engage the private sector in order to improve equitable and adequate access to health services. The GoT developed a Public Private Partnership (PPP) policy (2009), Act (2010) and Regulation (2011), and reforms that have been implemented include Service Agreements between district councils with non-public providers (faith-based almost exclusively but some private sector in specific cases) to deliver services to the population. MoHSW milestones for 2012-2013 set the target of all hospitals having service agreements by June 2013. As of May 2013, only 37 out of 130 districts/councils had entered into service agreement with private providers, and progress seems to have stalled, largely due to the reluctance of the GoT. According to the APHFTA, the private sector is willing and interested in identifying means to deliver essential services to Tanzanians at costs that would likely be less than if they were delivered by the public sector, and at the standards publicized by the MoHSW.

This section would not be complete without commenting on a significant and persistent problem that is rampant in Tanzania and which affects not only the efficiency of CD actions, but puts the very design of CD actions into question: the in-bred use of the per-diem and allowance systems. All DP representatives and TA that were met brought up this problem, as did private sector and CSO representatives. The phenomenon is the focus of a recent Norad study[20] that concludes, "the problem is real and substantial" and has to be solved. "The desired focus on better service

[19] Whereas Tanzania Mainland has an elected village council, such locally accountable structures are not found in Zanzibar. Instead the District Commissioner (Presidentially appointed) appoints a Sheha who in turn appoint a local committee of "respected community members". In Zanzibar it worked fairly well up to independence, but since then the position has been highly politicised. In Pemba all districts councils are composed of opposition members (CUF) whereas the central government (CCM) appoints local CCM sympathizers or members as sheha.

[20] Norad Evaluation Division: "Hunting for Per Diem- The Uses and Abuses of Travel Compensation in Three Developing Countries", March 2012.

delivery may be distorted as a result, and even an apparently trivial issue, such per diem compensation, may have multiplier effects in terms of reducing civil servants' focus on performance".[21] Managers in Tanzania have noted that they have discovered examples where individuals have steered DP into particular design approaches based on training for themselves and their subordinates, or where there has been significant travel for participatory processes, so that they could benefit from allowances or per diem. These practices have directed many CD decisions away from what is needed to what pays. According to a report prepared for Norad in 2010[22], a Presidential Commission was appointed in 2006 to consider weaknesses of the public service salary system: the Ntukamazina Commission. It "recommended a significant reduction in the budget allocations for allowances, that all allowances be made taxable, and that the number of workshops and seminars be significantly reduced."[23] These recommendations were never implemented to the knowledge of the ET.

On the topic of allowances it should be noted that the GoT is actively encouraging the practice of payment of per diems and allowances. Rather than reducing the budget for these allowances (thus reducing skewed incentives), most allowances were made tax free in 2010/2011.

PFMRP

The support for CD within PFMRP is provided by the participating DPs through a basket fund: the assumption is that by pooling resources and supporting a joint programme it will be delivered more efficiently. The use of TA is restricted to use of short-term consultants for studies, systems design and delivery of specific training inputs. The Government highly appreciate the arrangement as it is found to reduce transaction costs and ensures government ownership as TA reliance is avoided[24]. With regards to use of TA, then the basked funded LGRP II served in several aspects as cautionary lesson: that programme included several long-term expat and national TA that were relatively costly and never effectively utilised.

The general transition towards joint programming and basket funding arrangements has in Tanzania been guided by past experiences with many separately DP funded projects of duplication and costly TA – which ultimately inspired the Paris Declaration. In interviews Government officials and DPs both were generally sceptical with regards to "project specific CD" interventions, although two examples of bilateral support were mentioned (Sida support to Auditor General and Danida support to TRA – both with CD support in the form of "twinning" arrangements with respective institutions in Sweden and Denmark).

The current CD activities include a significant number of short term training events and workshops, e.g. 514 LG revenue officers trained on revenue collections plans, training of 300 staff from MDAs and LGA on cash management, train 300 internal auditors on how to audit development projects, conduct stakeholders meetings to discuss amendments of LGA legislation etc.[25]. The work plan and budgets for PFMRP end up being composed of budgets with significant allocations for allowances. DPs have continuously expressed unease with such spending patterns – not least due to the general recognition of problems associated with allowance spending.[26] During the previous phase of the PFMRP disagreement on allowance spending made the programme almost to come to a halt and accounted in part to the decision of the World Bank not to continue funding.

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[21] Ibid., Norad 2012 p. 36.

[22] Cooksey, B., "Allowances in Tanzania, A Study Conducted for Norad", Mimeo

[23] Ibid Norad 2012, p. 37.

[24] Expressed in interviews.

[25] PFMRP IV Annual workplan and budget FY 2014/15 - March 2014.

[26] Norad 2013: Hunting for Per Diem - The Uses and Abuses of Travel Compensation in Three Developing Countries, March 2012.

Whereas it is clear that overall institutional PFM performance have improved over the years (see section below on "effectiveness"), then the specific contributions of the short-term training interventions and workshops to the degree of institutional performance have remained debatable. In recognition of the challenges related to establish the efficiency of specific CD intervention – in particular the short-term training, it has been decided to undertake a study of the PFMRP training this fiscal year under the programme.

BSPS

The logic of the design of the BSPS Component B Capacity Development is clear, comprehensive and ambitious: in order to improve the capacities of Ministry of Industry and Trade (MoIT) for trade negotiations, the programme supported:

- The establishment of a Masters in International Trade (MIT) within the university of Dar es Salaam (component B2) as well as
- Internal capacity development of the Ministry itself through provision of TA for preparation of trade negotiations, hands-on support, internships etc.

Initially two permanent advisers were places within the Ministry, but this modality was abandoned after some initial poor experiences and the subsequent form of more flexible short term inputs provided by the consultant company to the ministry proved much more efficient and appreciated by the Ministry. The review reports and interviews with both the ministry and the embassy suggest that the problems partly were associated with "personalities', but also that the very form of support (long term versus short term) has some inherent feature, where short term consultancy inputs tended to be more precisely defined and therefore more "demand lead".

The support to the national university for the development of the programme of MIT was comprehensive and included both support for hardware (buildings) as well as full bursaries for the students. A tracer study (2012) found that the population of the MIT graduates from the 2005/6 to 2010/11 intakes was 114. Fourteen of these graduates were from the Ministry of Industry and Trade and a total of 54 of the graduates were afterwards employed as Trade officers in Government.

Overall efficiency of Danida's Capacity Development interventions overall

The inability of the GoT to maintain the interest of DPs in programme-based approaches and mechanisms has obviously meant that Danida will now have to use, in part at least, mechanisms where the transaction costs will be greater than before, what is not easily calculated in quantitative terms is the fact that much more effort may be required by EoD staff to manage CD interventions, especially if Danida policy emphasizes more comprehensive CD analyses in design and implementation of interventions, rigorous application of RBM and its inherent management processes, and increased and on-going planning changes required to use Theory of Change in a dynamic manner. The experiences of the Tanzanian BSPS with its contracting-out of some of the basic management functions may be of provide useful lessons in that case.

As it is, when the agendas of the EoD personnel are constantly filled up, there is a danger that events could overtake the capacity of the EoD to manage them while still overseeing the formulation, monitoring, evaluation, supervision and advice-giving that complex projects in the Tanzanian context requires, not to mention the interface required with standard Ministry of Foreign Affairs (MFA) activities and the collaboration with the many country visits that the EoD is asked to arrange. This is not an issue that can only be managed by the EoD abut requires important decisions to be made at Headquarters (HQ).

It should also be noted that managing CD is a difficult challenge; the worldwide experience has not been overly successful. There is a clear correlation between the success of CD interventions and the detailed knowledge of the sector and its national/regional contexts that was mobilised by the donors at the point of programming and implementation.[27] Danida and the Danish MFA should therefore attempt to ensure that sector experts with national context expertise are in place to manage Danida programmes and that these have the authority and support to adjust interventions as the context evolves.

3.3 Effectiveness

Achievement of planned results at outcome level

This sub-section deals with the findings and lessons learnt in attempting to put into place a holistic approach to CD that takes the traditional "individual", "organisational" and "institutional" levels into account to reinforce long-lasting capacity changes. In fact, the use of the term "institutional" is incorrect when used in this way, as it more correctly relates to the rules and protocols that provide the boundaries of an organisation's behaviour and processes. The more appropriate concept should be the "enabling environment".

Because the specific targets for CD are not specifically defined in planning and formulation documents for the three programmes examined, the ET cannot directly conclude on the effectiveness of CD efforts in these three programmes because there is very little against which to compare (i.e. no targets and little in the way of CD baselines). However, it is possible to proceed sub-component by sub-component and examine the responses provided by interviewees.

HSPS 4

The Health Basket Fund provided funding for studies and CD mandates, but its objective was mostly oriented towards creating policies, not developing the ability of the GoT to generate them, and much of the policy effort was provided by external expertise, not internal ability. The basket has to be positioned to support the SWAp, which, in turn, supports the HSSP (in this case the HSSP 3). The late 2013 evaluation of HSSP 3 noted that there is overall progress in the implementation of HSSP but the pace is much slower than anticipated. Systems development are moving faster than service delivery, but "innovations are not trickling down to grassroots levels"[28]. The same report points out major issues at point of delivery, and notes that "a main obstacle to achieving the objectives of HSSP 3 is the lack of financial and human resources…there is limited capacity to absorb…". CD applied by Danida TA has not corresponded to the responsibilities outlined in their TOR and the domains in which they are working are only marginally improving the overall effectiveness of the entire system. Part of the problem is the poor level of influence they are in a position to exert, and the level of problems they are being asked to resolve (advise on). Big-budget international donor support (ex. USAID and Global Fund) is clearly providing large sums for very specific domains (ex. malaria, HIV/AIDS), and interviews in Mainland as well as Zanzibar brought out that these domains have had some important successes while responding to the stated priorities of the governments. The interviews also note that the CD aspects of these large funding mechanism has built-up an ability to manage them while providing not only a focus for the attention of the MoHSW and MoH, but a shift in attention and resources away from other health domains. When we spoke to the ministries, it appeared as if the entire focus was on malaria, maternal and pre-natal health, or HIV/AIDS. The CD efforts of the donors had, apparently, succeeded in concentrating efforts,

[27] See LeBlanc, R.N.: Literature Analysis of Capacity Development in Development Cooperation Worldwide with Specific Application to the EU", EU publication, 2010.
[28] "Tanzania HSSP 3 Mid-Term Evaluation, 2013, Main Report", 2013.

and not in ensuring broad-scale services to the masses. The solution to this problem does not lie in Tanzania or in Denmark, but with the oversight groups that manage the policies of these donors. Denmark would have every interest in bringing these problems to the attention of the donors involved and apply whatever influence it could to get the practices stopped. Since these donors are not likely to change, Danida should at least not support them publicly and, at the very least, not throw good money after bad.

The institutional development that involved the Christian Social Services Commission (CSSC) and APHFTA appears to have been much more successful, with the latter being able to put into place a network of private facilities that work in tandem to provide basic services at no cost to the public. These facilities have paid for their own training and have shared lessons learned on how to execute the standards and norms of the government, a level of performance that is not necessarily met by public facilities[29].

A report by the World Bank[30] noted that there had been some progress in formalising the role of the private sector and CSO in health service delivery:

> "In recent years, the government has increasingly tried to leverage the private health sector's capacity to strengthen the Tanzanian health system – first by removing the ban on private practice in 1991 and then by emphasizing PPPs in its national health policies and strategic plans. In response, the private health sector has grown and organized into several umbrella organizations, such as the Christian Social Services Commission (CSSC), the Association of Private Health Facilities in Tanzania (APHFTA), and the National Muslim Council of Tanzania (BAKWATA). Together, the public and private sectors have laid the policy groundwork for improved collaboration. Engaging the private sector beyond dialogue and operationalising PPPs has proven more difficult due to lingering distrust and a lack of communication between the sectors at lower levels. Currently, the private health sector is actively involved in the delivery of key health services, especially related to family planning, child health, and malaria. However, there are numerous private health sector providers and other actors that the Tanzanian government can better leverage to relieve the burden on public sector resources and produce better health outcomes for all Tanzanians".

The CD provided by Danida, mostly through core funding and training to these organisations, has proven to be effective, but much still needs to be done to develop and implement private sector based mechanisms to the sector. The ET agrees that Danida could experiment with various financial and organisational innovations such as social impact bonds[31] (see Annex G for diagram) to improve the capability of the private sector to better deliver base-level services, possibly through an experimentation process based on action-learning in order to ensure rapid evaluation of expected results and constant feedback loops that ensure that the lessons learnt are distributed as quickly as possible and that successes are rolled-out as rapidly as probity allows.

The CD results in Tanzania are not as easy to quantify and qualify, in part because they are mostly concentrated in the efforts of TA, which have not been well managed by the GoZ. Both TA are not executing their ToR, they have not been backed up by the EoD in the past with policy dialogue (now changing), and they have not worked in an environment where the GoZ showed any clear signs of ownership or a desire for reform. Interesting and useful innovations

[29] From various interviews, facts have not been verified in the field.

[30] White, J, et al.: "Private Health Sector Assessment in Tanzania", World Bank, Oct 2013.

[31] Also known as Pay for Success Bonds or a Social Benefit Bond, is a contract with the public sector in which a commitment is made to pay for improved social (health) outcomes that result in public sector saving. They were first tried in 2010 and have shown themselves to be a very powerful motivator in Mozambique and elsewhere.

have been created and put into place, such as the Performance Based Financing initiative, which showed very positive results after its initial twelve-month implementation phase that ended in October 2012. The Zanzibar PBF has shown that CD is not always dependent on training and that performance (i.e. efficiency gains) can be attained through more appropriate management innovations, including financial "incentives" that link payment to quality of service delivery. It should be noted that the PBF was implemented based on existing performance standards at point of delivery that were already published by the MoH in Zanzibar. The political and social contexts are difficult at best, and the degrees of space for change are very limited. Efforts to develop CD results through Non-State Actors (NSAs) and the private sector were not followed-up over the course of the HSPS4, and discussions there showed that initial efforts did not generate sustainable results. There are still significant market and organisational distortions in Zanzibar directly caused by some donor's insistence on dealing directly with the delivery system rather than the MoH; the PS there has considerable difficulty in managing the Ministry when the vertical programmes (ex. malaria) have all the budget and do not refer to the PS for decisions on HR, allocations, funds use, etc. When asked why this been allowed to happen, the ET was informed that "malaria and HIV/AIDS" are government priorities on the island. Obviously, it appears as if "priority" is not only meant to indicate a readiness to promote "exclusivity", but also to follow the money available.

In Component 3, dealing with AIDS, the CD results have been real and important, at all levels. Danida has provided advice and TA in institutional development to TACAIDS that have, according to their managers, been instrumental in understanding how to set up and manage a large organisation with a national reach. Donors have reacted to the installed capability of TACAIDS with significant levels of funding. TACAIDS is now not only in a position to develop and deliver its mandate (assuming continued funding availability) but has the capability to develop its own capability, in some measure due to a stable and competent management team, good management leadership and important and visible champions.

The ability of Danida to significantly contribute to CD for the MoHSW at the Dar es Salam central level will likely, according to interviewees, remain limited, and the next quantum gains may have to wait until the combined political pressure from the LGA and their governing councils for reform or better performance motivates the GoT to change. The next challenge, as envisioned by the EoD, is to develop the capability of the various health implementation systems (simply put: MoHSW/PMO-RALG/LGA and other partners, such as CSO and the private sector acting as a business ecosystem), and its counterpart in Zanzibar. The EoD is presently working on a long-term contract to provide advice and support to that effect.

The Government has nevertheless tried to coordinate and focus CD and the delivery of services and goods provided through DPs. It adopted the Medium Term Expenditure framework (MTEF) as a tool for planning and allocating resources to priority interventions funded by GOT and development partners (DPs). The MOHSW has managed to ensure that most of the funding from GOT and DPs (general budget support, basket funding or direct to project) are channelled through the MTEF (recent decisions by large donors may distort this). At the council level, the Comprehensive Council Health Plan (CCHP) is used for this purpose but that is not fully effective. However, there are still many specific health programmes with interventions not fully included in the MTEF or CCHP, including those that are vertical in nature and financed by large donors.

These management and organisational distortions are also evident in the monitoring of progress and the planning for future actions. Planning for CD and undertaking change management is rendered extremely difficult when most of the major programs have specific monitoring and evaluation plans supported by dedicated monitoring and evaluation units that are independent

and not accountable to, or responsive to, the MoHSW M&E Unit. To be specific, there is nothing wrong with having a number of distributed M&E units throughout an organisation if that is what works best; what is not correct is when they are independent and not networked. Also, many of the programmes conduct specific reviews or evaluations (required by donors) based on their own strategic plans. Ideally specific reviews should be conducted prior to the main sector reviews and the results fed into overall joint annual health sector reviews (JAHSR). Capacity development in this context cannot help but be fragmented and disjointed. Danida did not attempt to align these effects better, nor was it asked to do so. Now the challenge will be to align this complex and stove-piped approach to the PMO-RALG's strategies for implementation at the decentralised levels, including LGAs. Discussions showed that LGAs could be subjected to the same stove-piped approach, but this time it will be worse because the "pipes" will be sector-specific and, because the sectors are the guarded domains of different ministries, will be very difficult to cross-integrate. So by inference it would appear that a strategic choice for Danida in CD might be to support the implementation process at decentralised levels, using all possible mechanisms as appropriate. Specific and appropriate CD strategies should be developed and applied, as described elsewhere in this document.

The MoHSW and the MoH, as shown by the descriptions on effectiveness and efficiency above, do not appear to have been able to put into place the essentials of a holistic and comprehensive CD strategy and plan, as we know it, even after decades of Danida and other donor support. Certainly the MoHSW and the MoH have not been in a position to finalize a capability plan that would go beyond the confines of the ministries themselves into the implementation of its regulations and policies. Most interviewees attributed this to a lack of willingness to reform and to a basic incompatibility between the political influences and meddling in the sector and the service delivery and regulatory framework mandates given to the ministries. It would appear that there is little else that is inherent to the sector that could explain why reform is not being championed and insisted upon.

PFMRP

In 2012, the GoT initiated its fourth PFMR Strategy since 1998 (PFMRP 1998; PFMRP II 2004; PFMRP III 2006) with funding continuing to be provided through the PFM Reform Programme Basket Fund. Notable achievements under the previous reform cycle included funding to develop debt sustainability analysis capability, the development of a macroeconomic forecasting model and financial programming module, strengthening of the budget preparation system (including the upgrading of the IT-based Strategic Planning and Budgeting System), the upgrading of the EPICOR IFMIS-system, the upgrading of the IT-based payroll control programme (Lawson), strengthening of public procurement, the strengthening of the National Audit Office.

At the outcome level, the most relevant indicators are found in the regular Public Expenditure and Financial Accountability (PEFA)[32] scoring framework that allows measurement of country PFM performance over time. It has been developed by the PEFA partners, in collaboration with the OECD/DAC Joint Venture on PFM as a tool that would provide reliable information on the performance of PFM systems, processes and institutions over time. In Tanzania PEFA assessments have been undertaken on a fairly regular basis since 2006. While the PEFA around 2010 suggested that functional improvements had flattened out, then the 2013 PEFA Assessment report reveals significant improvement in strengthening PFM Systems relative to the previous 2010 PEFA Assessment. Out of 31 PEFA Indicators (PIs), 12 ratings improved, 5 are in process of improving, 9 PIs have not changed and only 2 have fallen behind. Several of the remaining outstanding key performance issues, like "credibility of the budget" are to a large extent of a

[32] See www.pefa.org

more political rather than technical nature and it is questionable whether technical training and systems improvements on their own will lead to substantive results in this area.

BSPS

This 2012 Assessment Study[33] found that the BSPS made a positive and significant contribution to the development of the negotiating and trade policy capacity of the MoIT from 2005 to 2012. The BSPS was one of the main sources of recent capacity development in the MoIT, together with the WTO internship programme.

The study found that "*Broad training has occurred throughout the MoIT as a result of BSPS III funding, examples of these are short courses, WTO Geneva internships and the MIT. With this assistance the Trade Department has been doing good work on Trade Negotiations and Policy. There has been success in building negotiation capacity in the MoIT through BSPS. There was a strong leadership that developed a good core team for analysis and established the Strategic Think Tank NETS (Inter-ministerial Trade Negotiation Mechanism). BSPS involvement in the MoIT has led to a general increase in capacity within the Ministry to discuss trade issues and develop an informed opinion*. However, during our interviews with MIT we found that the Strategic Think Tank had been abolished.

The 2012 study further noted: "*Before BSPS there were no technical meetings to prepare a position prior to negotiations. Through the course of the BSPS these meetings starting happening more frequently although often they would only take place 1 or 2 weeks before the negotiation date. This did not allow for detailed consultation with the private sector organisations and other stakeholders, such as TCCIA. Tanzania has generally been reactive in the EPA (EU Economic Partnership Agreement) negotiations in the past but, through BSPS, the technical team became more pro-active. For example, agriculture was not in the original EPA, but Tanzania negotiated it into the EPA at EAC level in 2007. BSPS and good Ministry management at the time also allowed for an improvement in WTO notification and increased understanding, and use of, Rules of Origin (RoO). This change was the result of studies undertaken by the BSPS and therefore it can be said that the BSPS Market Access programme had a positive outcome".*

3.4 Impact

HSPS 4 – there is little doubt that there would be strong impact effects across the board if the health sector in Tanzania were to develop its capability to design and deliver programmes. At the moment it has important constraints that seriously limit its ability to do so. Some of these have been discussed above; there are numerous documents that speak to the crippled state of health in that country and, even if some progress is being made in specific areas (ex. Malaria and HIV/AIDS), it is largely due to massive insertions of foreign funding. Like many other ministries around the world, the strategic plans of Tanzania's health sector(s) refer to what is targeted and not how. The capabilities required are not spelled out and the strategy for developing those capabilities is not there.

Danida has to be congratulated (and it often is in Tanzania) for its long-term commitment to the health sector both in Zanzibar and on the Mainland. But it is a relatively small, if important, player. While other DP are leaving donor-coordination mechanisms to pursue other domains or to develop mechanisms to support health on their own, Danida risks being left behind to support much of the "entropy" costs of coordination. Furthermore, Danida has often positioned its CD at levels and within advice portfolios that are not strategic enough, so the impact may be high at technical of process levels but somewhat "lost" at the decision-making levels.

Since Danida has been seen to be a recognised and legitimate partner in CD, the ET believes that a more strategic positioning should be undertaken. Preferably where other DPs do not have that

[33] Imani Development 2012 op. cit.

legitimacy and where Danida could act as the "glue" to add complementarity to the efforts of the GoT as well as those of the DPs. As an example only, the interface between the policy and regulatory enabling environment (as it may exist today) and the implementation of those directives is a "domain" that needs to be seriously improved upon, especially if non-public mechanisms such as various forms of PPP or service agreements are to be leveraged.

The overall purpose of the **PFMRP** is articulated loosely in the strategy[34] as to attain a more effective and efficient budget formulation, implementation and control in order to contribute to broad-based economic growth as well as a vibrant private sector development in a sequenced manner. **BSPS** has the following overall development objective "Accelerated and more equitable, broad-based and export oriented growth in Tanzania's business sector.

The recent Economic Update[35] notes: *"The traditional view of Tanzania's economy has been challenged by the recent rebasing of national accounts and the results of the 2012 household budget survey. On the basis of this rebasing, Tanzania appears to be close to achieving middle-income status, with an average per capita income of almost US$ 1,000. It also makes it clear that economic growth has trickled down to the poor, including the extreme poor. This is good news for Tanzania's economy and for its prospects for equitable growth. However, this progress needs to be qualified. Approximately 40% of Tanzania's adult population earns less than USD 1.25 per day, while nine out of ten Tanzanians earn less than USD 3 per day.*

Further the same report concludes: *The Achilles' heel of Tanzania's macroeconomic management remains its fiscal policy. While the overall fiscal deficit declined significantly in 2013/14, down from the equivalent of five percent of the (rebased) GDP to 3.4%, this reduction was achieved at significant cost. It was only possible through the significant accumulation of arrears with contractors and pension funds. The value of these arrears has now reached alarming levels. The reduction was also achieved by cutting public expenditure in priority sectors, as a result of which the highly publicized 'Big Results Now' initiative received fewer resources than in 2012/13. Similarly, development expenditures fell by 1.2% of GDP. The total value of transfers to local governments also declined, putting at risk the delivery of education and health services. These negative trends in the budget undermine the Government's ambitious plans to provide better infrastructure and social services to a rapidly expanding population".*

In addition a recent PER Report (ODI 2014)[36] concludes that the Government (and its supporting DPs) to date have failed to ensure a more equal horizontal distribution of resources across LGAs for financing of basic service delivery. Poor people in relative remote LGAs remain significantly underfunded compared to other parts of the population. Thus one (of the three) Danida Country Programme priority areas remains yet to be achieved (or improved upon).

The recent update of "doing business index"[37]: concludes that Tanzania has not improved significantly in comparison to its neighbours in recent years, but while it ranks relative low on a global scale (131 out of 189), then it is still above the African average and also above its key neighbours such as Uganda and Kenya. It can with reference to Danish support to TRA and MIT be noted that Tanzania: Ranks below African average with regards to "ease of tax transactions"; and Ranks above average with regards to market access (ease of trading across borders)

In conclusion, while Tanzania has made some improvements within the areas of economic growth, poverty eradiation and business sector development, then there is also significant scope

[34] MOF: PFMRP Reform Strategy 2012.
[35] World Bank: Tanzania Economic Update • January 2015, 6th Edition.
[36] ODI 2014: Study on Local Government Authority (LGA) Fiscal Inequities and the Challenges of "Disadvantaged" LGAs'. A study commissioned by the PER Champions Group. (PER 2014).
[37] www.doingbusiness.org World Bank – Doing Business - Tanzania Report 2015.

for improvements, in particular in key areas such as ensuring more equal distribution of fiscal resources across LGAs, improvement of the business environment and management of government arrears.

3.5 Sustainability

While significant achievements have been achieved in many areas supported by Danida – jointly with government and other donors – the sustainability of these achievements require continuous maintenance and update of the institutions' capacity and further enhancement of the enabling framework, including policy, legal and administrative reforms and further development and delivery systems – and not least appropriate recurrent and development budgets.

The PFMRP has contributed to significant improvements in the PFM capacities of the Government. The various MDAs and LGAs have over the last decade employed significant numbers of qualified staff that are now permanently on government payroll. An example is the internal audit departments that only have come into existence in government structures during the last decade. It can also be noted that the relative advanced systems for IFMIS and HCMIS now are largely fully operational in the majority of Government MDAs. None of these systems rely on external TA or DP support for their functionality. Government has also on several occasions' demonstrated willingness to finance capital investments in support of these systems (e.g. for the HCMIS when WB funding failed to materialise under PSRP). The capacity Development achievements under PFMRP to date are therefore deemed fully sustainable.

The support rendered to the MoIT and the University of Dar es Salaam has enabled Tanzania to produce a continued set of MIT cadres. However, our interview with staff at the university and the Imani 2012 reports note some concerns with the affordability of the MIT – not least since Danida during the programme provided 100% bursary to the students (both fee and living expenses):

The total cost of the MoIT is high, close to TZS 20 million with the tuition fee being TZS 7.9 million. Without scholarships very few students, if any, can afford to attend. Given that this is a specialist course that does not provide many job placement opportunities (as is the case for example the MBA) the MoIT should be more competitively priced for Students The question that UDBS, Danida and the other stakeholders face, is whether the course is sustainable at this price without scholarships? Students have become totally dependent on the scholarships as these scholarships pay for everything; stipends, books etc. If the scholarships offered just tuition fees it may attract students who had a desire to do the MoIT for professional enhancement in their careers, careers that focus on trade or trade related employment. The key issue would be the security of job placement once the degree is finished. In addition the same report noted that the sustainability of the CD investments were hampered by the rather narrow focus of the CD – that wider systems of the ministry hadn't been reformed and that a wider private sector development strategy was needed for sustaining capacities of the ministry.

In response to the above-mentioned study, it was decided to revise the MoIT to a part time study rather than full time – and reduce fees. The Extranet provided by Danida did not contain any documents that referred to the sustainability of HSPS 4, but more to the point is that no documentation or research has analysed the sustainability of the Capacity Development aspects of HSPS 4. The ET's hypothesis, based on its field mission observations, is that since precise targets and performance objectives for CD were not in place, and since there were no attempts made to systematically analyse or monitor progress in CD, and since the ultimate objective of GoT plans in the health sector will not likely be reached because of the difficulties inherent in the delivery process for heath through PMO-RALG, then much of Danida's contribution to CD is undetectable. That does not mean that there is no CD, but that it cannot be measured. Therefore the idea of concluding on sustainability is moot.

4. Focus Areas and Hypotheses

4.1 Hypotheses tested in the Danida-Tanzania development cooperation context

The ToR for this mandate are "guided" by an Approach Paper on Capacity Development which developed various CD concepts and proposed four "hypotheses". These were translated into four focus areas that are found in the "Scope of Services". These hypotheses are being subjected to testing by the evaluation team through its evaluation approach, methodology and field evidence gathering. In this section, evidence to validate or negate the hypotheses, using observation and data obtained in Tanzania, is presented. The Tanzanian analysis is extrapolated to the hypotheses at large, on a "global" scale so to speak. This latter step has its methodological weaknesses: one should generally not draw conclusions about a hypothesis solely on the basis of a part of the proposed sample (unless the methodology warrants it). In this case, the extrapolation is meant only as a means of ensuring that the logic of the hypotheses stands up to scrutiny. The key benefit to be derived from this "pragmatic" approach is that the hypotheses, if validated, will provide a basis for elaborating a Theory of Change for any proposed CD intervention. If the hypotheses are struck down, another direction will need to be proposed and studied.

Hypothesis 1: Donor support to capacity development is (more) effective when it fits the drivers for and constraints to change

Within Tanzanian country programme documents, there is overwhelming evidence that Danida formulated its capacity development interventions in a way that sought to take into account the major (i.e. important) drivers and constraints to change in the contexts of those actions. In the context of the Paris and Accra agreements that coloured the thinking behind the sector documents (and the role of the GoT and GoZ), the assumptions concerning the ability of these governments to lead or design any important and sector-wide CD strategy was, in hindsight, overly optimistic. However, where Danida deemed that government commitment to policy reform was inadequate – as e.g. in LGRP it decided to withdraw. The strategic analysis performed for a CD support to sector performance at the formulation stage was not evidence-based, nor did it have a clear vision of what needed to be done and how. As a result, traditional approaches were put into place without a guiding framework for capability or ability development at the sector level, and the motivation of the GoT and GoZ to engage in CD was assumed to exist when in fact it was limited. The specific contexts were not sufficiently taken into account in CD project design, and the approach to CD appears to have been: "they will change in due time"- an hypothesis that did not have any evidence to back it up and that proved not to be valid. The evidence does not support the contention that MoHSW or the MoH presented any bankable positive drivers for change, or any commitment to reform, and the intervention design for CD assumed that it did.

As a final note to this paragraph, Danida and the GoT/GoZ did not, for some reason, put into place any significant effort to try to transform implicit knowledge into explicit knowledge from the individual to the group levels, as research by Tanaka et al showed; specifically, that entire line of research showed that peer-to-peer and supervisor-to-employee transfers were the most effective means of developing ability-based capability. Development on-the-job is heavily management-intensive and requires continuous context analysis. It also requires a very close logic and management link between the planning and implementation stages of interventions. And this is not just a question of "contracting out" that work and that responsibility either, since the desk officer in the embassy is ultimately accountable. New models for contracting out or for installing support facilities need to be tested and implemented. It is clear that the present level of staffing at the embassies is inadequate to see this through.

The support to the private sector was more experimental in nature, in part because the enabling environment and motivation that characterized the sector were unknown and evolving rapidly. Danida's intervention there was flexible and evolving, and this approach proved to be relatively successful. Support to TACAIDS took the evolving nature of the sub-sector into account and focussed on operational capability. The personal expertise of the TA proved to be aligned with an organisational development approach that was favoured by TACAIDS management, so in that case the CD approaches that were put into place by Danida were successful. The effect of Danida's CD support to Tanzania's health sector was rather constrained by the narrow scope of the CD intervention. Documents show that the enabling environment in Zanzibar was well known (if not specifically described for CD), and the TA assigned there could not overcome local resistance to change, a result that should have been predicted.

The BSPS programme appears to have taken the drivers of change into account, at least insofar as the support to the MoIT and the local university (Masters in Trade Negotiation) is concerned. The context there might have been easier to circumscribe (compared to health) but it is clear that the analysis took the constraints and opportunities into account, monitored them broadly and then adjusted the approaches to achieving the expected results. As a result, the expected CD results were largely achieved. It needs to be noted, however, that the expected results were translated early on into easily circumscribed outputs (courses, graduates, numbers of qualified people in the ministry, etc.). These are, relatively speaking, easier to deal with than those required in the health field; for example, the MoIT does not have a decentralised implementation process to be concerned about.

With respect to the PFM, the contexts and constraints had been defined early on by many donors and the CD results that needed to be developed there have the advantage of an externally defined set of performance norms (PEFA assessments, etc.). A major advantage of these assessments was that they were undertaken by a "neutral" team and based on "objective criteria" that were mutually trusted by Government and DPs – thus they contributed to a process of confidence building in a period where DPs and Government otherwise had been at loggerheads for a long time with regards on how to assess performance of the PFMRP. Danida's support was therefore designed with those norms in mind, while the various ministries that were supported, including health, were motivated to develop their PFM capabilities and abilities.

Based on the above, it would be logical to conclude that Danida has attempted to design its support to the GoT and to non-governmental CD targets in the country in a way that tended to leverage the drivers for change, as Danida knew them (see also Hypothesis 3) and to mitigate against the effects of constraints. However, these CD designs and strategies were mostly at too abstract a level, constraining the effective monitoring, supervision and policy dialogue that could have supported the CD change efforts. There were many areas where much deeper and more probing analyses into these drivers and constraints could have saved Danida some resources and efforts. The problem is that it is hard to tell at this point what effect this lack of specificity concerning CD adaptation to on-the-ground reality (i.e. the "best fit") had had on the overall results of the various interventions, in part because precise results for CD were not often defined, monitored or evaluated.

The evidence gathered during this mission overwhelmingly supports this hypothesis (see also Section 4.2). The hypothesis can therefore be considered to be valid with the understanding that the "best fit" has to be understood to be at all levels and subject to constant adjustment.

Hypothesis 2: Donor support to capacity development is (more) effective when donors engage in dimensions of capacity development where external agencies are likely to be able to contribute (not too complex for outsider facilitation) and when donor involvement is found appropriate and legitimate

In the specific case of Danish-Tanzanian development cooperation, the evidence clearly points to the fact that Danida had the technical and managerial expertise to engage in CD within the interventions examined (ex. health systems, business environment improvement, public financial management, private sector development). Because of its long-term support of the health sectors both on the mainland and in Zanzibar, it has acquired a legitimacy that can give it access to top-level decision-makers. That being said, Danida cannot incite change where change is not wanted or where recipients are not prepared to change, and that has been the case in some of the key areas examined by the ET.

Complexity has been the defining characteristic in the achievement of expected outcomes in Tanzania; major constraints have mostly been out of the control sphere of both Danida and some of the agencies with which it has worked, including the MoHSW and MoH. In those cases Danida has not been very successful working with these ministries to bring about the significant changes proposed in the sector or programme documents. Moreover, Danida is only one DP out of a larger number that engaged in collaborative mechanisms to bring about change; those mechanisms may have participated in a significant number of working groups, but there is very little evidence to indicate that their presence brought about any critical mass of policy changes.

Where Danida was not as constrained by what may be loosely described as "resistance to change", it has had a much greater influence: the MoIT and the academic programmes and internships, the APHFTA and its networking of private sector clinics for health services, the TACAIDS and its relatively greater level of freedom to operate in the health sector compared to the MoHSW, the progress on PFM reform, etc.

What has been evident (through document research, on-site interviews, focus group questionnaires, etc.) is that where there is no concrete evidence of a willingness or commitment to CD, and where that willingness is not demonstrated up front in tangible ways, Danida should not engage in CD. If that means that it will consider providing inputs (money or medical supplies for instance) for altruistic, humanitarian or other reasons without concerning itself with the sustainable ability of the recipient organisation to be able to perform on its own, then so be it. There is no use in engaging in CD if there is no partner with which to engage.

Based on the above, the hypothesis would be validated.

Hypothesis 3: Donor support to capacity development is (more) effective when one looks beyond "supply-side" or "push" approaches that only work from the inside in public organisations, aiming also to foster broader accountability relations (the issue of so-called "supply and demand")

There is limited evidence to show that the GoT has responded favourably to the "demands" of its citizens and NSAs' in the provision of goods and services. Historically, the Office of the President has refused to recognise the role of civil society in those domains where direct service delivery to citizens is concerned. This refusal, or serious level of hesitation, supposedly originates with the socialist past of the country, and a distrust of intervening agencies. Faith-based institutions appear to have much more freedom to provide services, but even they are not always welcomed when it comes to advocacy.

Danida has supported a limited number of NSA in the three programmes examined, just as initiatives supported by other DPs have enabled some strengthening of "broader accountability relations". Danida's support to the private health sector has focussed on ways of improving service delivery (and not as a means of legitimizing or improving on advocacy specifically). The AFHFTA is, in fact, a private sector association, and the ET found that the GoT is hesitant to grant the private sector any real and accountable role in health service delivery, even if it improved overall performance of the entire sector.

The PFM support has for instance been closely related to GBS support and external DP support of Parliament, watchdog NGOs[38] and more critical journalism, e.g. through the media fund) to foster an increasingly critical debate on GoT use of public resources[39]. It is widely recognised that there is a much more open and critical debate on Government use of public funds. However, many of the most critical issues currently facing the PFMRP: budget credibility, arrears and decrease of LGAs non-salary budgets as well as inequities in LGA budget allocations – are largely absent from public debate, as they appear possibly too technical in nature and without vote mobilising potentials. Moreover, it is yet to be seen how, and if, the 'open debate" being touted has any effect on allocation of resources or on evidence-based decision-making involving public funds.

Danida have supported non-health private sector organisations to advocate for reforms of the business sector environment (through BEST-AC) that have at least raised awareness of various issues – and has had some impact on the policy environment. However, BEST-AC has not explicitly sought to work on advocacy work related to market access.

In summary it can be concluded that while civil society, including media, today are much more vocal in the public debate – in particular in relation to corruption issues, *it is more difficult to pin point areas where demand for more technical aspects of reforms have been strengthened to the extent that it has had an impact on CD of the public sector.*

In many cases it is still also very difficult for the public to access detailed information that would enable critical dialogue. In light of this the World Bank is in process of formulating a project that almost solely focuses on enabling greater public access to information about government operations and performance.[40]

Based on the above, the hypothesis cannot be supported as stated because it is overly generic. The issue of what is supply and what is demand needs to be contextualised and specified. In other words, it may be true or not, depending on the positions of either side, the specific gap between what the "supply provider" is prepared to offer in relation to the demand.

As in Nepal and Uganda, the evaluation team has gathered information and perceptions of a number of perspectives on this issue, and it has come to the conclusion that referring to a "supply and demand" analogy, while simple, leads to reductionism and therefore may be doing more harm than good. The relationship at any time between the State and the People is a multi-layer and complex set of equilibria, and is never fixed, unlike the result of the supply and demand intersect that is proposed in economics. The latter can be conceived of as the value of a transaction at an intersect. It also supposes that the supplier and demander (plurals both) are prepared to exist at that intersect. It would take many, many curves to illustrate the situation at any one time between the suppliers and the demanders in Tanzania specifically, and in any country generally. And even if an analyst tried to represent that relationship in a very small subset of social or economic or political life, it would be dependent on the relationship somewhere else (ex. the supply of basic health services is dependent not only on demand for health from parents and CSO but on the competing demands of industry for public investments in power dams or roads).

Hypothesis 4: Donor support to capacity development is (more) effective when it uses results sensibly to measure progress, correct course and learn

38 Danida funding included "Foundation for Civil Society".

39 A large number of DPs have supported such initiatives including large DPs such as DfID, and USAID.

40 Open Government and Public Financial Management (OGPFM) Development Policy Operation March 2015.

Both DPs and Government of Tanzania generally subscribe to principles of "management by results". They key challenge has often been to agree on mutually understood definitions and methods for the measurement of results.

The case of PFMPR is interesting and to some extent an exception of DP work with CD. The support for PFMRP has been very significantly informed by the various PEFA assessments that have taken place since the mid 1990s: the current programme was designed and adjusted in accordance with PEFA assessments.

However, many other of Danida's **CD** projects in Tanzania speak to "results" but are managed on the basis of outputs and inputs rather than outcomes and impacts. Moreover, where RBM has been implemented (or parts thereof), management's focus has concentrated much more on achieving results than would otherwise be the case (ex. TACAIDS). They have been able to step back from the day-to-day and ponder, with evidence, what they could do in order to be more effective or efficient. Most respondents during focus group discussions have indicated that Danida should insist on RBM and that Tanzanian organisations don't know how to implement RBM at the present time. They also suggested that all activities should be geared towards achieving those results (ex. international training needs to reflect specific results and clearly defined needs). The evidence points to the fact that the introduction of RBM is highly contextualised: sometimes it takes years to be able to express what the most appropriate results should be and what indicators should be used to measure not only achievement of results but progress towards achievement. Interviewees constantly asked "but how can we indicate what results we should be looking for?" Many confused productivity and capacity and had a hard time dealing with whether increases in throughput were a measure of Capacity or Capability or some other concept. Many agreed that there was a need for assistance and examples to "unpack" these concepts. To this end, the work of the EU can be informative.[41]

The evidence points to the result that if CD results were employed as a management basis it would help to focus management's attention towards higher-level performance and integrating the CD and operational aspects. Based on the foregoing, the hypothesis appears to be validated.

4.2 Response to the generic hypotheses in the ToR

On the basis of the evidence gathered during this field mission, it is possible to begin to address these hypotheses in a generic manner, based *on the case of Danish experience with the selected interventions in Nepal, Uganda and Tanzania*. The analysis for Uganda and Nepal can be found in their own Country Reports, this section analyses the Tanzania case specifically. The "titles" of the hypotheses have been shortened for clarity but they are the same as in Section 4.1.

Hypothesis 1: Dealing with effectiveness and "best fit"

Not surprisingly, the Tanzania experience lends support to both the Ugandan and the Nepalese analyses: *the more an intervention is specifically designed to reflect the specific contexts and other realities of the problem it purports to resolve, and the more it is designed to deal with the drivers for, and constraints to, the achievement of its objectives, the greater are its chances of success.*

41 LeBlanc, R. N., and Beaulieu, P. "Conceptual Framework and Vocabulary concerning Capacity Management and Development", Paper prepared for DEVCO- Quality of Delivery Systems Unit 2013.

In many ways Hypothesis 1 is not a hypothesis at all, but a statement of predictable outcomes based on pragmatism[42]. The Approach Paper listed a number of generic factors that affect the outcomes of Capacity Development in response to "best fit" including the scope or distribution of the capabilities, the incentives to perform, the specificity of the required changes. These are not, properly speaking, factors that improve "best fit", but are the definition of best fit itself. It should be noted that the field experience shows that there is no such thing as a "perfect fit", and that it is impossible to even accurately define what the "best" fit would be; in fact, the problem is often that we don't know what we are to "fit against". Specificity may be missing, risks may not be defined, and commitment to change may be challenged or nullified, for example. What is required is "the best possible fit at any one time", and an understanding that this "fit" will change, and needs to be changed, over time, so that the relationship is not so much "benchmarked" or static but is "living and adapting". This will be further developed in the evaluation's main report.

Overall, Danida has not imported "best practices" and blindly applied them in the Tanzanian context ("isomorphic mimicry"). On the contrary, it has provided ample opportunity for adaptation and flexibility in its intervention formulation. It did not use a "blueprint" approach (note the innovations in MoIT, APHFTA, CSSO, and its renewed search for appropriate and accurate responses to decentralisation in the health context). It should be noted that there has been an observable paradox in the application of the Paris and Accra principles in Tanzania: given that GoT and GoZ and their agencies have been the drivers of the cooperation planning and have had a leadership role in design and adaptation to local contexts (as evidenced by interviews, document reviews and focus group responses), the designs should have been a "best fit", at least as far as it was possible to generate at the time with existing Danida policies, guidelines and practices. But the results have not always been encouraging. Analysis and formulation for CD have not been as rigorous or comprehensive as they could have been with a different paradigm (for example involving RBM, ToC and enabling environment management). The ET found that expectations of CD success and results were very low in Tanzania, and that outcome definitions were often not specific enough for "organisation or systems-wide" changes to be targeted. Except for PFMRP, the evaluation team did not find any definition of targets as being described in terms of "performance" or "strategic level coherence with national strategies", especially in the health sectors in both the mainland and Zanzibar, but also in the business facilitation domains.

What is clear is that where the expected CD outcomes were clear, where a strategy existed to get there, and where a detailed analysis enabled the CD effort to closely match the enabling environment of the organisations involved; the personal aspirations of key people and the visions and expectations of champions and key managers, then CD efforts were more likely to succeed.

Based on the above, the ET would conclude that "best fit" was a positive reinforcing factor for increased effectiveness.

Hypothesis 2: Dealing with appropriate ability to contribute and legitimacy

The evidence from all three case countries suggests that donors generally are not restricted by complexity or any other factor from "contributing" to a national priority, unless there is a political, policy or strategic reason to not engage. There is really no such thing as a "lack of

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42 Refer to the work of Nicholas Rescher, specifically his book: "Pragmatism-the Restoration of its Scientific Roots", Transaction Publishers, 2012. In it, pragmatism (not to be confused with the vernacular "pragmatic approaches") describes a process of research enquiry where theory is extracted from practices and applied back to practice to form what is called, in epistemological terms, "intelligent practice". It is, in fact, a research method that based on the rational substantiation of knowledge claims.

legitimacy' in a bilateral relationship. If the relationship does not exist, then legitimacy is a moot point. The response from a donor for a contribution to the resolution of a problem is primarily categorized by the result of the negotiations with the partner country; an appropriate design that incorporates a common understanding of the terms of the agreement, and a commitment to engage resources and other tangible and intangible assets. The conditions under which a donor *should* engage are solely a factor of the expected impacts, the risks involved, and the expected value to both parties. In some cases, the expected degree of success is low if the environment is constrained, but the donor is free to engage for reasons other than effectiveness and rationality.

In the case of Tanzania, Danida has been a trusted partner for decades (especially but not exclusively in the health sector) and its behaviour and commitment to capacity development corresponds to the perceived needs of its partner (as defined by the partner) as well as to its values, norms and sense of identity (to name a few). For that reason, Danida is still appreciated as a legitimate partner and can not only provide partnership services but it can also challenge its partner without breaking the bonds of the relationship. This is a considerable value-added for development in general and capacity development in particular where one of the most difficult challenges is to bring about change. An example of that special relationship is the extent to which Danida is prepared to engage in a process to change the way that the GoT perceives of implementation of health services delivery. Important policy changes will be required, and Danida is prepared to engage in that debate.

Individuals that were interviewed spoke to the real challenge of generating, or at least identifying, a "willingness" to change (CD) on the part of partners. This applies equally well to the private sector as it does to PMO-RALG and other GoT and GoZ agencies. Interviewees noted that it was the GoT's responsibility to ensure that change and reform was successful, and that services were indeed delivered to the citizens. In that context, Danida should not be the one to want the change; that is the partner's responsibility – with Danida's help.

Interviewees noted that tools and strategies should be developed to gauge the "willingness" of the GoT to change; Danida should, they noted, proceed with caution (i.e. other strategies needed) if it is not there. As noted in both the Nepal and Uganda country reports, some CD investment under these conditions of risk may be appropriate where this willingness to change is not clear, but where there is some prospect of willingness would materialise. In those cases, much smaller "foundation" interventions should be used.

Based on the above, it would appear that the hypothesis would be validated. That being said, the ET feels that the statement is not a hypothesis at all but a conditional statement of causality. After all, in the absence of legitimacy and a meaningful expectation of being able to show success, how can a donor contribute, or be invited to contribute, at all?

Hypothesis 3: Dealing with "supply and demand".

There has been little Tanzanian evidence to show that Danida has supported a specific "demand" and as a result the "supply" has changed for the better. Nevertheless, this is mostly due to political positioning and ideology in Tanzania. But there is indirect evidence that the GoT does respond to the political pressure generated by business associations (ex. more consistent interpretation of regulations), transport firms (especially marine and aerospace), farmer groups and agri-business (ex. phytosanitary regulations) and international community (ex, elections). There are signs that it also responds to media and some CSOs when the topic under analysis is the management of public funds.

Denmark-Nepal-Uganda-Tanzania experiences would indicate that given the possibility to do so, finding ways to empower society (or stakeholders, or citizens) would eventually require most agencies to provide a higher level of service; therefore, it is logical to assume that managing both

sides of this equilibrium would require Capacity Development of both parties. It also assumes that both parties are willing to dialog as a result of recognition of the space that each legitimately should occupy in society. Although this is stated as a duality (two parties), it is recognised that it is highly complicated in Tanzania and is multi-stakeholder in nature.

The hypothesis is validated with the proviso that it be considered as a highly context-based hypothesis, as noted in Section 4.1 above.

Hypothesis 4: Dealing with results-based approaches

Except for PFMRP, almost every individual and agency interviewed in the course of this mission to Tanzania has indicated that their CD interventions were not results based. Most also noted that the management focus was on lower end: i.e. outputs (mostly based on the reinforcement of the individual or systems) rather than outcomes or impact). Some respondents highlighted that Tanzanian institutions (as well as donors) need to have better understanding of the concepts and applications of RBM. Most also noted that they found it nearly impossible to decide how to apply the resources that Danida had placed at their disposal in order to generate organisational results and not just local "maintenance". Most also said that applying a results-based approach in Tanzania will limit the ability of managers to generate personal benefits for themselves and their close colleagues; as a result there will likely be resistance.

Going the next step with RBM with defined outcomes will likely be difficult for Danida in Tanzania because it will require interventions to be formulated in much more detail and will require managerial and behavioural changes from stakeholders at all levels, but it will improve the results of the CD interventions.

Based on the above, the hypothesis would appear to be validated. If results were to become the foundation, then the effectiveness would improve.

5. Conclusion

5.1 Synthesis on past CD support

Danida support to CD in Tanzania has been undertaken in quite different manners in each of the three main programmes reviewed by the ET. The key differences are summarised in the table below and further elaborated in rest of this chapter.

Theme	Health sector	PFMRP	BSPS
Type of cooperation	Long term (+ 10 years)	Long term (+ 10 years)	Long term (+ 10 years)
Donor harmonisation	Basket fund – but significant elements of Danida specific support – especially TA.	Basket funds – no Danida earmarking – but Danida specific complimentary support to TRA	Danida specific programme – in part a reaction to frustration with progress in basket funded BEST
Approach to CD	Fragmented	Sector wise approach to systemic policy reform and CD	Comprehensive support to (only) one particular function: trade negotiation capabilities.
Result-based management	No reference to result based CD	Yes – through use of PEFA as benchmark of CD results at organisational level	Narrow focus on specific function
TA Modality	Danida long term advisors	No advisers – but government procurement of short-term TA (mainly Tanzanian TA)	Company contract for TA – initially permanent TA – later adjusted to short-term flexible

Danida's support to CD in Tanzania has had the following characteristics:

Type of cooperation: All sector programmes HSPS 4, BSPS and PFM) have been based on long-term cooperation. Danida has supported key Government/State Institutions and CSOs in the health sector for decades, which has potentially provided significant leveraging opportunities to shape the programmes. It has often been part of pooled DP efforts, including those in health, and is an active member of a number of working groups. Part of its support is earmarked and part is specifically reserved for CD. It has a broad range of different actions to support business development (and not to support a value-chain or a sector specifically).

Donor harmonisation: Multi-donor cooperation has been partially applied in the Danida health and PFM interventions reviewed. A large number of donors have pooled their resources through a SWAp and a basket fund for health, which has promoted donor harmonisation somewhat and reduced transaction costs, at least in theory. What the harmonisation has certainly done is to institutionalise a means of focussing policy interaction with the MoHSW; what is unknown is the extent to which it has produced results. The PFM "sector" has been managed through the leadership of the World Bank and IFIs for many years and Danida has had a clearly important role to play in the CD application of PFM in the health sector. The BSPS is primarily not a case where pooling has been a defining issue, although there are other players (DPs or NSAs) in the sector (ex. ILO, Chambers of Commerce, other universities offering MBA's, etc. Danida has selected a relatively focussed set of sub-sectors in which to operate under BSPS.

A major issue in Tanzania is the large funding amounts that have been and still are being applied to very specific health challenges such as HIV/AIDS and malaria. The Tanzanian ministries and agencies are entirely dependent upon these funds for public health results as well as for organisational overheads and political leverage. Smaller donors are, in reality, not in a complementarity situation here, but in a competing one, particularly when one considers that the

main issue is the attention that is required by decision-makers for the health system overall instead of a few sub-segments. The number of external missions, reports and evaluations that are imposed by large fund donors is clearly tasking the ability of ministries to cope, and a disproportionate amount of "managerial" ability is diverted to these large funds.

Approach to capacity development: Capacity development has, in all sectors programme support documents, been understood to mean everything from gap filling on the part of TA, buildings, trainings and TA, etc. It is sometimes characterised on the basis of inputs (ex. training courses), outputs (ex. courses generated), intermediate results (ex. systems developed and in place) or long-term outcomes or visions (ex. increased ability to productively engage in trade negotiations). Various partners (ex. ministries, NSA, other DP) consulted by the ET have also echoed this confusion about capacity. There has not been one instance, however, where a partner or DP has been able to show what it considers to be a capacity development strategy. In effect, CD has been treated in much the same way, as a technical problem would be. Other than for PFM and TACAIDS, the ET did not find examples where there was a sector-wide approach to capability. As a result, the ET observed that most capability improving efforts were highly localised and whatever was used as an indication of success was generally anecdotal in nature.

It should be noted that while this report notes the absence of baselines in numerous sections, those comments were meant to imply that there were very few capacity-development baselines, most of which being in Public Finance Management Reform initiatives. Danida's sector-related programming was clearly based on data and analysis that enabled it to seek and obtain approvals from both Governments of Tanzania and Denmark.

Results-Based Management: Specific results related to capacity development were generally not clearly stated. Baseline studies and capacity need assessments appear not to have been conducted with the possible exception of PFM reform where the PEFA standards were used as external norms, and the performance of the system was used to indicate its capability. Within the health sectors in mainland Tanzania and Zanzibar, interviewees spoke of having done capacity gap analysis and defined expected results but were unable to produce them. When the ET examined Danida-generated capacity analyses, it found very few references to baselines and even fewer references to capability and performance metrics. RBM was not institutionalised. In consequence of not having well-defined capacity development results, RMB of CD efforts could not be used. That being said, it is important to note that RBM was not a policy requirement for programming at the time when the three programmes examined were formulated. Interestingly, key interviewees said that had RBM been in place they could have managed CD better.

TA modality: Danida has provided support to the health sector in Tanzania since the 1980s. Since 1996 this support has been linked to the Health Sector Strategic Plan (HSSP). Danida has provided up to six TA as direct staff to the Ministry. "Embedding the TA in MoHSW is key to enabling the TA to have a degree of responsibility and to be well integrated. Danida is able to do this, as they are able to report on long term contribution rather than having to make direct attribution in their performance reporting.[43] This provides the TA the flexibility to respond to the needs of MoHSW and urgent and ad hoc tasks arising – important for establishing trust."[44] But. As will be seen below, "trust" is not the objective of Danida development.

[43] It is however expected that stricter and more constraining M&E demands from headquarters may start to have an impact in the future.

[44] Tilley, H., "Supply and demand of Technical Assistance and Lessons for the Health sector –Country Perspective Note-Tanzania" Paper prepared by ODI for IHP+.

The ToR of some TA note that "Participate on a regular basis in briefings with the EoD" as an area of work, indicating that some regular contact was intended.[45] However, as noted below, TA advisers have had little contact with the EoD and could clearly be described as being fully embedded in their respective agencies. "Taking the specific example of the health policy adviser, there is contact with donors in practice through participation in TWG meetings. While this participation is highly appreciated some donors were disappointed that the government counterpart did not usually attend the SWAp Task Force and the Joint Annual Health Sector Review meetings himself"[46].

TA was integrated into the MoHSW, the MoH, TACAIDS and the MoIT; they often had multiple functions spanning from oversight, project management, facilitation, nudging and advice giving, but those TA interviewed all indicated that the ToR under which they were retained did not correspond to the role they played. There also seemed to be an assumption among the partner agencies that a key role of the TA is to provide oversight of interventions and provide accountability responses (information, reports) to Danida. In reality, they don't all see the TA as being allied to the GoT or GoZ, but to the donor. In some instances the TA appeared to compensate for the lack of resources in the Embassy for programme management or take on management roles that reflect the fact that they are physically close to the "client" (ex. Zanzibar, where the TA had approval authority of resources that were destined for the MoH and not for the TA's mandate specifically, creating conditions for non-arm's length behaviours).

There are good examples of how TA have transferred knowledge and skills or where they have designed and implemented systems (e.g. organisational development in TACAIDS or performance-based financing in Zanzibar), but overall the TAs have not produced the magnitude or the type of CD changes that are described in programming documents. Only a small part of that can be directly attributed to them personally; the management of TA for CD purposes or for sector advice purposes has not been well managed overall for many reasons, as noted above. Most of those reasons are related to factors outside of the sphere of influence of the EoD, but overall the ET found that TA had been left on their own for overly prolonged periods, without accountability mechanisms or oversight on anyone's part. It should be noted that most of the TA were retained in the so-called "Paris Declaration" period when Danida effectively followed the lead of the GoT in defining what it wanted to do with the resources it was provided. The lesson learnt here could be that just because one is delegated responsibility for development that does not automatically mean that one has the capability to manage that responsibility.

There is a basic understanding between donors and recipients that there has to be a commitment on the part of the latter to change, using the support of TA to do so. This commitment has always been an issue in Tanzania as noted above in numerous examples. The EoD has, in fact had to take drastic action where this has not been the case, as illustrated by the following excerpt:

> "An example of where this has caused a change in implementation is the case of the hospital reform adviser whose position was terminated in December 2012 due to a lack of evidence of strong commitment from government. There has sometimes been a sense of frustration as TA found themselves to be underused. Some considered this to stem from both a lack of organization in the MoHSW and demand not being independently expressed. Consequently available counterparts were not forthcoming and a strong working relationship was not formed. It can also sometimes be the case that frustration arises as the capacity building expectations of international TA are higher than the

[45] Denmark Ministry of Foreign Affairs and Government of Tanzania (2009) HSPS IV Component 1 Description; Annex 1 Support to Health Tanzania Mainland, June.
[46] Ibid., Tilley.

context allows for.[47] Although the TA primarily have a capacity building role specified in their ToR, the areas specified are likely to result in gap filling activities (e.g. assist in preparation of annual work plans and mechanisms for coordination and collaboration). Indeed, through interviews it was clear that there is an understanding that some gap filling takes place.[48]" [49]

Involvement of CSOs and NSAs: CSOs have not played a significant role in the Danish supported interventions in Tanzania. That being said, the APHFTA, an association and not an NSA per se, has begun to play a role and has proven that its members can play a key role in health service delivery.

EOD's role: During the field mission the ET concluded that the EoD had competent programme managers, prepared to experiment with new approaches when traditional approaches were likely to fail. The EoD management team now needs to integrate CD into its future programmes (now still being formulated or not yet being implemented). The sectors selected are complex and will require complex approaches; the ET noted that the EoD was prepared to adapt and adjust its programmes if necessary (and to the extent possible) to attain both sector-specific and CD-specific results. Without having specifically examined the evidence, the ET considers that the EoD will be resource strapped. The increasing focusing on results, the complexity of programmes' contexts, the requirement to closely monitor the progress of CD efforts in order to adjust CD strategies and plans, the need to be intimately involved in monitoring the evolution of programmes according to the Theory of Change (process of change) will certainly put considerable strain on the EoD's resources.

In the context of contracting resource bases for foreign offices, Denmark's MFA could consider providing the EoD with the ability to contract out some of these management functions. This is not to mean that there would be new PIUs created, but some form of external support could be formalised, much in the same way as he BSPS has been able to seek out and retain these services. If properly executed, these "facilities" could provide advice to Tanzanian (and Zanzibar) agencies on RBM, ToC, CD and other concepts and their applications. They would, however, principally be focussed on assisting the EoD to manage their programmes.

5.2 Considerations on current and future CD support

This sub-section outlines important elements that Danida in Tanzania and Copenhagen should consider in the formulation and implementation of CD support, based on observations and findings that were obtained in Tanzania. They are the result of the evaluation team's analysis of interviews and FGD that were held in that country, the literature review, the portfolio screening and the desk-based review of Tanzanian programmes. The points have been grouped under four headings:

- Feasibility and justification (for the CD part of the intervention)
- Formulation of interventions
- Implementation and monitoring
- Completion.

[47] An example of where this was the case with the Local Government Reform Programme (LGRP) II that was supported by a large TA team and which experienced difficulties building capacity due to high expectations and overlapping roles of building the capacity of the secretariat and helping to implement the programme.
[48] This analysis takes a narrow definition of capacity building, targeted at individuals and systems working in the organization through training, coaching and mentoring (e.g. AusAID 2005) (Welham, Krause, Hedger 2013).
[49] Ibid., Tilley.

The ET has prepared a note on lessons learned, which is attached as Annex H. A summary of lessons learned relating to the above four themes is inserted at the end of each sub-section.

Feasibility and justification

It is interesting to note that some interviewees believe that Danida should only apply a Theory of Change logic in situations where there is ample information and where the intervention can be clearly defined. In reality, that is exactly the opposite of what should happen. A ToC logic is a useful and effective way to manage uncertainty! The ToC logic can also be applied for long-term and comprehensive interventions that need to be adapted to a larger national reform process. It can also closely represent the concrete actions and decisions that are required from the partner, and the relationship between those actions and decisions and the capacity development change expected. In dealing with the issue of how possible is it to plan for CD, practitioners noted that assumptions about how CD will likely progress should be made and the associated risk situation analysed – based on a detailed analysis of the interventions' context – including governance context and absorptive capacity. Data should be gathered to establish the CD baseline and a CD needs analysis be conducted for outlining of the results-chain for competencies to be obtained. The stated results should be adequately specific to become the basis for RBM with concrete targets set for the anticipated performance (i.e. results should be observable). The important thing, according to many, is that the CD plan should not be more complex than the partner's ability to manage it.

Danida should also note that ToC is not what many people think it is. It is not a "more developed" results chain with references to context and feedback, for example. It is a multi-dimensional, multi-layered and dynamic representation of how a series of actions, decisions, relationships, processes and other factors will likely combine, over time, to generate the results that are required. The ToC also incorporates uncertainties and risks and illustrates where checks and monitoring is required to validate hypotheses. All of this, integrated into a contextual and business eco-systemic environment, is what a well thought out ToC should represent. The dynamic nature of the ToC demands constant updating and supervision, on top of the more static and capture-and-store forms of monitoring.

Respondents and interviewees also noted that it is essential to map what the problem is that they are trying to resolve (another way of stating that the capabilities required to perform at a certain level has to be clearly defined), and ensure that all stakeholders agree to and fully understand the push and pull factors that drive service delivery and its ties to politics and the various forces within civil society in Tanzania where experience has demonstrated that CD works best when there is a demonstrated willingness, and a tangible commitment to change. Until now, Danida has counted on its long-term relationship to mobilise and sustain that willingness and it has been successful overall, but dynamics change and commitments need to be constantly reassessed and re-invigorated. Experience in Danida's Tanzania programming has shown that private sector paradigms can also be effective and efficient for motivation towards improved productivity and growth.

Most people, especially those who had been part of the management team of an intervention, noted that national partners should take the lead as well as the ownership of any externally-supported intervention and physically demonstrate their and communicate readiness to change – which at times may require intense dialogue to overcome barriers to change. Champions that drive the change process (ex. for TACAIDS, PMO-RALG, APHFTA, should be identified and supported, including with the necessary communications budgets to ensure that all stakeholders are continuously aware of progress and of plans. This has not always happened in Tanzania as the participants in the focus groups identified. Most knew very little about the wider project in which they had participated and did not know the expected results.

There was overwhelming support for the principle that CD should encompass the organisation that is the centre of the intervention as well as external organisations that are essential for the overall performance of the intervention (and by extension not only the targeted central agency). There was also broad-based agreement that organisational/management aspects should be taken into account and not only technology/technical aspects. Above all, CD strategies and plans have to include planned tasks as well as provide incentives for endogenous and sustainable ownership; as the need for capability will evolve over time while people move on and systems become unable to cope, flexibility should be applied in order to be able to adjust to evolving circumstances.

Regardless of the programme that Danida is prepared to undertake, the feasibility and appropriateness of undertaking a CD programme can be based on the above. If there is not enough information to enable a "comprehensive and thorough" ToC and RBM to be formulated, then Danida can design the intervention in such a way that the logic gets built up over two or three years, starting the implementation phase slowly, and adding precision to the model as time goes on.

Lessons learned concerning the feasibility and justification (for the CD part of the intervention)

Overall (the PFMRP is different), the case study in Tanzania brings out a number of fundamental lessons that, while obvious and simplistic to some, are apparently not taken into account by DP and beneficiaries alike. Some of these lessons are: a) too little time and resources are invested in understanding what is required as CD results and how to achieve them; b) CD is over-simplified to the point of reductionism, resulting in poor models and inappropriate management; c) CD is appended to a sector initiative instead of the opposite; d) CD feasibility is assumed but not studied; e) CD is applied to a sub-set of a larger systemic problem in the hope that the entire system will improve; f) CD is based on human interfaces and on ability and not on organisational performance, and CD is often scoped more narrowly than the problem being resolved; g)there is a clear assumption made that DP and beneficiaries are able to plan and manage CD when there is no reason to believe that they do, and h) for some reason, it is assumed that CD can just be allowed to "happen", without management, monitoring, oversight or supervision.

Formulation of interventions

The greater the specificity that is introduced into models (ex. ToC, outcome maps, force field analysis, etc.), the greater will be the likelihood of the model representing reality, and the more useful it will be for managing CD. Whenever Tanzanian interventions failed to use a model (ex. ToC, stakeholder mapping or any other model), they often were under-scoped and offered only partial solutions. Overall, training has been shown to be only a part of the solution that needed to be applied to any set of problems; in Tanzania the usefulness of training is further cast in doubt because of the culture of per diems and allowances which, as the Norad study has shown, is not just about money but generates activities just to get the financial benefits. While training provided must be very specific to needs at organisation capability level, there were very few instances where it could be shown that an ex ante assessment had actually analysed the problem to be resolved through training. The formulation of the programmes and their individual components did not reflect those concepts.

Literature reviews and the experience of other country case studies show that the success of CD interventions depends on the "accurate fit between intervention design, the integration of all stakeholders affected, and the internal and external contexts". Thus not only is the context analysis at the beginning of an intervention important, *but the likely way the context may evolve over time* is also an essential element of programme design. Unlike many of the cases in Tanzania examined by the ET, CD should be planned as an integral part of the intervention (as opposed to a stand-alone thrust or a second thought) and should be specifically designed to facilitate the reform and

change process. Many interviewees and focus group participants believed that a "comprehensive CD strategy is dynamic; it is also designed to be strategic about time, quantity, quality and results".

There was no disagreement concerning the fact that a change management strategy should be created for each CD intervention (or, for that matter, all interventions); performance benchmarks also need to be established if one is to use RBM. The rigour demanded of an RBM framework has to reflect the ability of the partner to fully integrate and then use it. It may take time (years) to get to that point, but it is better to use a step-wise approach to getting to the point where RBM is comprehensive and useful, rather than not use it at all. During the formulation stages, mechanisms need to be incorporated into programme design that will enable progress against expected CD results to be monitored and then analysed regularly to assess adequacy of resource allocation and priorities.

Formulating how technical advisers will be used for CD has always been difficult generally, and this is particularly true in Tanzania (both in Zanzibar and on the mainland). A particularly interesting report was referenced earlier on in this report concerning Technical Assistance in Tanzania[50]. In that report a section deals with key conclusions on a) the demand; and b) the supply for TA in Tanzania. The subject of her research was on TAs generally and not necessarily the CD strategies, responsibilities and mandates of the technical assistants themselves. Her conclusions are particularly pertinent in the context of this paper. Selected parts of those sections are presented, verbatim, below for ease of reference in dealing with the specific situation of TA in the health sector in Tanzania.

Lessons learned on the demand for TA

The demand for TA is uncoordinated and ad hoc. Although there is agreement amongst donors and government that the government should lead and coordinate TA, this is rarely implemented. In reality donors fill the gap, often directly determining where TA is to be provided or suggesting TA inputs to Government.

The importance of identifying individual counterparts who are available in order to build capacity and who are supported by enabling systems.[51] The challenge of carrying out sufficient capacity building exists for all TA that is supplied. Often a capacity building role is specified in the ToR whereas in reality due to the firefighting environment within government, the role becomes *de facto* gap filling. Where the TA does not have counterparts with appropriate levels of education and experience with whom s/he can work; or if the role is predominantly gap filling, the impact is limited and sustainability will be limited.

Attitudes to TA can change in the face of positive experience. In the context of a general resistance to TA, positive experiences reinforce the view that external inputs can be beneficial, and vice versa for negative experiences.

Improving government leadership of TA. Many of the features of the way in which TA is provided depend on effective leadership from government. Enhancing senior management capacity to enable stronger directives from senior leadership can have positive effects on increasing the effectiveness of TA.

Establishing and enforcing guidelines and sector protocols for strategic TA. This would help TA in a way that directly supports the development of long-term capacity, such that it improves the coordination of TA and ensures that TA is provided with direction and guidance in a way that is of most use for the recipient.

50 Ibid., Tilley.

51 Counterparts here refer to individuals whose role is related in function to that of the TA. Counterparts may also be understood in a broader sense to refer to supporting systems and enabling conditions with the focus being on making the organisation function more effectively.

Lessons learned on the supply of TA

TA is usually supply led: In most cases TA is not clearly demand driven and as a result may not be well used. Some donors formulate their support through a review of government strategies and then propose support that, although aligned with the sector plan, has not been demanded by government. … Many donors appreciate how some TA allows them increased access to information and in some cases can provide policy leverage or can fulfil a monitoring function.

Donor procurement of TA substitutes for using national procurement. Although various donor policies specify that national procurement systems should be used, governments request donors to carry out the procurement for TA, despite financing being available in basket funds or other modalities and instruments. Governments appear resistant to using their own systems to procure TA, essentially because they don't have the right networks to identify potential advisors and their procedures are overly complex and lengthy for that purpose.

Early outputs and the style of the TA are important. The approach of the individual TA is crucial to their acceptance within government. Providing distinct input that adds clear value in a humble and collaborative manner are crucial attributes in an environment where external input is often resisted. Where a directive approach is taken by the TA resistance amongst technical staff is common.

Donors should increase their coordination of TA as a means of increasing ownership, relevance and information sharing.

Establish the comparative advantages of using government or donor procurement systems. The advantage of donors procuring TA is that it can be done more quickly than via government systems where there is an urgent need to produce an output or to fill a specific short-term gap. While donor procurement can be quicker, this takes the emphasis off the need to improve the government's planning systems and to streamline national procurement systems such that they are able to function effectively.

Follow a rigorous recruitment process to employ appropriate TA. Often TA advisers are recruited on the basis of a Curriculum Vitae (CV), however a known candidate or a thorough recruitment process can often yield more effective TA.

The foregoing comments show that TAs are, generally not used as effectively as they should or should be. Danida guidelines are quite specific about what TA is supposed to provide, and the GoT has its own frameworks, all of which point to what the ideal TA experience should be. The reality is different and the solution is better definition on the entry end, greater participation by the recipient country in the selection process, much closer supervision by both the recipient country managers and the EoD sector managers, and a much greater focus on transfer of knowledge and strategic (outcome) generation.

Danida has learned that TA needs support and cannot be left to its own means. It also learnt that, instead of not engaging with TA as a capability development strategy just because it has sometimes shown to be less than perfectly effective, the decision to engage and how should be based on the capacity gap and the strategy selected to improve capability/capacity. Danida has learned that TA can be powerful levers of change, but not if they are left alone, if they are not supported or if the intervention managers do not believe in them. Another lesson is that if TA is not seen to work, then it is time to put an end to it (given a reasonable amount of effort to correct the problem). But the recipient must know what to do instead and make the case clearly for any resource transfer to take place.

Lessons learned concerning the formulation of interventions

Lessons learned in Tanzania concerning formulation include the following: a) logic models, such as the Theory of Change, must not be used generically (one size fits all) but must be pinpoint-specific, comprehensive, and managed dynamically; they must be multi-layered and cascading (as in Russian dolls) in nature; b) The CD strategies and expectations (results) must be defined at the outset (as much as possible) and be very specific to organisational (not individual) needs; c) the strategies inherent in CD and change management must show how explicit knowledge and implicit knowledge will be interchanged and how individual absorption of knowledge will lead to organisational capability; d) CD that is only designed to deal with individual abilities or organisational architecture will fail to reach their expected results; e) The scope of CD must encompass all players and systems involved in the performance being sought; f) CD must be based on solid experiential ground, including results, baselines, data, and monitoring; g) The willingness of the beneficiary must be guaranteed and expressed up front in tangible ways; h) most DP and beneficiary staff are not equipped (knowledge, skills, aptitudes) to formulate or manage CD.

Implementation and monitoring

The ET found that there were very few CD-specific baselines established for Tanzania, and those analyses that purported to be baselines are not based on empirical evidence based on "capability to do what", but are based on estimates and general proxies. During implementation, expectations of achieved changes to norms, standards and performance parameters for the organisation's services and regulatory functions should be subjected to detailed scenario-based analysis (or other means) to ensure that they realistically can still be achieved within the set timeframe. Implementation of CD that requires behavioural changes takes a long time, even many years, so expectations of results need to be realistic and constantly adjusted.

With specific reference to TA in the health sector, it is worthwhile to refer to the research generated by Helen Tilley[52] identified above in order to further an understanding of how TA should be planned and implemented. Her paper supports the findings of the ET overall:

- Fostering a close relationship between donors and government will help to determine demand. Where there is a clear overlap in interests between donors and Government, TA is well identified and provided. A close relationship between donors and government can facilitate dialogue around whether there is a gap and the nature of the support needed. This can also allow alertness to any emerging windows of opportunity. The limited capacity in the MoHSW impacts upon both its policy making capacity and directly limits the ability that it has to be able to effectively pinpoint where TA may be needed and the specific role that it should be carrying out. The Danida TA is a good example of how a close relationship has been established and trust built up over time. However, as the TA partnership is long term, a sustainable exit strategy for these positions is less clear and there is a common expectation that these positions will continue. This is a risk that needs to be balanced in a close relationship where trust has been developed.

- Results-based approaches would help in the management process for CD, and the adoption effort will be an important one; one should not assume that national organisations will be able to "convert" to RBM without significant direction internally and support externally. Recommendations to that are effect can be found in the synthesis report.

- Building trust between donors and Government allows a dialogue on quality. This was present in the health sector in the mid-2000s and arose from a close working relationship

[52] Ibid., Tilley, H.

between government and donors. If quality was not good then it was identified and could be addressed. This requires clarity around what are the measures of success.

- Facilitating the development of capacity at the individual level by rigorous recruitment processes for TA, ensuring that individual counterparts are available and that there is a supporting working environment.[53] The *de facto* gap filling function that is carried out by most TA often directly substitutes for staff positions and effectively fulfils a staff position and provides a free (donor funded) substitute for national staff. This may present an opportunity cost in terms of potential capacity enhancement. This limited capacity building role can arise from the TA not having the skills to carry out coaching and mentoring and it may also arise from the absence of absorptive capacity in the recipient organization such that the TA does not have counterparts with whom s/he can work. Often the ToR may include mention of capacity building without there being an understanding of what this means. Subsequently the constraints of the daily working environment persist. Providing counterparts who are able and available to work with TA who have the appropriate style and approach is one element that contributes to increased skill transfer. The MoF[54] example showed how there was a sustainable impact. In the health sector it was recently agreed that there would be an enhanced focus on capacity building in an attempt to increase national capacity to reduce the routine provision of TA by development partners.[55] …"

Lessons learned concerning implementation and monitoring

Lessons learned in Tanzania concerning implementation include the following: a) EoD and beneficiaries need to focus on CD as a focal point and not only concentrate of sector inputs – in other words, the provision of sector inputs should be seen as a complementary action to CD, not the opposite; b) TA needs to be structured as part of larger CD strategy and it has to be monitored, supervised and backed-up with Policy dialogue; c) technical advisors should be positioned so that they can ADVISE and so that their counterparts are in a position to act on their advice - the design and implementation of TA efforts has to be specifically oriented towards an expected result and has to be constantly adjusted so that it reflects the contexts in which it takes place; d) the vast majority of technical advisors are not experts on CD and should not be assumed to be; e) maintenance or general levelling types of training (i.e. where the objective is to update the knowledge of people who should already have up-to-date knowledge already, or where the acquisition concerns non-essential skills, or where the now knowledge is a "nice to know" rather than a "must know") should be viewed as a last resort for CD, only used when all others are not appropriate- training should obviously render the organisation able to do something it could not before; f) CD goals must reflect institutionalised capability and ability.

Completion

Some Tanzanian programmes have gone through a number of five-year phases – either because the intervention was from the onset determined to be a long-term engagement (ex. health), or because it was decided that the outputs of a previous phase could be or should be further developed. In such cases there would be no need to have an 'exit strategy' from the very beginning of the intervention. But generally (because the decision to proceed to a further phase is never taken at the beginning of a programme) each intervention should have an exit strategy, and even more so with CD components (refer to Danida CD guidelines). No interviewee was aware of a Danida exit strategy, but they were not aware of an exit strategy from any other donor either. A recent departure of the Global Fund from a Zanzibari pooled fund (Basket) shows how unstable such funding can be. Exit strategies are especially critical in long-term CD interventions

[53] Such as functioning IT systems, a wider team of colleagues who effectively work together, etc.

[54] Here, Tilley is referring to the PFM reform initiatives.

[55] This was agreed through an exchange of letters between MoHSW and the health DPG. It was not possible to get a copy of the letters.

because most recipients cannot continue to undertake CD alone; for that reason alone exits should be better reflected in the intervention plans.

Some participants agreed that at the time of exit or programme end, an ex-post evaluation focusing on outcomes, impacts and sustainability could provide important insights to how the organisation could best continue the CD endeavours; ideally, donors should develop this skill and ability within Tanzanian organisations so that the GoT and GoZ could internalize the results. On the other hand, these governments do not have a history of knowledge management or of internalizing lessons learnt.

Lessons learned concerning completion and sustainability

Lessons learned in Tanzania concerning completion strategies and sustainability include the following: a) An intervention with a specific sustainability strategy is very rare; sustainability is not just a "wish" or an "afterthought" but a condition that needs a strategy to ensure it happens - All programmes need to have a sustainable element added to it. CD is not a "sideboard" issue but a sustainability strategy as well; b) All interventions, including CD interventions, require an exit strategy – this is Danida policy as well as good management, and even "phased" interventions should incorporate an exit strategy; and c) Creating an approach that uses the private sector – where relevant – removes a lot of social and network risks because it relies on an entirely different paradigm to ensure sustainability.

Appendices

A. Persons Met in Tanzania

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Elizabeth W Msesi	Ministry of Industry and Trade	Director Policy and Planning,	

Name	Organisation	Designation	Contact
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Otilia Haule	Ministry of Industry and Trade	Economist DID,	
Wilson Kimario	Ministry of Industry and Trade	Economist DSME,	
Thomas Milano	Ministry of Industry and Trade	Trade Officer DTI,	
Festo Kapelle	Ministry of Industry and Trade	Trade Officer DSME,	
Ernest Elias	Ministry of Industry and Trade	AG Director of Trade Integration,	
Primi Mmasi	Ministry of Industry and Trade	Trade Officer DPP	
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Pili Mazowea	National Audit	Assistant Director i/c	

Name	Organisation	Designation	Contact
	Office	Training	
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Gilbert Kannunde	PPRA	Senior Procurement Officer	
Zanzibar			
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Fatuma Matope	RS - Mwanza	Ag. AAS LGA	0784 94 40 51
Nestor L. Siwamanga	RS - Mwanza	Chief Internal Auditor	0752 29 87 75
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Zahara Hazali	Mwanza CC	Ag. City Health Secretary	0757 49 30 79
John L Kayombo	Mwanza CC	Ag City Treasurer	0763 63 19 94
Kepha S. Mashimba	Mwanza CC	Ag. City Economist	0754 45 0719
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Ridhiwan K. Shukuma	Magu DC	Ag. District Treasurer	0752 06 90 06
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Ms. Given Sure	Dar Region	TACAIDS focal person member CB team	suregvn06@yahoo.com

Abbreviations	
AAS	Assistant Administrative Secretary
APHTA	Association of Private Health Facilities in Tanzania
CA	Chief Accountant
CEO	Chief Executive Officer
CMA	Chief Management Accountant
CSSC	Christian Social Services Commission
DG	Director General
DHS	Director of Health Services
DPP	Director of Planning and Policy
HSRS	Health Sector Reform Secretariat
MSD	Medical Stores Department
MoF	Ministry of Finance
MoIT	Ministry of Industry and Trade
NACOPHA	National Council of People Living with HIV
PS	Permanent Secretary

B. Programme for CD Evaluation Mission to Tanzania

Date	Time and Activity	Venue	Contact Person
15 March Sunday	Per Tidemand and Robert LeBlanc arrive in Dar es Salam		
16 March Monday	09.00-11.00 Team Session with Nazar Sola 11.00-12.00 Briefing meeting with EOD management:	Hotel Embassy	 Steen Sonne Andersen et al
	14.00-16.00 **Health Sector Programme Support, Phase IV** (2009-2014) Component 1: Support to Health Sector Mainland Component 2: Support to Health Sector Zanzibar Component 3: Support to HIV/AIDS Mainland	Embassy	Kirsten Havemann and health sector team
17 March Tuesday	09.00-12.00 **Public Finance Management Reform Programme** (2011-2015) Component 1: Democratic Interaction and Accountability Component 2: Legal Sector Support Component 3: Public Financial Management	Embassy	Mette Brix Voetman Melson et al
	14.00-17.00 **Business Sector Programme Support, Phase III** (2008-2014) Component 1: Improved Business Environment Component 2: Better Access to Markets Component 3: Development of Micro, Small and Medium Enterprises	Embassy	Steen Sonne Andersen Alber Cyril Nkinda Birger Frederiksson Samweli Kilua
18 March Wednesday	09.00-12.00 Meeting with MoHSW stakeholders 14.00-16.00 Meeting with TACAIDS	MoHSW TACAIDS HQ	
18 March Wednesday	9.00-12.00 Meeting with PFM Reform Programme stakeholders 14.00-16.00 14.00-17.00 Meeting with BSPS III stakeholders	Ministry of Finance/ Sukari House	
19 March Thursday	09.00-12.00 Meeting with PMORALG Departure for Mwanza: Per and Sola Departure for Zanzibar: Robert	PMORALG Dar	

20 March Friday	Visit to Mwanza Region	Local Governments	
	Visit to Ministry of Health, Zanzibar Interview UNICEF Head in Zanzibar Interview with Danida TA	MoH	Dr Jamala Adam Tail, DG Francesca Morandini Mary Danzan
21 March Saturday	Return to Dar from Mwanza		
22 March Sunday	Interview Zanzibar TA Summing-up and report writing Return to Dar es Salam		Mary Danzan
23 March Monday	Additional meetings with HSPS stakeholders and CSOs Additional meetings with PFM stakeholders		APHFTA, CSSO World Bank
24 March Tuesday	Additional meetings with BSPS III stakeholders and business associations Team meetings to prepare report		
25 March Wednesday	10.00-12.00 Meeting with the Norwegian and Swedish embassies on capacity development in general and specifically on joint programmes Meet CIDA Health Manager 14.00-16.00 Meeting with other donors on CD, e.g. EC, WB 16.00-18.00 Focus group discussion	Norway and Sweden Embassies Canadian High Co Embassy	Geir Yngve Hermansen (Norway) Maria van Berlekom (Sweden) Nadia Hamel (Canada)
26 March Thursday	Writing of debriefing note/country report		
27 March Friday	09.00-11.00 Debriefing embassy staff 11:00-12:30 Discussions and clarifications with EOD programme officers 9 pm Departure for airport	Embassy	

C. Country Note

Tanzania Capacity Development Background Note[56]

Country context that may influence success of CD or organisational change initiatives

Tanzania has enjoyed strong macroeconomic performance with real GDP growing steadily since the late 1980s and being sustained at over 5% during the last 12 years. Despite this strong macro-fiscal performance, weaknesses in the use of government funds and inadequate quality of public services persist. While the government appears to be committed to improving both overall governance and service delivery, past inability to follow through on these goals has undermined public confidence.[57] Liberalization reforms generated economic dynamism while creating new governance challenges. However robust patronage networks between business and politics have remained untouched by governance reforms.

Ahead of the 2015 elections GoT appears to be focusing more on public perceptions of service delivery.[58] Some argue that the adoption of the Big Results Now (BRN) agenda is a result of government concerns over the lack of progress made toward service delivery improvement goals.[59] The BRN 'labs' have highlighted the capacity gaps that are present and where donor support may play a key role.

The Tanzanian public sector has a capacity gap that has been sustained for several decades, despite reforms. While the coordination of aid has increased during the last two decades, there remains limited government leadership and a lack of strategic coordination of external assistance, both within sectors and at a central level. Tanzania's public service reform drive from 1996-2001 followed a fiscal crisis, which enabled government to call in the IMF and use the enforced macro targets to drive a major reform process whilst deflecting political criticism from itself. This involved radically reducing the payroll numbers, restructuring ministries and departments, and increasing pay levels consistent with performance targets. Prior to the reforms most public bodies were starved of recurrent funding and capacity was very constrained. Low pay and insufficient differentials meant incentives were weak.

Following the reforms the situation was improved with some positive trends in departmental and agency performance, although the public sector still has substantial CD needs. These are particularly apparent in local government with difficulties in incentivising staff to report for duty in some areas (Tidemand et al 2014).

State provision of education has declined and new sources include 'local elites with links to nationally influential kin and in some cases foreign donors. They are sources of money, influence,

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[56] Prepared by Helen Tilley, Research Fellow h.tilley@odi.org

[57] Raiamwema newspaper, May 22, 2013; Jamii forum blog (www.jamiiforums.com) postings on political leaders' promises, June 11, 2013.

[58] This follows ground lost during the last elections in 2010 when ruling party (CCM) parliamentary representation and presidential majority was 60.4 and 61.2 per cent of the vote respectively. Voter turnout in 2010 was 42.9 per cent, substantially below the average of 77.8 per cent in the three preceding presidential elections.

[59] BRN identifies sectors that are strategically important for economic development and prioritises policy actions linked to resources. It is supported by a strong results monitoring system. It is a top-down approach, initiated and directed by the president.

and politicking' (Kelsall, 2000: 15). In the education sector donors have supported CD initiatives, that focus on building capacity within CSOs, e.g. with support to TenMet, HakiElimu and Uwezo (ITAD 2013: 97). The national adult literacy rate is 68%.[60]

For several decades Tanzania has been one of Africa's largest recipients of foreign aid and around one third of GoT's budget is financed by aid.[61] In recent years there has been a movement out of general budget support (GBS) into sector basket funds and projects, although as CD related to GBS is 'notably absent' (ITAD 2013: 39) this is unlikely to have a great impact on efforts to build capacity. CD that is related to TA is more challenging in Tanzania compared to other countries in the region as external input to GoT operations is often negatively perceived (Tilley 2014). This has been linked to TA fatigue from the 1980s and 1990s and is apparent in MoF's focus on minimising external TA and attempting to develop in-house capacity (ITAD 2013: 40, URT 2010). Therefore where CD support has been offered it is often underspent due to low or negligible demand from GoT (ITAD 2013: 107).

There has been a change in donor-government relations over time, moving from a position of high trust in the mid-2000s to low trust during the last five years. This has been influenced by a combination of factors including corruption scandals in Tanzania and changes in donor domestic politics that has increased the pressure to demonstrate short-term results. Although dialogue with GoT has become strained, donors remain important actors in Tanzania - their dialogue with government is structured through the Joint Assistance Strategy (JAST 2006).[62] Most assistance that is proposed by donors is accepted and the government has insufficient capacity to lead. As Tanzania has many donors providing a lot of support through different modalities the context is highly complex and this presents difficultly in managing both donors and aid.

The domination of the country by the same elite caucus for 50 years has been at the expense of civil society, which has been co-opted and restrained to maintain power. The executive dominates in policy formulation and implementation and there is limited influence of societal accountability. While civil society has proliferated in Tanzania it is concentrated in Dar es Salaam and other major cities and is somewhat removed from the experience and aspirations of many citizens.

Key findings of ex post evaluation reports and approval documents from CD-related interventions

Many of the initiatives considered had CD as a small part of a much larger intervention. They were selected on the basis that they may have included some training or some system development to allow organisational capacity to increase. There was also an effort to represent the largest donors to Tanzania. Most of the documents obtained were evaluations of either specific projects or country programme evaluations. The country programme evaluations were limited in their information on specific capacity building interventions but where relevant they have been referred to. As information was limited the analyses below have been drawn from all sections of the reports.

Were the initiatives designed to take contextual factors into account?

In many CD related initiatives the motivation of GoT to reform is uncertain and can be considered to be a contextual factor that has not been fully taken into account. For example an

[60] Total adult literacy rate 2008-2012 http://www.unicef.org/infobycountry/tanzania_statistics.html
[61] http://www.tzdpg.or.tz/external/aid-effectiveness/overview-of-aid-in-tanzania.html
[62] http://www.tzdpg.or.tz/dpg-website/national-development-framework/joint-assistance-strategies.html

evaluation of support to develop an agriculture sector M&E system raises questions about its impact, as it is unclear whether GoT will proceed with the national roll out (JICA 2010). Similarly, GoT's ownership of reforms and capacity in policy and planning was noted as a risk and a reduced focus on the reform agenda was not sufficiently anticipated by the World Bank in their PRSCs. However as the PRSC design was formulated around the MKUKUTA and the Performance Assessment Framework (PAF) it reflected the priorities of the GoT's development plan (World Bank 2013: 30, 35).[63] Another major contextual factor, the deterioration of the relationship between donors and GoT, is noted as a challenge for PRSCs (World Bank 2013: 35, 39).

While the health sector is known for having a substantial amount of support outside sector planning and management systems, the support is noted to be relevant to the national context and to be particularly important in 'providing a stable and predictable resource based for local councils'. One challenge is addressing the distortion arising from increased funding for HIV/AIDS as investment in infrastructure and increased salary payments result in inequities in councils as resources are diverted from other health priorities (COWI 2007: 37, 38).

A major lesson from REDD+ is that GoT was not ready for a fast-paced process to change institutional and legal frameworks to accommodate the programme, an oversight of the context analysis. 'The national REDD+ framework is perhaps the equivalent of organisational change' therefore even if GoT was ready attempting such fundamental change in a short time frame was too ambitious and the extent of operational risk was vastly underestimated (UN-REDD 2013: 26, 32). The REDD+ initiative was not able to sufficiently take the context into account as the time for development was insufficient and it was not possible to jointly work with GoT to achieve this (UN-REDD 2013: 24).

FAO CD projects received a common ceiling which took no account of disparities with respect to the size of the country, its population, infrastructure and institutional circumstances, all of which affects project design and implementation processes (FAO 2010: 46). This is despite most materials produced for CD being based on needs identified in the field and/or at international fora. Most, but not all, appear to be relevant to the target countries' development priorities. However, no formal mechanisms exist at headquarters to align FAO's normative products to the priorities of African countries, as formalized in NMTPFs and/or other strategic documents. Most divisions emphasize the need for a strong field presence in order to understand the needs and demands and to develop relevant products. There did not appear to be close partnering with national research organisations and universities to complement field presence and provide local knowledge (FAO 2010: 38).

CD initiatives by some NGOs have paid particularly strong attention to considering the context. SNV's approach is based on an in-depth 'power and change analysis that allows an understanding of the political economy context to shape the programme design and to enhance its relevance and impact' (Tilley 2013: 13). This is repeated every few years to capture any changes and adjustments are attempted to be captured in the programme design.

Were the initiatives based a monitoring framework including baselines and a Theory of Change logic? Was there a clear description of the results chain i.e. how each part of the chain was supposed to produce the next part?

It is generally acknowledged by the development community that it is difficult to assess programme impact; especially programmes that are focused on CD and many of the evaluation

[63] The MKUKUTA is the Government poverty reduction strategy and the PAF is the monitoring framework that accompanies the partnership with donors. The PAF in particular has been adjusted in response to pressure from donors.

reports highlighted the difficulty in assessing impacts. Most projects lacked capacity needs assessments and few had adequate baseline data or benchmark indicators to assess performance.

Support to Internal Audit would have benefitted from a CNA covering the policy, institutional and individual levels at the design stage as the delay in recruitment of a Director General had a negative impact on results (JICA 2012).

It is worth noting that early in the 2000s joint working groups (notably in the health sector) provided some CD analyses. For instance the health SWG identified CD needs (World Bank 2006). However with the changed climate and deterioration in the relationship with GoT these initiatives are no longer so effective. Across most countries DFID has no clear measures of organisational and institutional capacity such that CD initiatives can be overambitious as a result (Drew 2010: 72).

The greatest challenge currently facing the health system, as well as other areas of public service and the private sector, in Tanzania is the declining pool of young people coming out of the education system. There is no overall capacity needs assessment (CNA) but some sectors have done assessments although not all of these appear to be sufficiently in depth. For instance, the capacity gap in the health sector has been identified as being as high as 68% (MoHSW 2007: 47).[64]

There is scope for the EC to improve the results based monitoring by strengthening indicators and also for the programme to use official indicators (EC 2013). For FAO, where impact was assessed, it usually correlated positively with good practices, such as integrating CD into the planning phase, building in measures to ensure sustainability, and forging successful partnerships. (FAO 2010: 28). The evaluation team found that project designs seldom included strategies for follow-up and exit, which further compromised the achievement of sustainable results. As noted in the evaluation of the EC/FAO Food Security Information for Action, FAO should 'develop sound hand-over strategies from the beginning to ensure the sustainability of programme activities, including periodic and continuous assessment of progress made in various capacity development activities' (FAO: 2010: 23).

Despite this overall trend, there appear to be some continued efforts to develop and implement monitoring tools and frameworks and in part this builds on earlier weaknesses that have been observed. For example although the health sector is one of the more coordinated sectors for donor input, until 2006 health sector strategic priorities were found not to be 'explicitly linked to verifiable targets and to an integrated framework for monitoring and evaluation' (COWI 2007: 36).

GoT's capacity to collate reliable data and to report on progress has been increasing since the early 2000s when investment in the PRS monitoring system started (Anon ND). DFID was one of the donors who had a programme of support to the National Bureau of Statistics and GBS donors were committed to using the national monitoring system. For instance the PRSC used GoT's monitoring system which has three tiers: (a) the MKUKUTA monitoring system, which measured impact, outcomes and proxy indicators; (b) sector programs which tracked output indicators relevant to projects/programs; and (c) the budget processes which is input based (World Bank 2013: 36). The evaluation did not present a critical review of these indicators however and suggested that the budget process was medium term and also that the PER process was functioning during the period of the review, whereas it was stalled between 2007 and 2012. While the PRSC programme made attempts to present a coherent results chain the links to

[64] It is unclear how this was calculated therefore it should be treated with caution particularly given some of the challenges that might be involved in arriving at a precise figure.

outcomes were noted to not always be consistent, although attempts to rectify this were made during later programmes.[65]

The REDD+ programme experienced some design difficulties that staff within UN agencies acknowledged – these limitations have had ongoing consequences for implementation. Although a CNA was carried out as one output of REDD+, during the problem analysis 'there was a missed opportunity to map out synergies, gaps and common goals in order to create complementary programmes.' (UN-REDD 2013: 26, 29).

Cooperation through NGOs is an important channel for support in the context of the move away from providing support through GoT systems. Unfortunately in contrast to budget support that is well formulated with a monitoring framework and linked to GoT systems, most NGOs that Norad supported did not have robust monitoring systems (ranging from missing baseline data to activities not being linked to results or not documented). In many cases there was no ToC or specified results chain (Norad 2011: 90-91).[66]

The work that Accountability Tanzania (AcT) does with its partners builds on local capacity and most of the CSOs with whom AcT works have clear ToC, even if they do not always link this to a results chain.[67] For example Tandabui Health Access Tanzania (THAT) links their ToC to a results chain but there is no clear analysis of how the anticipated behaviour change occurs. Neither HelpAge nor Norwegian Church Aid (NCA) link their ToC to the different levels of the results chain. NCA's theory of change is built around a 'right based approach', which aims to secure social-economic justice and improved livelihood for citizens, through working with faith-based organisations that have a community presence throughout Tanzania. AcT's own ToC was highly rated in a recent evaluation, although it was noted that the log frame could be further developed and in particular tracking results and learning how information results in action could be strengthened (AcT 2012).[68]

Were the recipient countries the primary designers, implementers and decision-makers?

As a result of the lack of demand for CD, discussed above, it has been difficult for donors to engage with GoT. Where CD support is provided it is rare that GoT is in the driving seat and common to find ministries overloaded and overwhelmed by various uncoordinated donor initiatives. The JAST does not present a CD strategy or TA framework, although in 2014 there

[65] '…The program document for PRSC- 6—after two full years of implementation— introduced "outcome areas" with associated indicators and targets that were directly mapped to the three MKUKUTA program objectives….. Program documents for PRSC-7 introduced another framework for this linkage, mapping seven "operational policy areas" to the two restated objectives. The program document for PRSC-8 maintained this terminology, but re-stated and expanded upon the operational policy areas. The Implementation Completion and Results Report—the Bank's self-evaluation—reformulated the MKUKUTA objectives as program objectives and adopted the outcome areas identified beginning with PRSC-6 to help assess the program's achievements.' (World Bank 2013: 36).

[66] Norwegian People's Aid – Christian Sports Organisation in Norway – EMIMA: Youth Rights, East Africa Cup covering Uganda and Tanzania had weak monitoring and reporting systems. Stromme had a strong results system. Elimination of FGM: efforts were made to establish a baseline and while project proposals contain some objectives, goals, activities and expected results internal coherence in terms of a ToC and results chain was lacking and monitoring was weak. Women's health Chloe: there is a partial results framework but not all indicators were linked and confusion was noted. No monitoring system was in place and data were not routinely collected. Norwegian Church Aid used a log frame although the ToC was weak (Norad 2011b).

[67] AcT is a governance initiative largely supported by DfID which provides grants to large- and medium-sized CSOs that have demonstrated and/or have the potential to demonstrate positive results in strengthening accountability (Tobias and Omondi 2014).

[68] http://www.accountability.or.tz/wp-content/uploads/2013/03/AcT-MTR-report-FINAL.pdf
http://www.accountability.or.tz/wp-content/uploads/2013/10/AcTs-ToC.pdf

was talk of the drafting of the new Development Cooperation Framework (DCF) containing some GoT guidance on the use of TA (Tilley 2014).

The country cases found that beneficiaries were seldom included in the design and policy assistance often emphasized outputs rather than the processes required to ensure effective ownership and outcomes (FAO 2010: 20).[69]

These dynamics had direct negative consequences. The impact of not sufficiently consulting with local authorities resulted in wasted resources for a livestock/wildlife integration project: 'Offices provided under the project were unused and field activities had limited impact, in part as a result of inadequate participation during the project design process.' (FAO 2010: 20).

REDD+ was not designed jointly with GoT as it is unclear to what extent the Government understood the assumptions of the programme and also important contextual factors were not taken into account (UN-REDD 2013: 25, 27). 'There appears to have been a desire to move faster when the Tanzanian government was in no position to do so.' (UN-REDD 2013: 32).

Summary

As external input to GoT operations is often negatively perceived, where CD support has been offered it is often underspent due to low or negligible demand from GoT. This, along with the uncertain reform drive of GoT, are contextual features that have often been overlooked by donors. As trust between donors and GoT has declined it has been difficult for donors to have a dialogue to plan their support and as a result assistance is often provided and, in the context of limited public sector capacity, simply accepted by GoT. This results in a lack of prioritisation and it impedes potential progress in enhancing capacity.

Individuals or organisations that could shed light on CD-related issues

- Rinus van Klinken SNV Uganda (previously SNV Tanzania) rvanklinken@snvworld.org http://www.snvworld.org/en/countries/uganda/persons/rinus-van-klinken
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D. Notes from Field Visit

This annex contains brief notes from two field visits: one in Mwanza and the other in Zanzibar.

A) Notes from Interviews in Mwanza: 20th to 21st March 2015

Staff interviewed were from the RS, Nyamagana MC (Mwanza City Council) and Magu District. The RS was represented by the retired RMO, Acting RMO, AAS Local Government and the CIA. Staff from the LGAs were from the Planning, Finance, Health and Administration departments. Due to the ongoing budget preparation process the substantive heads of these departments were in Dar es Salaam. In this case, most of the representatives to the FGD had limited knowledge of the Danida CD interventions in the region. The discussions covered the health and PFM sectors with focus on activities undertaken, achievements and challenges.

Adoption and utilisation of the Epicor and related capacity building activities for personnel in the finance departments dominated the discussions on PFM. Both LGAs acknowledged some improvements in the application of Epicor and the capacity building activities. In brief, it was reported that since 2012 Epicor (version 9.05) could now be used to prepare almost all financial reports i.e. cashbook, trial balance and bank reconciliation. Only exception was the preparation of the Final Accounts, which is done through the IPSAS

There is slight difference in number of Epicor trained staff between the two LGAs (7 from Magu DC and 9 from Nyamagana MC). The major difference between the two LGAs is on transfer of learning. In Magu DC the 7 trained staff did not train their colleagues in the department compared to Nyamagana MC where out of the 34 accountants 20 can use the Epicor following in-house training by the 9 trained staff.

The capacity building interventions and effective application of the Epicor was reported to have achieved the following:

- Accuracy of the data generated,
- Improved controls, and
- Reduction of the time used to produce the reports.

Reported challenges with the system included:

- The system was still being developed, thus some set ups were reported missing.
- Unreliable network – a problem to all LGAs in Mwanza (all LGAs are currently not linked to the national optic fibre.
- Inaccessibility to the PMORALG server.

Despite the challenges, which cause delays and congestion of work the manual system is no longer used.

The most pressing priority of the LGAs is the increase in number of Epicor trained accountants and provision of support facilities i.e. computers and computer accessories). The RS provides support through the ICT unit. This support is on staff training and maintenance of equipment.

Discussion on support to the health sector focused on release and utilisation of the health basket fund. Main concern was the delayed release of the fund let and the fact that the amounts were disbursed in piecemeal thus affecting the implementation of planned activities. The problems of carryover of funds and vetting of tendering were also discussed although it was informed that since this year 2015 carryover of the basket funds was stopped.

According to the LGAs the HBF was spent on four main areas:

a) Rehabilitation of infrastructure (in health facilities – wards, staff quarters, etc.) although Nyamagana used the fund to support (as top up) construction of health facilities,

b) Procurement of support facilities (e.g. generators, office furniture),
c) Capacity building to staff, and
d) Supervision

The utilisation of the fund for CD/CB has changed from funding long and short-term training courses and workshops. Focus is now on improving participatory supervision with a view to improving the quality of the health services.

B) Notes from Interviews in Zanzibar 20th to 23rd March 2015
This field visit was highlighted by interviews with three key people: the PS int. for the MoH in Zanzibar, the Danida TA responsible for human resources on the island, and the head of UNICEF for Zanzibar.

- Overall, the meetings illustrated the difficulties inherent in organising a health system in a very poor environment with limited resources. Salient points included:
- A great dependency upon public service jobs that, once secured, are permanent, regardless of performance, corruption, errors or lack of competency.
- A focus on training that is uniquely geared towards the professional (doctors and nurses), with any other training efforts being based on such non-CD factors as favouritism, seniority, first-come-first-served, or personal relationships with donors.
- A conviction that the system as attained a required level of capability in spite of the obvious evidence to the contrary.
- An organisational environment in the MoH that has allowed large donors and a limited number of health "causes" such as malaria, to become the focus of resource allocation at the expense of the system at large
- A resource allocation algorithm that equates the need for resources with the presence of professionals at local levels, ensuring that remote areas or outlying islands that have few if any doctors or nurses get very little resources even if they have the population base to justify health service levels.
- A management hierarchy that is filled with medical professionals with little if any competencies in health management, financial administration, supervisory and management skills and organisational management ability
- An absence of a vision and plan that defines what capability is required, identifies what capacities are already in place and plans the reduction of that capability gap.
- A system that is not transparent in its allocation of resources so that decisions to send people to India or other places for treatment are made unilaterally or selectively and not necessarily on the basis of need. Hardly anyone ever goes to the mainland.

There has been technical assistance offered by Danida to the MoH for many years. Although there is access to senior management that access is not designed for collaboration on tasks or assignments. There have been a number of systems and practices suggested by TA and a few have been implemented, notably a Performance-Based Financing system that has greatly boosted the performance of facilities at the point of first contact for the patients. This has been accomplished using a financial reward system that links quality of service to payment, with an accountability system built-in through direct audit with patients to make sure that they actually received the services invoiced. No training has been required, indicating that the skills and abilities were already there and that knowledge of the GoZ health standards and protocols were already known or readily accessible.

TA are only very loosely supervised and do not appear to be directed. There are technical advisers who have been responsible for resource allocation to the GoZ, placing them in a potentially difficult position that ensured that if they did not agree with requests then their effectiveness as TA advisors would be in jeopardy. Past TA has been tainted with rumours of malpractice and favouritism, but no evidence was suggested to the ET.

The UNICEF head on Zanzibar is the leader of the UN family there and rarely gets to meet the top political leaders. Advice and suggestions for any donor is provided at relatively low technical levels where it is known that political decisions are going to take priority. The exception is the large single-focus donors

who have apparently transformed the decision-making hierarchy in the MoH from a vertical one to a programme-based-with external-funding one.

In terms of CD, the following were noted. There were many more points recorded during the mission; these are included in individual interview notes. The following comments were made by more than one individual.

- There is a real disconnect between the stated plans of the MoH and its ability to ensure that services are delivered on the ground.
- CD so far has basically meant training.
- Performance levels (efficiency) are at very low levels due to apathy, an absence of motivation, poor access to resources and professional support, an entirely inadequate infrastructure and poor strategic planning. New facilities are being suggested, for example, when the entire population is within walking distance from an existing one, and this in the face of already understaffed personnel positions.
- Whatever CD is in place is stove-piped and rarely involves improving the ability of the management systems to improve the performance of the health delivery systems

E. Synthesis of Focus Group Discussions

Due to severe traffic tie-ups in the area where the EoD is located, many of the focus group participants were very late in arriving.

Most of the available time was spent on filling in the questionnaire and a limited discussion after each part of the questionnaire. The filling-in took much longer in Tanzania than elsewhere because of language ability of a few of the participants, leaving even less time for verbal intercourse.

Highlights of the discussions include:

Part one: Dealing with how donor support has been specifically designed to reflect the contexts, circumstances and conditions of Tanzania

- The GoT needs to be more responsible for the development of the country, implying that it needs to be much more strategic with its CD. It must work better with DP to fine-tune what help it really needs, and then manage that support closely.
- We have laws, regulations, policies and standards in place that we cannot get anyone to implement. Many of our policies and systems assume that we have the delivery systems to implement them but we don't.
- We have fixed some of the parts of systems but not all. It works a little better but not well.
- Involve CS with government processes: why are we looking to change and what part of CS has to be ready to accommodate and take advantage of this change?
- Technical advisers are very useful but the GoT needs to manage them better with a vision in mind.
- Training is only a small part of CD. Most training is maintenance, not development.

Part two: Dealing with the role and responsibilities of donors and its Partner Country

- Donors such as Danida can play an important role in advising key decision-makers because they have legitimacy on their side and not only money.
- The private sector and NGOs have a real role to play say the NGOs, but the ministries ply the party line and say no, or only in limited cases.
- Capacity is only seen as a corporate and public service matter and is not strengthened at the grass roots level. The final beneficiaries are not part of the solution.
- Need to coordinate much more aggressively in developing enabling environment and in fighting petty corruption that stops decisions from being made and allocates resources to the wrong places. Donors play a part but the Tanzanians on both the mainland and in Zanzibar must lead and be seen to be. It is not really happening in Tanzania.
- Large donors don't easily harmonise and often distort.

Part three: Dealing with supply (push) and demand (pull) factors that ensure that the interventions are supported by government and citizens

- It depends on <u>how</u> CS does its "demanding". If aggressive and rights-based, it is greeted with resistance. Role of private sector in service delivery still being debated.
- Would it be politically correct to support the CSO, and would it improve things (question asked by facilitator)? Answer: where the GoT sees an advantage and no one suffers (i.e. corruption) then it would be well received and donors could support.
- Tanzania does not have a framework to hold CSOs accountable. CSOs are accountable to donors primarily. Government is more accountable to the people.

Part four: Dealing with Results-based Management applied to Capacity Development

- RBM and ToC are really needed, in part to help position all the actors and to help coordinate them.
- It is not easy to speak of, or to conceive of organisational results in the future or the logical order in which they should be developed.
- Most of the training we received was not geared towards improving he organisation but the individual.

Analysis of TANZANIA questionnaire

There were 22 participants.

- Fifteen had been part of a project where donors had been present for more than 10 years, and five more had been in projects where donors had been present between 5 and 10 years. Two were just recently part of a project.
- Eighteen had been on a training course that lasted between 5-7 days. The others had not been on a class-room training course.
- Sixteen were coached by non-Tanzanian TA, and 18 had been coached by Tanzanian TA.

Fifty-nine questions were used in a questionnaire. Responses were given on a scale of 1-7 (Likert Scale).

The responses were inserted into a database and analysed statistically. The responses were then grouped by the level of agreement or disagreement with the statement. Mid-range responses were not analysed further. The following are the five statistically most relevant groupings

A) Quite strongly disagree with (Less than 3)

Q3 International consultants and Danida personnel wrote most design documents with or without consultations with Tanzania (AVERAGE= 2.6; δ=1.58)

Q39 Although Danida financed this project in whole or in part, any donor could have done the job as well; Danida did not bring any special comparative advantage to the project (other than funding). (AVERAGE= 2.1; δ=1.37)

INITIAL ANALYSIS

As in other case countries, respondents were adamant that no other donor could have done the same job as well as Danida. This is a strong endorsement of Danida and the way it works

There was overwhelming support for the idea that it was **not** the donors or their representatives and contractors who wrote design documents. This does not agree with the majority of documents examined, but since the evaluation only got final copies, it is quite possible that earlier versions were in fact prepared by recipient agencies.

B) Mostly disagree with (3.0 to 3.99)

Q7 In addition to a project plan that listed activities, responsibilities and budgets, the project created a change management strategy (AVERAGE= 3.92; δ=1.37)

Q13 The systems and delegations of authorities that were required to ensure that capacity was sustainable did not receive sufficient attention. (AVERAGE= 3; δ=1.73)

Q15 The project focussed on the capacity of a small number of organisations that directly deliver the goods or services, but it did not include the capacity development of stakeholders in civil society, the

private sector or other public organisations that should have been included if service levels were to be improved. (AVERAGE= 3.6; δ=1.9)

Q26 The type of Capacity Development support that was made available by Danida changed over time to reflect changes in the external influences of the project (the "context") (AVERAGE= 3.91; δ=1.87)

Q28 If Tanzania had had the financial resources to do this project, it would have been able to achieve the Capacity Development objectives on its own. (AVERAGE= 3.09; δ=1.22)

Q29 If it could have been free to do so, Tanzania would probably have selected different ways to spend the funds provide by DANIDA in order to achieve the same Capacity Development objectives (AVERAGE= 3.36; δ=1.75)

Q42 Donors have a very limited ability to directly participate in capacity development that impacts on social and societal change. (AVERAGE= 3.27; δ=1.9)

Q50 Generally, public managers and political decision-makers in Tanzania believe that donors should get more involved in "demand-side" capacity development (AVERAGE= 3.09; δ=1.51)

INITIAL ANALYSIS

Change management plans were not used (Q7), but capacity development was seen as including systems and processes and not just training. It was also based on a whole-system, or business ecosystem approach.

Interestingly, Danida was NOT seen as being flexible (Q 26), even if people appreciated Danida's approach (Q39). They also noted that Tanzania would have selected the same CD strategies.

But importantly, most people think that Tanzania would have achieved the same results on its own. (Q 28)

They suggest strongly that donors not get involved in "demand-side" endeavours because national decision-makers do not believe that they should. Donors, however, are seen as having a definite ability to contribute to social and societal change through CD.

C) Clear, but low level of agreement with (5 to 5.599). Any response below 5.0 is a positive but very weak response)

Q1 The need for capacity development in the project was identified by Tanzania (and not the donors) (AVERAGE= 5; δ=1.5)

Q2 The design documents of the project (project plans or project formulation) were written in large part by Tanzania (AVERAGE= 5.45; δ=1.21)

Q4 The design of the project was based on a detailed description of what new levels of services or products were supposed to be created\delivered (AVERAGE= 5.45; δ=1.21)

Q5 Tanzania determined the type of Capacity Development support it needed (training, equipment, etc.), how much of it was required, and when (AVERAGE= 5.5.1; δ=1.34)

Q9 The project design included an analysis of the extent to which **all** stakeholders and partners should receive capacity development in order for the project objectives to be attained (AVERAGE= 5.3; δ=1.83)

Q16 The opinions of people who were going to be affected by the capacity development initiative were obtained before the final draft of the design documents was finished (AVERAGE= 5.4; δ=1.71)

Q18 During project implementation all, or almost all, of the people involved continued to be motivated to learn and acquire new abilities (AVERAGE= 5.5; δ=1.43)

Q21 Generally, people who received training were subsequently asked to perform new tasks that reflected their **new** abilities once their training was done (AVERAGE= 5.18; δ=1.66)

Q33 Tanzania was clearly providing the project direction (decision-making, leadership) during the implementation phase of the project (AVERAGE= 5.36; δ=1.03)

Q31 The role DANIDA played in the project was exactly what Tanzania wanted it to play (AVERAGE= 5.09; δ=1.58)

Q34 Tanzania was the most active player in the oversight function; for instance it prepared most of the progress reports and analyses as well as conclusions and recommendations, and made the important decisions (AVERAGE= 5.27; δ=1.19)

Q36 The project contains all the elements (time, resources, relationships, etc.) that are required to have a real and sustained impact (AVERAGE= 5.36; δ=2.43)

Q38 Danida and Tanzania have put into place the mechanisms that will allow each of them to hold the other accountable (AVERAGE= 5.18; δ=1.33)

Q41 Danida and Tanzania agree on the priority to place on cross-cutting issues (ex. cross-cutting targets were integrated into the project and monitored) (AVERAGE= 5; δ=1.55)

Q43 The people and organisations involved in oversight and management in the project have shown that they know how to develop (or maintain) sustainable levels of capacity over the long term (AVERAGE= 5.27; δ=1.01)

Q45 The various studies and assessments that led to the final project definition and plan not only considered the internal forces (the "supply") that were necessary to bring about change (ex. increased ability to perform, management support, development of networks between public institutions, etc.), but also external forces coming from citizens, the privates sector, Non-State Actors, the international community and others (the "demand") (AVERAGE= 5.18; δ=1.17)

Q46 The actors involved in "demand-side influences" were specifically identified and targeted by the project, and resources were allocated to them so that they ALSO improved their capacity levels (AVERAGE= 5.18; δ=1.25)

Q47 "Demand-side" actors related to my project, such as the private sector or community level organisations, actually influence, or can influence, the decision-makers in Tanzania (AVERAGE= 5.45; δ=1.63)

Q49 By increasing the capacity of "demand-side" stakeholders to better influence the government and public organisations of Tanzania, a more direct sense of accountability and transparency between the Government and the people will emerge (AVERAGE= 5.45; δ=1.81)

Q51 Project documents are specific about what results have to be produced, and all results are stated in a way that it is possible to know when they are achieved. (AVERAGE= 5.36; δ=1.31)

Q52 All project results in project documents are stated in a way that it is possible to know when they are achieved. (AVERAGE= 5.45; δ=1.29)

Q54 Monitoring and supervision are based on evidence of the attainment of results (AVERAGE= 5.59; δ=1.23)

INITIAL ANALYSIS

A significant number of questions were located in this bracket. A response of 5 is a full point past a neutral response (4) and is considered a sign of solid (i.e. unwavering) agreement.

In terms of intervention design, the respondents noted that they were in the driver's seat, although the responses were just barely above the minimum for a solid positive response. The response to the idea that detailed analysis was used for project design was not strong, the standard deviation indicating that there was some mixed responses (Q 4). Ensuring that all people affected were consulted also received a weak response (Q 16). Interestingly, compared to Uganda and Nepal, people did not continue to be motivated until the end (Q18).

Respondents were lukewarm in describing how national managers and national systems were up to the task (qualified) to manage such complicated interventions, leading to the conclusion that more could be done in management training in order to improve oversight and overall management.

Respondents tended to believe that the project was well resourced, although the average was not very high and the standard deviation was very large, leading to believe that there was significant differences in opinion.

Accountability was not strong in the view of the respondents, although people tended to agree that both Danida and Tanzania agreed on objectives and strategies for crosscutting issues. (Q41)

There was essentially a neutral response on the issue of supply and demand approaches with an average just at 5.18, with a fairly low level of disagreement amongst participants. (Q45). The actors in a supply-demand approach were not even identified, let alone supported ((Q46). Overall there was positive but weak support for the contention that supply-demand approaches can be useful because the actors cannot influence decision-makers. (Q47).

There was a positive but weak response to the existence of RBM in interventions (Q 51) and there was poor support for the idea that it is possible to know when results have been achieved in existing interventions. (Q52). A stronger agreement was provided for the idea that monitoring and supervision are based on evidence (Q54)

Interestingly, although respondents somewhat agreed with statements indicating that the intervention had a detailed description of performance requirements and that the CD needs were identified and described by Tanzania , interviews and documentation were not nearly that positive on that point; in fact, as in Uganda and Nepal, we found a lack of result definition at all levels. So the respondents may have had a developed sense of belief in their superiors' definition and management prowess.

Interestingly, reports and interviews showed strongly that there were still important impediments to the organisation's ability to perform at expected levels, the participants thought the opposite. This may again be due to their profiles. The responses were also not strongly positive with respect to the fact that results based approaches were used. Dialog was not done using results, nor was reporting or any management of human rights paradigm.

D) Strongly agree with (5.6 to 5.99)

Q6 The project design was built upon a baseline study that clearly specified and evaluated what capacities were already there (AVERAGE= 5.8; δ=1.44)

Q17 The project objectives corresponded to the wishes and priorities of the Government of Tanzania (AVERAGE= 5.82; δ=1.17)

Q30 The resources that were provided with the donor financing (ex. training courses, consultancies, Technical Assistance, study tours etc.) directly generated new sustainable capacities that were necessary to achieve the project's objectives (AVERAGE= 5.5; δ=1.21)

Q32 DANIDA and Tanzania completely agreed on what the results of the Capacity Development thrust of the project are supposed to be (AVERAGE= 5.5; δ=1.13)

Q35 The oversight and management mechanisms have the authority to adapt the project as required to meet objectives and targets (AVERAGE= 5.73; δ=1.01)

Q44 If the project achieves all of its objectives, Tanzania will be able to achieve some of the key strategic objectives that will generate development (AVERAGE=5.64; δ=1.69)

Q48 If donors were to increase their levels of capacity development support to "demand-side" actors, that would eventually facilitate and speed up change processes in Tanzania (AVERAGE= 5.55; δ=1.61)

Q53 The project undertook monitoring of all risks so that they could be managed (AVERAGE= 5.18; δ=1.47)

Q56 Human rights related targets are based on expected results (AVERAGE= 5.78; δ=1.3)

Q57 Environment-related targets are based on expected results (AVERAGE= 5.75; δ=1.49)

Q58 Human-rights related targets are based on expected results (AVERAGE= 5.88; δ=1.55)

Q59 Supervision of the project has been made easier because discussions are facilitated by being based on results (especially monitoring and progress data) (AVERAGE= 5.55; δ=1.51)

INITIAL ANALYSIS

The response to Q6 is interesting because the evaluation was unable to find CD-related baselines. The respondents likely interpreted the question as relating to sector-specific baselines and not CD-specific ones. Nevertheless, the intervention was aligned to the needs and wishes of the GoT.

The effectiveness of the training and other inputs and modalities was perceived as generating new capacities necessary to achieving the project objectives. (Q 30). This contrasts with reviews, evaluations and interviews in the field, and likely is a reflection of personal decision-making dissonance concerning CD.

Q 53 reflected the widely-held perception that risks were monitored when in fact they were not. That is likely due to a misconception of what risk management is and a cultural tendency to believe that the hierarchy is able to manage.

Other results showed that results were not used as a basis for decision-making so Q59 provided a mystery to this evaluation team: respondents perceived that the project documents were very specific concerning the definition of results; in-field analysis showed that the interventions were not, except for a small number of interventions, exposed to results-based management, and all interventions were vague in terms of what their results were supposed to be. The only explanation that we can offer is that when respondents think of a good "result" definition, they do it by using standards and definitions that are different than those of donors. In the same logic the results for Q 56, Q57 and Q58 are interesting because the evaluation showed that there were no CD targets for those crosscutting issues

E) Very strongly agree with: (6 or more)

Q19 The project always had the support of "champions", (individuals who could influence decision-makers so that the project could proceed as planned) (AVERAGE= 6; δ=.4)

Q27 While Danida may have contributed resources and expertise, it is the responsibility of Tanzania and its organisations to generate the capacity required to achieve national goals (AVERAGE= 6.55; δ= .69)

Q55 Reporting to Danida is based on results (AVERAGE= 6.09; δ=1.04)

INITIAL ANALYSIS

Q19 was not a surprise given the cultural realities in Tanzania. But when asked who the champions were,

focus group respondents mentioned their hierarchical bosses, showing that the concept of champions may not be well understood.

Q 27 registered the same very strong responses as they did in Nepal and Uganda. These responses point to a very strong level of agreement on the following: first, that Tanzania is the master of its own destiny (so to speak) when it comes to CD. Second, the intervention was strategic and will allow Tanzania to achieve some strategic objectives. Third, and more strategic and interventionist in nature, a great deal of support to the granting of more support to the demand side of the State-society equation. This level of response is also interesting in the light of the comments received during interviews that donors must be cautious lest they be perceived as supporting the "opposition" parties.

F. Intervention Briefs

1. Health Sector Programme Support, Phase IV (HSPS IV)

Country and Danida Code: 104-Tanzania 810-400-1 (Mainland) and 810-400-2 (Zanzibar)

Overview and Analysis

Relevance: The GoT is now working with a Health Sector Programme and a Health Sector Strategic Plan (HSSP-3) 2009-2015 that was considered to be relevant and consistent with well-defined indicators and targets. HSSP 3 is reflected in the National Strategy for Growth and Poverty Reduction (MKUKUTA)-2. Many problems remained at the time of formulation, including the need to transition from strategies and plans to actual on-the-ground implementation. There was also a need to better define the roles of NSA, CSO and the private sector in health programmes delivery, since it was clear that the GoT could not do it alone.

Zanzibar had (and still has) its own health strategy and ministry. Its most recent document is the HSSP-3 (Zanzibar) 2011-12 to 2015-16. The reforms there progressed more rapidly than on the mainland but has slowed down in very recent years.

In both cases there are serious capability and capacity issues due to a large number of causes, including the inability to find a workable implementation mechanism (s), underfunding, competing national priorities (large single-domain funding versus broader based but reduced levels of funding). Implementation through the PMO-RALG and the LGAs was a major challenge then and still is.

Danida provided support to help resolve many of these issues. In all cases the support was needed and relevant, even if many of the problems still persist.

Efficiency: For the mainland, Danida support was coordinated through a SWAp under the joint leadership of the MoHSW and PMO-RALG. Although provisions were made of joint annual reviews this was not an effective or efficient way to manage the strategic level of the intervention because very few changes were ever made as a result of meetings even though the evidence pointed to the need for important adjustments. PMO-RALG participation was also found wanting.

A basket fund supported the dialogue process. This was found to be efficient but the large number of TWG appears to have taxed the ability of the MoHSW to absorb them all.

In Zanzibar, the situation was different. No other like-minded donor was present and USG funded activities, vertical programs funded by large donors such as USAID and Global Fund, as well as international NGOs and multilaterals were less willing to coordinate, align and harmonise. So Danida's advisers and its direct support has been mostly effective and there is no reason to believe that it could have been done differently under the circumstances. On the other hand, the use of advisors was not that efficient in terms of comparing the time and money incurred against the results obtained.

Effectiveness: It is interesting to note that the mid-term review predicted that the large amounts of funds coming from 'deep pocket donors' would "undermine the organisation of the health system and disturb the implementation of activities that are planned according to the priorities of HSSP 3". That is precisely what happened in Zanzibar and was an important contributor to the lack of attention paid to policy implementation and CD overall on the mainland.

By and large, the sector-specific objectives of the programme were realised, but the capacity development objectives were left wanting, specifically those related to improved capability with respect to implementation. The support to the CD of TACAIDS and to the private sector and CSSO were relatively successful, although it must be clear that no specific performance objectives were ever agreed upon.

The new HSPS V will start with some of the CD-related lessons learned and will establish clearer RBM and other performance-based frameworks. That should provide the EoD and the GoT with a clear set of targets to monitor; effectiveness should improve, all other things considered.

Poverty reduction: The entire programme strategy is based on the implied impacts of improved health systems effectiveness, and therefore it can be implied that there will be an effect on poverty. The documentation available does not support any specific conclusion to that effect, since it does not include monitoring of poverty indicators or changes on the livelihoods of the poorest. There are, nevertheless, tenuous linkages between the HSSP 3 and the poverty-reduction strategy of Tanzania

Sustainability: It is not clear at all what has been rendered sustainable in the three components, but it is clear that each component is a separate thrust and needs to examine as such.

The majority of funding in HSPS 3 went to the provision of supplies; that, by definition, is not sustainable. The CD efforts within the ministries are not, to a large extent, going to be sustainable within the public service; but work on PPP may be sustainable if the GoT proceeds with power sharing and allows the private sector and CSOs to participate in service delivery without necessarily privatizing health.

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- HSPS IV, Annex 2: Support to the health sector in Zanzibar (Component 2)
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2. Business Sector Programme Support, Phase III (BSPS III)

Country and Danida Code: 104.Tanzania 809-300

Overview and Analysis

Business Sector Programme Support III 2008-2013		
A. Improved business Environment Component	B. Better Access to Markets Component	C. Development of MSME's Component
A1. Business Environment Strengthening Tanzania (BEST-BRU Basket Fund) A2. BEST-Advocacy Component (Basket Fund) A3. Enhanced capacity of private labour market organisations (ATE and TUCTA)	B1. International Trade Negotiations (MITM) B2. Trade and business Education (UDBS)	C1. Private Agricultural Sector Support (PASS Trust) C2. Enterprise Development (SCF and ECP) C3. Financial Sector Deepening Trust (FSDT)

Relevance: The Danish Government has supported private sector development in Tanzania for more than 20 years. Initially through a broad range of projects and for the past 15 years through Business Sector Programme Support – BSPS I, II and III. Tanzania has undergone significant changes from a state-led economy developing towards a market economy with the private sector playing an increasingly important role.

Phase III of the Danish support to the business sector in Tanzania is a five-year programme that was initiated in July 2008. The development objective of BSPS III is defined as *"Accelerated and more equitable, broad-based and export oriented growth in Tanzania's business sector".*

The BSPS III contributed to this development objective through three components and 10 subcomponents. Four of the 10 sub-components were supported jointly with other Development Partners (BEST, BESTAC, the Enterprise Development Programme and the FSDT) while six were supported only by Danida (ATE, TUCTA, MITM, FCM, PASS and SCF).

Over the last 10-15 years, the GoT has opted for and devoted itself to the formation of a market-based and private sector led economy. The BSPS III aimed to contribute to this development, focusing on the creation of a business friendly environment with appropriate public and private institutions and the establishing of clusters and value chains consisting of micro, small and medium sized companies, which are able to compete locally, regionally or internationally. Focus is on the agro-business sector and thus the value chain from the farm to the international customer.

Component A: Improved Business Environment

During the early stages of implementation, important indicators of the achievements of the first component clearly showed that the business reform process in Tanzania is not moving satisfactorily. The two components of the BEST programme, namely the better regulation component and the business advocacy component were supposed to have a direct impact on the reform process but that was not to be, and bilateral donors decided to put the second phase of BEST on hold. Among the issues that needed to be improved was the "commitment" of the Government towards the programme (but even moving the BEST Secretariat to the Prime Minister's Office did little to improve confidence until a review was conducted to ensure that the component could be re-activated).

The BEST-AC primarily applied a "challenge fund" approach, which implied that business associations could present applications for support that were not necessary linked to any reform process.

Support to labour market.
During BSPS II, significant progress was made concerning CMA, OSHA and the Labour Court as well as the design, approval and implementation of new labour laws. A tripartite body, LESCO, contributed positively to this progress, but organisational changes at the top level initially meant that the contract with the labour market implementer and advisor was not in place, and the transfer of funds to the labour market institutions (OHSA) would be problematic.

Capacity support to ATE
ATE progressed well during BSPS II. The member base increased from 530 to 900 members and new members were being recruited every year. It was apparent that ATE had become a well-known and influential player on the labour market, and was providing better services to its members. ATE also confirmed that the tripartite efforts to create more industrial harmony among others through better mediation and arbitration, better bargaining systems, agreements on minimum wages and many other tripartite initiatives have been progressing well. Also noted that the new "budget" support approach would have a bigger impact in BSPS 3 than the previous support given in BSPS 2 as an "issue-oriented".

Concerning financial sustainability, ATE considered the Danida support as an investment for heavily supporting the expansion of ATE and building up capacity of ATE staff to advocate and to provide services to members. The assumption was that when this happened, then ATE would also be able to sustain itself financially at a high level.

Danida financed an assessment of the capacity of ATE to handle its funds, resulting in a conclusion that it needs to strengthen its administrative and management capacity, financial management and procurement procedures and capacity of the staff and the secretariat in financial management and procurement. An external consultant was retained to assist.

Capacity support to TUCTA
TUCTA's development during BSPS II had also been positive, as shown in its participation in tripartite negotiations (labour laws, labour court, CMA, minimum salaries, etc.). TUCTA noted that its increased capability to participate was largely due to extensive training efforts, which provided many members with knowledge of the new labour laws, on OHS and conflict resolution HIV/AIDS etc. More trained shop stewards were able to negotiate better collective agreements with employers. In BSPS 3, TUCTA would focus on strengthening the capacity of its 14 affiliated unions (most of which were public sector unions) and on setting up 21 Regional Technical Committees. The latter also includes refurbishment of some regional buildings.

Of interest is the analysis that Danida did of the financial arrangements of TUCTA, these were seen as being not transparent with questionable transfer processes.

Component B: Better Access to Markets
Component B comprises two sub-components: International Trade Negotiations located within MITM and Trade and Business Education located within UDBS, formerly FCM. . The aim of the component is to enhance the human resource capacity and the international capacity that Tanzania needs to improve its position and participation in international and regional markets. Overall, the component progressed well.

International Trade Negotiations
Two TAs were recruited and began what was described in a Danida report as a continuation of the BSPS II programme, building on the BSPS II-results including the use of the UDBS master programme and short courses. The need to prepare well in advance for trade negotiations and the importance of involvement of stakeholders were key design factors, as was the recognition from MITM that training activities would be allocated according to a recent need assessment, and that MITM in particular would assure that the new knowledge and skills acquired from the training would be used and embedded into the organisation.

UDBS
This sub-component is a continuation and an enlargement of BSPS II. The sub-component has multiple activities related to studies, research and education/training to be designed and implemented by UDBS with its around 75 academic staff members.

The MIT-programme was reviewed and approved and the new MIB-programme was designed so that it was to start in September 2009, eventually focussing more on the needs of students to work at a company level.

UDBS capacity enhancement related to the construction of appropriate facilities and to staff upgrading. The expansion plans of UDBS were comprehensive and there was a big need for both new staff and enhancement of the capacity of existing staff members. Research activities received more attention at the early stage because it takes time to implement and get results from such activities. A proposed research agenda was prepared but was not easily implemented. Courses and research tended to focus on international trade at the expense of international business, a tendency that remained all throughout BSPS 3.

Component 3: Development of SMEs
This component was comprised of three sub-components but four budgets supporting four programmes/institutions (PASS, SCF, ECP and FSDP) with the following common objective: *"Enhanced contribution of MSMEs and commercial agriculture to equitable growth, exports, employment and government revenue".*

PASS was introduced in 2000 as a pilot intervention to improve the access of commercial agriculture to business development services (BDS) and credit, through the guaranteeing of bank loans. SCF was introduced as a pilot intervention during the implementation of BSPS II. And was managed as a stand-alone project organisation working to improve the international competitiveness of food processing and marketing SMEs to access and exploit new markets.

The Enterprise Development Programme focused on enabling businesses to upgrade, innovate, and improve productivity and sales. Clusters and value chains were to be selected, and linkages were to be promoted between large and smaller enterprises, thereby increasing local supply and value addition. In particular, MSMEs were to be supported with matching grants to develop their capacity to supply products according to export market requirements.

Efficiency: There is no data available to enable some form of assessment of the efficiency of BSPS 3 overall or its components specifically.

Effectiveness: The Support to the Labour Market component showed important progress but did not meet all of its targets. With two years remaining, reviews found that ATE still faced a number of challenges. It was still critically dependent on external funding, and almost half of its members were concerned that they were not getting what they expected from their relationship. Its visibility and therefore its ability to act was limited. TUCTA also faced serious financing

problems and was beginning to be seen as a constraining force rather than a progressive one, largely due to strikes it had organised. It is also not seen as a professional organisation "TUCTA's leadership finds that the Government does not listen to its calls for better wages, reduction of the taxes on wages and salaries, and improvement of the social security of workers. Without going into details regarding the likely reasons for the government's behaviour, it is evident that TUCTA would strengthen its argumentation if it was able to provide quality documentation on the situation of those members' interests it wishes to protect"[70]. The labour market elements of the BEST were not progressing as planned. Most sub-components were very late and were not expected to reach their objectives.

The Better Access to Markets Sub-Component had five planned outputs: (i.) Improved stakeholder consultation in formulation of external trade policy; (ii.) Better informed decisions in external trade policy; (iii.) Enhanced in-house capacity to participate in international trade negotiations; (iv.) Improved follow-up on and compliance with international trade agreements and (v.) Enhanced institutional capacity in in-house strategic planning and external communication.

Up to the end of 2011, output (i) has been completed according to expectations. Outputs (ii)-(v) were supposed to be implemented with substantial input from three consultants. Outputs (ii) and (iii) were envisaged as being implemented through an integrated series of expert studies and training inputs, following a strategic plan formulated by MITM assisted by the consultants. A review in 2011 decided that "Against this background, outputs (ii.), (iii.) and (iv.) have not been completed to expectation, very little activity has occurred under (iv.) and no activity has occurred under output (v.) during the year under review."

Poverty reduction: No information is available to link the BSPS 3 to poverty reduction.

Sustainability: It is not clear at all what has been rendered sustainable in the three components. Some of the sub-components are being carried forward into BSPS 4 indicating that the "lofty" objectives and targets specified for BSPS 3 have not been achieved as planned, even if there has been important progress.

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3. Public Financial Management Reform Programme, Phase IV (PFMRP IV)

Country and Danida Code: 104.Tanzania.x

Actual: 2012-2017

Programme overview

Denmark's support to PFMRP IV is included as Component 3 of its Governance Support Programme (2011-2015). The assistance to public financial management is particularly targeted to enhancing effectiveness and accountability of public administration, and to support other objectives by improving the fiscal space for the government, as well as improving efficiency and transparency in the overall sector service delivery. The support is complimentary to the continued Danish support for GBS, support for the Public Expenditure Review basket, and direct support to the Tanzania Revenue Authority.

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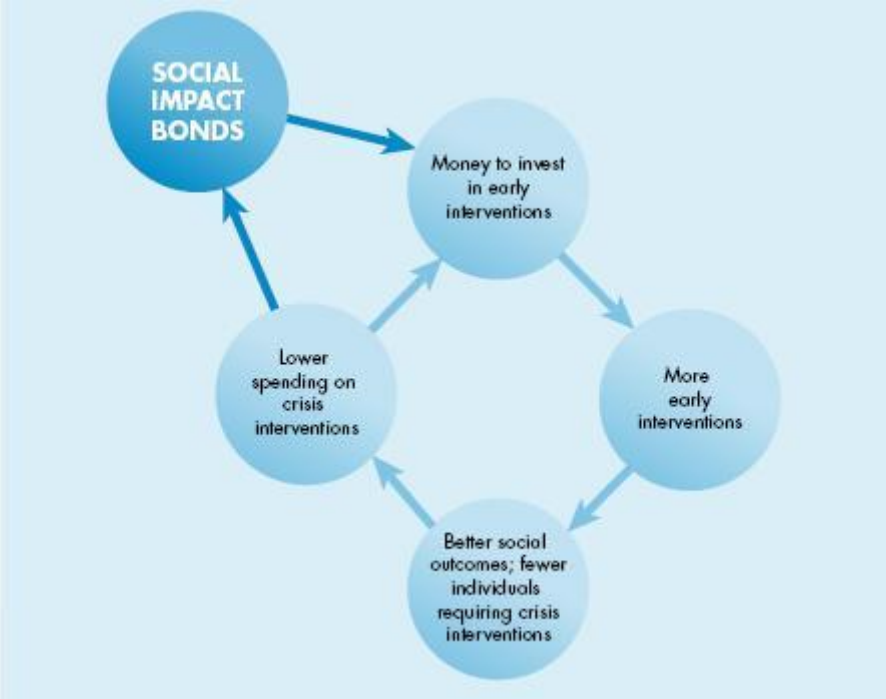
G. Diagram Illustrating the Essential Components of a Social Impact Bond



Potential new sources of funding

Development Impact Bonds (DIBs) or Social Impact Bonds (SIBs) is a new platform for development cooperation. DIBs have the potential to bring together the private sector, CSOs, INGOs, governments and donors in a way that captures and complements the best contributions of each player to achieve social outcomes. In a DIB, public, private and non-profit actors come together and agree on what they want to achieve and a method for measuring success. The actors are: investors who provide fund to roll out or scale up services; service providers who work to deliver outcomes; and outcome funders – primarily public sector agencies from developing or donor countries – who pay for the results achieved. Outcome payments are used to pay investors back with a premium, so that if interventions successfully achieve outcomes, the returns are social as well as financial.[71] This would also introduce a discipline of ensuring that investment outcomes are well documented.

[71] DIBs may also be termed Social Impact Bonds (SIBs). SIBs are gaining in popularity because they allow governments and development organisations to secure upfront funding for specific initiatives, while sharing risks. SIBs enable governments to execute projects without increasing short-term public expenditure and taking on new debt. So far SIBs have been unfolding in the UK, US, and more recently in Australia. But now intermediaries are bringing SIB structures to Africa, Asia and Latin America. Examples of SIBs in Africa are: The Mozambique Malaria Performance Bond; Sleeping Sickness SIB in Uganda; and the South African Reconciliation SIB.

H: Lessons Learned

What lessons can be learned from Danida's Tanzanian experiences with respect to relevance, efficiency, effectiveness and sustainability include the following:

Concerning the feasibility and justification (for the CD part of the intervention)

Overall, the case study in Tanzania brings out a number of fundamental lessons that, while obvious and simplistic to some, are apparently not taken into account by DP and beneficiaries alike. Some of these lessons are: a) too little time and resources are invested in understanding what is required as CD results and how to achieve them; b) CD is over-simplified to the point of reductionism, resulting in poor models and inappropriate management; c) CD is appended to a sector initiative instead of the opposite; d) CD feasibility is assumed but not studied; e) CD is applied to a sub-set of a larger systemic problem in the hope that the entire system will improve; f) CD is based on human interfaces and on ability and not on organisational performance, and CD is often scoped more narrowly than the problem being resolved; g)there is a clear assumption made that DP and beneficiaries are able to plan and manage CD when there is no reason to believe that they do, and h) for some reason, it is assumed that CD can just be allowed to "happen", without management, monitoring, oversight or supervision.

Specifically, the following were noted during the field mission.

- Much more research, time and money are required (than has been invested so far in Tanzania) to really understand how things take place now and what could work in the future, how and why.
- Considerably greater efforts are required for preparing the foundation for the change process, especially when public processes, but also wherever NSA or private sector changes are concerned. Planning, scenario building, action-research, piloting and step-wise processes need to be much better managed.
- What works best for *managing* CD is *a much greater degree of CD model specificity* than has been traditionally the case. Scoping the model at the sector level ensures a broader net and requires a vision of CD "at that level", but other models must be integrated with those in order to ensure that the entire CD playing field at all levels is included. In fact, there will be models within models and approaches within approaches, ensuring a very dynamic and non-linear strategic vision that will require a correspondingly complex CD strategy (i.e. the principle of requisite variety). Modelling the "corporate MoHSW training needs", for example, is a lot simpler than modelling the "Health sector CD requirements for resolving implementation problems and meeting national objectives for access to services", but the latter it is a much more stable and effective way to go in the long term. The former, it is recognised, is a sub-set of the latter.
- All of an organisation's problems will not disappear with more CD: for example, several areas of PFM under-performance are not really due to technical abilities or capabilities – e.g. budget realism/arrears. Predicting this could have enabled management to overcome the limitations.
- One must match the CD scope to the scope of the problem or the performance being sought. A real sector-wide CD strategy needs to be in place when the problem is sector-wide under-performance. For example, to answer the question: "What CD is required to bring about the most effective and sustainable way to support the entire health sector, specifically the shift to decentralised mode?" requires a sector-wide and multi-layer solution. To develop such a strategy Danida could/should have developed models, scenarios and experimented with possible strategies for success. The ET is convinced that neither MoHSW nor PMO- RALG nor LGA could have generated such a strategy alone so it would have been useful if Danida could have been asked to help develop one.
- As shown elsewhere, CD is highly specific to the circumstances in which it takes place. There is, in fact a strong case to be made for model and formulation specificity. In Tanzania the ET observed that the people involved in CD did not have a deep understanding of CD so that the strategies and models they used were often imported from elsewhere or found in articles or other documents. The Theory of Change was specifically misunderstood because people were always using descriptions of ToC that were based on results chains and not change processes.
- Focussing on the policy aspects of a sector should be accompanied by CD in all related domains, including policy implementation, compliance, etc. Over long term in Tanzania, there has been a

slight improvement in ability to generate policies, strategies and processes, but little improvement in implementation. This has been the experience of Danida and every DP the ET interviewed.

- In the absence of broader reform and CD programmes, DPs will tend to become creative and to find other venues and mechanisms to generate CD within in a sub-system. In Tanzania this has included several new smaller projects and new instruments: Pay for Results (P4R), Open Government, etc., to strengthen demand side and RBM. But these are often designed to shore up an ineffective smaller part of a larger system by operating on a few of its external forces; if the core systems do not change it is clear that any success at CD in those processes and procedures that merely support core systems or that add efficiency to a non-core system "outlying systems" will have mitigated impact. This may be acceptable but needs to be understood and agreed upon.
- CD effectiveness and sustainability appears to be directly related to the level of aid dependency (Tanzania is very aid dependent, especially for CD support). The deeper the dependency and the longer that dependency exists, the greater will be the prevalence of patterns of dependence and problematic incentives (per diem culture, individual and MDA preferences for projects, etc.). As in the case of Health, GoT priorities tend to be directed at where the money can be found, resulting in further dependency.
- It is not necessarily true that just because DP and beneficiaries engage fully in Paris-Accra-Busan concepts involving beneficiary-directed CD, that they have the capability and will to direct that CD to national social and economic priorities and to manage any form of CD beyond training allocation. DPs in Tanzania were in the forefront of Paris/Accra/Busan developmental effectiveness (including SWAPs, joint programming, GBS, etc.), but response from GoT has not necessarily been transparent, prioritized or undertaken in a "rational" paradigm. More effective CD requires strategic foresight and realistic and irreversible partner commitments

Concerning the formulation of interventions

Lessons learned in Tanzania concerning formulation include the following: a) logic models, such as the Theory of Change, must not be used generically (one size fits all) but must be pinpoint-specific, comprehensive, and managed dynamically; they must be multi-layered and cascading (as in Russian dolls) in nature; b) The CD strategies and expectations (results) must be defined at the outset (as much as possible) and be very specific to organisational (not individual) needs; c) the strategies inherent in CD and change management must show how explicit knowledge and implicit knowledge will be interchanged and how individual absorption of knowledge will lead to organisational capability; d) CD that is only designed to deal with individual abilities or organisational architecture will fail to reach their expected results; e) The scope of CD must encompass all players and systems involved in the performance being sought; f) CD must be based on solid experiential ground, including results, baselines, data, and monitoring; g) The willingness of the beneficiary must be guaranteed and expressed up front in tangible ways; h) most DP and beneficiary staff are not equipped (knowledge, skills, aptitudes) to formulate or manage CD.

Specifically, the following were noted during the field mission.

- Theories of Change have to be pinpoint specific, comprehensive, and managed dynamically. A generic model of intervention logic (such as offered through a ToC) may be useful for ensuring that Danida's functional processes (ex. contracting, reporting) are coherent with its programme and project management cycles, but each intervention will require that the "generic" model be expanded considerably to represent the specific case that is being analysed. Moreover, the broader the net is cast, the larger is the number of integrated ToC that are needed to understand how change is supposed to be brought about. To conceptualise this idea, one should think of Russian dolls, but in this case we would have "ToC inside ToC". Once a ToC dynamic model is constructed, the formulation of the CD strategy may begin.
- CD is likely to be more successful when a project adapts its CD "approach" (ex. permanent TA -> short term), to a very specific analysis of client needs, preferences and absorptive capability. But any approach needs to be closely monitored and adapted as time goes by.
- There is rarely any success with CD if it is designed only from an organisational architecture perspective.
- CD needs to be absolutely clear, for each strategy, on how to migrate from "accessing learning" to "ability to use" and to go from "INDIVIDUAL" to "ORGANISATIONAL", to

"ENABLING ENVIRONMENT". This has not been done in Tanzania, especially with respect to training, and short-term TA. Much has gone into "learning on the part of the individual", but only a few cases were notes where that knowledge acquisition was even considered in the context of the larger organisation.

- At a systems-wide level (such as would be the case when looking for the performance of a sector), it is not useful to put too much CD effort in obtaining large improvements to a small part of larger systems unless there is a leveraging strategy at play. They are important and useful, but not sufficient. Critical mass must exist across the sector for change to take hold.
- CD cannot be successful if it is not appropriately and adequately planned for. Programmes in Tanzania, including those of other DP, have not had sufficiently well designed CD aspects (at the individual, organisational or enabling environment levels. Experience has shown that CD should have been as well researched as any sector-specific domain.
- CD cannot be managed if it has been loosely defined, has few baselines, is not generally based on results (recognisable milestones with measurable and visual products) and is not monitored at output levels (at least)
- CD cannot be successful unless there is a demonstrated willingness to undertake it on behalf of the recipient. There has been little obvious demand for CD in the past by most beneficiaries in Tanzania, with a few exceptions such as TACAIDS, APHFTA, Ministry of Trade (specifically the Masters' programme).
- At the formulation stage, "counterparts" that will ensure that CS takes place and is sustainable need to identified and a commitment made as to their participation (and not just their existence).
- Where all stakeholders in a CD-oriented intervention do not master the related CD concepts, there will be confusion over priorities, resources, strategies and other factors. These limit the extent to which CD is applied to resolving specific problems and the contribution of CD to performance. In Tanzania, these CD concepts (ex. capacity, throughput, capability, ability, competence, production, level of effort) and their definitions are confused at all levels and with all parties and as a result programmes and expectations are not appropriately and accurately defined. There is a need to "professionalize" the domain of CD.
- CD through a pooled or basked funding mechanism is not necessarily more rational, better coordinated, more effective or better "owned" by the country. Tanzania and DPs implemented (as of 2000) a range of core (basket funded) reforms that all have been supported by Danida: LGRP, PFMPR, LSRP, PSRP, etc. – but results have in some of these (particular LGRP) lately been disappointing and some public sector reforms and initiatives have been stopped. CD is not only donor pushed, but recipient pulled, so a pooling only provides efficiencies and effectiveness if that equilibrium is there. It is not the pooling per se that brings about the CD, but the strategic use of the pool.

Concerning implementation strategies and monitoring

Lessons learned in Tanzania concerning implementation include the following: a) EoD and beneficiaries need to focus on CD as a focal point and not only concentrate of sector inputs – in other words, the provision of sector inputs should be seen as a complementary action to CD, not the opposite; b) TA needs to be structured as part of larger CD strategy and it has to be monitored, supervised and backed-up with Policy dialogue; c) technical advisors should be positioned so that they can ADVISE and so that their counterparts are in a position to act on their advice - the design and implementation of TA efforts has to be specifically oriented towards an expected result and has to be constantly adjusted so that it reflects the contexts in which it takes place; d) the vast majority of technical advisors are not experts on CD and should not be assumed to be; e) maintenance or general levelling types of training (i.e. where the objective is to update the knowledge of people who should already have up-to-date knowledge already, or where the acquisition concerns non-essential skills, or where the now knowledge is a "nice to know" rather than a "must know") should be viewed as a last resort for CD, only used when all others are not appropriate- training should obviously render the organisation able to do something it could not before; f) CD goals must reflect institutionalised capability and ability.

Specifically, the following were noted during the field mission.

- The EoD and beneficiaries absolutely need to focus on CD and not only on the efficient and effective expenditure of resources devoted to sector inputs. That means that once the design approved by Danida HQ and by appropriate ministers, the real work begins. The provision of sector inputs should be seen as a complementary action to CD, not the opposite.
- To be effective, TA needs to be monitored, supervised and backed-up with policy dialogue (it has not always been so in Tanzania). However, good TA practice can been observed in BSPS, Zanzibar health (performance financing), and TACAIDS (organisational support TA). Where the client has been "pulling" TA, there was little need for EoD support; but where there was little "pull" the TA soon were left to fend for themselves. It should be noted there has been no advisors for PFMRP and flexible TA for BSPS.
- TA should be structured as part of a larger CD strategy. It should not generally be a stand-alone tactic, nor should it be uncoordinated and ad hoc. Governments should lead and coordinate TA but the EoD needs to oversee this "leadership" and ensure that it takes place.
- TA should not be positioned at levels where their counterpart managers are impotent to decide. The practice in Tanzania has been too tactical and not strategic enough.
- TA are not experts on CD; they were not hired for that reality, and were not interviewed or selected on that basis either. They should have been though, given what they were eventually to do.
- TA worked well when specifically adapted to precise needs and contexts (medical stores warehousing and transport). The contrary was also true; for example, stores capability is deteriorating now because context has changed (GF and USAID), and TA are not able to advise appropriately on the impact of those changes.
- Twinning is good strategy for sector content; however, most "northern" institutions don't know how to do CD.
- Training must be seen as only a small part of any CD strategy or solution and must be very specific to needs at organisation capability level. Training has been overused and unfocussed in Tanzania where it has mostly become a personal benefit issue. Training has largely been approved based on the individual, and not on the effects that that training will provide to the organisation. In most cases training was seen as "maintenance" (ex. a training paid for by Danida for a knowledge or skill that the person should have been provided already through his/her own efforts in order to perform in the position they occupied. These trainings are of benefit to the individual and not the organisation) and not "strategic" CD change.
- CD that is institutionalised (i.e. comprehensively integrated between the individual, organisation and enabling environment levels) has a much better chance of staying in place than if it is not. Ownership is better integrated at all levels, and the constraints and leverages of one level are taken into account and adjusted at another.

Concerning completion and sustainability

Lessons learned in Tanzania concerning completion strategies and sustainability include the following: a) An intervention with a specific sustainability strategy is very rare; sustainability is not just a "wish" or an "afterthought" but a condition that needs a strategy to ensure it happens - All programmes need to have a sustainable element added to it. CD is not a "sideboard" issue but a sustainability strategy as well; b) All interventions, including CD interventions, require an exit strategy – this is Danida policy as well as good management, and even "phased" interventions should incorporate an exit strategy; and c) Creating an approach that uses the private sector – where relevant – removes a lot of social and network risks because it relies on an entirely different paradigm to ensure sustainability

Specifically, the following were noted during the field mission.

- Working through the private sector removes a lot of social and network risks and relies on an entirely different paradigm to ensure sustainability. Since the private sector generally comes with its own "pull" motivators, the "ownership" principle can essentially be taken for granted, even if some external "subsidy" may be required to ensure that enabling conditions are in place. There is every reason, however, to ensure that rent taking does not happen.

- Effectiveness and sustainability are influenced by a host of non-technical factors that form part of the enabling environment, such as public service reform (staff motivation, performance orientation, responsiveness to clients, etc.); visions and expectations of personal gains and the need to satisfy social imperatives and norms (such as distributing personal benefits to the right people).
- CD strategies need to be accompanied by an exit strategy. No DP we saw has a specific exit strategy, either for itself or for the beneficiary.
- Sustainability is not just a "wish" or an "afterthought" but a condition that needs a strategy to ensure it happens. All programmes need to have a sustainable element added to it. CD is not a "sideboard" issue but a sustainability strategy as well.