

Annex C. Field visit to Tanzania

As part of the peer review of Canada, a team of examiners from Germany and Norway and the OECD visited Tanzania in November 2017. The team met with Canadian officials from Global Affairs Canada, officials from the government of Tanzania, other bilateral and multilateral partners, implementing partners and representatives of international and local civil society organisations.

Tanzania is a stable democracy with strong economic growth, but there are weaknesses in human development

Tanzania is a large least developed east African country with a population of 55 million, and a total area of 885 800 km² (Prosper, Rogers and Chidozie, 2017^[1]). Tanzania has one of the best-performing and most stable economies in Africa. The 2014 economic growth rate of 7% was maintained in 2015, with an improvement to an estimated rate of 7.2% in 2016 (Prosper, Rogers and Chidozie, 2017^[1]).

Tanzania rates among the top half of countries in Africa for governance. Its main strengths are in the areas of safety and rule of law, national security, and participation. Tanzania's weaknesses lie in human development (health and education) and infrastructure; it ranks 151 out of 188 countries on the UNDP's Human Development Index. The ratio of the population living below the international poverty line dropped from 59.9% to 48.8% between 2007 and 2012 (Prosper, Rogers and Chidozie, 2017^[1]).

Tanzania's second five-year development plan (FYDP II) – “Nurturing Industrialisation for Economic Transformation and Human Development, 2016-21” – has a dual focus on growth and transformation, and poverty reduction. There are four priority areas for action (Ministry of Finance and Planning, 2016^[2]):

1. fostering economic growth and industrialisation
2. fostering human development and social transformation
3. improving the environment for business and enterprise development
4. strengthening implementation effectiveness.

In 2015-16, Tanzania's total financial inflows were split as follows: 11.7% tax revenue, 20.2% domestic credit, 15.6% external debt, 4.3% net foreign direct investment, 0.8% remittances, and 5.6% net ODA (GPEDC, 2016^[3]). Tanzania has ambitious financing goals under the current plan. The private sector is expected to cover almost half of the cost of implementing the plan, and the public sector – including through ODA and official borrowing – will finance the rest.

Towards a comprehensive Canadian development effort

Canada has a well-established partnership with Tanzania, anchored in its substantial development programme

Canada has a long-standing and stable relationship with Tanzania. However, in 2015 increasing tensions between Tanzania and the international community, including Canada, came to a head around Tanzania's handling of the 2015 Zanzibar elections, and a high profile corruption scandal. The sources of tension include a deterioration in democratic space, human rights and the business environment (GAC, 2017^[4]).

Nonetheless, Canada's bilateral relationship with Tanzania is underpinned by a substantial development programme that has been in place for more than 50 years (Department of Foreign Affairs, Trade and Development, 2014^[5]). Canada's support to Tanzania reflects both high levels of need, and also opportunities for progress because of Tanzania's stable democracy and strong commitment to economic growth and poverty reduction (GAC, 2017^[4]).

In 2016, Canada's merchandise exports to Tanzania were USD 65 million, and imports from Tanzania were USD 11 million. Canadian mining companies are amongst the largest foreign investors in Tanzania. In recent years, Canada has supported a portfolio of projects aimed at strengthening government capacities and systems to monitor and audit mining industry activities. However, these are now winding down (GAC, 2017^[6]).

Canada's policies, strategies and aid allocation

Canada's new feminist policy is starting to take hold in Tanzania

The new Feminist International Assistance Policy (GAC, 2017^[7]) reinforces and builds on Canada's long track record of advocating for gender equality in Tanzania. Canada ensured Tanzanians were consulted as part of the International Assistance Review, that led to the new policy, for example, by using radio to disseminate information and offering the opportunity for input via text messaging (Farm Radio International, 2016^[8]).

Development partners, multilateral organisations and Canadian civil society organisations welcome Canada's re-commitment to gender in Tanzania. However, Canada has yet to disseminate the policy widely amongst government counterparts and implementing partners, and to clarify what it means for Canada's ongoing development co-operation in Tanzania. Effectively communicating and implementing the policy in Tanzania will need to be done carefully given the sensitive context.¹

Canada has no current approved country strategy for its engagement in Tanzania

Following the expiry of Canada's country development programming framework 2009-2014, a bilateral development strategy was drafted for 2015-2019 but was never signed due to the fact that the Canadian government changed and resolved to develop a new international assistance policy. The draft strategy has served in the interim. Bilateral development programming in Tanzania focuses on two action areas of the new feminist policy: human dignity (approximately 75% of the bilateral programme) and inclusive growth (approximately 25% of the bilateral programme). The draft strategy is used to guide an annual investment planning process. Annual plans and reports are completed using *Strategia*, an integrated mission planning and prioritising tool. Anticipating

confirmation of process, templates and guidance from headquarters, team members are now undertaking analysis to inform a new integrated country framework strategy for Tanzania guided by the feminist policy.

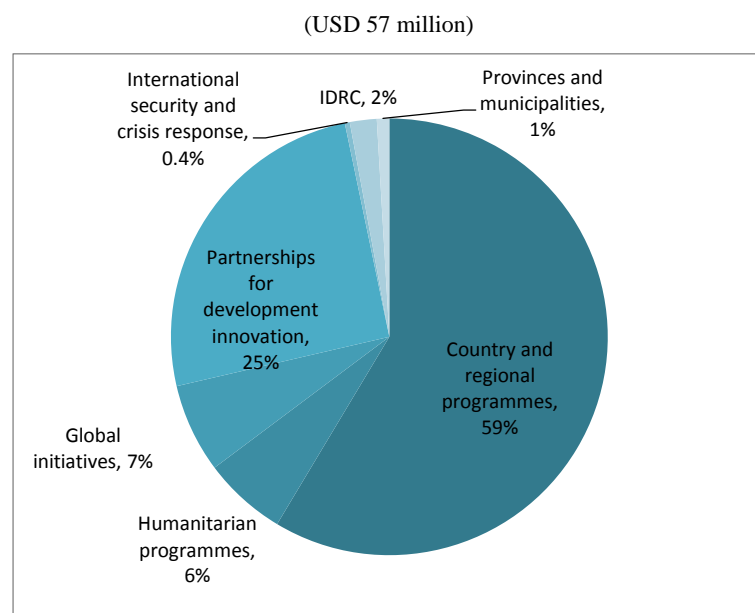
Canadian bilateral ODA dropped significantly between 2013 and 2016.

Canada's gross bilateral ODA disbursed to Tanzania averaged USD 67 million per calendar year over 2015 and 2016, accounting for 2% of Canada's total bilateral ODA. This represents a significant drop from the 2013-14 average of USD 104 million in bilateral support to Tanzania in a period when the country was Canada's second highest recipient partner (constant prices, Annex B).

Of the Canadian bilateral ODA disbursed in Tanzania in 2016 (OECD statistics CRS database):

- 67% went to project interventions
- 12% to basket or pooled funds
- 10% through multilaterals
- 7% to technical assistance
- 4% to other modalities.

Figure C.1. Total Canadian international assistance to Tanzania 2015-16



Note: IDRC: International Development Research Centre. Data used for this chart is from the 2015-16 Canadian financial year.

Source: GAC (2016_[9]) "Statistical Report on International Assistance 2015-16," <http://www.international.gc.ca/gac-amc/assets/pdfs/publications/sria-rsai-2015-16-eng.pdf>

Of the total bilateral international assistance disbursed by Canada to Tanzania in the 2015/-16 financial year, 59% was channelled by Global Affairs through country and regional programmes (Figure C.2).

Organisation and management

Amalgamation and decentralisation have led to positive changes at the High Commission in Dar es Salaam

Since amalgamation of CIDA and DFAIT into Global Affairs Canada, High Commission staff report closer collaboration across foreign policy, trade and development. They particularly note an improvement in coherence and transparency allowing good governance to enhance the enabling environment for private sector growth – both in Tanzania and internationally (GAC, 2017_[12]). In addition, the three streams collaborated when taking a recent position on the rights of members of the lesbian, gay, bisexual and transgendered community in Tanzania.

Canada has also made progress towards decentralisation in Tanzania since the 2012 peer review, with the field-based head of development co-operation now responsible for managing all programme staff in Dar es Salaam (12) and Ottawa (6). Under the current model there are separate reporting lines for the Head of Mission and Head of Co-operation to the Director General of the geographic directorate. This works well in Tanzania where the current High Commissioner was the former Head of Development Co-operation. However, there is a risk that following this approach in other contexts would place development in an inferior position vis-à-vis foreign policy, trade and security, challenging the department's unified structure.

Delays in approvals persist

Since the last peer review Canada has further streamlined and standardised its project approval processes. Nonetheless, in Tanzania, these processes take a long time due in part to a low appetite for risk. In addition, Canada's international assistance in Tanzania can be hindered by the limited delegation of programme and financial authority to the High Commission. This constrains Canada's ability to be flexible and innovative, and to work effectively with its partners on the ground. While Global Affairs Canada is required to work within Canadian government guidelines, a common-sense approach to dealing with changes in the local context would enhance the efficiency of project management and the relevance of Canada's international assistance locally.

Locally-engaged staff are an important part of the team at the High Commission

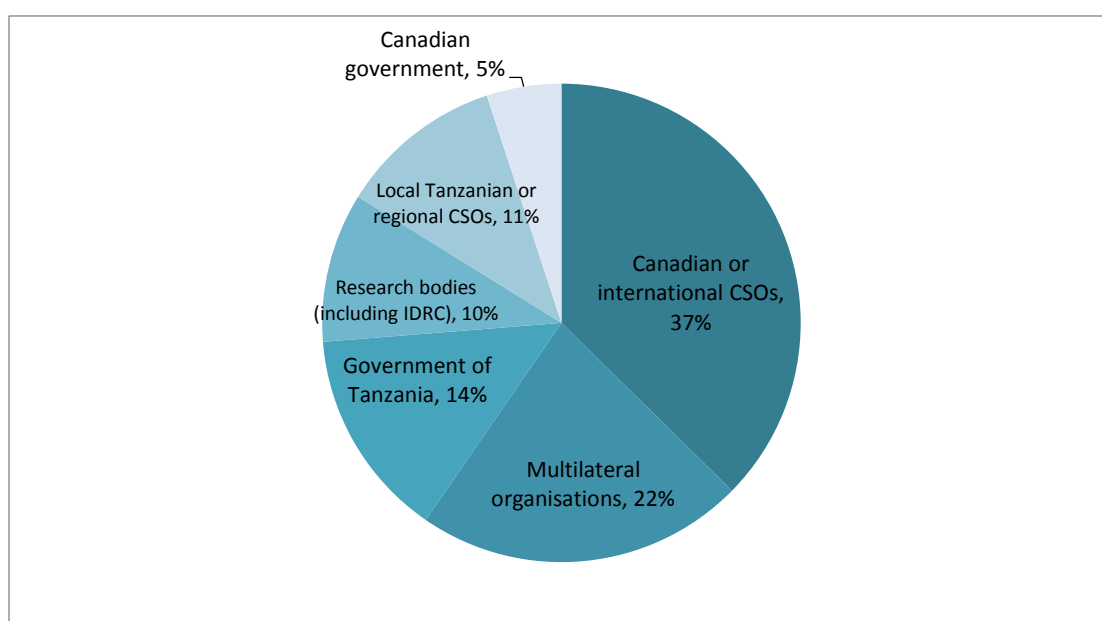
Locally-engaged staff play a critical role, providing local context; maintaining close relationships with government officials, implementing partners and local civil society organisations; and maintaining institutional knowledge and memory at the High Commission. The added value of locally engaged staff could be enhanced by:

- offering increased face-to-face training opportunities in addition to the mandatory and recommended courses the department delivers online
- providing greater opportunities for locally-engaged staff to conduct field-based monitoring of projects and programmes
- pre-posting management training which emphasises the value of locally-engaged staff for Canadian-based staff who will take on roles managing locally engaged staff.

The Field Support Services Project (FSSP) was established in Tanzania in late 2016 to provide technical, administrative and other services to development projects. Tanzania is one of the first countries in the world to have implemented FSSP, with plans to roll the model out globally to all other missions with a development stream. Under FSSP, Global Affairs Canada has contracted PricewaterhouseCoopers to provide a range of services, including administrative, logistical, technical, and financial services for the development programme in Tanzania. In the future it may also manage small local funds or development initiatives. The review team noted, however, that this sub-contracting model for employing technical advisors may mean they struggle to maintain their connections with the High Commission and also the sectors in which they work.

Partnerships, results and accountability

Figure C.2. Proportion of Canadian bilateral ODA by implementing partner, 2016



Note: CSO: civil society organisation; IDRC: International Development Research Centre
Source: OECD statistics CRS database

Civil society implements close to half of Canada's bilateral aid in Tanzania

Canada is committed to strengthening and working with civil society as a development actor in its own right in Tanzania. This is in line with its new civil society partnerships policy.² Numerous CSOs are funded by Canada to work in Tanzania,³ and multiple projects – some of them very small – are funded and managed through separate channels (e.g. bilateral, Partnerships for Development Innovation, and Global Issues).

The Partnerships for Development Innovation branch disbursed more funding to Tanzania than to any other country in 2015-16 (USD 14.6 million) (GAC, 2016^[9]) (Figure C.2). Tanzania's bilateral programme team does not have decision or financial accountability over partnerships funding, though it is consulted by the Partnerships for Development Innovation branch during project approval. Consequently, the landscape is complex on the ground and there is a risk of lack of co-ordination, high transaction costs and duplication.

Furthermore, as in other partner countries, Canada funds local NGOs to deliver small projects that meet local needs (all less than USD 75 000) through the Canada Fund for Local Initiatives. Projects are expected to advance Canadian development and foreign policy objectives, particularly in human rights (Department of Foreign Affairs, Trade and Development, 2014_[5]).

Canada used multi-bi channels to deliver one-quarter of bilateral aid in Tanzania in 2016

Canada partners with multilaterals in Tanzania to deliver projects with shared results. In 2016, 24% of Canadian bilateral ODA (USD 11 million) was channelled through multilaterals (Figure C.2). This was disbursed to the following main multilateral institutions: UNICEF (7%), World Bank Group (6%), International Finance Corporation (4%), UNHCR (3%), World Food Programme (1%) (OECD statistics CRS database).

Canada is UNICEF's largest funder in Tanzania, providing bilateral funding for several large projects including for birth registration (Chapter 6). UNICEF is grateful for the targeted funding in this area, which is not well supported by donors. Overall, there is scope to strike a better balance between core and earmarked support in Tanzania, such as by contributing to the One UN.⁴ However, Canada notes that it is not alone in having chosen in recent years not to support One UN in Tanzania.

Canada is a valued development partner

Canada's policy dialogue in Tanzania focuses on sectoral engagement, chairing sectoral and technical working groups, such as the Education Sector Development Partners Group (DPG), the Gender Equality DPG, and the Extractives DPG, and serving as the incoming member of the troika that chairs the Health DPG. Canada is also an active member of the Development Partners Group -Main,⁵ which is the overall donor policy dialogue forum (GAC, 2017_[4]).

In 2016-17, the Government of Tanzania and the Development Partners Group held a high-level development dialogue process. The objective of the "Kaberuka Report" process was to build a strong and inclusive partnership between development partners, the Government of Tanzania and other relevant stakeholders. The process included a full review of the aid architecture, options for the inclusion of the private sector and CSOs, and the provision of new financing instruments (Rodriguez and Shingiro, 2017_[10]).

Tanzania's Development Co-operation Framework (Ministry of Finance, 2017_[11]) was consequently approved by the Government of Tanzania in July 2017, setting out a framework for development co-operation partners in Tanzania for the period 2014/15-2024/25. However, despite the process, dialogue with the government remains challenging, and many development partners are not willing to use government systems.

Canada could make better use of programme-based approaches

Canada's use of programme-based approaches in Tanzania has declined recently, from USD 45 million in 2013-14, to USD 9 million in 2015-16 (GAC, 2017_[12]). Given its advocacy for development effectiveness principles, Canada is in a good position to facilitate dialogue between government and development partners about perceived weaknesses in country systems with a view to increasing the use of programme-based approaches, including through its own programme.

Canada is among the largest bilateral donors in the health sector, contributing to the Tanzania Health Basket Fund.⁶ In October 2016, Treasury Board approved a new Health Basket Fund contribution of USD 66 million (CAD 88 million) for the period 2016/17-2020/21. The arrangement was signed in March 2017; however approval delays in Ottawa meant Canada signed later than the other five donors (Ireland, Denmark, Switzerland, UNICEF and Korea). Some partners commented that this delay ultimately meant Canada had to take a low profile in terms policy dialogue around the new agreement.

Canada also provides significant bilateral support to reproductive and maternal, new-born child and adolescent health (RMNCAH). Five large RMNCAH projects were approved in March 2016 and are being implemented by Canadian CSO partners. This group of projects will receive USD 44 million (CAD 58 million) over five years to help improve the lives of women, girls and new-borns living in disadvantaged areas (GAC, 2017_[4]).

Canada is a lead donor in education, where its assistance is increasingly concentrated on teacher training to improve the quality of education, especially for girls. Canada is one of the only donors supporting pre-service education and is working with the Tanzanian Ministry of Education, Science and Technology to deliver the Teacher Education Support Project (TESP), which has both an infrastructure and an institutional-support component, valued at a total of USD 45 million over five years.

Considering Canada's long-term commitment to Tanzania as a development partner, and in view of its decreasing financial commitments, as it develops its new integrated country framework strategy Canada could enhance its ability to ensure development effectiveness and achieve impact by consolidating its development programme across the multiple partnerships and channels it supports (bilateral, Partnerships for Development Innovation, Global Issues and humanitarian).

Canada could do more to support partner monitoring and evaluation systems

While Canada emphasises the importance of strong project monitoring and evaluation, its implementing partners in Tanzania face several challenges:

- There is a widespread perception that intermediate outcomes cannot be altered once projects commence, limiting partners' ability to adapt to changes in the context which have occurred during lengthy decision-making processes.
- Canada's use of external monitors (for example in the TESP) and specific reporting requirements limits partners' ability to build and sustain their own monitoring and evaluation capacity (and to undertake real-time monitoring).
- Reporting requirements are considered heavier than those of other donors. While partners appreciate receiving detailed feedback on their reports, they would prefer Canada to direct time and resources into more field visits.
- Externally contracted and pre-agreed mid-term and final evaluations appear to be the default approach for Canada. Projects would benefit from more strategic use of evaluation throughout the project lifecycle.

Canada is working to strengthen Tanzania's overall systems for evidence-based decision making in policy and service delivery, including through support to the Tanzania Statistical Master Plan, and through investing in improved data for MNCH through the Real Accountability: data analysis for results project (RADAR). However, Canada could do more to support and use local M&E systems in its bilateral projects.

Notes

¹ Tanzania ranks 125 out of 155 countries, with a rating of 0.547 on the Gender Inequality Index. Root causes of gender inequalities include historical and structural power imbalances between women and men and pervasive gender stereotypes. Some of the main challenges for gender equality in Tanzania are inequitable access to and ownership of land and resources, the low participation of women at all levels of decision making, gender-based violence and women's exclusion from the economy. See the UNDP gender equality webpage: <http://www.tz.undp.org/content/tanzania/en/home/ourwork/genderequality/overview.html>.

² See “Canada’s policy for civil society partnerships for international assistance – a feminist approach”, at http://international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/civil_policy-politique_civile.aspx?lang=eng.

³ Including Aga Khan Foundation Canada, CARE Canada, Mennonite Economic Development Associates of Canada, Primate's World Relief and Development Fund, Oxfam Canada, World Vision Canada, and Right to Play International.

⁴ For further details see: <http://tz.one.un.org/who-we-are/united-nations-in-tanzania-delivering-as-one>.

⁵ For more information see the Development Partners Group website: www.tzdpg.or.tz/dpg-website/dpg-tanzania.html.

⁶ For further details see: <http://www.tzdpg.or.tz/index.php?id=1164>.

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