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Evaluation of the CIDA Tanzania Program

Executive Report

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FORWARD

The evaluation of the CIDA Tanzania Program responded to a request from the Government of Tanzania to carry out a joint assessment of Canada's development assistance to Tanzania to identify results and help guide future programming. Goss Gilroy Inc. (Ottawa, Canada) was selected by the Agency's Performance and Knowledge Management Branch (PKMB) to execute the evaluation following a competitive process. The evaluation was conducted over a ten-month period in 2004.

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This executive report summarizes key messaging from the evaluation to facilitate informed decision-making and organizational learning. The full report prepared by Goss Gilroy can be obtained by contacting PKMB.

Goberdhan Singh
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LIST OF ACRONYMS

AKF	Aga Khan Foundation
AMEB	CIDA Africa and Middle East Branch
ARV	Anti-Retroviral
BEFF	Basic Education Funding Facility
CBO	Community-Based Organisation
CCM	Chama Cha Mapinduzi (current Tanzanian ruling party)
CCO	Canada Cooperation Office
CCT	Cross Cutting Themes
CDPF	Country Development Programming Framework
CEA	Canadian Executing Agency
CIDA	Canadian International Development Agency
COBET	Complementary Basic Education
CPB	Canadian Partnership Branch (within CIDA)
CPI	Corruption Perception Index
CSO	Civil Society Organization
DBSPE	District-Based Support to Primary Education
DFID	Department for International Development (Britain)
DID	Développement International Desjardins
DP	Development Partner
ESRF	Economic and Social Research Foundation (Tanzania)
EVI	Extremely Vulnerable Individuals
FSD	Foreign Service Directive
GBS	General Budget Support
GDP	Gross Domestic Product
GE	Gender Equality
GER	Gross Enrolment Rate
GoT	Government of Tanzania
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
HPDF	Hanang Participatory Development Fund
HQ	Headquarters
IMG	Independent Monitoring Group
JAS	Joint Assistance Strategy
JEBE	Joint Evaluation of Basic Education
JEBS	Joint Evaluation of Budget Support
KI	Key Informant
LSRP	Legal Sector Reform Program
MCDWAC	Ministry of Community Development, Women's Affairs Children
MDG	Millennium Development Goal
ME	Micro Enterprise
MEBD	Micro Enterprise Business Development
MF	Micro Finance
MFI	Micro Finance Institution
MoEC	Ministry of Education and Culture
MST	Marie Stopes Tanzania
NER	Net Enrolment Ratio
NGO	Non-governmental Organization
NGORCZ	Non-governmental Organization Resource Centre - Zanzibar
NISS	National Informal Sector Survey
NMB	National Micro-Finance Bank

ODA	Overseas Development Assistance
OECD-DAC	Organisation for Economic Co-operation and Development - Development Co-operation Directorate
OTTU	Organisation of Tanzania Trade Unions
PAD	Project Approval Document
PAF	Performance Assessment Framework
PMF	Performance Measurement Framework
PBA	Program-Based Approach
PDC	Professional Development Centre
PEDP	Primary Education Development Program
PKMB	Performance Knowledge and Management Branch
PRBS	Poverty Reduction Budgetary Support
PRS or PRSP	Poverty Reduction Strategy or Paper
PSRP	Public Service Reform Program
RFE	Rapid Funding Envelope
SACCOs	Savings and Credit Cooperative Organizations
SAE	Strengthening Aid Effectiveness
SAT	Southern Africa AIDS Training Fund
SMEs	Small and medium enterprises
SGBV	Sex and Gender Based Violence
STI	Sexually Transmitted Infection
SWAp	Sector-Wide Approach
TA	Technical Assistance
TAS	Tanzanian Assistance Strategy
TDDP	Tanzanian Democratic Development Program
TOR	Terms of Reference
TRC	Teachers' Resource Centre
TFFW	Tanzanian Training Fund for Women
TZ	United Republic of Tanzania
UN	United Nations
UNDP	United Nations Development Program
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
VCT	Voluntary Counseling and Testing
WHO	World Health Organisation
ZPRSP	Zanzibar Poverty Reduction Strategy Paper

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INTRODUCTION

Strengthening development cooperation effectiveness
through informed decision-making and organizational
learning

The evaluation of the CIDA Tanzania Program responded to a request from the Government of Tanzania (GoT) to carry out a joint evaluation of Canada's development assistance to their country. The evaluation was designed to assess the achievements, progress and identify the lessons resulting from the Canada and Tanzania development cooperation initiatives during the period 1997-2003. Additionally, the evaluation -to the extent possible, was to be forward-looking and complementary to evaluative work previously done by the OECD and the donor community in Tanzania. More specifically, the evaluation had 3 objectives:

- Review the evolution of the 1997 CDPF's basic assumptions and assess the extent to which CIDA's program adapted to the changing environment in both Tanzania and Canada;
- Identify relevant lessons for input into the drafting of a results framework for the new Tanzania Country Development Program;
- Assess CIDA's new programming modalities (e.g. SWAPs and budgetary support programs) in an effort to document experiences and share lessons, and identify factors that need to be monitored and/or nurtured in these new programming approaches.

The evaluation of the CIDA Tanzania Program offers opportunity to strengthen development cooperation effectiveness through informed organizational learning and decision-making. The evaluation team has put forward a series of recommendations to improve operations, inform priority setting and guide the implementation of future programming. In identifying vital, meaningful results, the evaluation demonstrates value-added and responsible spending of public funds in fulfilling the Agency's mandate. The organization of this Report is as follows:

- Sections I–III describe the country context, CIDA's investments, and the evaluation parameters/methodology respectively;
- Section IV summarizes the evaluation findings relative to: 1) relevancy, alignment and coordination; 2) effectiveness and development results achieved; and, 3) PBAs;
- Section V provides an overall conclusion and sets out the evaluation recommendations for going forward.

SECTION I: COUNTRY CONTEXT

Robust economic growth since the mid-1990s, yet one of the poorest countries in the world

The United Republic of Tanzania was formed on April 26th 1964, through the union of two sovereign states – Tanganyika and Zanzibar – shortly after each country gained its independence. Tanzania now functions as a unitary republic consisting of the Union Government and the Zanzibar Revolutionary Government.

In 2002, Tanzania ranked 174th out of 177 countries in GDP. Poverty was wide-spread, income inequality increasing and many people live on less than \$1USD per day. Tanzania ranked 162nd in the UNDP's 2004 Human Development Report. The country is heavily reliant on foreign aid and debt-servicing obligations divert much-needed resources away from improving the delivery of social services, although HIPC debt relief, beginning in 2001 has helped to alleviate this budgetary burden.

The population of Tanzania has grown from 12.3M in the first, post-independence census of 1967 to 34.6M in 2002, almost tripling in size. The rural poor constitute over 80 percent of the total population. Tanzania has some 120 identifiable ethnic groups (without any being large enough to be dominant). Roughly 78 percent of the total population (aged 15 and over) can read and write Kiswahili (Swahili), English, or Arabic. Some 86 percent of males and 71 percent of females are literate.

From a situation in the mid 1990s of stagnating growth, double-digit inflation and unsustainable levels of foreign and domestic borrowing, GDP growth has now averaged just under 6 percent per annum for the last three years (GDP was USD 10.1 billion in 2003), inflation is below 5 percent and borrowing has been reduced to sustainable levels. Although topographic/climatic conditions limit cultivated crops to only four percent of the land area, agriculture contributes 45 percent of the GDP, employs about 80 percent of the labour force and provides 85 percent of exports (coffee, cotton, tea, tobacco, cashew nuts, sisal). Services account for almost 40 percent of GDP and industry 15 percent.

1.1 Governance

After well over 25 years of socialist ideology, dismantling of government control began in the mid-1980s. Multiparty elections were held for the first time in 1995, and President Benjamin Mkapa of the ruling Chama Cha Mapinduzi (CCM) party was elected. He was elected again in 2000 for a second five-year term, although irregularities were reported and there was some subsequent political violence, especially on Zanzibar. Canada and other donors supported a reconciliation process aimed at reducing political tension and addressing outstanding concerns.

Reforms have initiated a massive and long-term process of democratization and political liberalization. However, the transition to true democracy has been hampered by reforms being poorly implemented and shortcomings evident within institutions needed to support the process. Politics are seen by some to be dominated by antagonistic factions pursuing self-interests in the name of fighting for democracy.

The Tanzania Assistance Strategy (TAS) recognizes the importance of creating an enabling environment for citizens to participate effectively in national development activities. Yet the implementation of the Vision 2025 goal of good governance has been minimal. The legal framework for local government authorities to operate under the new system has yet to be put in place and the process of harmonizing the enabling legislation and other sector specific laws has not been completed. The justice system at the community level is still inadequate and discriminatory, with petty corruption and gender bias often perverting the course of justice. Governance-related reforms are being implemented independent of each other with little or no coordination.

But there are encouraging signs as other key observations show a trend of general improvement:

- The first phase of the Public Service Reform Program (now in its second phase) targeted improving discipline, developing clear lines of responsibilities and accountability, and introducing modern management principles and techniques;
- Political rights and civil liberties in Tanzania from 1997–to–2004 showed some improvement, with ratings about equal to Ghana and better than Ethiopia (as per Freedom House ratings);
- Perceptions of the degree of corruption in Tanzania indicated that the 2004 showing was the best since 1998 (as per Transparency International rankings); and,
- Non-governmental organizations (NGOs) also play an important role in taking on issues that have not been adequately addressed by government organizations (e.g. income inequality, environmental sustainability, population control, gender equality).

1.2 Economic Context

From the mid–1990s, GDP growth has increased steadily and by 2002 surpassed the six percent target set out in the Poverty Reduction Strategy Paper. This performance is attributed to the economic and fiscal reforms adopted in the late 1980s and refined in the 1990s that profoundly affected policy-making and significantly transformed the financial sector and the civil service.

While Tanzania has maintained a stable macroeconomic environment with steady GDP growth, falling inflation, declining interest rates, a stable exchange rate and reduced government deficits, the debt overhang has been a constraint with debt-servicing consuming vital resources. Most notably, however, Tanzania reached its completion point in November 2001 under the Heavily Indebted Poor Country Initiative and received a stock of debt reduction from creditors (leaving a sustainable level of debt).

Policy and institutional changes have positively impacted private sector development. In the early 1990s, structural reforms and the removal of gross price distortion found a firm footing in institutional and legal terms. Liberalization has opened up the foreign exchange market with exchange controls being dismantled, private sector participation in financial markets, and the formal launch of the privatization process.

Increasingly, the management of infrastructure assets is being turned over to private operators.

Micro enterprises represent the fastest growing avenue for income generation, and often the only viable option for new entrants. The Government of Tanzania, recognizing that SMEs are central to economic health and poverty reduction, has: 1) provided accessible credit facilities for youth/women, 2) introduced tax exceptions, and 3) demarked areas for informal sector operations (thereby reducing harassment). Donors have also promoted credit accessibility, and fostered a stronger entrepreneurial culture.

At present, Tanzania endures overwhelming supply side constraints including low productivity in agriculture and low levels of human resource development. Economic prospects are being constricted by low domestic resource mobilization and a lack of support for developing basic infrastructure. The challenge is to translate economic growth into poverty reduction over the coming years.

1.3 Social–Cultural Context

Although health services are considered exemplary, delivery is constrained by hospital equipment, supply of essential drugs, well-trained personnel, and the technical capability to handle emerging problems. The HIV/AIDS pandemic now consumes about 30 percent of all health-dedicated resources. UNAIDS estimated that, at the end of 2003, HIV prevalence rates were between 6.4% and 11.9% with an estimated 1.6 million Tanzanians infected. With the rapid growth in non-government health care facilities, about half of the 5,000 facilities are government-owned. Of particular concern are child mortality rates and the high incidences of malaria, tuberculosis, and water-born diseases. The clean water supply system covers about 46 percent of the rural population, and 68 percent of urban areas, but over 30 percent of the installed capacity is not operating adequately. With access to clean water diminishing, the health status of poor communities in rural and peri-urban areas, and in urban slums is deteriorating.

UNDP's Tanzania Human Development Report (1999) found the country's education system (particularly primary education) to be in an egregious and declining state and called for better management of existing resources and the mobilization of new resources (from domestic/external sources). Both the Primary Education Development Plan (2001) and the Secondary Education Development Plan (2004) focused on dramatically improving enrolments and the quality of education.

As per the Constitution, women and men in Tanzania are to be treated equally, but gender bias is systemic with young women being denied the same rights, opportunities and benefits as it was with their mothers. Religious and customary laws perpetuate women's oppression. Customary laws and inheritance laws are largely patriarchal systems where only sons and the male clan members can inherit clan land. The socio-cultural environment places more emphasis on educating boys as opposed to girls (especially not beyond primary school). Women typically have limited employment opportunities, less decision-making power and are generally marginalized in low-income, low-status jobs. Although GoT established the Ministry of Community Development, Women and Children in 1992, the UNDP Human Development Report for Tanzania (2001) found: 1) women were still worse off

economically and educationally than men, and 2) income for women (in absolute terms) is lower than for most countries.

Environmental degradation represents a continuing challenge, with soil degradation, deforestation, and desertification at the forefront. Recent droughts have had a devastating impact on marginal agriculture and marine habitats are threatened by the destruction of coral reefs. Illegal hunting and trade (especially in ivory) continue to endanger some wildlife populations. The National Environmental Policy launched in 1997 identified the need for environmentally sustainable natural resource management practices to ensure that long-term sustainable economic growth is achieved.

1.4 Development Assistance Context

Between 1997-2003, the period following the issue of CDPF many changes occurred in the development assistance context, both globally and in TZ. These changes included:

- The development, in 2000, of the first Poverty Reduction Strategy (PRS) which set out TZ's medium-term poverty reduction agenda by means of consultations with national and international stakeholders, in the context of the enhanced HIPC initiative. (See p.3, Tanzania PRSP)
- In 2000, Canada endorsed the MDGs, which form part of the United Nations Millennium "road map".
- The Monterrey Conference in March 2002 which called on donors to "Harmonize their operational procedures at the highest standard so as to reduce transaction costs and make ODA disbursement and delivery more flexible, taking into account national development needs and objectives under the ownership of the recipient country." See p.3, Harmonizing Donor Practices For Effective Aid Delivery. (OECD-DAC)
- In early 2002, the CIDA submission of an Agency level Results-Based Management and Accountability Framework, a core part of which was a set of Key Agency Results (KARs), including Development Results, Enabling Results, and Management Results.
- The commissioning of the Independent Monitoring Group (IMG) in Tanzania to review progress in raising aid effectiveness by reducing transaction costs with its first report presented to the consultative group (CG) Meeting in December 2002.
- A policy statement on Strengthening Aid Effectiveness (SAE) released by CIDA in late 2002 formalizing a shift in programming towards using program aid rather than projects.
- The development of a Tanzania Assistance Strategy (TAS) from 2002 onwards by the GoT to improve ownership, partnership, and the effectiveness of aid.
- The 2003 Rome Declaration on harmonization included a commitment to, "Providing budget, sector, or balance of payments support where it is consistent with the mandate of the donor, and when appropriate policy and fiduciary arrangements are in place." (See p.2, Rome Declaration)
- A move towards the development of a Joint Assistance Strategy (JAS) which would combine features of traditional country assistance strategies/programs with principles of aid effectiveness.

SECTION II: PROGRAM PROFILE

The CIDA Tanzania Program began in 1965 and until the mid-1990s emphasized the provision of commodities and interventions in the agriculture, energy and transport sectors. By 2000, investments in railway and telecommunications were phased out. The 1997 CDPF facilitated the transition from infrastructure support to achieving “poverty reduction by increasing income-generating capacity, primarily of the under privileged”.

2.1 Goals & Objectives

The current CDPF, established in 1997, put forward a strategy of poverty reduction by increasing income-generating capacity through investments in basic education and small enterprise development initiatives. Consequently, from April 1997 to March 2004, CIDA funded over 200 projects or interventions in Tanzania, with a budget totaling CDN\$120.3M. Bilateral, multilateral and partnership channels for delivery were employed (bilateral aid totaled some 69 % of disbursements).

The CDPF (1997) targeted the following results:

Focus	Emphasis	Expected Results
Basic Education	<ul style="list-style-type: none"> ● Improve legal, social or economic environment ● Enhance the quality of basic education 	<ul style="list-style-type: none"> ● Increased student participation ● Better retention rates ● Improved access to basic education
Small Enterprise Development	<ul style="list-style-type: none"> ● Promote an enabling environment for SME development ● Facilitate access to micro credit (women and youth) 	<ul style="list-style-type: none"> ● Increased availability of credit ● Small-scale enterprise development ● New employment opportunities ● Increase in income levels

Gender equality (GE) and the environment were identified as crosscutting themes, and emphasis was accorded to capacity development, local ownership, and donor coordination. The intended beneficiaries were: 1) the poorest men and women in Tanzania’s economy (particularly in rural populations), 2) community-level organizations, 3) micro-entrepreneurs, 4) local governments, 5) national government (Ministry of Education and Culture), 6) civil society, and 7) women and girls.

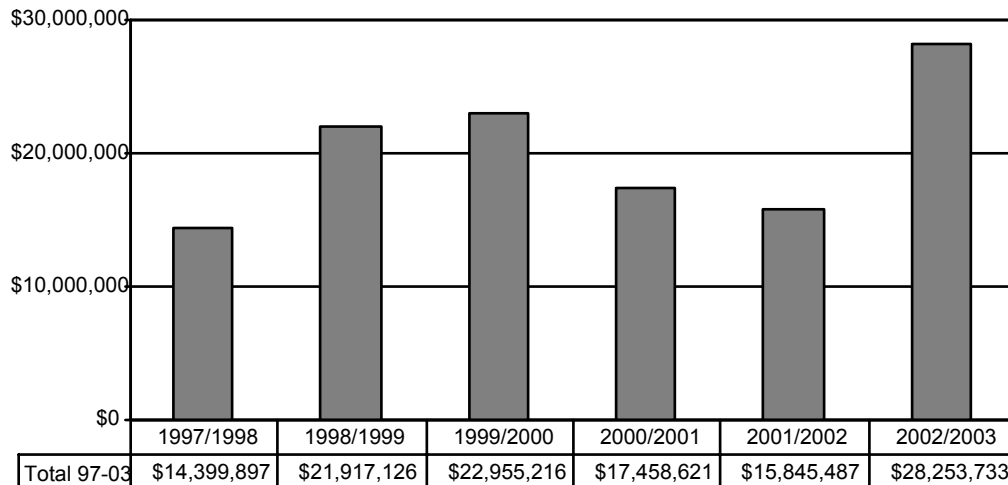
2.2 Portfolio Analysis

With total expenditures of \$120.3 million, annual program disbursements for the 1997-to-2003 period averaged CDN\$20.1M, from a low of CDN\$14.4M in FY1997/98 and peaking at CDN\$28.3M in FY2002/2003 as can be seen from the graph on the following page.

Disbursements dropped in 2000/2001 and 2001/2002 due to projects ending in the Transportation and Storage sector and a decrease in food aid and emergency relief.

The increase in 2002/2003 was due to an increase in education funding from \$3.7 to \$16.0 million.

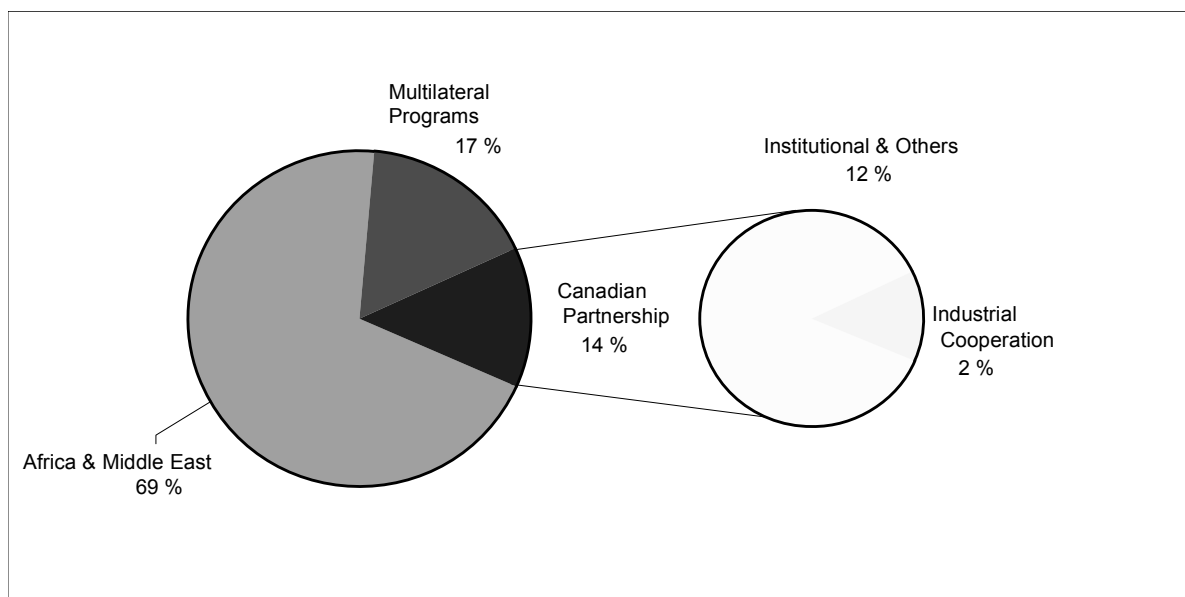
Annual Program Disbursements (FY1997/98–FY2002/03)



Disbursements by CIDA's Programme Branches

Bilateral programming carried out by Africa and the then Middle East Branch (AMEB) accounted for disbursements totaling CDN\$82.5M, Multilateral Branch funding amounted to CDN\$21.7M and Canadian Partnership Branch (CPB) CDN\$16.8M.

Total Program Disbursements by Channel of Delivery



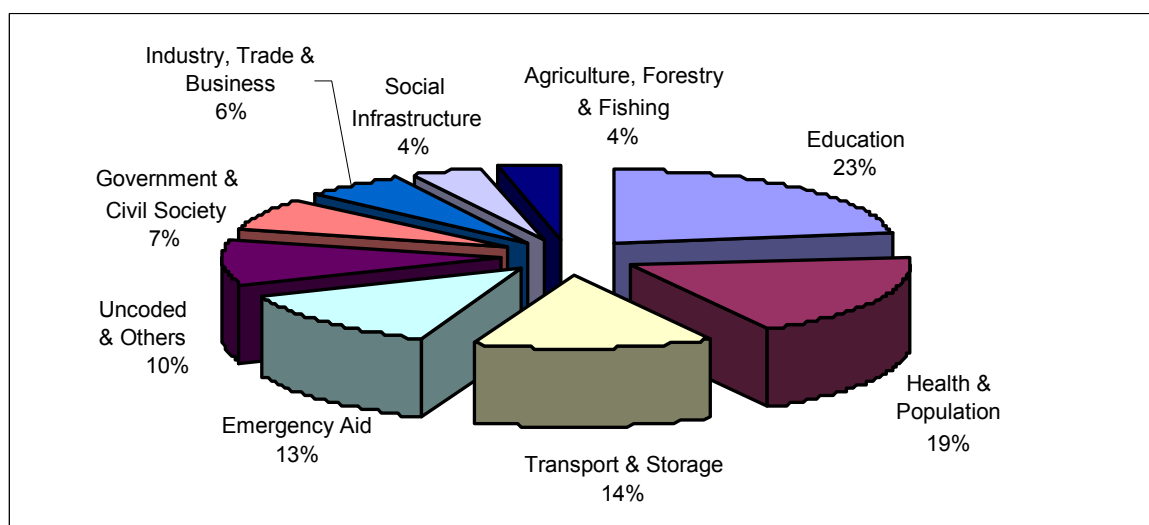
AMEB supported 63 bilateral initiatives. Multilateral Branch funded 14 grants to multilateral organizations including various UN agencies, and 14 contributions to large international NGOs (e.g. Red Cross, World Vision). CPB's 129 projects mainly involved contributions to NGOs, academic institutions or professional associations, with four projects delivered by CEAs. (all from the private sector)

Sectoral Breakdown

During the 1997 to 2003 period, almost 70 percent of total investments were allocated to four key sectors: Education (CDN\$27.6M), Health & Population (CDN\$22.8M), Transportation & Storage (CDN\$16.9M), and Emergency Aid (CDN\$16.1M). The remaining 30 percent was shared by a number of sectors, with Government & Civil Society (CDN\$8.5M) and Industry, Trade & Business (CDN\$7.1M) being most prominent.

The graph below shows how total Agency disbursements were allocated by sector for this period.

Total Program Disbursements by Sector



SECTION III: EVALUATION METHODOLOGY

This evaluation was designed to optimize the value-added realized both internally within CIDA and externally by the Agency's partners in development cooperation through informed decision-making and organizational learning. The intent was also to provide Canadians in general with a transparent overview of what is being achieved through the use of public funds.

3.1 Evaluation Scope

Responding to the Objectives in the Terms of Reference (TOR), the evaluation focused on following three key areas:

- Review the evolution of the 1997 CDPF's basic assumptions and assess the extent to which CIDA's program adapted to the changing environment in both Tanzania and Canada;
- Identify relevant lessons for input into the drafting of a results framework for the new Tanzania Country Development Program;
- Assess CIDA's new programming modalities (e.g. SWAPs and budgetary support programs) in an effort to document experiences and share lessons, and identify factors that need to be monitored and/or nurtured in these new programming approaches.

Subsequently, additional emphasis was attached to GE by making it a 'stand-alone' objective.

3.2 Approach and Methodology

The evaluation comprised: 1) an assessment of a sample of traditional project-based programming, and 2) a forward looking analysis of a sample of PBAs to guide future programming.

The goal was to build a 'macro' picture of results (principally at outcome and impact levels) in the key planned and unplanned areas of Agency intervention (education, micro-finance, health, democratic development and GE).

No attempt was made to extrapolate results beyond these areas. The evaluation was not meant to be a detailed review of selected projects. Rather, inferences were drawn from what was learned about project performance to synthesize information for the country program as a whole.

The eight members of the evaluation team were divided into two units to conduct field studies. Members included experts in education, microfinance and entrepreneurship, civil society, and GE. Three Tanzanian consultants were retained as team members to provide country-specific knowledge and support during implementation.

Four missions to TZ were carried out: (1) an Inception Mission in March/April of 2004; (2) a Mission focusing on Development Partners, PBAs and coordination in June/04; (3) a Main Evaluation Mission in August/September of 2004; and, (4) a PBA Consultation Mission in November of 2004.

3.3 Assessment of Traditional Programming

Assessment of the traditional programming centered on the analysis of the 13 programs/projects identified in the table below (amounts invested by CIDA are identified in brackets to demonstrate order of magnitude):

Program/Project Sample

Basic Education Funding Facility (CDN\$2.0M)	Maternal and Child Health Family Planning Services (CDN\$4.1M)
District-Based Support to Primary Education (CDN\$6.5M)	Rapid Funding Envelope for HIV/AIDS (CDN\$0.5M)
UNICEF Girl Child Education (CDN\$2.8M)	Tanzania Democratic Development Program (CDN\$3.8M)
The Aga Khan Foundation Education (overall budget – CDN\$13.4M)	Tanzania Training Fund for Women (CDN\$4.3M)
Micro Enterprises Business Development (CDN\$5.4M)	United Nations High Commission for Refugees (in Ngara) (CDN\$4.3M)
Development International Desjardins (CDN\$16.3M)	Care Canada–Imara (CDN\$12.0M)
Southern African HIV/AIDS Training Project (from 1996 est. to 2007 – CDN\$66.9M)	

The project sample accounted for 44 percent or CDN\$53.1M of the total disbursements of CDN\$120.3M for the study period (see table below):

Coverage of Program/Project Sample

Branch	Total Disbursement \$CDN	Sample Coverage	
		\$CDN	Percentage of Total Disbursement
AMEB	\$82.0M / 68.1%	\$37.1M / 58.8%	45.0 %
Multilateral	\$21.6M / 17.9%	\$13.5M / 21.3%	62.5 %
CPB	\$16.7M / 13.8 %	\$2.5M / 3.9%	14.9 %
Total:	\$120.3M	\$53.1M	44.0 %

The evaluation team employed multiple and overlapping lines of evidence to provide a 'macro' picture that accurately depicted the performance of the CIDA Tanzania Program.

The three main lines of evidence were:

- Literature and file review (over 280 documents);
- Key informants interviews with 14 CIDA staff members, 23 development partners/donors, 19 GOT officials, 82 people associated with implementing partners and 96 beneficiaries of Agency support; and,
- Observations of projects through site visits to 13 districts in seven regions (covering both rural and urban environments). The team visited government offices, 13 primary schools and teacher resource centres, the programming sites for 13 NGOs, three Savings and Credit Cooperatives (SACCOS), six hospitals/clinics, and one refugee camp.

3.4 Analysis of Program-Based Approaches (PBAs)

With a program-based approach, investing in development cooperation is dramatically changed compared to the idea of a “traditional” project. According to the CIDA PBA primer, a program-based approach includes four elements.

1. Leadership by the host country or organisation.
2. A single program and budget framework.
3. Donor coordination and the harmonization of procedures.
4. The increasing use of local procedures over time for program design and implementation, financial management, monitoring, and evaluation. (See p.2, CIDA Primer on PBAs)

There are 3 typical financial arrangements whereby donors participate in program-based approaches.

1. Pooled funding where donors contribute to a common fund or “basket” reserved for programmatic purposes agreed upon by all parties. This support can be “on-” or “off-budget”, or not involving government at all but directed to the private sector or civil society.
2. Budget support (Direct / General / Sector) where donor funds are disbursed directly to the budget of the recipient government. General budget support refers to situations where there are no limitations on where the funds are actually spent. Sector budget support “covers financial aid earmarked to a discrete sector or sectors”. (See p.21, Joint Evaluation of Budget Support)
3. Projects where donors fund discrete projects that are integrated into, and coordinated within an overall program, and with a stress on local ownership.

It should be emphasized that within these three types of financial arrangements there are a multiplicity of different arrangements.

Independent of financial arrangements are the programmatic structures that are developed to undertake activities and deliver results, funded by both donors and recipient governments. With a PBA an integrated set of programming activities is designed to achieve a related set of broad-based results in a given sector, sub-sector, and/or thematic area of intervention, under a national or sub-national strategy in support of a state/province/region or district-level program. Local ownership is emphasised, and the prime responsibility for program design and implementation lies with the local institution or institutions. There is a strong emphasis on donor

coordination and the harmonization of procedures. Accountability for results is shared in partnership with others. PBAs are expected to reinforce local systems; to lower transaction costs; and, to introduce greater flexibility over the application of funds. (See p.4, CIDA Primer on PBAs)

The evaluation team's analysis of PBAs employed in Tanzania was directed towards developing a greater understanding of the associated benefits, requirements, issues and challenges going forward.

To this end, a focus was brought to:

- What was learned about successful PBA experiences;
- How PBAs contributed to the realization of SAE principles; and,
- The foundations that facilitated implementation.

The following eight PBAs in Tanzania were selected for analysis (amounts disbursed by CIDA from fiscal year 97/98 to 03/04):

Project Title	PBA Type	Amount Disbursed
Poverty Reduction Budget Support Phase I (PRBS)	Budget Support	\$7.5 million
Primary Education Development Program (PEDP) Phase I	Sector Wide Approach	\$10.9 Million
Primary Education Development Program (PEDP) Phase II	Sector Wide Approach	\$15.0 Million
Financial Sector Deepening (FSD)	Sector Wide Approach	Panning stage
Rapid Funding Envelope for HIV/AIDS (RFE)	Basket Fund	\$0.5 million
District-Based Support for Primary Education (DBSPE)	Basket Fund	\$3.07 million
TDDP - Mwafaka	Basket Fund	\$260k
TDDP – Elections 2000 Basket Fund	Basket Fund	\$700k
TDDP – Legal Sector Reform Program, Quick Start Project Fund	Basket Fund	\$300k
Total Program-Based Approaches		\$38.1 million

A more intensive level of analysis was carried out for the: 1) Poverty Reduction Budget Support, 2) Primary Education Development Program, and 3) Financial Sector Deepening PBAs. (DBSPE, TDDP, and RFE were selected as sampled projects)

SECTION IV: EVALUATION OBSERVATIONS AND FINDINGS

The evaluation produced observations and findings in three areas:

1. The relevance, responsiveness and alignment of CIDA programming.
2. The effectiveness of programming with respect to development results.
3. Assessments of PBAs from a forward looking perspective.

4.1 Relevance of CIDA Programming

4.1.1 Responsiveness to Development Challenges

CIDA's 1997 Tanzania Program CDPF investment priorities were basic education and small enterprise development. As illustrated in Section 2, the bilateral program was not well-aligned with the CDPF's priority for small enterprise development. Although there was a growing and significant investment in the education sector (23 percent), there was minimal investment in small enterprise development/micro-finance. (seven percent)

However, the analysis revealed that "un-planned/opportunistic" (i.e. not identified as priorities in the CDPF) interventions in the health (HIV/AIDS) and democratic development sectors were significant and very responsive to compelling needs and were clearly aligned with GoT and Tanzanian priorities.

The evaluation team found that any program misalignment with the 1997 CDPF proved to be well intentioned, beneficial and did not result in any negative consequences

For the 13 projects sampled, 11 were ranked as having high degree of responsiveness to Tanzania's development needs (as listed below) and two with medium-to-high levels. However, it appeared that CIDA did not sufficiently address challenges in the areas GE and the strengthening of civil society, despite having some interventions in these areas.

Key observations also included:

- Investments in education responded well to a range of issues, including: low net enrolment rates (particularly for girls), low community involvement and limited infrastructure;
- Microfinance programming addressed the need for credit-based support expressed in both the 1991 National Informal Sector Survey (NISS) and the 1991 study contracted to Micro Enterprise Business Development (MEBD). A 2000 study by the Economic and Social Research Foundation - Tanzania (ESRF) indicated that some 95 percent of households needed credit, yet only seven percent had access to formal credit;
- Health programming targeted high rates of infant/maternal mortality and of HIV/AIDS, through the involvement of civil society and communities;

- Investments in democratic development responded to ratings that were low on governance, rule of law, and ethics, and high on levels of corruption. Other relevant issues related to the continuing legacy of a one-party state, the need of rule of law for economic development, and tensions between the mainland and the islands and between political parties;
- The Tanzanian Training Fund for Women (TTFW) was judged highly responsive as women's participation in decision-making was found to be lower than targets set by the Beijing conference; and,
- UNHCR-related work responded to Tanzania being a refugee recipient country due to the political tensions in the Great Lakes countries. The influx of refugees and the ensuing humanitarian crisis has put a strain on parts of the Tanzanian system.

4.1.2 Alignment with Government of Tanzania Priorities & Modalities

In terms of the alignment between CIDA's programming and the development priorities of the GoT (as listed below), of the 13 projects assessed, 12 were highly aligned with government priorities. The TTFW's medium-level rating was linked to its implementing Ministry being marginalized in the overall government structure.

Key findings included:

- The education interventions were favorably aligned with the GoT's PRS, Education Sector Development Policy (ESDP), and the Education and Training Policy (1995);
- The microfinance projects directly supported the PRS and the GoT's implicit priorities for economic services;
- Investments in democratic development were supported by the Nyalali Commission recommendations and GoT plans for legal sector reform; and,
- UNHCR-related initiatives responded to GoT appeals for help to manage and repatriate refugees.

With respect to the degree of alignment with the GoT's preferred aid modalities, 11 of the 13 projects were rated highly-aligned, while one was of medium-level, and only Care Imara (involving the monetization of food aid) was not aligned. Aid funds were being disbursed through a pilot initiative in direct budget support and a definite shift towards PBAs is evident (in conformity with TAS). Basket funding was employed to assist many sectors including education, HIV/AIDS and democratic development.

4.1.3 Donor Coordination and Synergy

The evaluation team found that other donors appreciated the leadership role performed by CIDA in harmonization efforts. Furthermore, over the 1997-to-2003 period, there were increasing indications of improved harmonization and synergy within programs involving other development partners.

....other donors appreciated the leadership role performed
by CIDA in harmonization efforts

Of the 13 projects sampled, only five interventions in the education and governance sectors, in addition to work with refugees, had significant coordination with other donors. Most projects did not, however, these projects tended to be stand-alone projects and most are ending or in the case of microfinance are in a sector where CIDA investments are now harmonized with other donors. Microfinance projects have now coalesced into a sector support approach with the Financial Sector Deepening (FSD) program.

Key observations also included:

- CIDA interventions in the education sector were highly coordinated as all major investments involved other donors; and,
- Health (HIV/AIDS) programming had mixed levels of coordination, with high levels of coordination evident in the Rapid Funding Envelope (RFE) for HIV/AIDS basket and lower levels for the Southern Africa AIDS Training Fund and Marie Stopes Tanzania; and.

4.1.4 Internal Alignment within CIDA Programming

Generally speaking, sectoral interventions were not well coordinated across aid channels within CIDA. In the microfinance sector, there was no evidence of exchange of information and or collaboration between the only two CIDA projects. (Development International Desjardins through CPB, Micro Enterprises Business Development through AMEB)

Within the bilateral program, there were cases of limited exchange between projects and some gaps existed where linkages and synergies could have been exploited. For example, in the area of capacity building through bilateral projects, the Training Fund for Tanzanian Women could probably have collaborated with the Basic Education Funding Facility to provide opportunities for women in the education sector at the district level. Most CIDA program officers working in the field reported a lack of knowledge of projects other than their own during the early part of the CDPF period. (1997–2002)

4.2 Effectiveness: Development Results

The evaluation team examined what was achieved by its 13–project sample to develop and build a macro–level picture for the education, microfinance, health, and democratic development sectors. The program's impact on GE and sustainability levels (determined through project sampling) was also assessed.

4.2.1 Education Results

Teaching and learning environments were improved in over 100 schools across Tanzania (out of approximately 12,000 primary schools in Tanzania). Education infrastructure was constructed and rehabilitated. Prior to CIDA interventions children were being taught in classrooms that were in such poor condition that they limited learning. Post-construction and rehabilitation students and teachers both report that the environment for learning was greatly improved. Improved conditions included increased light in classrooms and reduced levels of dust, in addition to an overall

improvement in the cleanliness and atmosphere for learning. Constructing new homes for teachers on or at the side of school sites contributed to increased teacher attendance.

Access to the education system was increased at pre-school and primary levels for thousands of out-of-school girls and boys. This has been especially critical for girls who have been expelled from school for getting pregnant, due to the GoT's discriminatory education policies. Teacher training was enhanced and expanded with the development of a network of teacher's resource centres and a professional development centre. The capacity of over one thousand teachers was directly enhanced (out of a total of approximately 100,000 teachers) and indirectly the CIDA program contributed to strengthening the teaching practices of many more.

Community participation was also increased in villages across Tanzania through management committees and there was an increased use of technology in the education system at both the district and regional levels

CIDA's support to primary education included encouragement of community participation in the education of their children. Funds were provided for the training of school committees of parents and teachers, mobilization of community resources and energies, and providing labour for school construction. As a result, there has been a significant increase in the participation of communities in school management, construction, and discussion of education matters. Downstream results included greater enrolment, less dropout and absenteeism, and truancy in general.

Education sector programming, while delivering impressive value-added results in individual projects, in aggregate terms did not appear to have as significant results and reach as would be expected for the levels of resources expended (\$27.0M). It should be recognized, however, that CIDA was just getting established in the sector and the three projects were in the process of delivering results when the switch was made to the PBA - Primary Education Development Project (PEDP) (which accounted for a third of education-related funds). For PEDP, performance indicators show that while progress has been made in enrolment, teacher development and quality of education are still areas of major weakness.

4.2.2 Microfinance Results

While the CDPF, 1997 identified microfinance as one of two key priorities, this sector only accounted for two specific interventions (one bilateral, one CPB) and a multilateral project that included microfinance programming.

Nevertheless, Agency programming during the 1997–2003 period can be linked to important accessibility and capacity building results. Strengthened SACCOS were able to increase their membership from 150 to over 10,000 members and savings from TSH 15M to 526M. The Development International Desjardins (DID) project contributed to this result by enhancing the capacity of six SACCOS. Management training interventions resulted in the transfer of knowledge in credit decision-making practices/procedures and financial resources management. With the MEBD program, 54,000 loans were funded for micro enterprises, of which 30,000 went to women

entrepreneurs. While the evaluation was unable to obtain robust data on improvements in the economic well-being of recipients of loans and savings services, there is a considerable amount of strong anecdotal evidence that shows a significant proportion of the borrowers have improved their economic circumstances through engagement in the program. CIDA programming influenced a paradigm shift in the way Tanzanian's perceived SACCOs: from unscrupulous institutions to safe places to deposit savings. With CIDA's contribution to the Financial Sector Deepening (FSD), support to microfinance is poised to deliver on the goals set out in the CDPF, 1997, as this SWAp has the potential to build the entire sector.

4.2.3 Health Results

Programming by Agency-supported partners delivered approximately 30 percent of the reproductive health care services to rural Tanzanians (with a focus on women). For example, Marie Stopes Tanzania (MST) is the second largest health service provider after government, and maintaining 86 percent of long-term and permanent family planning installations in the country.

CIDA supported construction of a number of clinics, health centres, dispensaries, and hospitals, serving populations not covered by mainstream health systems. In 2002, MST clinics provided services to 252,909 vulnerable Tanzanians, with a high number being rural women. CIDA also supported UNHCR in providing hospital services for both refugee camp residents and surrounding populations. In Ngara district, two UNCHR hospitals provided services to 15,000–20,000 people per year (with 30 percent being Tanzanians, not refugees). Immunization coverage in some camps was as high as 95 percent. The incidence of low birth weights in refugee camps was reduced from 30 percent to eight percent.

CIDA interventions enabled a wide range of health services to be provided to marginalized rural and refugee populations across Tanzania

CIDA results were also strong in building capacity to respond to the HIV/AIDS crisis. For example, the Southern Africa AIDS Training Fund (SAT) capacity building has enhanced the performance of many organizations involved in different facets of HIV/AIDS programming and has led to over 30,000 AIDS orphans being supported nationally. RFE supported NGO programming that led to an increased awareness by 46,000 youth on HIV/AIDS prevention and the establishment of a telephone network for HIV/AIDS counseling and information dissemination. Results demonstrated by health statistics from the UNHCR program included: 1) dramatically lower HIV/AIDS prevalence rates in refugee camps in comparison with the surrounding areas (3-5 percent versus 12–14 percent), 2) a 100 percent acceptance rate among refugee women for testing and counseling of pregnant mothers to prevent mother to child transmission, and 3) a 60 percent acceptance rate among spouses for voluntary counseling and testing.

4.2.4 Democratic Development Results

A minimal overall financial outlay contributed to significant governance results. The Agency's investment portfolio comprised well-clustered interventions that were highly coordinated with other development partners. There are indications that these efforts were greatly appreciated by GoT.

Basket funding contributed to the development of capacities within the Government of Tanzania, both at the national and local levels, to conduct free and fair elections. However, the independent election monitors found that the Mainland elections were free but not fair" (TDDP evaluation, p. 13). The multi-donor (including CIDA) supported Mwafaka process was cited as being instrumental in lowering tensions in Zanzibar.

CIDA interventions increased the capacity of both the Ethics Secretariat and the Ethics Office in matters related to ethics promotion for the Tanzanian public service. This increased capacity has, in turn, resulted in the development of a new Code of Ethics for TZ Public Service, a formal complaint and grievance handling process, revised methods for sensitizing public servants on ethical conduct, and increased collaboration between the various ethics institutions within the GoT itself.

CIDA responsive funding was able to achieve increased media coverage of human rights and legal processes, particularly as they relate to women and children; increased access by the poor to legal advice and process; increased investigations and prosecutions of human rights violations. CIDA support for AKF also included civil society programming that has strengthened a number of NGOs and over 100 community-based organizations in a variety of technical and managerial areas. CBO training has produced multiple positive results, including enhanced leadership, confidence, administration, effectiveness, and influence.

4.2.5 Gender Equality Results

An examination of how the CIDA Tanzania Program advanced GE, specifically with respect to decision-making, rights, and access and control of development resources and benefits was conducted. The evaluation team found that GE was simply not accorded high priority. Less than half of the 13 projects sampled revealed high levels of gender-related results, with only TTFW being specifically gender-focused.

....GE was simply not accorded high priority

Two projects that received CIDA support were able to achieve significant gender-related results. MST has made a difference to hundreds of thousands of Tanzanian women through the provision of reproductive health services. These services were provided to women (primarily in remote rural areas) including tubal-ligation for women, many of whom were desperate enough to walk for two days or more to get the procedure. UNCHR initiatives have also helped to empower women in refugee camps and reduce gender-based violence. UNHCR camps have facilitated women taking on leadership positions, which has resulted in significant participation of women at all levels of the camp community. In the early stages of the camp the leadership was 100% male. Now with UNHCR's intervention 50% of the camp's leaders are women,

and where there are camp chairs that are men, their assistants are female. Currently all food committee members are women (up from 2 out of 40 members initially) and they monitor all food distribution. Overall camp leadership has also changed significantly, involving more women. In addition UNHCR has trained close to 7,000 men and women in the area of sex and gender-based violence (SGBV). Reported number of SGBV cases rose dramatically once the program started as women started to come forward about SGBV. However, the numbers have now declined as the program had been implemented.

While the results from these two projects are encouraging they did not represent the mainstream of CIDA programming. In addition, in assessing the degree to which GE had been integrated into CIDA programming as a crosscutting theme, the evaluation team made the following observations:

- GE was never fully integrated into the program as a whole;
- There was no common vision for GE in the 1997–2003 period;
- HQ and field-based CIDA staff indicated they were unclear of what GE meant for the CIDA Tanzania Program (especially in the context of budgetary support and SWAp); and,
- CIDA lacked the institutional capacity to develop a responsive GE program and it appeared that the gender advisor was under-valued, under-utilized, and lacked resources.

The analysis indicated lost opportunities when CIDA could have influenced programming for GE through the provision of resources for gender analysis and during policy dialogue with partners (both government and non-government)

4.2.6 Sustainability

Nearly all of the sampled projects had high levels of impact-level sustainability, indicating beneficiaries would continue to realize results after project funding is terminated.

For example:

- The Teachers' Resource Centres (TRCs) set up through District-Based Support to Primary Education (DBSPE) were no longer receiving significant funding or government support, yet they were continuing to improve teaching practices in their districts; and,
- UNICEF Girl Child learners were continuing to excel in schools after going through the program and there was still recognition of alternative system for education of out of school children by parents, communities, and the government.

The levels were almost as high in rating the capability of the host individual/organization to continue activities post-CIDA funding. The majority of sampled projects were found to have sufficient on-going internally generated or non-CIDA external funding to ensure sustainability. This was attributable to three factors:

1) the transition to PBAs, 2) implementing bodies having their own programs and resources, and 3) the availability of other sources of funding. (including from other development partners)

4.3 Program-Based Approaches

PBAs represent a relatively new programming approach within the international development community, and one that the Agency is still learning about. The reality is that while PBAs may be grounded by the 'right' principles, their impact on poverty, especially with budget support, is a long-term prospect. Yet, with the growing movement towards PBAs, there is an obvious requirement now for donors to be able to make informed decisions about programming choices.

As such, the TOR called for the evaluation to: "Assess new programming modalities (SWAp and budgetary support) to document experiences, share lessons, and identify factors that need to be monitored/nurtured in these new programming approaches". To this end, the evaluation was designed to take a 'forward-looking' perspective in determining what could be learned from the implementation of PBAs in Tanzania.

The following sections provide an indication of how PBAs have contributed to the achievement of SAE principles and what was learned about PBAs that could be of value in building stronger interventions in the future.

4.3.1 Strengthening Aid Effectiveness

The evaluation team found that programming typically followed the documented priorities of the government as per the Poverty Reduction Strategy (PRS), donor coordination was improved, and stronger partnerships between development partners and the GoT were built (with the Agency's full participation). That being said, there were concerns that the documented GoT priorities set out in the PRS heavily reflected donor wishes and priorities. Trend analysis of overall sectoral budget allocation "...suggests rather strongly that the PRS is not a good reflection of political priorities... [rather] a Tanzania view of what Development Partners believe ought to be the national priorities... it represents a major failure with respect to the stated intentions of the PRSP process." (JEBS, pg. 70–71)

The GoT's TAS has advanced donor coordination. With upcoming development of a JAS, there are indications that development partners are coordinating their response to the TAS and deciding amongst themselves which donor agencies will take a lead role in particular sectors and with budget support. This streamlines the interaction required between GoT and development partners.

The evaluation team found that CIDA is widely recognized as a lead agency in the development of the JAS and in advancing donor harmonization generally

SAE calls for stronger partnerships to be developed “...through the development of compacts that would identify the responsibilities of developing countries and their external partners, as well as those shared by all”. With the groundbreaking work that is being done with the TAS and JAS, it is clear that those compacts have or are being developed, and are taking the concept farther than most other countries around the world.

SAE acknowledges that many aspects of a results-based approach will change in a PBA environment versus a project-oriented one. The evaluation found that the emphasis of results-based management (RBM) shifts from directly managing towards development outcomes, to managing partnerships, relationships, and risks through dialogue. Partner Government entities become the key actors managing development results and the Agency works indirectly through its developing government partners. Accountability for CIDA investments is thus shared at two levels:

- First within a common group of donors where the Agency’s funds are co-mingled and disbursed according to a commonly agreed upon plan; and,
- Second with the use of the funds by a recipient government where donors do not have direct control over application.

SAE states that: “...engaging civil society and the people directly affected by aid programs is an integral part of the comprehensive development model.” However, while processes such as the PRS are moving forwards, the requisite work to strengthen civil society to engage and participate has not been done. There is a continuing need for Civil Society Organizations (CSOs) to be better organized, and to have the capacity and specialized knowledge required to participate. Building this capacity is recognized as an intensive and long-term process. The evaluation team did not find that CIDA had a comprehensive and systematic approach for strengthening civil society to engage in key national development processes. PBAs and the CIDA program are not meeting this need.

CIDA involvement in PBAs was well aligned with SAE principles except for engaging civil society

4.3.2 Findings from the Field - Building on Experience

Policy Dialogue Interventions

With PBAs, policy dialogue with government and development partners becomes one of few vital means for CIDA to directly intervene in areas of concern and priority. The evaluation team found evidence that the Agency had demonstrated a disproportionate degree of influence ‘at the table’ (that relatively-speaking exceeded its financial contribution). Policy interventions occurred at a number of levels (GoT, line ministries, development partners) and at various stages (e.g. development of SWAp, ongoing operations of pooled funds, troubleshooting problems within fund baskets). Significant contributions were attributed to the Agency’s participation in Quick Start and Legal Sector Reform.

CIDA was commended for the constructive leadership provided by staff and recognized for being a technically knowledgeable partner

One policy dialogue issue involves cases where CIDA is represented by other donors in discussions and negotiations with government. Concerns were raised amongst donors that there were no written agreements between them to ensure common positions and that CIDA's inputs (for example) were accurately represented. In Tanzania there was a donor consensus that these should be put into place as soon as possible.

Integration, Coordination and Complementarity

There were indications that the introduction of PBAs had reduced fragmentation in the CIDA bilateral aid portfolio in Tanzania. To illustrate, the shift to a major investment in education with implementation of PEDP (through a SWAp) contributed to improved integration/coordination/complementarity with the UNICEF Girl Child Education Program, District-Based Support to Primary Education and Aga Khan Foundation investments in primary education. There were no indications, however, that PBAs had any significant effect on improving coordination among aid channels, or between different bilateral initiatives.

With respect to the integration of GE, there was little evidence to suggest that GE was well integrated into the PBAs in which CIDA was involved. The evaluation identified this deficiency as a significant recurring challenge for PBAs.

Strengthening Civil Society

According to the theoretical underpinnings of the PBA approach, there are two roles for civil society: 1) providing a watchdog or accountability role, holding government departments to account if funds do not reach intended communities, and 2) acting as service delivery vehicles, collaborating with government to deliver services government cannot or more efficiently. The evaluation team's observations suggest that actual practice in Tanzania demonstrates a different reality. Having an under-developed civil society sector there are only few pure watchdog organizations which in turn, poses a major accountability problem.

Often the role of watchdog was ascribed to NGOs who were also engaged in government-funded service delivery. This put CSOs in the untenable position of having to challenge powerful government officials on whom they depend on for funding. CSOs were concerned that government funds earmarked for them to deliver programs would not be forthcoming – and if funds were allocated to government to manage under PBAs they would be difficult to access.

Risk Management

Participating in PBAs changes CIDA programming risks. Certain types of PBAs (such as budgetary support) imply increased fiduciary risk (risk of misuse of funds)).

However, they also promise reduced program achievement risk (i.e. a greater likelihood of significant and sustainable results). Tanzania program documentation from 2003 and before clearly identified that there were significant risks related to corruption, public accountability, and that the GoT faces a major challenge in translating growing resources into sector level outcomes.

Feedback from CIDA staff through the evaluation suggested that the trade-off between benefits and risks need to be better understood generally and that senior management at CIDA, Parliamentarians, external stakeholders, and the public at large need to be adequately informed about them. CIDA staff on the Tanzania program felt that not enough had been done to raise the broad level of understanding about PBAs among senior management, the political level, and the Canadian public. They also felt that CIDA needed to provide clearer policy guidance on the use of PBAs.

Sequencing Reforms & Investments

With PBAs, how to sequence reforms and investments becomes an issue. There is an ongoing debate in the development community about which is the most appropriate sequence to follow. Some interviewees suggested that PBAs should not be funded before government reforms (relating to financial management, monitoring, reporting, ethics) were adequately in place. Clearly this is not the strategy that has been followed in Tanzania. A Public expenditure tracking survey (PETSs) in 1999 found that only 43 percent of funds for district schools and 12 percent of funds intended for hospitals centers actually made it to the district level. A second PETS in 2001 after donor funds had been disbursed found that “considerably less than 50 percent of funds were spent on activities that benefited the service delivery stations, including items such as exams and school material, training, and medical supplies and equipment” (Sundet 2003, p. 12). However, since the implementation of PEDP in 2002, new financial structures have been developed whereby the financial resources have been directly (by passing the districts) transferred from the center to schools in the country. The capacity of school management committees has also been strengthened.

Others donors pointed out that capacity cannot be built without moving resources through the system, and that work should proceed on government reforms with development partners ‘putting the money in’ to strengthen the process. This is an ongoing debate and only future audits and PETS will demonstrate if the current approach is appropriate. (It should be noted that more recent data on PEDP expenditure tracking was not available during the evaluation, although overdue, due to donor and GoT disagreements on the content of the audit report.)

Alignment with Canadian Priorities

Will the Agency be able to achieve results that are aligned with Canada’s ODA mandate and priorities, and the principles and directions set out by the Agency? Or will participation in PBAs dilute what CIDA is able to achieve in terms of preferred commitments and results?

Project-based programming is directed by Agency-approved terms of reference, work plans and performance frameworks that reflect the mandate for Canadian ODA,

programming priorities and cross-cutting themes. Also, with control over projects comes the capacity for CIDA to manage for results.

With PBAs the development agenda is rightly intended to be that of the recipient government: CIDA no longer directly controls what results are targeted and how programming is carried out. Attention to such key CIDA programming foci as poverty reduction, GE, environmental sustainability, the strengthening of civil society and HIV/AIDS are not guaranteed, since the content of PBAs is determined by group negotiations between government and donors. CIDA's efforts are typically limited to policy dialogue and lobbying development partners and recipient governments for inclusion of the Agency's key priorities and crosscutting themes, with their inclusion hinging on broad donor and recipient government consensus. For example: "Will GE be a priority in a health sector program?" Of course this does not preclude participation in an environment, gender equality, or HIV/AIDS PBA (such as RFE).

Being successful in advancing CIDA's positions will depend on: 1) the strength of the Agency's positions on particular issues, 2) the institutional and personal credibility of the staff raising them, 3) their dialogue and negotiation skills, and, to a certain extent, 4) the financial and technical resources CIDA is willing to invest.

With PBAs, attention to such CIDA programming foci as GE, civil society and HIV/AIDS are not guaranteed, since the content of PBAs is determined by group negotiations

Recipient Country Accountability

The expectation is that PBAs should increase the ownership by recipient governments and citizens of their poverty reduction programs. Many donors state that the demand for accountability for funds by citizens (and their representative organizations) was an essential part of making PBAs work. However, many Tanzanian stakeholders voiced concerns that with PBAs (particularly budget support) the GoT was becoming more accountable to donors rather than citizens. This was demonstrated by the fact that documents and policies were often shared with donors before parliamentarians and citizens and that the PRS 1 was not provided in Kiswahili by the GoT. Rather NGOs had to produce popular translated versions for dissemination to citizens. This was echoed in the JEBS report: "...signs that donor behavior and demands for accountability may actually be undermining the role of domestic accountability...[and] that government is making efforts to satisfy donor demands at the expense of democratic institutions."

Some Tanzanian NGOs voiced concerns that with PBAs the GoT was becoming more accountable to donors rather than the citizens

This poses a dilemma for donors and governments as to how to balance these competing interests. Donors have their own domestic accountability issues to worry about with respect to PBAs, which is part of the reason for their demands for recipient government accountability. On the other hand, the pressure that this puts on the recipient government can lead to an undermining of the realization of some of the

principles upon which PBAs are based – ownership by citizens and governments, and engagement of civil society.

This presents a paradox of PBA implementation, where competing accountability agendas favor donor agencies such as CIDA, to the detriment of the people in the countries they are intending to help.

Other Findings

The evaluation team also found that:

- Lengthy time frames were often required for setting up for PBAs and some proved difficult to implement. This finding refutes some preconceptions in the early literature on PBAs that they could be established and implemented quickly;
- The ability to influence policy can have more to do with human resources engaged (i.e. the particular individuals), intellectual inputs and track record, than the prominence of the financial contribution. Building trust with major players can prove vital; and,
- Even with PBAs, greater donor harmonization, and the development of joint strategies, there will still be a continuing requirement for CDPFs. The need for programming to be informed by CIDA specific material in the context of a corporate document remains.

SECTION V: CONCLUSIONS & RECOMMENDATIONS

The evaluation of the CIDA Tanzania Program offered opportunities to strengthen development cooperation effectiveness through informed organizational learning and decision-making. In identifying vital, meaningful results, the evaluation demonstrates value-added and responsible spending of public funds in fulfilling the Agency's mandate. Finally, the evaluation team has put forward a series of recommendations to improve operations, inform priority setting and guide the implementation of future programming.

5.1 Conclusions

Results achieved responded to the needs of Tanzanians and priorities of the government, in a period marked by major transitions

The traditional component of the CIDA Tanzania Program delivered significant results that clearly responded to the needs of the Tanzanian people (in particular addressing the marginalized elements of the population). Projects were found to be well-aligned with GoT priorities and preferred modalities. Although donor coordination ratings were mixed for stand-alone projects, the Agency's leadership in harmonization efforts was lauded by participating development partners. There was strong evidence of impact-level sustainability for CIDA-funded projects.

The program branched out or continued activities in many sectors beyond the two priorities (education and microfinance) identified in the 1997 CDPF. The "un-planned" expansion into these "additional" sectors, including health and HIV/AIDS and governance / democratic development, greatly strengthened the overall portfolio and the results achieved. However, due in large part to the significant transitions going on during this timeframe, the program lacked a cohesive overall strategy, especially in these "additional" sectors.

At the sector level:

- Education sector programming, while delivering impressive value-added at the project-level (capacity for delivery, access, community participation), in aggregate terms the results and reach did not appear to be as significant as would be expected for the levels of resources expended (\$27 million);
- Agency interventions in microfinance were linked to important accessibility and capacity building results, but investments in the sector never reached the level of priority accorded in the 1997 CDPF;
- Interventions and support provided crucial health services to poor rural women, built capacity and raised awareness to combat the HIV/AIDS crisis, developed health infrastructure and improved health service delivery;
- Democratic development interventions achieved some significant results, were well-clustered and coordinated with other development partners, and greatly appreciated by the GoT (albeit with a small financial outlay); and,

- The role that CIDA's non-governmental partners played in achieving the results in these areas are of particular note in terms of reaching populations that may otherwise have not been able to access the kinds of services provided.

The evaluation team found that interventions were typically not well-coordinated across aid channels, and opportunities within the bilateral program for greater synergies and coordination were not exploited. Gender equality was not a high priority of the CIDA Tanzania Program, the program lacked a common GE vision, and opportunities to improve GE programming were missed.

Concerning PBAs

The program's move towards greater involvement in PBAs was consistent with the donor community's thrust towards increased use of program-based approaches, especially general budgetary support. And, while it must be remembered that the use of PBAs is relatively new and therefore a little too early to see concrete meaningful results, the evaluation team's analysis of PBAs made a number of key observations about how PBAs had functioned in the CIDA Tanzania Program.

CIDA's participation in PBAs was found to be:

- well-aligned with SAE principles calling for stronger country ownership, donor coordination and partnerships;
- less well-aligned with the SAE principle of local ownership as it relates to the priorities of citizens and the SAE factor of strengthening civil society to engage in national development processes. Citizen engagement is a core aspect of accountability and ownership, and an area of weakness in the Tanzania case;
- especially strong in the policy dialogue area, with significantly greater influence than funding levels would imply; and,
- not successful in systematically addressing and/or integrating gender equality into PBA programming.

With PBAs and, as programming becomes more owned by government partners, the emphasis of results-based management needs to shift to enabling results – managing partnerships, relationships, and risks, in a government led, multi-donor environment. Policy dialogue becomes one of few vital means for CIDA to directly intervene in areas of concern and priority. The need to approach the sequencing of reforms and investments on a case-by-case basis also became apparent.

Finally, a strong, knowledge-based commitment to PBAs is required at all levels in CIDA and politically in Canada. The successful implementation of PBAs requires a long-term development commitment to the social and economic development of the recipient country, and staff with greater in-country knowledge levels, and policy dialogue and networking abilities in the field.

5.2 Recommendations

In developing recommendations for this evaluation, the evaluation team was very mindful of the program's effort to develop the new CDPF within the broader context of the effort between the GoT and donors to develop the Joint Assistance Strategy. In this regard, the Evaluation Division has worked closely with the program staff at HQ and in the field, periodically sharing our findings. The recommendations are therefore offered as suggestions for consideration by program management to better help manage the risks, maximize the program's effectiveness and discharge its accountability.

Finally, although the recommendations are addressed to the Tanzania program management, the issues and challenges raised here are also broadly applicable to other programs with PBA interventions.

Recommendation # 1: Developing the CDPF and keeping it up to date

Recognizing that "traditional" programming through projects and non-governmental partners can play a valuable complementary role to PBA-type programming, **it is recommended that the new CDPF clearly articulate what would be an appropriate mix of PBAs and traditional programming consistent with the areas of focus and results in the Joint Assistance Strategy that CIDA will target.** In this regard, particular attention should be paid to:

- *Civil Society:* Should the strengthening of civil society be considered as an area of focus, programming should reflect a corporate CIDA approach (coordinated in CIDA with other development channels and partners) to maximize potential synergies.
- *Gender Equality:* GE should be accorded its 'rightful' priority and become integral to all development cooperation interventions (planning & design, implementation, monitoring and reporting).
- *Keeping the CDPFs Current:* Should there be a significant shift in the programming orientation (such as the adoption or deletion of sectors) in future, the program should produce an updated CDPF to reflect the changes in the scope and/or focus of the program.

Recommendation # 2: Programming through PBAs

While programming through PBAs has the potential for high rewards in terms of results, this also comes with commensurately higher risks in a number of areas as outlined below. **It is therefore recommended that the program develop a strategy for taking into account the following with respect to PBA participation:**

- *Human Resource Requirements:* Branch and program management need to attract staff with appropriate expertise and ensure they are capable of professionally managing participation in PBAs – both at HQs and in the field. Specifically, staff need to have in-depth knowledge of the recipient government's systems (planning, financial management, accountability and reporting, etc), and how they work as well as networking capacities (e.g. linkages within government circles, development partners, NGOs, academic institutions).

- *Decentralization*: A robust structure to manage PBAs from the field is required, along with the contracting authority to approve initiatives of a significant level in a streamlined and timely fashion. Quick and flexible mechanisms for financial support and technical assistance are needed to allow the Post/Mission to exploit important opportunities that arise.
- *Pre-conditions*: Before increasing its participation in PBAs, the program should be clear on what (if any) pre-conditions or reforms have to be in place before committing to involvement and funding. In other words, what are the reform-related risks, and how can they be managed?
- *Informed 'Buy-In'*: A strong, knowledge-based commitment to PBAs is required at all levels in CIDA and politically in Canada. Informed decision-making requires a sound understanding of the strengths and weaknesses of PBAs. Higher fiduciary risk increases the need for transparency. Building public awareness domestically should also be a key consideration. Branch and program management need to ensure this awareness.
- *Representation*: Written agreements should be in place with donors representing CIDA in cases where CIDA is a silent partner or like-minded donors represent a common position to government.
- *Tools & Systems*: The lack of PBA-oriented tools and systems in CIDA was identified as an institutional barrier to more successful PBA participation. Systems need to encompass the unique dimensions of PBAs (e.g. treatment of budget support). Reporting tools have to take into account the time dimension for development results to appear and recognize that CIDA's focus may be restricted to 'enabling' results – rather than generating development results.

Recommendation # 3: Ensuring CIDA's Interests in the Joint Assistance Strategy

Previous evaluation experience has shown that policy influence and policy dialogue initiatives are likely to be more effective if they are well planned. Given the findings in regards to the difficulty of ensuring CIDA-specific interests with respect to civil society and gender equality under PBA programming, **it is recommended that the CIDA-specific interests of civil society and gender equality be negotiated as a priority and addressed in the JAS.**

ANNEX A MANAGEMENT RESPONSE

Overall management response to the audit/evaluation report:

We would like to thank the evaluation team for taking a participatory approach in carrying out this evaluation and for adapting the evaluation to make it pertinent to a program in rapid transition and expansion. CIDA staff, other donors and Government of Tanzania officials were actively involved in the exercise and are appreciative of the opportunity to reflect and contribute.

<i>Recommendations</i>	<i>Commitments / Actions</i>	<i>Responsibility Centre</i>	<i>Target Completion Date</i>	<i>Status</i>
Recognizing that "traditional" programming through projects and non-governmental partners can play a valuable complementary role to Program-Based Approach (PBA) -type programming, it is recommended that the new Country Development Programming Framework (CDPF) clearly articulate what would be an appropriate mix of PBAs and traditional programming consistent with the areas of focus and results in the Joint Assistance Strategy that CIDA will target. In this regard, particular attention should be paid to:	<p>We agree that a CDPF should clearly identify CIDA's targeted programming areas/sectors, and indicate what modalities will be used to deliver development assistance. A new CDPF will identify CIDA's areas/sectors of focus and possible delivery modalities. It is expected that the Program will continue to decide on delivery modality based on the nature of the sector challenges and opportunities, rather than based on a predetermined mix of projects and PBAs.</p> <p><u>Civil Society:</u> We agree that genuinely sustainable development in Tanzania will depend in part on increased democratization and a strengthened and more influential civil society. We see civil society not as a sector in itself, but as an essential element in a balanced approach to good governance and service delivery. <i>Action: Develop a Governance Strategy that outlines how CIDA will support civil society strengthening in Tanzania.</i></p> <p><u>Gender Equality:</u> Gender Equality (GE) should be accorded its 'rightful' priority and become integral to all development cooperation interventions (planning & design, implementation, monitoring and</p>	Tanzania Program	October 2006	In progress
	<p><u>Gender Equality:</u> We fully agree with this recommendation. <i>Action: Develop a Tanzania Program Gender Equality Strategy that includes a robust and adequately resourced action plan.</i></p>	Tanzania Program	December 2006	In progress

[illegible]

Recommendations	Commitments / Actions	Responsibility Centre	Target Completion Date	Status
management, accountability and reporting, etc), and how they work as well as networking capacities (e.g. linkages within government circles, development partners, NGOs, academic institutions).	recommendation. <i>Action: Explore avenues for assuring timely and appropriate support to PBAs while respecting Treasury Board regulations and authorities delegated to CIDA under the Criteria, Terms, and Conditions of the Transfer Payments Policy and the Agency Delegation Instrument.</i>			
<u>Decentralization:</u> A robust structure to manage PBAs from the field is required, along with the contracting authority to approve initiatives of a significant level in a streamlined and timely fashion. Quick and flexible mechanisms for financial support and technical assistance are needed to allow the Post/Mission to exploit important opportunities that arise.	<u>Pre-Conditions:</u> During the process of gaining approval for any new PBA initiatives the Program is careful to document - principally through the Results and Risk Management and Accountability Framework (RRMAF) - the state of government management capacity, conditions for program initiation, and procedures for ongoing management and the release of funds. This documentation is subject to a rigorous and continuing process of review by CIDA specialists and managers, and by Treasury Board Secretariat, as required. CIDA also undertakes its own risk assessments, and financial and contract specialists from CIDA regularly to review progress in management reforms. <i>Action: N/A</i>	CIDA	On-going	On-going
<u>Pre-conditions:</u> Before increasing its participation in PBAs, the program should be clear on what (if any) pre-conditions or reforms have to be in place before committing to involvement and funding. In other words, what are the reform-related risks, and how can they be managed?				
<u>Informed 'Buy-In' Requirement:</u> A strong, knowledge-based commitment to PBAs is required at all levels in CIDA and politically in Canada. Informed decision-making requires a sound understanding of the strengths and weaknesses of PBAs. Higher fiduciary risk increases the need for transparency. Building public awareness domestically should also be a key consideration. Branch and program management need to ensure this awareness.	<u>Informed Buy-In:</u> We agree with this recommendation, while recognizing that its implementation is beyond the purview of the Tanzania Program alone. <i>Action: Develop a CDPF that includes a Communications Strategy that takes into account the need to build both internal understanding as well as domestic public awareness of our program.</i>	Tanzania Program	March 2007	In progress
	<u>Representation:</u> We support this recommendation, though CIDA has not entered into silent partnerships of any nature in Tanzania. <i>Action: In the event that CIDA enters into such an</i>	Tanzania Program	TBD	TBD

Recommendations	Commitments / Actions	Responsibility Centre	Target Completion Date	Status
<p>Representation: Written agreements should be in place with donors representing CIDA in cases where CIDA is a silent partner or like-minded donors represent a common position to government.</p> <p>Tools & Systems Requirements: The lack of PBA-oriented tools and systems in CIDA was identified as an institutional barrier to more successful PBA participation. Systems need to encompass the unique dimensions of PBAs (e.g. treatment of budget support). Reporting tools have to take into account the time dimension for development results to appear and recognize that CIDA's focus may be restricted to 'enabling' results - rather than generating development results.</p>	<p><i>arrangement we will ensure that a written agreement is in place.</i></p> <p>Tools & Systems: We agree that our ability to participate effectively in PBAs could be strengthened by access to PBA-oriented tools, systems and policy positions from CIDA, and by reporting tools better adapted to the unique features of PBAs. Fortunately, CIDA is not alone in confronting these issues. There is an active learning network among donors sharing best practices and policies related to the management of PBAs. In fact, CIDA has played a leadership role in facilitating this inter-donor learning process, both through the dissemination of the <i>PBA Primer</i> and through hosting the international on-line bulletin board (extranet) on Program-Based Approaches. Much of the content emerging from these multi-donor learning networks is feeding the more formal processes of donor harmonization and alignment as evidenced by the Rome, Marrakech, and Paris Declarations. The CIDA Tanzania Program has benefited greatly from these networks. <i>Action: N/A</i></p>	CIDA	On-going	On-going
<p>Previous evaluation experience has shown that policy influence and policy dialogue initiatives are likely to be more effective if they are well planned. Given the findings in regards to the difficulty of ensuring CIDA-specific interests with respect to civil society and gender equality under PBA programming, the evaluation team recommends that the CIDA-specific interests of civil society and gender equality be negotiated as a priority and addressed in the JAS.</p>	<p>We agree with the spirit of this recommendation, i.e. that CIDA should make a more concerted effort to put its positions on gender equality and civil society forth. As the Joint Assistance Strategy is now less a programming strategy than an agreement of how donors will harmonize and align to achieve the NSGRP objectives, we do not anticipate that any sectoral or crosscutting issues will figure specifically in the JAS. <i>Action: Develop Governance Strategy and Gender Equality Strategy.</i></p>	Tanzania Program	October 2006 December 2006	In progress

