



Extract from the report to the
Public Accounts Committee on
Denmark's development assistance
to Tanzania

June
2010

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I. Introduction and results

1. The report is about the Danish Ministry of Foreign Affairs' development assistance to Tanzania and forms part of the preparations for the Public Accounts Committee's visit to Tanzania and Uganda in August 2010. Rigsrevisionen initiated the audit in June 2009.

2. In June 2009, the Public Accounts Committee asked the Auditor General to examine various issues relating to the Ministry of Foreign Affairs' evaluations of development assistance. The Public Accounts Committee's request was prompted by a debate in the media, which among other subjects, touched upon the question whether the Ministry's evaluation practice, including whether the consultants conducting the evaluations, is sufficiently independent of the Ministry of Foreign Affairs.

At its meeting in September 2009, the Public Accounts Committee agreed to have these issues examined as part of this report.

3. The purpose of the report is to assess the results of the development assistance to Tanzania and the challenges facing the Ministry of Foreign Affairs and Tanzania when they are to measure the effect of the development assistance. Rigsrevisionen has in that connection examined the Ministry's guidelines for and practice with respect to conducting reviews and evaluations of development assistance.

The report will answer the following questions:

- Are the results of the development assistance to Tanzania satisfactory, measured against the objectives?
- Are the guidelines and practice for the implementation of reviews laid down by the Ministry of Foreign Affairs underpinning the Ministry's efforts to ensure that the development programmes are on course and adjusted as required?
- Do the Ministry of Foreign Affairs' evaluation guidelines reflect best practice, and is the Ministry adhering to the guidelines?

4. The answer to the first question is based on an audit of four selected sector programmes. The purpose of all four programmes is to contribute to Tanzania's achievement of the objectives set for the country's poverty reduction strategy (MKUKUTA).

5. In order to answer the next two questions, Rigsrevisionen looked into the Ministry of Foreign Affairs' use of reviews and evaluations as instruments to improve development assistance. Rigsrevisionen has scrutinized reviews of the four selected sector programmes that are forming part of the answer to the first question above, and the three evaluations of the development assistance to Tanzania that were worked out in the period 2005-2009.

The four sector programmes

1. Budget Support and Institutional Reform (also referred to as the General Budget Support Programme).
2. Programme for Good Governance, Human Rights and Democratisation.
3. Business Sector Programme
4. Health Sector Programme

Reviews are an internal management tool used by the Ministry of Foreign Affairs for the ongoing monitoring of development activities, whereas evaluations are designed to provide evidence of the results of completed development programmes to the public and generate knowledge on the impact of the assistance provided. Evaluations are undertaken by external consultants.

MAIN FINDINGS AND CONCLUSIONS

The Ministry of Foreign Affairs and Tanzania have together achieved positive results measured against the objectives set for four selected sector programmes. However, some of the large activities that Denmark has supported have faced several challenges, and some of them have as a consequence hereof not achieved their objectives. For instance, Tanzania is implementing many important reforms at a time when the capacity of many government institutions is inadequate. The Ministry of Foreign Affairs can in cooperation with Tanzania and other donors, improve the operationalisation of the programme objectives.

The reviews and evaluations conducted by the Ministry of Foreign Affairs contribute to ensure that the Ministry is fed valuable information on the results of the development assistance. The Ministry should be more systematic in its efforts to follow up on compliance with review and evaluation recommendations. Generally, the Ministry of Foreign Affairs is complying with the guidelines for reviews and evaluations.

This overall assessment is based on the following factors:

Generally, the development assistance to Tanzania is generating satisfactory results measured against achievement of the objectives set. However, none of the four programmes have fully achieved their objectives. The shortfall is related to the inadequate capacity of some of the Tanzanian authorities that are designated to implement the programmes. It has in some cases been impossible to assess achievement of objectives because the objectives have not been operationalised.

The basis for the assessment of achievement of objectives

- To the widest extent possible, the Ministry of Foreign Affairs will base use the objectives formulated by Tanzania and the country's own reporting systems when objectives are set and the results of the sector programmes are being reported. This approach by the Ministry promotes Tanzania's ownership of the development activities. But it also complicates management of the activities that the Ministry and Tanzanian authorities share the responsibility of translating the objectives into operational targets. It is the responsibility of the Ministry as a donor to support, either alone or together with other donors, the Tanzanian authorities in their efforts to operationalise the objectives.
- The operationalisation of the programme objectives and the closing reporting can be improved. Often baseline data are inadequate and the targets set are not clear. These inadequacies complicate the subsequent evaluation of achievement of objectives.

The Budget Support and Institutional Reform Programme (also referred to as the General Budget Support Programme)

- One of the overall objectives of the General Budget Support is to support the achievement of high economic growth rates in Tanzania. Tanzania has in recent years seen relative high growth rates and macroeconomic stability which has probably been accompanied by a moderate drop in the proportion of Tanzanians living below the poverty line.
- In 2009 only slightly more than half the objectives that had been set in connection with the annual review of the General Budget Support were achieved.
- The part of the programme that is designed to reform public financial management is complex, and progress has for various reasons not been satisfactory. One of the reasons is the slow pace at which the capacity to implement such complex reforms is built in Tanzania. At the same time this part of the programme includes several cross-cutting activities involving many stakeholders on government as well as regional level which make management of the programme difficult. The quality of the financial management in Tanzania's public sector is, however, relatively high compared to other African countries, and some of the most important control bodies within government financial management, like for instance the audit office of Tanzania, have been strengthened in recent years.
- The majority of the planned activities aiming to reform public services have been launched with considerable delay.

The Programme for Good Governance, Human Rights, and Democratisation in Tanzania

- The results achieved by the programme have not been entirely satisfactory due to inadequate progress in the area of legal reform. The Ministry of Foreign Affairs has stated that it is difficult to implement this type of reform, and that explains why only few donors are prepared to join in and provide support, despite the fact that it is a key reform programme. In the opinion of the Ministry, it is essential that the donors do not refrain from committing to important areas of development although the prospects of success seem limited.

The Business Sector Support Programme

- The Business Sector Support Programme has contributed to developing capacity in the institutions that are meant to underpin the development of the business sector in Tanzania, and has thereby had a positive impact on a number of areas. For instance, the Ministry of Foreign Affairs and its Tanzanian partners have been very successful in their efforts to increase the availability of bank and financial services to those parts of the Tanzanian population which have not previously had access to financial institutions.

- The part of the programme that was designed to improve the framework conditions for the Tanzanian business sector has had some difficulties delivering the planned results. Yet, this component has produced results in a number of areas and has, for instance been successful in establishing new institutions for resolution of commercial conflicts. The lack of results is partly related to the inadequate capacity of the Tanzanian authorities who were responsible for the implementation of the activities. As a consequence, this component of the new programme period of the Business Sector Support Programme, running from 2008 to 2013, has not yet been launched. Strong political statements by the President to the effect that business sector development is a prerequisite for the development of Tanzania, has boosted the commitment of the Tanzanian authorities. The Danish embassy has therefore reason to believe that this component of the Business Sector Support Programme will take off in the course of 2010.

The Health Sector Support Programme

- In the programme period (2004-2009), the health sector has developed in a positive direction and the standard of health of the Tanzanians has been improved measured against several parameters. Thus the majority of the objectives set for the programme have either been partially or fully achieved and it seems realistic to assume that minimum half of the objectives set for the health sector as part of Tanzania's strategy to reduce poverty will be achieved in 2010.
- Capacity building in the districts, supply and use of drugs, and support to strategic initiatives in the public health sector are areas that are all showing progress. The reform of hospital management and the improvement of regional and district management systems have only to a minor degree achieved the objectives due to, among other things, the inadequate capacity of the Tanzanian authorities.
- The bulk of the activities included in the most recent phase of the Health Sector Programme (2009-2014), which concern support to the public health sector on the mainland, support to the public health sector of Zanzibar and the fight against HIV/AIDS, have been launched as planned.

Generally, the Ministry of Foreign Affairs' guidelines and practice for the implementation of reviews underpin the Ministry's efforts to ensure that the development programmes are on course. However, the Ministry should clarify its requirements to the quality of reviews in its guidelines, and further systematize its follow-up on review recommendations.

- The Ministry of Foreign Affairs' guidelines are addressing frequency and focus of reviews, and matters concerning the preparation of reviews. Procedures for reviews that are carried out in partnership with other donors are specified in the most recent version of the guidelines. The Ministry of Foreign Affairs is largely adhering to the guidelines.
- No specific requirements to the performance of reviews have been laid down, but the guidelines include a number of elements that contribute to ensure review quality, and these have been duly considered in the reviews checked by Rigsrevisioenen. The Ministry should specify the performance requirements in the guidelines.

- The guidelines set out how external consultants are selected to conduct reviews. The Ministry of Foreign Affairs selects consultants in compliance with the guidelines and review teams are put together to ensure participation of consultants with relevant professional background.
- The Ministry of Foreign Affairs is using reviews to adjust and improve the quality of the development assistance during programme periods. However, not all recommendations are being implemented, and the reasons why recommendations have not been followed are not always clearly stated and documented. The Ministry is furthermore building on experience from former reviews when new phases of development programmes are drawn up.
- The Ministry should ensure more systematic follow-up on reviews. This can be achieved by providing an overview of recommendations made and how these have been followed up. At the same time, the individual review should systematically follow up on the recommendations of the preceding review. The Ministry agrees that it should provide more elaborate evidence of how recommendations are followed up.

The Ministry of Foreign Affairs' evaluation guidelines are in compliance with best practice in the area, and generally the Ministry is following the guidelines. The Ministry does not systematically monitor whether review recommendations are being followed, but has in March 2010 implemented a new system for monitoring of follow-up on evaluations.

- Overall the distribution of evaluations between countries, sectors, instruments of development assistance, etc. is a reflection of the distribution of the Danish development assistance. In recent years, the cost of conducting evaluations has added up to between DKK 17 and 19 million.
- The Ministry of Foreign Affairs has developed clear guidelines for quality assurance of evaluations. The guidelines are in compliance with international standards. The Evaluation Department under the Ministry is responsible for the conduct of the evaluations and has ensured the quality of the three evaluations under audit in accordance with the guidelines.
- The Ministry of Foreign Affairs' guidelines to ensure the independence of consultant reflect best practice. The Evaluation Department may furthermore independently of the Ministry organize and publish evaluations.
- The consultants involved in the three evaluations under audit have all been independent in their conduct and reporting of the evaluations.
- In two of the three evaluations under audit, individual consultants have previously been involved in the activities that were evaluated. The Evaluation Department has stated that before the contracts were signed with the consultants, their independence had been assessed individually.

- It does not appear clearly from the Ministry of Foreign Affairs' follow-up on the evaluations, how the Ministry intends to follow up on the recommendations, and who is responsible for the follow-up. The Ministry's Evaluation Department has not since 2007 had a standard procedure governing how the Department should follow up on implementation of the evaluation recommendations. In March 2010, the Ministry decided to introduce a system to ensure follow-up on evaluations conducted the two preceding years.