



Report to the Public Accounts
Committee on Denmark's
development assistance to
Tanzania

June
2010

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Rigsrevisionen submits this report to the Public Accounts Committee in accordance with sections 8(1) and 17(2) of the Auditor General's Act, see Consolidated Act No. 3 of 7 January 1997, as amended by Act No. 590 of 13 June 2006.

The report concerns section 6 of the Fiscal Act. The Ministry of Foreign Affairs.

In the period during which the examination was conducted, the Ministry was headed by the following ministers:

Per Stig Møller, Minister for Foreign Affairs: November 2001 - February 2010

Lene Espersen, Minister for Foreign Affairs: February 2010 -

Ulla Tørnæs, Minister for Development Cooperation: February 2005 - February 2010

Søren Pind, Minister for Development Cooperation: February 2010 -

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).
2. Programme for Good Governance, Human Rights and Democratisation.
3. Business Sector Programme Support.
4. Health Sector Programme Support.

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 operationalization 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 has fully achieved its 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 operationalized.

The basis for the assessment of achievement of objectives

- To the widest extent possible, the Ministry of Foreign Affairs will 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 for 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 operationalize the objectives.
- The operationalization 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.

Support to macroeconomic and institutional reform (also referred to as the General Budget Support)

- 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 National 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 Democratization 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 Programme Support

- The Business Sector Programme Support 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 Programme Support, 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, have boosted the commitment of the Tanzanian authorities. The Danish embassy has therefore reason to believe that this component of the Business Sector Programme Support will take off in the course of 2010.

The Health Sector Programme Support

- 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 concerns 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 for 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 for 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 Rigsrevisjonen. 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 consultants 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.

II. Introduction

A. Background

6. 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.

At its meeting in June 2009, the Public Accounts Committee asked the Auditor General to examine various issues relating to the Ministry of Foreign Affairs' use of evaluations, including:

- the scope and content of Danida's evaluation practice
- Danida's selection practice for evaluators
- the use of evaluations to make future adjustments to the development assistance
- Danida's evaluation expenses during the past five years.

The Public Accounts Committee's request was prompted by a debate in the media about among other subjects, the Ministry's evaluation practice, including whether the consultants conducting the evaluations are sufficiently independent of the Ministry of Foreign Affairs. Several experts, consultants and former employees of the Ministry of Foreign Affairs were criticizing the Ministry for failing to adequately follow up on negative evaluations of development assistance activities. According to the criticism, unsuccessful development assistance programmes continue unchanged, with the risk that development assistance funds are wasted and the effects fail to materialize.

At its meeting in September 2009, the Public Accounts Committee agreed to have the request form part of the examination of the development assistance to Tanzania.

7. Danida is the development policy arm of the Ministry of Foreign Affairs. In this report, Rigsrevisionen uses the term "the Ministry of Foreign Affairs" instead of Danida and distinguishes between the Ministry of Foreign Affairs and the embassy, because Ministry decentralization has increased the embassies' responsibility for implementing development assistance. For example, embassies are responsible for the programme assessment in the annual country assessments, while the Ministry of Foreign Affairs is responsible for overall policy formulation.

Rigsrevisionen has examined the results of the development assistance to Tanzania and the challenges the Ministry of Foreign Affairs and Tanzania face when measuring the effect of the development assistance. In this connection, Rigsrevisionen has examined the Ministry of Foreign Affairs' guidelines and practice for evaluating and reviewing the development assistance.

8. It is a key objective for the Ministry of Foreign Affairs that the development assistance is as effective as possible in order to achieve the best possible results for the funds appropriated. One means of enhancing the effectiveness of development assistance is to collect and use experience about what works and what does not and then use this knowledge to improve new and ongoing activities.

9. Reviews and evaluations are among the Ministry of Foreign Affairs' most important tools for collecting knowledge about the results of the development assistance. In order for the Ministry to apply reviews and evaluations to improve future activities, they must be reliable, that is, relevant problems must be clarified and criticism must not be ignored in order to avoid offending the Ministry of Foreign Affairs or the evaluatees. Moreover, relevant recommendations from reviews and evaluations must be implemented if they are to contribute to improving the development assistance activities.

Reviews

10. The purpose of reviews is for the donor together with the aid recipient to assess programme progress, challenges and need for adjustments. The review must result in forward-looking recommendations that enable programme coordinators to make adjustments to the activities. The review provides the parties involved in programme implementation with knowledge about areas in which the development activities need to be adjusted in order to achieve the set objectives within the limits stipulated.

Reviews form the basis of the annual reporting by the embassies on the outcome of the sector programmes. Sector programme assessments form part of the Ministry's performance measuring system. Reviews differ from evaluations in that they are an internal management tool used to currently monitor the development assistance and are not conducted exclusively by external consultants. The Ministry of Foreign Affairs conducts regular reviews of all sector programmes.

Evaluations

11. Development assistance evaluations serve a dual purpose: They must *provide evidence* of the results of the development assistance to the public and *contribute knowledge* about activities that work or do not work.

The provision of evidence element is aimed particularly at the general public, and its purpose is to monitor the application of the development assistance funds appropriated by the Danish Folketing (Parliament).

The knowledge element is aimed at Ministry of Foreign Affairs staff, practitioners and cooperation partners in recipient countries engaged in implementing the development assistance. Its purpose is to generate learning to facilitate the implementation of enhanced development assistance activities. The Ministry of Foreign Affairs evaluates a selection of programmes, which means that not all programmes are evaluated. Evaluations are performed by external consultants.

B. Purpose, delimitation and method

12. The purpose of this audit is to assess whether the Ministry of Foreign Affairs has achieved the objectives of the development assistance to Tanzania. Rigsrevisionen has examined the challenges the Ministry of Foreign Affairs faces in evidencing the achievement of development assistance objectives and in enhancing the effectiveness of the development assistance on the basis of experience gained from previous development assistance activities. 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?

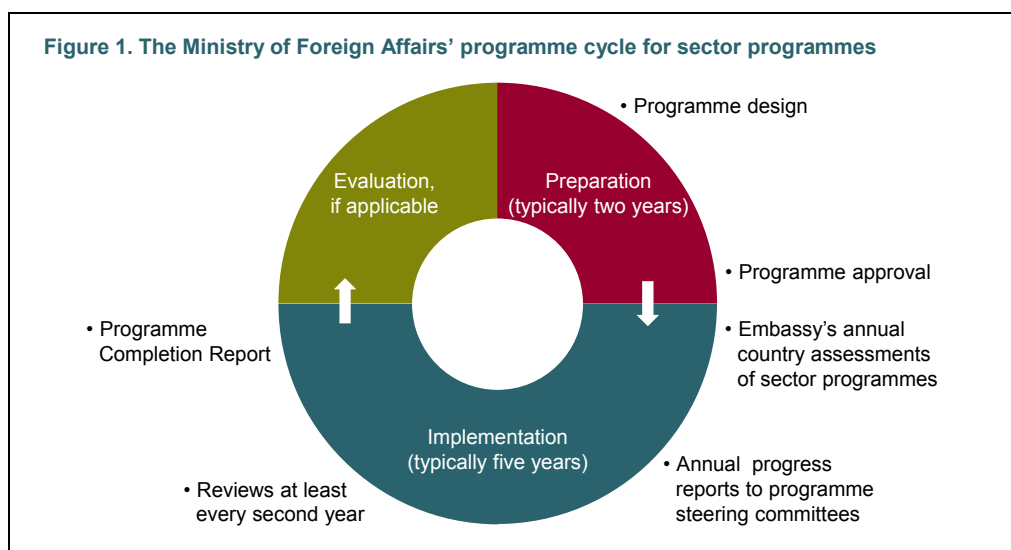
13. In order to answer the first question, Rigsrevisionen has reviewed the development of four selected sector programmes. Payments in 2009 to these four programmes amounted to just under 60% of the total Danish development assistance to Tanzania, and the share will increase in the years ahead. The four sector programmes are:

- 1) support to the macroeconomic and institutional reforms in Tanzania (also referred to as the General Budget Support)
- 2) the Good Governance, Human Rights and Democratization Programme
- 3) the Business Sector Programme Support
- 4) the Health Sector Programme Support.

All programmes must contribute to Tanzania's achievement of the objectives of the national strategy for growth and reduction of poverty ('the poverty reduction strategy'), in Swahili: Mkakati wa Kukuza Uchumi na Kupunguza Umaskini, Tanzania (MKUKUTA). The poverty reduction strategy (2005-2010) sets objectives for development in several core areas, such as economic growth, poverty reduction and development of the health, training and education sectors. The strategy is the key document for assessing the development in Tanzania at an overall level.

The audit of question 1 covers activities conducted during the period 2003-2010, with main focus in the report being on the most recent years.

14. Rigsrevisionen's examination builds primarily on the Ministry of Foreign Affairs' or aid recipients' progress and performance reports. Figure 1 illustrates the most important elements of the Ministry of Foreign Affairs' programme cycle, including the reports prepared on programme performance and progress.



According to figure 1, a programme cycle consists of a preparation phase, an implementation phase and any subsequent evaluation. Similarly, the embassy draws up annual country assessments of the sector programmes. This assessment forms part of the embassy's overall assessment of the assistance to the country concerned. In addition, the sector program-

mes are monitored on an ongoing basis by the programme steering committees, and annual internal progress reports are drawn up. Sector programme reviews are carried out every other year. Finally, the embassy prepares a final report on completion of the sector programme.

15. The reports are based on Tanzanian data material. Rigsrevisionen has not itself had the opportunity to assess the data quality, but uses the same data sources as the donors.

Rigsrevisionen's assessment of the achievement of objectives is based on the objectives set for the programme concerned. These objectives have been set jointly by Tanzania and the Ministry of Foreign Affairs (and any other donors). Consequently, the Ministry of Foreign Affairs is rarely solely responsible for achieving the objectives of a programme. Rigsrevisionen attaches special importance to the final reports drawn up by the embassy once a sector programme phase has been completed. The final reports, which include the embassy's overall assessment of whether the programme achieved its objectives, are sent to the Ministry in Copenhagen. Rigsrevisionen also considers the annual country assessment that the embassy prepares on the progress of the development assistance to Tanzania an important element of documenting the development assistance.

Beyond the progress and performance reports prepared by the Ministry of Foreign Affairs or aid recipients, the audit is also based on observations from Rigsrevisionen's official trip to Tanzania in November 2009, during which Rigsrevisionen held meetings with several of the Ministry of Foreign Affairs' local cooperation partners. The visit also included inspection of a regional hospital, Iringa Zonal Medical Store Department, a district hospital and a health-care centre in Mufindi.

16. In order to answer question 2, Rigsrevisionen examined reviews of the four selected sector programmes during the period 2003-2009. Rigsrevisionen examined the Ministry of Foreign Affairs' guidelines for reviews and the evidence supporting the reviews conducted. Moreover, with respect to certain reviews, Rigsrevisionen interviewed the consultants participating in the review and embassy staff. Finally, in November 2009 Rigsrevisionen was present during part of the review of the General Budget Support held annually by the donors and the government of Tanzania.

17. The answer to question 3 is based on the Ministry of Foreign Affairs' evaluation guidelines and policy and other Ministry documentation. In its assessment of the Ministry of Foreign Affairs' guidelines, Rigsrevisionen applied the OECD Development Assistance Committee's (DAC) quality standards for evaluations as best practice in the area. The Ministry of Foreign Affairs' guidelines are also based on these quality standards.

Rigsrevisionen has elucidated the Ministry of Foreign Affairs' evaluation practice by reviewing the three evaluations conducted during the period 2005-2009 regarding development assistance to Tanzania. Rigsrevisionen examined the contracts relating to these evaluations and the correspondence between the Ministry of Foreign Affairs' evaluation office and the consultancy companies, and interviewed the evaluation team leaders and the head of the evaluation office.

18. Appendix 1 includes a glossary with translations or explanations of important concepts, institutions, programmes, etc. Appendix 2 includes a list of abbreviations used.

19. A draft version of the report has been presented to the Ministry of Foreign Affairs, whose comments have been incorporated in the report.

C. Background on the development assistance to Tanzania

20. Tanzania has received development assistance from Denmark since 1962 and in overall terms tops the list of Danish aid recipients. Figure 2 shows the distribution of Danish assistance to Tanzania in 2009 by the sector programmes included in Rigsrevisionen's audit, other sector programmes and assistance outside the sector programmes.

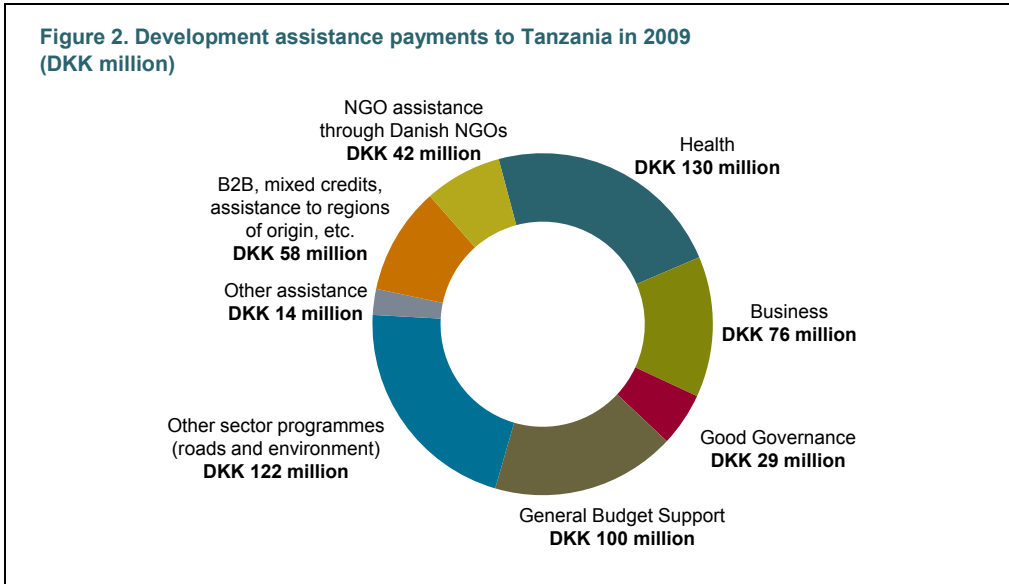


Figure 2 shows that the Health Sector Programme Support accounted for the highest disbursements in 2009 at DKK 130 million and that the Good Governance Programme accounted for the lowest disbursements at DKK 29 million. Disbursements to the Business Sector Programme Support and the General Budget Support amounted to DKK 76 million and DKK 100 million respectively, bringing total expenses for the four sector programmes examined by Rigsrevisionen to DKK 335 million in 2009. In addition, the Ministry of Foreign Affairs paid a total of DKK 122 million in support to other sector programmes and DKK 114 million in support to Tanzania outside the sector programmes. Support outside the sector programmes comprises NGO assistance, B2B (Business to Business), mixed credits, assistance to the regions of origin, etc., and other assistance. Total assistance to Tanzania amounted to DKK 571 million in 2009.

21. The programmes that form part of Rigsrevisionen's audit encompass three types of assistance:

- budget support either to a sector or as general budget support
- basket funding support
- direct Danish support to a programme or project.

Budget support ranks on an equal footing with other government revenues in Tanzania's state budget and may be granted either as general budget support that can be used in all sectors, or as sector budget support that must be used in a specific sector. The support is provided through Tanzania's own financial management systems and is thus administratively more effectively than if each individual donor administered its own assistance. The budget support also enables Tanzania's government to prioritize activities among the sectors and within individual sectors. Budget support is the only form of assistance that gives Tanzania's Parliament full responsibility for controlling the application of the funds, because they are fully integrated in the state budget and accounts.

Basket funding is a form of assistance where several donors jointly support an activity or an organization. The funds are managed according to agreed guidelines, whether they be Tanzania's own or donor guidelines, for example, the World Bank's administrative guidelines. Separate accounts are rendered for the funds. Basket funding eases the administrative burden for the recipient (government or civil society organization), which only has to work directly with a few donors, each of which would typically make its own different accounting and reporting requirements, etc.

Direct Danish support to a programme or project is a form of assistance where the funds are tied to the implementation of a specific activity or support to an organization. In this sense, direct support resembles basket funding. Funds are administered according to Tanzania's own administrative guidelines through the country's systems to the extent they meet Danish requirements. Otherwise, the funds are administered according to Danish guidelines.

Sector programmes often include several of these types of assistance. The health sector programme, for example, includes sector budget support, basket funding and direct Danish support to specific activities.

D. Facts and figures about Tanzania

22. In recent years, both political and economic reforms have been implemented in Tanzania. In parallel with political and economic reforms, Tanzania has implemented a number of reforms to strengthen public administration, such as public financing reforms and reforms aimed at providing better public services to citizens, e.g. in education and health-care.

23. Tanzania is a federal republic consisting of the former Tanganyika (the mainland) and the island of Zanzibar. Tanzania covers an area of 945,000 km² and has a substantial Indian Ocean coastline.

24. In 2008, the population figure was 41.9 million, of which 1.2 million live in Zanzibar, and population growth was 2.1%. The growth in population is declining with annual growth during 1990-2007 averaging 2.7%. 45% of the population on the mainland are Muslims, 45% are Christians, and 10% practises indigenous religions.

25. Following a lengthy period with a one-party system of government, a democratic presidential election was again held in Tanzania in 1995, and the country is to elect a new president in 2010. The government party - Chama Cha Mapinduzi (CCM) - which was also in power during the one-party system, has won all previous democratic elections, and following the most recent election in 2005, CCM holds approx. 90% of all seats in the union parliament.

26. Tanzania is one of the world's poorest countries with a GDP per capita of USD 440 in 2008. Tanzania receives substantial foreign aid which, according to World Bank information, corresponds to approx. 40% of the state budget. Since the beginning of the 1990s Tanzania's economy has gradually shifted from a socialist to a market economy. During the period 2002-2008, annual economic growth was approx. 7%. The Ministry of Foreign Affairs is of the opinion that an annual growth rate of 8-10 % is necessary if Tanzania is to achieve its objective of becoming a middle-income country by 2025. However, an 8-10% growth rate in itself is not sufficient to combat poverty. The Ministry states that higher growth is required particularly in the agricultural and private sectors in order for sustainable jobs to be created.

III. Results of development assistance to Tanzania

MAIN FINDINGS AND CONCLUSIONS

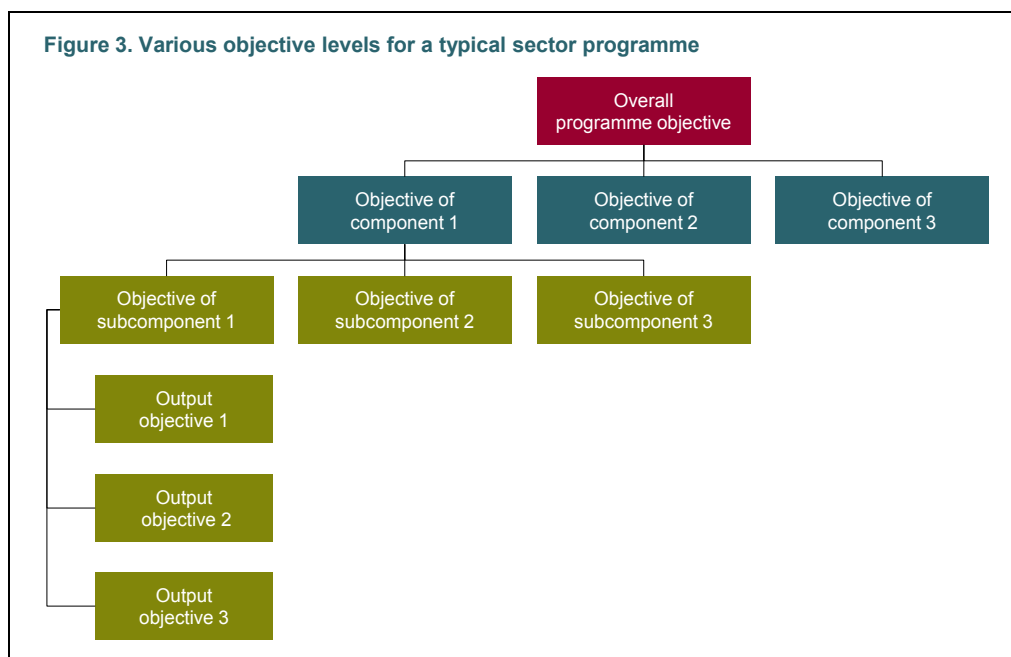
Generally, the development assistance to Tanzania is generating satisfactory results measured against achievement of the objectives set. However, none of the four programmes has fully achieved its objectives. The shortfall is related to the inadequate capacity of some of the Tanzanian authorities that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

A. The Ministry of Foreign Affairs' operationalization of sector programmes

27. In many cases it was difficult for Rigsrevisionen to assess the achievement of the programme objectives, because setting objectives that could subsequently be followed up on was a challenge for the Ministry of Foreign Affairs. Consequently, Rigsrevisionen will look into some of the typical challenges facing the Ministry when setting objectives and measuring the results of the assistance provided.

Setting sector programme objectives

28. A sector programme typically has an overall objective and several underlying objectives. Therefore, sector programme performance is measured at several levels. Figure 3 illustrates the various levels of objectives for a typical sector programme.



According to figure 3, a sector programme consists of an overall programme objective, including objectives for a maximum of three components and three sub-components.

The objectives at programme and component level will typically be impact objectives (e.g. improving the state of health of the Tanzanians). Further down the hierarchy, the objectives will typically concern output, i.e. objectives for activities to be carried out (e.g. how many hospital managers in the health sector programme need to be trained in planning and budgeting). There is no upper limit as to number of output objectives in a sector programme.

Ideally, there must be a connection between the activities implemented and the higher-level objectives although the degree of correlation varies. Economic growth in Tanzania, for instance, is one of the overall objectives for two sector programmes, but it is difficult to judge whether positive growth can be ascribed to activities performed under one or the other programme, or whether it was generated by entirely different factors.

29. The Ministry of Foreign Affairs' follow-up on the results of development assistance depends on the form of assistance provided. When Denmark provides budget support, the Ministry follows up on the assistance on a more overall level than for project assistance. Follow-up on the results of development assistance is based on a given country's measuring systems and data. When several donors work together, as is the case for basket funding, this means that when managing the programmes, including setting and operationalizing objectives, the Ministry must pay regard to both the local partner (e.g. an NGO or a ministry) and the other donors participating in the basket fund.

30. In its review of the programmes, Rigsrevisionen has ascertained a number of problems relating to operationalizing the objectives.

The major weaknesses in the Ministry's operationalization of objectives are that:

- Objectives are not always clear-cut.
- Objectives are rarely weighted.
- Baseline and/or periodic data on set objectives are often missing.
- In several cases, evidence of programme changes, e.g. changes to objectives, is not provided.

Often, objectives are not clearly described; they are often process-related and worded in terms so broad that it is difficult subsequently to assess whether they have been achieved. This is the case, for example, when a proportionate increase is set as an objective with no specification of how big the increase should be. Moreover, in certain cases, no indicators have been provided to measure the activity. This is in part the case for more than one-third of the objectives of Tanzania's poverty reduction strategy.

Only one of the components reviewed by Rigsrevisionen had weighted objectives. Because there are often many objectives it is difficult to assess the overall achievement of objectives. Weighted objectives subsequently make achievement of only 75% of the objectives of a programme acceptable as long as the most important objectives have been achieved. If no weighting has been assigned, no basis for such an assessment exists.

Lack of baseline data is a general problem for the programmes. One example is that four years into the existing poverty reduction strategy from 2010 through 2015, no baseline data exist for at least one-third of the objectives. One effect of this is that it is unclear which specific improvement must be achieved and the extent to which an objective is ambitious and/or realistic.

Many programmes are changed during the programme period, but in several cases these changes, including changes to objectives, are not documented. This makes it difficult subsequently to assess the achievement of objectives.

31. The Ministry of Foreign Affairs is aware of the challenges of operationalizing objectives and points out that sector programmes must have monitoring systems or that such systems must be developed as part of the programme activity. In principle, the Ministry wishes to use Tanzania's own systems, for one thing, to ensure Tanzanian ownership of the activities. However, this occasionally makes the provision of accurate, consistent data on the achievement of objectives challenging.

Reporting on achievement of programme objectives

32. The final report prepared by the embassy on completion of a programme period contains a specification of the overall achievement of objectives. Rigsrevisionen's review showed that the reports provide only negligible evidence of the results achieved relative to the objectives set at the start of the programme. Thus, the final reports do not systematically account for the results achieved relative to the objectives set at the start of the programme and often do not include details on how different programme components contributed to achieving the overall programme objective. This makes it difficult to assess whether Tanzania and Denmark achieved the expected objectives and to identify which important activities were not implemented.

The Ministry is in possession of data from sector programme monitoring systems which can be used to improve the documentation in the final performance reports. However, Rigsrevisionen is of the opinion that to some extent the quality of the final reports reflects the relatively weak operationalization of objectives in the preparation phase.

33. The Ministry of Foreign Affairs is aware of the problems relating to the final reports and is in the process of updating the relevant guidelines.

Assessment

34. To the widest extent possible, the Ministry of Foreign Affairs will 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 for 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 operationalize the objectives.

35. The operationalization 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.

B. Support to macroeconomic and institutional reforms (General Budget Support)

36. The support to the macroeconomic and institutional reforms (General Budget Support) runs from 2006 to 2010. The overall objective is to contribute to achieving the goals of Tanzania's poverty reduction strategy, which includes generating economic growth and reducing poverty while maintaining macroeconomic stability in the country. General budget support ranks on an equal footing with other government revenues in Tanzania's state budget. It is up to Tanzania's government to decide how to apply the funds within the principles agreed upon with the donors. In addition to general budget support, the programme includes support for central public sector reform programmes.

Component 1 – General Budget Support

37. Denmark has provided general budget support for Tanzania since 2001. General budget support is the Tanzanian government's preferred form of assistance and is provided together with 13 other donors. The main principles of the assistance are sound macroeconomic development, achievement of objectives of the poverty reduction strategy, sound public financial management, respect for democracy and human rights, and good governance. Elements of general budget support are related to progress being made in certain core reforms, for example, the two programmes supported by Denmark under this component.

38. Through the ongoing dialogue with Tanzania's government, these principles enable donors to influence the policy that the country pursues. One example is the ongoing measuring and discussion of how much of the state budget is applied for the social sectors, for example, education and healthcare. The embassy follows up through regular meetings with key stakeholders in Tanzania and through the annual review of General Budget Support.

39. Rigsrevisionen's assessment of the achievement of the programme objectives is based on the development in the relevant poverty reduction strategy objectives and the achievement of objectives in the annual Performance Assessment Framework (PAF).

40. The poverty reduction strategy runs from 2005 to 2010 and has a total of 109 objectives relating to such areas as overall economic and social development. The extent to which the poverty reduction strategy sets concrete objectives for the development up to 2010 varies. Concrete objectives have generally been set for the areas growth and poverty reduction and macroeconomic development for 2010. However, fewer baseline data for measuring development have been provided. For the social sectors, concrete objectives for achievements by 2010 have also been set, and baseline data exist for the bulk of the objectives. As regards governance and accountability, concrete objectives have only been set for two out of 40 indicators.

Three programme components

Component 1:

General Budget Support is granted as fixed financial support to Tanzania's state budget (Budget: DKK 475 million).

Component 2:

To improve public financial management in Tanzania. The component has subsequently been moved to another programme. Rigsrevisionen will consider the component under the programme for which the appropriation was originally granted (Budget: DKK 30 million).

Component 3:

To make public sector administration effective and responsive to citizens' needs.

Performance Assessment Framework

(PAF) is used to assess progress made at the annual reviews of the general budget support. PAF objectives are set annually and include objectives from the poverty reduction strategy and objectives for some of the programmes launched to support the achievement of the poverty reduction strategy objectives.

41. Table 1 shows the development of selected objectives of the poverty reduction strategy.

Table 1. Development of selected objectives of the poverty reduction strategy (%)

Indicator	2005	2008	2010 objective
Growth in GDP	7.4	7.4	6-8
Industrial sector growth	9.6	9.9	15
Agricultural sector growth	4.3	4.6	10
General government budget balance (as a percentage of GDP)	-4.9	-1.9	-3 (2008-2009)
Inflation	4.4	10.3	6-8 (previously 4)

Table 1 shows that growth in GDP in both 2005 and 2008 was 7.4% and thus within the objective of 6-8% growth by 2010. Table 1 also shows that industrial sector growth in both 2005 and 2008 exceeded Tanzania's 7.4% growth in GDP. However, it is doubtful whether the poverty reduction strategy objective of annual industrial sector growth of 15% by 2010 can be accomplished because growth in the sector increased from 9.6% in 2005 to only 9.9% in 2008. Agricultural sector growth was 4.3% in 2005 and 4.6% in 2008, which makes achievement of the targeted 10% growth in the sector by 2010 seem unlikely.

According to table 1, the general government budget balance showed a deficit in 2005 and 2008. The government budget deficit amounted to 1.9% of GDP in 2008, which was the first time the deficit fell within the targeted maximum deficit of 3% of GDP during the period 2008-2009. Inflation rose from 4.4% in 2005 to 10.3% in 2008. The previous objective for 2010 was 4%, but the donors have accepted an increase from 4% to 6-8% in targeted inflation for 2010. Accordingly, the growth was accomplished with relative macroeconomic stability being maintained in the country.

42. The largest unresolved problem at macro-level is reducing the proportion of poor people in Tanzania. In 2007, 33.6% (latest figure) of the population lived below the poverty line, and this proportion has declined only slightly from 35.7% in 2001. According to Tanzania's statistics office, the slight fall is not statistically significant. The proportion of poor people is a key element of the 2015 objectives, and there is little evidence in the existing development that, in spite of significant economic growth, Tanzania will achieve the objective of no more than 19.3% of the population living below the poverty line by 2015.

43. At the annual review of General Budget Support Tanzania and the donors include the coming year's objectives for the programme in the performance assessment framework (PAF). Tanzania's government and the group of donors also quantify the achievement of objectives for the past year in the general budget support review. To some extent, the PAF objectives are the same as those of Tanzania's poverty reduction strategy. The PAF status is therefore an indication of any progress made in the poverty reduction strategy. According to the embassy, the review of general budget support and the PAF constitutes a good framework for dialogue between donors and Tanzania's government on the status of a number of cross-cutting reforms and challenges. On the basis of the plenary discussions that Rigsrevisionen attended during the November 2009 review, Rigsrevisionen agrees with this assessment.

The performance assessment of the review of General Budget Support in November 2009 followed up on 77 objectives. Forty of these objectives were achieved, two were almost achieved (moderately satisfactory), and 24 were not achieved. As for the remaining 11 ob-

The 2015 objectives were set by the former UN Secretary General on the basis of a UN resolution. Eradication of hunger and extreme poverty is one of eight objectives

jectives, no agreement had been reached between the donors and the government of Tanzania, or the achievements had not yet been quantified.

Component 2 – Public Financial Management Reform Programme

44. The Danish contribution to the public financial management reform programme was budgeted at DKK 30 million. Tanzania's government provided DKK 385 million to the programme up to 2009 (including donor contributions).

The Tanzanian government has been carrying out public financial management reforms since 1998. Tanzania's macroeconomic stability in recent years was a main objective of phase 1 of the public financial management reform programme (PFMRP).

45. The current programme (phase 3 of the PFMRP) was launched before expiry of phase 2 because the outcome of phase 2 did not live up to expectations. The problems in phase 2 were inadequate use of the programme potential, inadequate results and inadequate strategic management and implementation of review recommendations. The ongoing programme phase is intended to, among others:

- ensure better management of government cash flows
- strengthen government banking activities, payment activities and money collection
- ensure greater predictability of disbursements to ministries, government agencies and local authorities and thus create conditions for providing better services to citizens
- ensure that ministries, regions and local governments are capable of handling their greater financial management responsibility.

46. The Tanzanian government's and the donors' assessment of the progress of the PFMRP is set out in the annual PAF. In 2006, programme progress was found to be unsatisfactory and in 2007 reasonable. In 2008, although progress was made in certain areas, overall progress was found to be unsatisfactory. Finally, in 2009, the government of Tanzania and the donors disagreed about the assessment. The government found that progress was satisfactory, whereas the donors found it unsatisfactory.

47. One key area which has experienced difficulty implementing the programme intentions is the disbursements made by Tanzania's Ministry of Finance to ministries, government agencies and local authorities. According to the donors, the share of the government budget allocated directly to local authorities according to predetermined principles did not meet the PAF objective for 2009. There is a significant difference in the parties' assessment of the share of the government budget for the fiscal year 2008/2009 that was allocated directly to the local authorities. According to the Tanzanian government, the share was 23.9% whereas according to the donors, it was 19.4%. The objective was 23%. Moreover, the objectives of more reliable (predictable) cash flows and procurement plans in four ministries and government agencies were not achieved.

According to the 2008 PAF, the share of the government budget disbursed was 82% (100% of the current budget and 57% of the capital budget). However, a large part of the budget was allocated to the recipients very late in the fiscal year, which is inexpedient, because it makes it difficult for recipients to plan activities. This issue was also discussed at the review of General Budget Support in November 2009.

48. It appears from the embassy's country assessment for 2009 that Tanzania's public financial management performance today is worse than a few years ago. In terms of budget and financial management Tanzania's World Bank rating has deteriorated, and the country's performance measured against several of the assessment parameters for public financial management has deteriorated. However, Tanzania's public financial management remains relatively good compared to other African countries. To some extent, the decline in the quality of public financial management in Tanzania reflects that the implementation of the public financial management reform programme has not been fully satisfactorily.

National Audit Office of Tanzania and Public Procurement Regulatory Agency

49. The institutions in Tanzania that are crucial for public administration efficiency are typically relatively weak. In the past few years, however, significant progress has been made in some areas, such as the National Audit office of Tanzania and the Public Procurement Regulatory Agency.

50. The regional cooperation between Africa's supreme audit institutions (AFROSAI) rates the supreme audit institutions of its member countries on a scale of 1 to 5, 5 being the best rating. The National Audit Office of Tanzania aims to improve its rating from 1 to 3 within a number of years and has taken steps to achieve this objective.

The national audit office's independence was strengthened by the adoption of a new public audit act in 2008. One year, the disbursement of a small portion of the general budget support which Denmark provides to Tanzania was conditional on the Tanzanian parliament adopting a new statutory framework for The National Audit Office of Tanzania. The new act has strengthened the national audit office in the following areas:

- The auditor general may hire staff and fix their salary and remuneration.
- The auditor general is free to determine the type and scope of audits to be performed.
- The audit office budget must still be submitted to Tanzania's Ministry of Finance, but the Ministry must now take the advice of the parliamentary public accounts committee into consideration.
- The audit office is no longer to be audited by Tanzania's Ministry of Finance.

The legislative amendment did not entitle the parliament to appoint the auditor general, as the authority to do so remains vested with the President. Any change in this area requires a constitutional amendment.

51. In addition to better general conditions for the National Audit Office of Tanzania, the institution's reports have improved and become more relevant and thus are beginning to make a greater impact. Thus, the audit office has started conducting performance audit examinations, and in March 2010, the auditor general submitted his first major performance audit report to the President. According to the auditor general's introduction to the report, the legislative amendments effected and the resulting extended powers have enabled the initiation of performance audit examinations. The audit report includes urgent, relevant problems such as the management of primary healthcare, waste handling and initiatives to prevent flooding and remedy its consequences.

The timing of the reports has also been improved. Accordingly, during the past three years, the auditor general has submitted the institution's reports in due time to the parliament. The timeliness issue has been discussed at the annual reviews of General Budget Support.

Although not all recommendations from the reports of the National Audit Office of Tanzania are being complied with, the embassy is of the opinion that some key parliamentary stakeholders are playing a more active role in supervising public spending. This impression was confirmed during Rigsrevisionen's participation in the review of General Budget Support, at which the chairman of the Public Accounts Committee participated actively in the debates. The office of chairman of the Public Accounts Committee is held by a member of the opposition.

52. Public procurement is an area in Tanzania which has significant weaknesses. In 2005, a new public procurement act was implemented, and the set of rules complies with international standards, but challenges exist in relation to implementing the rules.

In the past few years, resources have been provided to the Public Procurement Regulatory Agency, which monitors public procurement. This has enabled the agency to start systematically monitoring public authority procurement practice. The proportion of authorities comply-

ing with the public procurement rules increased from 39% in 2007 to 43% in 2008 and 50% in 2009. The improvement in compliance with the rules reflects the strengthening of the public authority procurement units. However, there is still some way to go before the objective of 80% compliance with rules in 2010 is met. The Public Procurement Regulatory Agency points out that some of the problems are poor case documentation, deviations from applicable procurement channels and inappropriate evaluation of incoming offers.

However, challenges remain in relation to the status of the Public Procurement Regulatory Agency. According to the 2009 PAF, a legislative amendment was to have been implemented in February 2009 aimed at increasing the Agency's powers and autonomy. This legislative amendment was not implemented.

Component 3 – Public Service Reform Programme

53. The Public Service Reform Programme (PSRP) must improve public services by making public administration more effective and responsive to citizens' needs. Phase 1 of the programme was originally intended to run until the end of 2004 but was extended first to mid-2006 and subsequently to December 2007.

54. Denmark provided DKK 30 million in support to the public service reform programme during the period 2006-2008. Danish support to the programme was discontinued at the end of 2008.

55. A review of the programme showed that 30% of its programme objectives had been implemented by the end of the planned programme period in 2004. 36% had been partially implemented while 34% had not been initiated. On programme completion in 2007, 55% of the objectives had been implemented, 37% partially implemented, and 8% not implemented. The improvement reflects partly that the number of objectives was reduced from 50 to 38 between 2006 and 2007. The best performance was recorded by the components relating to e.g. commissioning of management systems, record-keeping systems and websites. The components with a more direct impact on public-sector employees, for example, initiation of a salary reform, performed worse.

Assessment

56. 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.

57. 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.

58. 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 Programme Support, 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, have boosted the commitment of the Tanzanian authorities. The Danish embassy has therefore reason to believe that this component of the Business Sector Programme Support will take off in the course of 2010.

59. The majority of the planned activities aiming to reform public services have been launched with considerable delay.

C. Good Governance, Human Rights and Democratization Programme

60. The Good Governance, Human Rights and Democratization Programme runs from 2008 to 2010. The purpose of the programme is to fight corruption, strengthen the judiciary and parliament, improve human rights, strengthen civil society, including the media, and improve public administration.

61. No actual programme document exists. Consequently, Rigsrevisionen's description of the objectives of the programme is based on the document presented to the Ministry of Foreign Affairs Board. According to this document, the general impact of the programme will be measured against the relevant objectives of the poverty reduction strategy. However, only component 2 - human rights and access to justice - facilitates measuring performance against the relevant objectives of the poverty reduction strategy.

Component 1 – Democracy and Domestic Accountability

62. The component has four subcomponents: deepening democracy in Tanzania, research and education for democracy in Tanzania, Tanzania's media fund and Tanzania's media council.

Deepening Democracy in Tanzania

63. As regards subcomponent 1, Denmark contributes DKK 11 million to a basket fund with a total budget of DKK 75 million to deepen democracy in Tanzania. The subcomponent is administered by the United Nation's development programme, UNDP, and runs from January 2007 to June 2010. The subcomponent has five focus areas that all must contribute to creating an effective democracy in Tanzania. The subcomponent must contribute to strengthening the capacity of democratic institutions, that is, the parliament, the two national electoral commissions (mainland and Zanzibar), civil society organizations, the media and political parties.

The subcomponent has a number of objectives, primarily process objectives. The objectives are not particularly clear or accurate and Rigsrevisionen has therefore had difficulties in assessing performance.

An external review from May 2009 also mentions that the programme document for the subcomponent is unclear and that the objectives have not been operationalized in a way that enables achievement of objectives and assessment of impact. The review concluded that the duration of the subcomponent ought to be extended because two of the four areas examined by the review had shown limited progress.

In June 2009, a united donor group informed the UNDP that it did not wish to extend the subcomponent. The reason was that in 2010, the UNDP was to start administering and implementing an election support programme involving many of the same stakeholders that had participated in the deepening of democracy programme in Tanzania. The donors considered it inexpedient for two programmes with the same stakeholders to be implemented concurrently.

Research and Education for Democracy in Tanzania

64. Subcomponent 2, which is a purely Danish-funded activity, is intended to strengthen the framework for democracy and good governance in Tanzania through democratization research and project activities by way of education and courses in democratic norms and processes.

In its country assessment for 2009, the embassy found that the subcomponent had a significant impact on the development of democracy in Tanzania and states that the Ministry of Foreign Affairs' review in 2009 considered the programme results satisfactory. However, the review also concludes that the education activities and discussion forums conducted are focusing on providing social services and not, as assumed, political capacity building.

Two programme components

Component 1: Democracy and Domestic Accountability. The purpose of the component is to deepen democracy in Tanzania through support to key institutions, research and education in democracy and the media (Budget: DKK 45 million).

Component 2: Human Rights and Access to Justice. The purpose of the component is to strengthen the judiciary through support to a reform programme and two civil society organizations (Budget: DKK 19 million).

Component 1

Subcomponent 1: To deepen democracy in Tanzania, in part by supporting parliament and electoral commissions.

Subcomponent 2: To strengthen research and education for democracy.

Subcomponents 3 and 4: To strengthen the role of the media in democratic development.

The work relating to voter education is considered very successful. Similarly, the quality of some of the scientific work has been high.

The most recent progress report for the subcomponent does not specify which activities ought to have been completed by end-November 2009, and performance assessment is therefore difficult. The report does state, however, that although several activities have been completed, some are still outstanding.

Support for Tanzania's media fund and media council

65. In subcomponents 3 and 4, the Ministry of Foreign Affairs provides assistance to the media through two organizations: Tanzania's media fund and Tanzania's media council. The organizations are working to deepen democracy in Tanzania by strengthening the media. Tanzania's media fund does this partly by providing supplementary training for journalists. One focus of Tanzania's media council is to set high standards of journalism.

2008 was a start-up year, and both organizations recorded only modest progress in the first half of 2009. However, according to the most recent progress reports, a wide range of activities are going on in both projects. As regards the media council, the activities cannot be assessed in relation to the project document or the work schedule for 2009, whereas the media fund is working on measuring the impact of its work.

Component 2 – Human Rights and Access to Justice

66. This component supports the legal sector reform programme and three civil society organizations working to improve access to justice in Tanzania.

Legal Sector Reform Programme

67. Legal sector reform work in Tanzania started in the 1990s, and the first Legal Sector Reform Programme (LSRP) was initiated in 2000. The Ministry of Foreign Affairs has supported the programme throughout the entire period. The current programme phase was planned to cover the period 2005-2008, but has been extended to 2011 and is expected to be extended to 2013. The programme budget totals DKK 680 million, of which DKK 300 million was to be funded by a basket. The Tanzanian government is expected to cover a large share of the remaining budget. Denmark's contribution is budgeted at DKK 35 million.

Although the programme constitutes one of four core reform programmes introduced by the Tanzanian government, only Denmark, Canada and the World Bank contribute to it. Belgium, Germany, Switzerland and the UNDP were envisaged as additional contributors, but Belgium, Germany and the UNDP ended up not contributing to the basket, while Switzerland phased out its support in 2009.

The Ministry of Foreign Affairs has stated that this programme is difficult to implement, and only a few donors are therefore prepared to support the programme although, as already mentioned, it constitutes a core reform programme in the poverty reduction strategy. In the Ministry's opinion, it is essential that donors do not refrain from engaging in important areas in which the impact seems uncertain from the outset.

68. A comprehensive review of the programme in 2009 showed that it only achieved the expected results to a limited extent. 21% of the objectives were fully achieved or showed satisfactory progress, 38% showed significant progress, 16% showed only negligible progress, and 25% of the objectives showed no progress. The performance assessment was made in summer 2009, and according to plan all objectives were to have been achieved by the end of the 2007/2008 fiscal year. Against this background, the review concluded that programme implementation was unsatisfactory.

69. As already mentioned, the performance of this component can be linked to the objectives of the poverty reduction strategy. However, it is problematic that the setting of objectives for this part of the poverty reduction strategy is inadequate. It is also extremely uncer-

Component 2

Subcomponent 1:
Supports the Legal Sector Reform Programme aimed at providing social justice and improving access to justice.

Subcomponents 2-4:
Supports three civil society organizations working at grass-root level to improve access to justice in the country.

tain whether the strategy data in this area are correct. Accordingly, it is not possible to assess the progress of the programme in relation to the poverty reduction strategy.

70. The embassy's country assessment for 2008 concluded that no progress had yet been made in operationalizing the objectives in either the programme plan document or the poverty reduction strategy. Thus, three years into the programme, the government has not supplied data on the programme results, and no initiatives have been taken to measure them. At the same time, according to the country assessment, reports from the programme have also been inadequate in several areas, rendering assessment of whether consumption was in line with approved budgets impossible. Finally, it is problematic that the agreed quarterly reports on the programme have not been prepared and that the quality of the annual progress reports has been poor.

The legal sector reform programme is a core reform programme, and its development is therefore included in the annual performance assessments (PAF). They show that the programme has not performed satisfactorily, although the 2009 assessment was positive. In 2009, the embassy did not agree with the PAF assessment and considered the programme and sector progress to be unsatisfactory, although the government has started implementing reforms. The main problem is that the impact is difficult to identify, and Tanzania's legal system has a poor reputation compared to other countries in the region.

Support to three civil society organizations

71. In addition to the support provided to the legal sector reform programme, together with other donors, Denmark supports three civil society organizations: the National Organization for Legal Assistance, Women's Legal Aid Centre and Zanzibar Legal Services Centre.

According to project status reports, the projects reach a substantial number of clients and the programmes are apparently making progress. Because there is scope for improving objective and performance management, it is difficult to assess the degree of progress made. The organizations are working to improve the management.

Assessment

72. 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.

Support to three civil society organizations

The National Organization for Legal Assistance was established by practising lawyers and aims at promoting access to legal and social rights as well as human rights in Tanzania.

Women's Legal Aid Centre works to safeguard women's and children's rights in the legal system by increasing women's awareness of their rights and by changing law practices that are discriminatory.

Zanzibar Legal Services Centre focuses on increasing the awareness of disadvantaged groups in society about their rights and obligations under the law.

Four programme components

Component 1:
Improved Business Environment (DKK 41.9 million).

Component 2:
Improved Access to Markets (DKK 34.9 million).

Component 3:
Improved Labour Market (DKK 60 million).

Component 4:
Building a profitable banking and financial institution that targets its services at the poorest section of the population (DKK 34.7 million).

D. Business Sector Programme Support

73. Since 1998 the Ministry of Foreign Affairs has provided development assistance to the business sector in Tanzania in the form of sector programme support.

Business Sector Programme Support – phase 2 (2003-2008)

74. The purpose of the programme was to develop capacity for the institutions meant to underpin the development of the business sector in Tanzania.

The four programme components addressed different business development areas.

75. The programme had three objectives that underpinned the poverty reduction strategy. Table 2 shows the objectives and the results on completion of phase 2.

Table 2. Business sector programme support objectives and results

2008 objective	Result
Annual economic growth per capita increased. Growth in 2003 at 4%	4.6% in 2008
Income disparities reduced. This is measured by the Gini coefficient, at 0.35 in 2001 ¹⁾	0.35 in 2007
Proportion of population living below the poverty line reduced. Proportion in 2001 at 36%	33.6% in 2007

¹⁾ The Gini coefficient measures the degree of inequality of a distribution, for example, income distribution. The Gini coefficient ranges between 0 and 1. The greater the inequality, the higher the Gini coefficient.

Table 2 shows that annual economic growth per capita increased from 4% in 2003 to 4.6% in 2008. Thus, the objective of higher growth had been achieved, whereas the objective of reducing income inequality, measured by the Gini coefficient, had not been achieved with a coefficient of 0.35 both in 2001 and in 2007. However, compared with the neighbouring countries, income inequality in Tanzania is relatively small. Thus, the most recent Gini coefficients for Uganda, Mozambique and Kenya have been calculated at 0.46 (2002), 0.47 (2002) and 0.43 (2008). The figure for Kenya is estimated.

As mentioned earlier, the slight fall in the proportion of the population living below the poverty line from 36% in 2001 to 33.6% in 2007 is not statistically significant according to Tanzania's statistical office.

Component 1 – Improved Business Environment

76. The component supported the Tanzanian government's business sector programme – Business Environment Strengthening for Tanzania (BEST) – a two-track programme with both a public and private track. The overall purpose of the programme was to reduce poverty by strengthening growth and the development of the business sector in Tanzania, in particular the development of small enterprises. Support for component 1 was provided through a basket fund.

The public part of the programme was intended to reduce the burden of enterprises by abolishing procedures and administrative barriers and to improve the quality of the service provided by authorities to the private sector.

The Tanzanian government's business sector programme has been assessed in regular reviews. Table 3 shows the rating given to the programme in various reviews during the period 2005-2008.

Table 3. Assessments of the Tanzanian government's business sector programme

2005	Programme got off to a good start
2006	Satisfactory
2007 (H1)	Satisfactory
2007 (H2)	Marginally satisfactory
2008 (H1)	Marginally satisfactory

Table 3 shows that the Tanzanian government's business sector programme was rated satisfactory in 2006 and 2007 (H1) and marginally satisfactory in 2007 (H2) and 2008 (H1). 'Marginally satisfactory' reflects that implementation of the activities was too slow and that the expected results failed to materialize. However, positive progress across the programme was acknowledged.

77. The lack of results is generally attributable to the lack of capacity of some of the authorities that were to implement important business sector reforms, e.g. business registration reforms. This delayed parts of the programme.

78. The following are some of the positive results highlighted by Tanzania and the donors:

- Administrative reforms have speeded up land registration.
- Improved commercial dispute resolution, including through increased access to the commercial court as a result of a new court in Mwanza – the second largest town in Tanzania.
- The newly established Commission for Mediation and Arbitration has decided 5,846 cases that would otherwise have had to undergo more lengthy and more formal proceedings in the industrial court.
- Tanzania's Investment Centre has increased its capacity and in 2007 was nominated the most effective investment centre in Africa by the World Association of Investment Promotion Agencies (WAIPA)/United Nations Conference on Trade and Development (UNCTAD).

79. Through capacity building, the private programme track was intended to strengthen the protection of interests exercised by private sector organizations. The final report points out that the programme had satisfactorily achieved its purpose and that the activities had contributed to higher capacity for protecting the interests of the organizations supported. However, the report also emphasized that there was still some way to go before the relevant organizations could consistently present coherent, convincing proposals to the authorities.

Component 2

Subcomponent 1:

Capacity development of Tanzania's Ministry of Industry, Trade and Marketing to enhance performance in international trade negotiations.

Subcomponent 2:

Improve the quality of Tanzanian products to meet international documentation and laboratory testing standards.

Subcomponent 3:

Improve the competitiveness of small and medium enterprises through quality development and marketing.

Component 3

Subcomponent 1:

Capacity development of Tanzania's Ministry of Labour, Youth Development and Sports.

Subcomponent 2:

Capacity development of the Association of Tanzanian Employers (ATE).

Subcomponent 3:

Capacity development of the largest trade union in Tanzania – the Trade Union Congress of Tanzania (TUCTA).

Subcomponent 4:

Capacity development of the Industrial Court.

Subcomponent 5:

Capacity development of the Occupational Safety and Health Authority (OSHA).

Component 2 – Improved Access to Markets

80. The overall objective of the component was to strengthen Tanzania's access to international markets, and this objective was to be achieved through three subcomponents.

81. The Ministry of Foreign Affairs and Tanzania set two objectives at component level:

- An annual increase in exports of 26%.
- An increase in Tanzania's total share of regional exports from 14% to 20%.

82. The embassy's assessment is that in overall terms, the achievement of objectives for the component has been satisfactory. In its final report, the embassy did not specifically report on the first objective of an annual growth of 26% but stated that business sector exports almost doubled during the period 2003-2007. Although this represents significant growth, the component objective of a 26% increase had not been achieved. The embassy did not report on the second objective.

83. Rigsrevisionen's performance analysis of subcomponent 1 shows that the objectives to enhance Tanzania's capacity to manage international trade negotiations were not fully achieved. However, according to the final report, the capacity development in Tanzania's Ministry of Industry, Trade and Marketing had had a positive impact on the country's ability to improve its performance in international trade negotiations.

As regards the objective of subcomponent 2 to improve the quality of Tanzanian products, the embassy reported that Tanzanian enterprises had improved their documentation of the flow of goods from producer to consumer and thus were in a position to meet the EU's food requirements. This has increased the exports to the EU of four important products: fish, cashews, coffee and tea.

It is difficult to assess the progress of the objective of subcomponent 3, which was to strengthen the competitiveness of Tanzania's small and medium enterprises, but Rigsrevisionen takes note of the improvement in exports to which this subcomponent may have contributed.

84. Although the component did not entirely achieve its objectives, the embassy has provided evidence of improvements in the market access for Tanzanian enterprises.

Component 3 – Improved Labour Market

85. The component was intended to improve labour market regulation and dialogue between labour and management. The overall component objective was to be achieved through five subcomponents.

The Ministry of Foreign Affairs and Tanzania set three indicators, although objectives were only set for one indicator:

- Share of disputes settled without strikes increased from 93% to 95%.
- Share of unionized employees (no targets set for 2008, and no baseline data exist).
- Share of employers' association members (no targets set for 2008, and no baseline data exist).

86. In 2007, a review of phase 2 of the business sector programme concluded that the expected results would not entirely be achieved, but that the activities under the component had contributed to improving the tripartite dialogue and the framework for a more flexible and dynamic labour market.

The embassy's assessment is that in overall terms, the achievement of objectives for the component was satisfactory. In the final report, the embassy did not measure the performance of the component against the three objectives. According to the embassy, the support

has contributed tremendously to establishing and strengthening labour market organizations, operationalizing the new labour market legislation and developing the capacity of Tanzania's Ministry of Labour, Youth Development and Sports, Association of Tanzanian Employers (ATE), the Trade Union Congress of Tanzania (TUCTA), the Industrial Court and the Occupational, Safety and Health Service(OSHA).

87. Rigsrevisionen's performance analysis at subcomponent level does not unequivocally confirm the embassy's positive assessment, because individual subcomponents had experienced greatly varying degrees of success. Significant progress has been made in the development of capacity of Tanzania's largest trade union and Association of Tanzanian Employers The support for Tanzania's Ministry of Labour, Youth Development and Sports has been less successful, and progress in establishing the Occupational, Safety and Health Service has been limited. The results of the support to the Industrial Court cannot be assessed. Weighting the subcomponents could have helped to clarify the embassy's overall assessment of the component.

Component 4 – Viable Banking and Financing

88. The aim of component 4 was to set up sustainable financial institutions to service the groups of the Tanzanian population that had not previously had access to financial services. The Tanzanian bank, CRDB Bank, which also received support during phase 1 of the business sector programme, was chosen as cooperation partner. The overall objective of the component was to be achieved through three subcomponents.

At the start of the phase, an increase from 20% to 50% in the share of income from micro, small and medium enterprises was set as an objective for the component. The calculation of this share was not specified, and the embassy has not reported on this objective in its closing report on the component.

89. A review from 2007 considered the results of the component to be positive, and the advisory assistance provided to CRDB Bank was highlighted as an important factor behind the bank's impressive results.

90. In its final report, the embassy found that the overall objective of the component had largely been achieved and that the Ministry of Foreign Affairs' contribution was essential for this result. The embassy's assessment is that overall the achievement of objectives for the component was satisfactory. The component's three subcomponents have developed positively, and it is pointed out that the management of CRDB Bank and the bank's financial results have been improved. Access to financial services has been improved because CRDB Bank provides micro loans and because several micro finance institutions now provide better services to their members/customers. Finally, small and medium enterprises gained better access to loans and customers' repayment performance improved appreciably. Rigsrevisionen's analysis of the achievement of objectives confirms that the component has shown extremely positive results.

Component 4

Subcomponent 1:
To strengthen CRDB Bank.

Subcomponent 2:
To wholesale micro-finance as a core business for CRDB Bank.

Subcomponent 3:
To give small and medium enterprises better access to loan capital and support CRDB Bank in efforts to increase the share of this customer group in the bank's loan portfolio.

Three programme components

Component 1: Improved Business Environment (Budget: DKK 123 million).

Component 2: Better Access to Markets (Budget: DKK 75.7 million).

Component 3: Development of micro, small and medium enterprises (Budget: DKK 244.2 million).

Component 1

Subcomponent 1: Support to the government of Tanzania's business sector programme – public track.

Subcomponent 2: Support to the government of Tanzania's business sector programme – private track.

Subcomponent 3: Support to labour market institutions.

Business Sector Programme Support – phase 3 (2008-2013)

91. Phase 3 of the business sector programme must contribute to improving the conditions of Tanzania's business sector. Phase 3 has three components.

The programme has two overall objectives related to objectives in the poverty reduction strategy. These objectives appear from table 4.

Table 4. Business Sector Programme Support objectives

Objectives for 2013	Status 2009/2010
Growth in GDP per capita to exceed 7%. In 2007/2008, the figure was 4.4%.	Growth in GDP per capita is estimated at approx. 5.1% in 2008/2009.
Exports to account for a greater share of GDP. In 2008 this share was 24%. The embassy is setting objectives for the programme period.	2009 figures are unavailable.

Table 4 shows that growth in GDP per capita has increased from 4.4% in 2007/2008 to 5.1% in 2008/2009 (estimate). The export share of GDP must increase from 24% in 2008. The final objective has not been set, and figures for 2009 are not yet available. Consequently, it is too early yet to assess the progress relative to the two objectives.

In its country assessment for 2009, the embassy wrote that the programme had generally progressed satisfactorily, but that it was too early, however, to measure the progress against the programme objectives. The embassy found that more than 95% of the programme was proceeding according to plan.

Component 1 – Improved Business Environment

92. With a few adjustments, the component is a continuation of component 1 under phase 2 of the business sector programme. The purpose of the component is to provide a regulatory business framework that encourages enterprises to grow and participate in the formal economy. Component 1 has three subcomponents.

The performance of this component is measured against Tanzania's overall position in the World Bank's "Doing Business Index", which must be above no. 140. Tanzania ranks no. 131 in the World Bank's "Doing Business Index" for 2010, and no. 126 and 127 for 2009 and 2008, respectively. For comparison, the neighbouring countries Kenya, Uganda, Zambia and Rwanda are performing better than Tanzania, while Tanzania outperforms Mozambique, Malawi and Burundi.

Support to the government of Tanzania's business sector programme

93. All donors, except the World Bank, have withheld their contributions to subcomponent 1 (the public track of the government of Tanzania's business sector programme) since summer 2008, when the programme experienced serious implementation problems. These problems related to lack of political commitment and institutional capacity on the part of the Tanzanians to carry out the necessary reforms.

Business development was a special focus area for the reviews of General Budget Support conducted in both 2008 and 2009. Tanzania's President stated in 2009 that business development was a priority area and crucial for Tanzania's development. In September 2009 Tanzania's government started drawing up an action plan to improve the business climate. The design of the next phase of the public track of the Tanzanian government's business

sector was put on hold until the action plan was ready. This means that subcomponent 1 has not yet been initiated under phase 3 of the business sector programme.

Completion of the action plan and implementation of several of its initiatives are included in the performance assessment of the General Budget Support in 2010 (PAF). These initiatives have generated renewed optimism among donors regarding the business sector in Tanzania.

94. Subcomponent 2 regarding the private track, i.e. support to organizations protecting private sector interests, is well underway. The latest status report shows that the projects supported could perform better. The management body responsible for the subcomponent will therefore clarify how the organizations supported can best approach the protection of interests and capacity development.

Support to labour market organizations

95. Support is provided to Tanzania's employers' association (ATE) and the trade union (TUCTA) under subcomponent 3. The latest progress reports show that many activities have been implemented, several have been slightly delayed, and a number of planned trade union activities have not been initiated. The embassy withheld funds to the trade union for a period due to financial control problems in TUCTA. Once these problems had been addressed, disbursements were resumed. However, management-related challenges still remain, so the embassy is following the trade union more closely than originally planned.

Component 2 – Better Access to Markets

96. The component builds on the results achieved during phase 2 of the business sector programme. The component is intended to develop the human resource and institutional capacity required to improve Tanzania's access to international markets. The component has two subcomponents.

The overall objective for this component is the same as one of the two objectives set for the overall programme: an increase in the share of GDP accounted for by total exports, see paragraph 91. The basis for 2008 is 24%. No target for 2013 has been set, and data for 2009 are not yet available.

97. Subcomponent 1 supports capacity development in Tanzania's Ministry for Industry, Trade and Marketing for the Ministry to better define Tanzania's position when negotiating and implementing international trade agreements. This is to be achieved in part by enhancing the efficiency of ministerial processes in connection with stakeholder involvement and by increasing the quality of the basis for decisions.

The most recent progress report shows that progress has been made in most planned activities. However, some subcomponent activities have experienced delays, mainly because the process of hiring external consultants took longer than expected.

98. Subcomponent 2 is intended to strengthen competencies in the public and private sectors in international trade and business management through support to training and education activities at the Faculty of Commerce and Management at the University of Dar es Salaam.

According to the latest progress report, the subcomponent is proceeding well and only a few activities have not been implemented as planned. Activities relating to the expansion of classrooms have been delayed. In addition, it has been difficult to make contact with the other partners in the business sector programme. This is problematic because these partners, among others, must participate in the courses offered by the university.

Component 2

Subcomponent 1:

To strengthen Tanzania's capacity in trade negotiations.

Subcomponent 2:

To improve training and education in business and business management, etc.

Component 3

Subcomponent 1:

Support for Private Agriculture Sector Support (PASS). PASS contributes to accelerating agricultural investments (including the processing industry). PASS assists agricultural enterprises in developing business plans and provides credit guarantees to the enterprises.

Subcomponents 2 and 3:

To improve the market access of small and medium enterprises, in part through marketing support and supply of financial services.

Component 3 – Development of Micro, Small and Medium Enterprises

99. Component 3 focuses on the enhanced contribution of enterprises to growth, exports and employment. The component concerns commercial agriculture and micro, small and medium enterprises and has three subcomponents.

The indicator for the overall component objective is the share of loans to the agricultural sector. No baseline data exist, and no objectives have been set for 2013.

Support for the Private Agricultural Sector Support (PASS)

100. Subcomponent 1 supports Private Agricultural Sector Support – PASS (private agricultural development), and the support is a continuation of the agricultural sector programme, which has been phased out.

101. A review of the Business Sector Programme Support covering the period March 2008 – March 2009 found that PASS had made progress. The 2009 progress report for PASS indicates that there had been a slight fall in approved business plans relative to the preceding two years.

Support for improved market access of small and medium enterprises

102. Subcomponent 2, which concerns enterprise development, has two objectives. The first is to improve Tanzania's competitiveness in food processing and in the marketing of small and medium enterprises. Support is provided through the so-called Small and Medium Enterprise Competitiveness Facility (SCF), which also gives advice to the target group. The second objective is to support enterprise creation and growth.

A review made in March 2009 found that the subcomponent was making good progress. However, the most recent progress report from October 2009 revealed a number of project management problems. Moreover, the quality of applications from enterprises applying for support from the subcomponent has been poor, which has resulted in a lower number of approved applications than expected. Twelve small and medium enterprises that produce honey, coffee, fresh meat and dairy products received support during the period July 2008 – June 2009.

103. Subcomponent 3 is intended to expand the supply of private sector financial services for micro, small and medium enterprises and poor households through support to the Financial Sector Deepening Trust, whose purpose is to strengthen the financial sector in Tanzania.

The latest progress report from November 2009 showed progress was being made according to plan. A review covering the period October 2007 - December 2008 described the preliminary achievement of objectives as extremely positive.

Assessment

104. The Business Sector Programme Support 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 Programme Support, 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 Programme Support will take off in the course of 2010.

E. Health Sector Programme

105. The Ministry of Foreign Affairs has supported healthcare activities in Tanzania since 1962 and provided sector programme support for the health sector since 1996. The objective of phase 3 (2004-2009) of the Health Sector Programme Support (HSPS) was to improve the health of the Tanzanians through access to good quality health services. The programme had three components.

Component 1 – Sector Budget Support

106. Support is provided to Tanzania's Ministry of Health and Social Welfare through joint donor Basket Funds. The results of sector budget support and other support to the sector is monitored partly on the basis of the health objectives of Tanzania's poverty reduction strategy. In addition, Tanzania's health sector strategic plan includes several indicators that are also used to monitor the sector results.

107. Table 5 shows the development in the selected objectives of the poverty reduction strategy and the Health Sector Programme Support of the Ministry of Foreign Affairs. The table specifies the level in the initial year 2005, the results achieved by 2008 and the objective for 2010. Rigsrevisionen has selected 2005 as its starting point because it is the first year in which data exist for all indicators.

Three components

Component 1:
Sector budget support through joint Basket Funds (DKK 326 million).

Component 2:
Support for district health services (DKK 105.8 million).

Component 3:
Support for Zanzibar's health sector (DKK 68 million).

Table 5. Development in selected objectives and results for the health sector programme

Objective	Indicator	2005	2008	2010 Objective	Objective achieved before 2010
1	Live expectance at birth, years	52 (F) ¹ , 51 (M) ¹	56 (F) ² , 53 (M) ²	52	Yes
2	Infant mortality (per 1,000 births), number	68	58	50	No
3	Under five year mortality (per 1,000 births), number	112	94	79	No
4	Maternal mortality rate (per 100,000 births), number	578	362 (2007)	265	No
5	Proportion of births attended by a skilled health worker	41%	51%	80%	No
6	Proportion of children who receive vaccine against diphtheria, pertussis (whooping cough), tetanus and hepatitis	81%	86%	85%	Yes
7	Proportion of under-fives moderately stunted (height for age)	38% (2002)	-	20%	-
8	HIV prevalence amongst 15-24 years old	7.4%	5.7%	5%	No
9	Number of person with HIV infection receiving antiretroviral medical treatment	20,588	205,879	440,000	No
10	TB treatment cure rate	82.6%	87.7%	82%	Yes

¹⁾ F = female, M = male.

²⁾ Estimated figures for 2008.

Table 5 shows that three of the objectives set for 2010 have already been achieved. The objective of an increase in life expectancy to 52 years in 2010 was achieved already in 2008. Life expectancy for both men and women has increased. The objective of vaccinations for 85% of all children was also achieved in 2008, and the objective relating to the proportion of cured TB-treated patients was already achieved in 2005.

The remaining seven objectives were not achieved in 2008, but if progress continues at the current pace, several of these objectives may be achieved in 2010. Infant mortality (per 1,000 births) among others, in Tanzania dropped from 68 in 2005 to 58 in 2008. Moreover, the objective relating to HIV prevalence amongst 15-24 years old may be achieved because the HIV prevalence for this age group had already fallen from 7.4% in 2005 to 5.7% in 2008.

The only objective for which developments so far indicate that it is unlikely to be met in 2010, is the proportion of births attended by a skilled health worker, which rose from 41% in 2005 to 51% in 2008 but unlikely to reach the 80% figure in 2010.

Component 2 – Support to Quality District Health Services

108. Under this component, the Ministry of Foreign Affairs provides earmarked support to the districts to improve health service quality.

Six overall objectives for the component have been set, but only three have been operationalized in a way that allows development to be tracked. Table 6 shows the development for the three objectives for which data illustrating their achievement exist.

Component 2

Subcomponent 1:
Demand Driven District
Capacity Building.

Subcomponent 2:
Drug Supply and Use.

Subcomponent 3:
Hospital Management
Development.

Subcomponent 4:
Support Systems.

Subcomponent 5:
Support for strategic
Initiatives.

Table 6. Objectives and results for the support to districts

2009 objectives	Baseline	Result
Number of outpatient attendances per capita increased	0.79 (2005)	0.68 (2008)
Malaria in-patient case fatality rate for under-fives to reduced 8% by 2010	10,721 (2004)	8,297 (2006) A 23% fall
Admissions to publicly financed hospitals per capita to increase	0.4 (2004)	0.6 (2005)

Note: The other objectives are: 1) number of districts reporting and showing use of the Health Management Information System to prepare and apply health plans, 2) percentage of health facilities without any stock-outs of drugs, etc., and 3) rational use of drugs increased 20% by 2008.

Table 6 shows that the number of outpatient attendance per capita dropped from 0.79 in 2005 to 0.68 in 2008, i.e. there was a fall in the number of patients per capita who consulted a doctor, health clinic, hospital, etc. Thus, the objective of an increase was not achieved. The table also shows that the number of malaria inpatient case fatality rate for under-fives dropped 23% from 10,721 in 2004 to 8,297 in 2006. Thus, the objective of an 8% fall by 2010 was achieved in 2006. Admissions to publicly financed hospitals per capita increased from 0.4 in 2004 to 0.6 in 2005, and the objective of an increase was thus achieved.

109. The component has five subcomponents with a total of 66 output objectives, 28 of which have been achieved. Activities in the area have been carried out for 23 of the objectives, but the objectives have only partially been achieved, and five objectives have not been achieved. The lack of reporting means it is not possible to assess whether ten of the objectives have been achieved.

Demand Driven District Capacity Building

110. Subcomponent 1 is intended to support various health sector institutions in building capacity. The institutions themselves will define their needs and apply for support.

111. The embassy has reported that the subcomponent has supported decentralized planning, for example, by supporting the incorporation of local health plans in local monitoring systems and by supporting training of district health managers. The subcomponent has supported the development of health plans at district level and the development of a system for feedback on the plans.

One objective was to establish linkages between various health service organizations. This was achieved in part by drawing up district guidelines and templates for health centre planning. This has contributed to clarifying the roles and functions of the various levels of the health system.

The embassy reported that the subcomponent objective of using district experience in improving health management for policy development had only been achieved to a limited extent.

112. The embassy's overall assessment is that the subcomponent performed satisfactorily.

113. A total of 26 output objectives have been set for the subcomponent. Rigsrevisionen has concluded that ten have been achieved, eight have been partially achieved and four have not been achieved. It is not possible to assess whether four of the objectives have been achieved. Most progress has been made in increasing district management and planning capacity, whereas less progress has been made in policy development and establishing relations between various institutions.

Drug Supply and Use

114. Subcomponent 2 is intended to improve the drug supply management at district level.

115. The embassy concluded that most planned activities had been accomplished. A system for monitoring rationale medicines use is in place, and standard treatment guidelines and an essential medicines list for all health facilities have been completed.

In addition, the embassy found that the drug supply unit achieved all objectives set in order to improve the new drug dispensary system. As opposed to previously, the system is now based on district demand.

116. Nine output objectives have been set, of which six have been achieved and two partially achieved, while it has not been possible to assess whether the last objective has been achieved. The output objective of updating and implementing a national drug policy and a pharmaceutical master plan was not achieved, for example. These plans are expected to be implemented in the new programme phase. According to the embassy's assessment, the subcomponent has performed satisfactorily.

117. The 2007 health sector evaluation concluded that the supply of drugs and equipment from the drug supply unit had improved during the period 1999-2006, but that shortcomings and delays were still common.

Hospital Management Development

118. Subcomponent 3 is intended to improve systems and capacity for district and regional hospital governance and management capacity and improve the financial management and accounting, specialist services and equipment maintenance at a selected regional hospital.

The embassy reported that for the first three years of the programme, the subcomponent was affected by the shortage of full-time staff at the hospital reform secretariat of Tanzania's Ministry of Health and Social Welfare. This has meant that the activities to be initiated by the Ministry in this area have not been implemented. The embassy also reported that many activities had been accomplished with a satisfactory result, but that it is not possible to assess whether this has resulted in better functioning and more productive hospitals.

119. Rigsrevisionen has concluded that seven out of 19 output objectives have been partially achieved, but it has not been possible to assess whether four of the objectives have been achieved. Rigsrevisionen's conclusion complies with that of the embassy's final report, which considered the subcomponent to have performed less satisfactorily.

Support Systems

120. The objective of this subcomponent is to help the regions provide support and guidance to districts and to improve the financial systems and transport system management.

121. The embassy has assessed the performance of this subcomponent to be less satisfactory. This partly reflects the lack of central government capacity to provide the planned technical support and guidance to the regions and districts. Moreover, the regional health management teams had no budget for providing the guidance and support to the districts until 2008. The embassy reported that the financial management had improved slowly, but steadily in the programme period.

Rigsrevisionen has concluded that two of the nine output objectives set have been achieved. Five were partially achieved, and one not achieved. It has not been possible to assess whether the last objective has been achieved.

Support for Strategic Initiatives

122. Subcomponent 5 supports the development of strategic initiatives.

The embassy considered the performance of this subcomponent to be satisfactory, because the support had successfully been used for policy and strategy formulation mainly for Tanzania's Ministry of Health and Social Welfare, faithbased organizations and the private health sector. Rigsrevisionen has concluded that all the three output objectives set have been achieved.

Component 3 – Support for Zanzibar

123. The purpose of the component is to secure access to good quality health services at district level in Zanzibar. This is done by supporting the drug supply at district level and renovating the infrastructure. The component has two subcomponents that support the health sector in Zanzibar at central and district level. The programme sets four objectives for the component. Table 7 shows objectives and results for the support to Zanzibar.

Table 7. Objectives and results for support to Zanzibar

2009 objectives	Baseline	Results
Number of outpatient attendance per capita increased	0.5 (2006)	0.9 (2008)
Number of births attended by trained personnel increased	51% (2005)	44.5% (2008)
Presence of medicine at health facilities increased	80% (2005)	80% (2009)
Number of districts using data when planning has increased	-	10 out of 10 (2009)

Table 7 shows that the number of outpatient attendance per capita increased from 0.5 in 2006 to 0.9 in 2008. The objective set was thus achieved. In contrast, the number of births attended by trained personnel dropped from 51% in 2005 to 44.5% in 2008, whereas the availability of medicine at health clinics was constant at 80%. Consequently, these objectives were not achieved, because an increase was assumed. In 2008, all districts used data when planning. No baseline data exist for this objective.

124. The embassy reported that the overall programme objective to secure access to health services has been achieved because all citizens in Zanzibar have access to basic, effective health services within a distance of 5 km. This represents an improvement because in 2003, 95% of the population had access to health services within a distance of 5 km. The embassy assessed the performance of this component to be satisfactory.

Rigsrevisionen has concluded that eight of the ten output objectives set have been achieved.

Health Sector Programme Support Phase 4 (2009-2014)

125. Phase 4 of the Health Sector Programme Support, whose overall purpose is the same as that of phase 3, has three components: support to the health sector mainland, support to the health sector Zanzibar, and support to the HIV/AIDS area. According to the embassy, the majority of the programme activities have been initiated as planned. It is too early to assess the progress of phase 4 of the programme which started in September 2009.

Assessment

126. 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.

Component 3

Subcomponent 1:
Support for district health services.

Subcomponent 2:
Support for health sector reforms and capacity building of the central authorities.

127. 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.

128. The bulk of the activities included in the most recent phase of the Health Sector Programme Support (2009-2014), which concerns 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.

IV. Sector programme reviews

MAIN FINDINGS AND RESULTS

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 for the quality of reviews in its guidelines, and further systematize its follow-up on review recommendations.

A. Scope of reviews

Review frequency

129. Until mid-2009, the Ministry of Foreign Affairs had to review programmes every second year. In 2009, the guidelines for programme management were amended to the effect that all Danish-supported programmes must now be reviewed annually – preferably as part of a recipient-led review process and jointly with other donors. TAS, the Ministry of Foreign Affairs' Technical Advisory Services, should preferably take part in the reviews every second year and at least twice during a five-year sector programme phase. This applies to programme support in excess of DKK 33 million.

130. Rigsrevisionen's examination of the reviews of the four selected sector programmes showed that reviews have been conducted at the frequency stated in the guidelines, although one purely Danish-funded project in the good governance programme had not been reviewed prior to 2009, even though it had been initiated in 1992.

Technical Advisory Services (TAS)

The office provides consultancy to Ministry of Foreign Affairs staff on technical development assistance issues.

The office conducts reviews of development assistance programmes. The office staffs are sector-specialized. Accordingly, only a few staff members are capable of conducting, for example, health sector reviews.

Review focus

131. The current guidelines dated October 2009 and the former guidelines specify the focus areas of a review. Box 1 shows the elements of a review according to the April 2007 guidelines which applied to the reviews examined by Rigsrevisionen.

BOX 1. FOCUS AREAS FOR REVIEWS CONDUCTED BY THE MINISTRY OF FOREIGN AFFAIRS

- Sector progress and development of relevance to the programme, including progress in relation to sector impact and outcome indicators.
- Progress in terms of impact and outcome and achievement of major outputs and execution of major activities.
- Programme disbursements and expenditure and relationship between physical and financial progress of the programme.
- Management issues the development risk, risk mitigation and assumptions.
- Considerations of cross-cutting issues (environment, gender equality, democracy and human rights), HIV/AIDS and other relevant priority themes.

Box 1 specifies the five elements that must form part of a review. In a joint review, Denmark must work to include the elements of Box 1 in the terms of reference for the review. The embassy or TAS may add other elements to the terms of reference that the review should address.

132. On the whole, the bilateral reviews conducted by TAS and examined by Rigsrevisionen largely included all the elements of Box 1. Reviews did not systematically include the element of cross-cutting considerations until 2007.

133. The focus areas are very broad, and the guidelines do not go into further detail about how the analysis of the focus points should be carried out. Our examination of the reviews shows that major differences exist in the way in which the reviews cover the focus area of programme progress. However, this gives the review team a free hand in carrying out the analysis and the reporting, although it does not ensure a common minimum for the scope of the analysis and conclusions. The Ministry has stated that this is specified in the preparations for each review.

Assessment

134. 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.

B. Quality assurance of reviews

135. The guidelines do not include specific quality requirements for reviews, although some items relate to quality assurance. The internal TAS manual makes recommendations to the review team leader about how the review should be conducted, for example, about the dialogue with the embassy and the development assistance recipients, and among review team members. The guidelines also stress that the review report must be analytical and precise, and that its recommendations must be specific and realistic. In addition, the review focus areas in Box 1 can be considered a quality requirement for the contents of a review.

136. The head of the review team is responsible for the quality of the report, which is not subject to approval by the embassy or TAS management.

The main purpose of a review is to obtain a performance assessment which is independent of the embassy.

A **bilateral review** examines purely Danish-funded development assistance activities. The review is conducted by a staff member from the Ministry of Foreign Affairs' Technical Advisory Services and possibly by a number of external consultants.

A **joint review** examines activities involving several donors and it often constitutes part of a major dialogue between the donors and the Tanzanian partners. The Ministry of Foreign Affairs' Technical Advisory Services does not always participate in joint reviews.

The quality of the review report is assured by the embassy receiving the draft report for comments before the conclusions and recommendations of the final report are presented to the embassy and local partners. Typically in cooperation with the local partners, the embassy must point out if the report contains factual errors, if its conclusions differ from the analysis, or if it does not meet the terms of reference for the review. TAS does not spot-check review reports to test whether they meet required quality standards. The Ministry has stated that TAS will consider making spot checks of review reports to assess their quality, which will contribute to ensuring uniform quality standards.

137. Rigsrevisionen's examination of the selected reviews shows that the elements in the guidelines that can contribute to increased quality, e.g. the reporting to the embassy on completion of the review, are being implemented.

138. The guidelines do not set assessment criteria for reviews. In consultation with the other review team members, the team leader is responsible for assessing programme progress on the basis of the consultant's professional experience, available data material, programme progress reports and general sector assessments.

Once the review has been completed, the team leader must adjust the programme assessment and sign it together with the ambassador. The assessment forms part of the embassy's annual country assessment of the sector programme.

Assessment

139. No specific requirements for 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 Rigsrevisionen. The Ministry should specify the performance requirements in the guidelines.

C. Independence and competencies

Selecting TAS staff and external consultants

140. The Ministry has stated that staff members who have previously been responsible for a sector programme at the embassy cannot participate in reviews of the same programme during the first couple of years in which they are attached to TAS. TAS tries to ensure that staff members who have previously reviewed a programme participate in the subsequent review to ensure continuity and knowledge of the programme.

141. Rigsrevisionen's audit has shown that for reviews, TAS generally only uses staff members who have not recently been involved in implementing the sector programmes subject to review. The examination also showed that there is continuity in the use of TAS staff in individual reviews, that is, the same staff member has participated in several successive reviews of the sector programme concerned.

142. The Ministry of Foreign Affairs has stated that the TAS management selects staff members for reviews on the basis of professional knowledge, language skills, country knowledge, experience, the need to get another perspective on a programme and the office's overall workload.

143. The Ministry's guidelines include suggestions for facilitating the selection of external consultants for reviews. These suggestions are listed in Box 2.

BOX 2. SUGGESTIONS FOR FACILITATING THE SELECTION OF EXTERNAL CONSULTANTS

- Consult colleagues/country teams/focal point about prior experiences of cooperating with the consultants under consideration.
- Obtain up-to-date CV – even of people who are well-known.
- Ensure interdisciplinary nature of the team, including knowledge of public financial management and reasonable expertise in the field of gender equality, environment, human resource management and other relevant aspects.
- Ensure that the consultants are capable of writing clearly and concisely.
- Discuss suggestions with the Embassy.
- Avoid using the same consultant time after time.

Box 2 shows what Ministry of Foreign Affairs staff should do when selecting external consultants to participate in a review. Team leaders and external consultants have informed Rigsrevisionen that consultants are largely selected on the basis of their experience and recommendations from colleagues in TAS. External consultants are approached by TAS and do not themselves solicit for review assignments. Rigsrevisionen's examination of reviews has shown that all external consultants had the relevant professional background to participate in the reviews concerned.

Assessment

144. 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.

D. Learning and follow-up on reviews

Follow-up on review recommendations

145. Together with the local partners, the embassy must decide how to follow up on the review recommendations, and the sector programme steering committee must subsequently ensure that the review recommendations are being implemented. According to the guidelines, an action plan must be drawn up for all bilateral reviews conducted after October 2009. The plan must include the most important objectives and follow-up activities to be given priority until the next review.

Rigsrevisionen's audit showed that not all recommendations are being implemented. However, the overall picture is that the majority are being implemented. The Ministry has given examples of reasons why recommendations have not been implemented, e.g. that there may be good reason not to follow a given recommendation, for example, if the programmes are implemented in a changeable context that may render a recommendation irrelevant. The Ministry has stated that such cases should be justified and documented.

146. The reviews contain many references to previous reviews. These references indicate that the review teams have studied previous reviews and in some areas are following up on whether recommendations have been complied with. The review reports from 2006 and 2007 concerning the health sector programme include a list of the review recommendations and the parties responsible for implementing them. The issues that are subject to follow-up are thus plainly and clearly identified. However, the reviews do not systematically follow up on recommendations from previous reviews.

To ensure that recommendations are implemented it would be expedient if the embassy collects agreed recommendations in one document specifying responsibility for implementation of the recommendation, the follow-up schedule and the progress of follow-up. This would be a natural element of the new action plan that the review team now has to prepare after a review.

147. The Ministry of Foreign Affairs agrees that it should provide more detailed evidence of the follow-up on recommendations. This could be done by way of a table to be filled in by the embassy or the responsible authorities prior to the review and discussed and assessed during the review.

Gathering experience and applying it to new programme phases

148. The guidelines do not explicitly state how experience gathered from reviews should be applied in the design of new sector programmes or new phases of ongoing sector programmes. However, the guidelines do show that relevant background material about the sector must be applied during the preparation phase and that the preparation of new programme phases is also subject to review.

149. Rigsrevisionen's examination of reviews shows that experience gathered from reviews is applied on a par with other relevant background material when new programme phases are designed. The annual joint reviews of the health sector and the General Budget Support, for instance, are taken into account in the dialogue between Denmark and the Tanzanian partners when new phases are prepared.

Knowledge is shared with the rest of the Ministry in part through the in-service training courses on development assistance held by TAS for Ministry staff. In addition, TAS drafts memos on the overall experience gained from various sectors and programmes to disseminate the experience gained from reviews, etc.

Assessment

150. 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.

151. 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.

V. Evaluation of development assistance

MAIN FINDINGS AND RESULTS

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.

A. Scope and topics for the Ministry of Foreign Affairs' evaluations

Evaluations conducted during 2005-2009

152. The Ministry of Foreign Affairs' Evaluation Department completed 34 evaluations during 2005-2009, of which 17 were joint evaluations conducted with other bilateral or multilateral donors. All evaluations were conducted by external consultants or consultancy companies. Accordingly, the Evaluation Department does not conduct evaluations itself.

153. The Evaluation Department prepares a rolling two-year programme that is updated annually. Relevant departments in the Ministry and embassies, etc., are consulted, after which the department prepares the final programme.

This practice is described in the Ministry of Foreign Affairs' evaluation guidelines. According to the guidelines, the Evaluation Department must ensure that the evaluation programme reflects the distribution of Danish development assistance in relation to countries, sectors, assistance instruments and priority areas.

Rigsrevisionen's audit shows that all sectors, relevant countries and assistance instruments such as NGOs and budget support (but not budget relief) were evaluated during the relevant period.

The Ministry of Foreign Affairs' **Evaluation Department** is an independent, specialized department in the Ministry responsible for programming, designing and overseeing evaluations of development assistance. The department reports to the State Secretary for Development Policy.

Evaluation expenses

154. Table 8 shows evaluation disbursements 2005-2009. Evaluation expenses cover preparation, implementation and dissemination of evaluations and evaluation studies. Expenses for evaluations conducted jointly with other organizations are also included.

Table 8. Disbursements for evaluations during 2005-2009 (prices for the relevant year) (DKK million)

2005	2006	2007	2008	2009
10.0	19.2	18.5	17.1	18.2

Note: The Evaluation Department's salary and operating expenses are not included.

The Evaluation Department arranges for evaluation studies to be carried out by external consultants. These studies serve to ensure wider dissemination of existing evaluations and to present different methodological considerations in connection with evaluations.

Table 8 shows that evaluation disbursements in 2005 amounted to DKK 10 million. Annual evaluation expenses 2006-2009 stood at DKK 17-19 million. Evaluation disbursements in individual years depend on the scope of the evaluations conducted and the extent to which they were conducted in cooperation with other donors.

Evaluation disbursements account for approx. 0.1% of the total expenses for development assistance.

Assessment

155. 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.

B. Quality assurance of evaluations

156. The Ministry of Foreign Affairs' guidelines for evaluations are based on the OECD Development Assistance Committee's (DAC) evaluation quality standards. The quality standards set out a number of requirements for, e.g. the implementation of the evaluation, stakeholder involvement, the content of the evaluation report and evaluation follow-up.

157. According to the guidelines, the Evaluation Department must monitor the conduct of the evaluation, that is, it must approve the consultants' evaluation plan and ensure that it is being followed. In addition, the Evaluation Department must provide quality assurance of the evaluation report by checking, the consistency of analyses, recommendations and conclusions, that the report does not contain factual errors and inaccuracies and that requirements in the Terms of Reference have been adequately dealt with.

158. In two of the three evaluations examined, the Ministry of Foreign Affairs used external consultants to comment on the consultants' plan for implementing the evaluations, and all three evaluations used external consultants to comment on the draft report.

159. The Evaluation Department also commented on the consultants' detailed plan for implementing the evaluation and the draft report. The comments concern, for example, factual changes, the restructuring of paragraphs and/or the report, proposals for further relevant aspects or further analysis, and whether the terms of reference for the evaluation have been complied with.

The most comprehensive quality assurance was provided for the HIMA evaluation (support for agriculture and the environment) because the draft report had been commented on extensively. The quality assurance provided for the health sector evaluation was also comprehensive because it was a joint evaluation and because the donors involved also commented on the draft report.

All evaluations during the period 2005-2009 cost in excess of DKK 500,000 per evaluation. Evaluation assignments between DKK 500,000 and the threshold for tender procedures according to EU directives (DKK 931,638 in 2010-2011) must be announced, whereas assignments in excess of DKK 931,638 must be tendered according to EU procurement directives. The bulk of the evaluations conducted have been tendered according to EU procurement directives.

160. The guidelines require that the contract name a person to be responsible for quality assurance. All three evaluations named a person in the contract and moreover, in two evaluations tendered according to EU procurement rules, the contracts described the quality assurance system of the consultancy company.

161. Quality assurance includes obtaining comments from the stakeholders involved. According to DAC's quality standards, stakeholders must be given the opportunity to comment on the results, conclusions and recommendations of the evaluation, which was the case in the three evaluations.

Assessment

162. 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.

C. Independence of Evaluation Department and consultants

Independence of Evaluation Department

163. The Evaluation Department is an independent, specialized department in the Ministry responsible for programming, designing and overseeing evaluations of development assistance. In consultation with the management of the Ministry of Foreign Affairs, the Evaluation Department determines the final evaluation programme. The Evaluation Department has stated that evaluations may be removed from or added to the programme, for example, in the case of new political circumstances or new strategies, or if other evaluations make Danish evaluation superfluous. According to the Evaluation Department, the Ministry's management cancelled no evaluations from the evaluation programme during the period 2005-2009.

164. The Ministry of Foreign Affairs has a separate account for evaluations in the Danish Appropriation Act. On this account, expenses are defrayed for the preparation, implementation and dissemination of evaluations and Danish contributions to evaluations conducted jointly with other countries or organizations.

Independence of consultants

Selection of consultants

165. Individual consultants or consultancy companies conduct the evaluations. According to the guidelines, the Ministry of Foreign Affairs selects consultants on the basis of their professional competencies, experience, independence and the quality of the relevant proposal.

The guidelines stipulate that members of an evaluation team may not have been personally involved in the activities to be evaluated. Similarly, the consultancy companies conducting the evaluation may not have been involved in the preparation or implementation of those activities.

In two of the three evaluations examined by Rigsrevisionen, evaluation team members had previously been involved in the activities evaluated. In one evaluation, the team leader had been involved in planning support to one of the institutions evaluated. In the other evaluation, a team member participated in planning the programme in the start-up phase, but not for the period with which the evaluation was concerned. The Evaluation Department has

stated that it made a concrete assessment of the two evaluations concerned and found there was no problem in relation to the consultants' independence.

According to DAC's quality standards, the evaluation report must indicate the degree of independence of the consultants. This does not appear from the three evaluation reports. Accordingly, they do not specify that the consultants in two of these evaluations had been involved in the activities evaluated. The Ministry of Foreign Affairs states that in future, any considerations regarding the independence of consultants will appear from the evaluation report.

Independence of consultants in conducting evaluations

166. In order to ensure independent and credible evaluations, the Ministry's guidelines include a set of rules stipulating how the consultants, the Evaluation Department staff and other parties involved must act during the implementation of an evaluation.

According to DAC's quality standards, the consultants must have access to relevant documents and information and be able to talk freely with the stakeholders they find relevant.

The team leaders for the three evaluations have informed Rigsrevisionen that they were given access to relevant information and that they could talk to all relevant stakeholders. In addition, they found that the process had proceeded without irrelevant interference on the part of the Evaluation Department or embassy staff. The correspondence between the Evaluation Department and the consultants confirms this.

167. In 2003, external consultants conducted a comprehensive review of the Ministry of Foreign Affairs' evaluation function. They examined the independence of the consultants conducting evaluations during 1997-2001. Twenty-five team leaders from the Ministry's evaluations were interviewed, in part about independence, including whether they had felt under pressure to change evaluation conclusions and recommendations. The conclusion was that the degree of independence of the consultants was generally high, and that the consultants had only been subject to pressure in a few cases while performing their duties. In most cases, the consultants did not yield to pressure, and in several instances, the Evaluation Department actively supported the consultants in upholding their assessments.

Assessment

168. The Ministry of Foreign Affairs' guidelines to ensure the independence of consultants reflect best practice. The Evaluation Department may furthermore independently of the Ministry organize and publish evaluations.

169. The consultants involved in the three evaluations under audit have all been independent in their conduct and reporting of the evaluations.

170. 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.

D. Learning and follow-up on evaluations

171. The guidelines stipulate that a follow-up memo must be prepared on completion of an evaluation. The follow-up memo includes the Ministry of Foreign Affairs' position on the evaluation conclusions and recommendations and identifies which departments are responsible for the agreed follow-up activities. The follow-up memo is discussed in the Ministry of Foreign Affairs' Programme Committee consisting of the Ministry's various departments. The follow-up memo is signed by the Chairman of the Committee.

172. The health sector evaluation was organized so that its conclusions and recommendations could form part of the new strategic health sector plan for Tanzania and the new phase of the Ministry of Foreign Affairs' Health Sector Programme Support. It appears from the follow-up memo that the recommendations formed part of the preparation of the new strategic health sector plan.

The follow-up memo for the HIMA evaluation (support to agriculture and the environment) does not describe how the Ministry of Foreign Affairs intends to use the conclusions and recommendations. According to the memo, the evaluation findings will provide input to the ongoing strategic development in the area, but the memo does not identify which department(s) is/are to provide the input and when. However, at the meeting of the Programme Committee it was pointed out that that evaluation will be used by the Ministry to design future policies in this area.

The follow-up memo for the financial services evaluation includes the Ministry's position on the recommendations, although it is not entirely clear how the Ministry intends to follow up on the conclusions or which department(s) is/are responsible for follow-up.

The Ministry of Foreign Affairs has stated that in most cases the responsibility to follow up on individual recommendations will be determined by the internal division of responsibility in the Ministry and, accordingly, this will not necessarily be specified in the follow-up memo. However, according to the Ministry's guidelines, this must be specified in the follow-up memo.

173. According to the guidelines, the Evaluation Department undertakes to monitor the implementation of the follow-up activities at regular intervals, but the guidelines do not specify how or how often. The Evaluation Department has had no standard procedure since 2007 for monitoring individual evaluations and since 2007 has investigated and assessed various models for monitoring the follow-up on evaluations. The reason is that in the opinion of the Evaluation Department, there was a need to adjust the procedures used to monitor follow-up on evaluations. The Ministry of Foreign Affairs has stated that in future, the follow-up memo will specify the time limit within which follow-up on specific measures must take place. As of March 2010, the Department for Quality Assurance of Development Assistance will monitor whether the evaluations conducted in the course of the two preceding years have been followed up.

174. The Ministry of Foreign Affairs has stated that in 2010, the Evaluation Department will be launching an audit of the existing guidelines. Among other initiatives, the Ministry intends to include the new procedures for evaluation follow-up and specify and clarify how questions relating to independence must be handled and to adjust the guidelines to reflect the revised DAC guidelines issued in February 2010.

Assessment

175. 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.

Rigsrevisionen, 16 June 2010

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/Bjørn Olsen

Appendix 1. Glossary

Association of Tanzanian Employers (ATE)	Tanzania's employers' association.
Basket funding	Basket funding is the joint funding of a project or programme by a number of donors.
Baseline data	Data for the situation concerned prior to a development intervention.
Business Environment Strengthening for Tanzania (BEST)	The Tanzanian government's business sector programme.
Chama Cha Mapinduzi (CCM)	The government party, which is the largest party in Tanzania and holds approx. 90% of the seats in parliament.
Cooperative and Rural Development Bank (CRDB)	Tanzanian bank providing micro loans, among others.
Doing Business Index	The World Bank's index of the ease of doing business in a country.
Financial Sector Deepening Trust	Fund aimed at strengthening the financial sector in Tanzania.
Gini coefficient	Measure of inequality.
Hifadhi ya Mazingira (HIMA)	Environmental protection (support for the environment and agriculture).
Mkakati wa Kukuza Uchumi na Kupunguza Umaskini, Tanzania (MKUTATA)	Tanzania's strategy for growth and poverty reduction (poverty reduction strategy).
Occupational Safety and Health Authority (OSHA)	The occupational safety and health service.
Performance Assessment Framework (PAF)	Collective designation for performance assessment of General Budget Support.
Private Agricultural Sector Support (PASS)	Fund aimed at strengthening private agricultural development.
Public Procurement Regulatory Agency	Government agency monitoring public procurement.
Research and Education for Democracy in Tanzania (REDET)	Project supporting research and education for democracy in Tanzania.
Savings and Credit Cooperative Organisations (SACCOS)	Financial institutions providing micro-financing.
Small and Medium Enterprise Competitiveness Facility (SCF)	Organization to promote the competitiveness of small and medium enterprises in food processing and other industries.
Trade Union Congress of Tanzania (TUCTA)	The largest trade union in Tanzania.
Women's Legal Aid Centre	Centre providing legal aid to women.
World Association of Investment Promotion Agencies (WAIPA)	International association of investment promotion organizations.

Appendix 2. Abbreviations

AFROSAI	African Organization of Supreme Audit Institutions
ATE	Association of Tanzanian Employers
BEST	Business Environment Strengthening for Tanzania
BSPS	Business Sector Programme Support
CCM	Chama Cha Mapinduzi – The government party in Tanzania
CRDB	Cooperative and Rural Development Bank
DAC	Development Assistance Committee
HIMA	Hifadhi ya Mazingira, Environmental Protection (support to the environment and agriculture)
HSSP	Health Sector Programme Support
LSRP	Legal Sector Reform Programme
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini, Tanzania – Tanzania's poverty reduction strategy
OSHA	Occupational Safety and Health Authority
PAF	Performance Assessment Framework
PASS	Private Agricultural Sector Support
PSRP	Public Service Reform Programme
REDET	Research and Education for Democracy in Tanzania
SACCOS	Savings and Credit Cooperative Organisations
SCF	Small and Medium Enterprise Competitiveness Facility
TUCTA	Trade Union Congress of Tanzania
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WAIPA	World Association of Investment Promotion Agencies