

THE IMPLICATION OF GENERAL BUDGET SUPPORT ON NON-GOVERNMENTAL
ORGANISATIONS

Case Study of Tanzania

Final Draft

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EXECUTIVE SUMMARY

General Summary

Tanzania's efforts in fighting poverty have been organized around the Poverty Reduction Strategy Programme (2000 - 2003), which in year 2005 was succeeded by the National Growth and Poverty Reduction Strategy, or as popularly known in Kiswahili, MKUKUTA (2005 - 2010). This is an overarching framework which external financial assistance and domestic resources support and work for. Three main funding instruments are applied by donors to support PRS/MKUKUTA, namely: (i) The Project Modality, (ii) The Basket Modality, and (iii) The General Budget Support (GBS). The latter is arguably considered the most suitable funding modality, according to government and an increasing number of donors. The other modalities are however still significant. MKUKUTA and budget processes are expected to rely on consultative participation of many stakeholders to achieve effective outcomes.

NGOs are recognized in principle by donors and the Government of Tanzania (GOT) as key partners in the consultative processes. This attitude is nonetheless not demonstrated in practice evenly and broadly throughout the country. The onset of GBS has raised the question as to the effectiveness of non-governmental organizations (NGOs) participation in the changed relationships that may be engendered by the GBS: in respect of the relationships of NGOs with the GOT, and with the donors. In this respect, the need to clarify these relationships is the key objective of the current Study.

The Study Report highlights the importance of the strategic frameworks of MKUKUTA and the budget, as well as the key processes that link to them, including conspicuously SectorWide Approaches (SWAs) and Public Expenditure Reviews (PERs). Both have been systematic in their attempt to enlist participation of many stakeholders, including among others the NGOs. SWAs as sector policy and investment coordinating processes have worked well or fairly well in a few sectors, notably health. But they have also suffered from shortcomings, some of which have made NGO contributions in policy engagement less productive. For example, the domination of funding issues in the SWAs raised the role and position of donors and tended to marginalise the stakeholders who are not contributing money to the baskets, particularly the NGOs.

The current Report devotes ample space to describe the GBS; its historical perspective in Tanzania and the advantages cited by those who endorse its ascendance. GBS has mobilized 14 donors, with contributions from DFID and the World Bank clearly outstanding. The qualification for GBS has rested on the assessment of policies adopted by Tanzania that are judged as having created an enabling environment to development. This includes, *inter alia*, opening space for policy dialogue, installing effective aid management systems, transparency of the systems, and coherent aid evaluation mechanisms. Even though the participatory processes supported by GBS stipulate NGO involvement, there are still bottlenecks to overcome due to lack of specific resources to support participation and capacity constraints on the part of NGOs and on the government side as well. NGOs point out that their influence over GOT and donor policies is still deficient: often they are brought on board when the formulation of the policies is too advanced or the information available is patchy on what is going on. Some observers conclude that government commitment to NGO participation may be on the whole sincere but it is not keen, profound and systematic.

The central objective of this Report is to outline the environment in which NGOs are operating and to assess the implication of GBS on this environment. The importance of government attitude and behaviour in this environment cannot be underrated, particularly as it has been amplified with the introduction of the NGO Act of 2002, which a significant number of NGOs find deficient. It is possible that it has contributed some degree of mistrust.

The Report observes that GBS does not seem to have adversely affected donor resources available to NGOs. Perhaps it is still too early. In fact, it concludes that even though NGOs taking up the opportunities apparently opened under the participatory processes are still facing some obstacles, these cannot be attributed to the introduction or deepening of the GBS.

The key messages that can be drawn from the Study interviews, secondary sources and indeed the whole research exercise are summarized in the following section:

Key Messages and Findings from the Study process

Key policy and budget frameworks and related participatory processes

- The PRS/MKUKUTA and budget frameworks, as well as PERs and SWApS among others, provide opportunities, which are believed to allow many stakeholders to engage in and contribute to policy formation and monitoring. But NGO impact is a modest one. It is still limited. On the other hand, donor influence in these processes is regarded by NGOs as still significant.
- The SWApS and PERs were not rolled out to the district level, and there the concepts remain vague notions. As a result, this gap has denied government the potential contributions from non-state actors.

GBS among other aid delivery mechanisms

The instruments for aid intervention and their relations with NGOs are presented in Diagramme-1 below:

Diagramme 1: Changing Aid Architecture

	AID Modality	Before YR 2000	YR 2000 and after	Feature of the modality
1	Projects	Dominant	Importance diminishing	Interest of NGOs limited to area of project location and to project impact
2	Programme Assistance and SALs/SAGs	Different forms applied; targeted Direct Budget Support introduced with conditions	Importance considerably reduced	NGO interest still limited to subject or sector of assistance

	AID Modality	Before YR 2000	YR 2000 and after	Feature of the modality
3	Baskets	Rare	More common, replacing programme assistance, for sectors and themes	Basket coverage expands, includes issues of concern to NGOs, i.e. financial matters, donor coordination, governance; sector and subject specialization emerges
4	General Budget Support	Still in form of DBS as in 2 above	Preferred modality by GOT and DFID, and a number of other donors	Involves cross sector, macroeconomic issues and thus requires multivariant knowledge on issues, causes and environment and thus multiple expertise

SAL= structural adjustment loan; SAG = structural adjustment grant

- Thus several aid instruments are still in use, though general budget support is presented as the most preferred instrument by the government and a growing number of donors.
- NGOs do not have any reasons to fear the ascendance of GBS; on the other hand, its strong association with policy frameworks implies that NGO involvement will require more sophistication and corresponding skills.
- Several attributes of GBS have been highlighted: such as promoting local ownership of the development process and building up of local capacity; better linking with reduction of poverty through working in tandem with GOT own resources and management systems; leveraging contestability of resources during allocation; encouraging policy dialogue and cutting down on transaction costs. In terms of benefits to NGOs, these are mainly indirect in the sense of greater resources in the public budget that can be accessed by the NGOs; and the fact that policy engagement of interest to NGOs now covers issues affecting total public resources.
- GBS does not threaten NGO funding prospects vis-à-vis the donors.

Aid Harmonization and Inter-Donor Coordination

- In aid harmonization and management, one of the best practices internationally has been the preparation of the TAS, now to be succeeded by the JAS. Both are basically donor GOT coordination frameworks but have and could benefit more from extra involvement of other stakeholders.
- The Partners Development Group (a local DAC body of resident donor representatives) has well-organized consultative arrangements among the Development Partners (DPs) and with GOT; but it does not have common principles within the group for harmonising donor support to NGOs.

NGO facilitating and constraining factors

- NGOs face capacity and financial constraints in venturing into policy engagement, more required under the regime of GBS. Nevertheless, they try to cope by reorganising themselves in networks to share information and participate in fora open to them. They also try to modify internal structures to meet the challenges. Although sector and subject-focused networks have emerged and are consolidating, the same cannot be said of nationwide multipurpose NGO networks. Both types would have substantially eased the capacity constraints of individual NGOs .
- The Study observes that NGOs are indeed funded by government though mostly indirectly through government projects, basket funds, as well as in form of subventions for the running of health services and schools. Yet, access by NGOs to the government resources is constrained by lack of an open comprehensive national policy on direct government assistance to NGOs. Partly due to this, there is no comprehensive data on different MDA resources that are now being provided under disparate funding activities.
- Donor contacts with and support to individual NGOs for the most part appear to be made on ad-hoc basis, are biased in favour of international NGOs and for local NGOs, inadequate. On the other hand, the donors possibly mirroring the concept of GBS in its common donor funding approach, have come together to support The Foundation for Civil Society (FCS) and similar pooled funds. FCS is creating a countervailing voice of influence in the NGO community that will allow for critical analysis and monitoring of GBS use within and outside the government led processes. Some NGO circles are wary, however, that donors might in the future prefer the use of baskets, which would consequently limit competition in accessing donor funds.

Issues in NGO - Government Relationships

- Some NGOs perceive undue government interference in the provisions of the NGO Act of 2002, feeling that it wants to unduly control NGO affairs. This position is however contested by government.
- The Study observed widespread views that there has been slow, even lack, of responsiveness of legislative bodies and policy makers to public demands to account for service and policy delivery. NGOs have not mounted enough pressure to enhance responsiveness.
- The difficulties in information release in Tanzania were underscored as a widespread phenomenon. And this problem does not appear to be confined to government alone but extends to CSOs¹, the private sector, etc, arising out of mistrust over those seeking information.

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¹ When it is necessary, the term CSO is used rather than NGO to imply a wider combination of all non-state voluntary associations and organisations such as, professional, academic, trade unions, religious, mutual benefit membership associations, etc

The corollary of the above findings is that the GBS has not created obstacles to NGOs to fulfill their missions. Only relationships have become complex and thus more demanding on all parties, since they are required to consult for more effective policy making, management and monitoring. GBS is a compatible instrument for carrying out these functions.

Key Recommendations

Though a comprehensive list of the Recommendations is presented at the end of this Report, a few of them appear most outstanding. They are indicated here below:

- ❑ **Government commitment in promoting NGO participation in policy matters should be more resolute.** The commitment as a general intent to instill participative governance in the government system is not questionable as such. But much more needs to be done to **reduce the gap between rhetoric and practice in encouraging systematic participation and inclusiveness.**
- ❑ **The government has to initiate the process of improving the NGO Act.** It has been a subject of much criticism from the NGOs. The NGOs should take up such an initiative in good faith.
- ❑ **Donors have to make their NGO assistance facilities more transparent** and even-handed, and increase their support to local NGOs.
- ❑ The demand by government of **information on NGO sources of funds** is not inimical with NGO transparency in their affairs, but it has to be addressed through consensus hammered out among the NGO communities. It will be better understood if the government also adopts a **Freedom of Information Act** to allow NGOs to monitor easily government operations.
- ❑ **NGOs should embark on a vigorous drive to promote citizens' empowerment in creating a citizenry that can make policies more demand-driven and services more relevant to peoples' needs.** This would help keep the elected bodies more responsive and accountable to their constituencies. As corollary, the NGOs should be more bold in keeping pressure on legislative bodies and government to be responsive to public demands.

1.1 Context of the Study

In the last five to seven years, there have been significant changes in attitudes over development aid. Better ideas have crystallized on how aid can be organized to result in significant poverty reduction in the developing countries. The earlier belief by major donors that the state should be bypassed in order to make aid effective on the ground is no longer tenable. Or that markets alone can create facilitative conditions for economic growth sought by external aid support, is not plausible either. The conventional concept now is that the state must both enable development to take place and also fulfill its obligations for service delivery to its citizens.

In order to enable poor countries to find the resources essential for growth and welfare improvements for their citizens, donor aid budgets have increased². Some donors have also agreed to pool their funding for more effective outcome. In recent years, major donors have changed their development aid delivery mechanisms to support Poverty Reduction Strategy Plans (PRSPs) and related frameworks adopted by recipient governments.

Tanzania's Poverty Reduction Strategy (PRS-1) was set up for the period 2000 - 2003. A successor programme called The National Strategy for Growth and Reduction of Poverty or popularly known as MKUKUTA (in Kiswahili) has now been adopted to run for the period 2005 – 2010. In Tanzania donors are applying different aid instruments to support PRS/MKUKUTA, including General Budget Support (GBS), basket funds, as well as traditional project funding. Basket funding was initially applied on sectoral plans, but eventually now covers crosscutting themes such as financial management reforms, HIV/AIDS, decentralization agenda, civil service reforms and good governance. The Government of Tanzania (GOT) has indicated unequivocal preference for GBS in this regard. It has been working with the major development partners (DPs) in the context of the Tanzania Assistance Strategy (TAS) to mobilize donor support under common agreed principles that reflect the aid delivery instruments suitable for carrying Tanzania's poverty reduction efforts forward.

There has been exciting debate internationally about whether PRSP, considered as the key development framework, has strengthened the government in its driving seat of planning and spending its budget as intended. Or whether donors are still exercising control of the budgets through different measures and techniques that weaken real national ownership of the development process. Another issue that has come to the fore has been the extent of the involvement of NGOs in the elaboration, implementation, and evaluation of PRS programmes and other government strategies. DFID and other likeminded donors are strongly supporting MKUKUTA in Tanzania through direct and general budget support because they believe it can accommodate the above concerns.

CARE International and ActionAid International are asking themselves the question over the implications for NGOs in this funding change scenario, that is resulting in more enhanced use of GBS. The current Study research was intended to explore, especially: (a) what the impact of GBS is on NGO

² Website data from OECD/DAC

funding, (b) how direct funding of the budget by donors affects NGO relationship with the donors and with the government; and (c) in turn, the interactions within civil society in the country.

1.2 Purpose / Objective of the Study

The overall aim of the research has been to examine the impact of the changing aid architecture with increased use of GBS provided by DFID and other donors to Tanzania on the relationship between NGOs and the donors as well as between the NGOs and the Government of Tanzania (GOT), and in so doing, paying attention to the dynamic nature of these relationships over time, within the overall expectation of improving the NGO effectiveness in their missions.

The broad tenet of the **NGOs** mission in Tanzania is to make a significant contribution to poverty reduction through service delivery and strategic engagement with government in policy processes. The corollary purpose of this Report is to explain the enquiry undertaken to assess the changed external funding conditions, the status of existing and new relationships surrounding aid as well as make recommendations on what can be done to reposition **NGOs** to play a more effective role in the changed circumstances.

1.3 Methodology

The consultant relied on the following sources to collect data: (i) interviews with selected officials in ministries, donors agencies, NGOs and Local Government (LG) listed in Annex I; (ii) secondary data gathered from various documents from the Government of Tanzania (GOT), donor agencies and NGOs plus website information, and (iii) other documents and briefs supplied by respondents. A desk review of these sources and especially those on the Budget, Public Expenditure Reviews, SWAps, the Poverty Reduction Strategy/MKUKUTA, General Budget Support studies, NGOs and other relevant documents on aid relationships had to be done to inform qualitative analysis of this subject. The list of reference is attached as Annex II. It is necessary to underline that the objective of the study was not to come up with results based on quantitative research, such as extensive surveys or statistical samples. As a qualitative study, the choice of interviewees was intended to seek views and comments from a variety of respondents that were considered knowledgeable to contribute to the discussion topics. The confidence in results cannot therefore be assured simply by looking at the numbers or the official positions of those interviewed.

The interviews were based on generic questions developed at the Malawi Workshop in November 2005³. These were nonetheless modified to fit Tanzania's situation in general and for each interview circumstance and institution. When suitable, a questionnaire was applied during the discussion. Semi structured interviews were more common and allowed flexibility in time use and airing of free opinions. Nearly towards the end of the interview period, the Study benefited from an Open Forum, attended by 18 officials from different NGOs. Based on the initial Study results, Forum participants were able to point out additional areas that warranted more attention and examination. Most of these have now been reflected in the current document.

³ Malawi Workshop Nov-Dec. 2005.....

The approach in writing this Report has been to combine observations or interpretations of what respondents said in interviews, with information from different secondary sources and assessments/analysis by the author and by others who commented on the drafts⁴.

1.4 Organisation of the Report

The Study Report starts with An Executive Summary. It has incorporated the Study Key Messages and Findings. The broad oversweep of Key Study Recommendations is also brought upfront here. This style allows a quick glance at the findings and the recommendations, while saving space, since this information does not have to be repeated at the end of the main body of the Report. It is followed by Chapter One, an introductory section, explaining the context of the Study, which presents the historical background to GBS, its rationale as well as the objective of the Study research.

Chapter Two examines Tanzania's aid architecture. As a preamble, an overview is presented on the context or environment in which aid operates, such as the political and economic conditions, the strategic policy frameworks of PRS and MKUKUTA as well as the main participatory processes that entail dialogue around policies and resources allocation. This sets the stage for discussing the financing modalities, under which the move from projects to General Budget Support is starting to dominate aid operations. The importance of DFID is seen in its position among other donors; and some information on aid harmonization and GBS monitoring is summarized here.

The focus on NGOs is brought in Chapter Three. This includes the make up of the NGOs and other important characteristics in their connection with other stakeholders in the country. The funding support available to NGOs is highlighted in this chapter as well. This is the longest chapter, as it is the core of the Report.

Chapter Four is the concluding piece. It above all summarises the entire Recommendations of the Report.

A number of annexes have been put at the end of the document. They provide supplementary information.

⁴ The various versions of the draft Report benefited from written comments from ActionAid and CARE staff.

2.1 Background: political and economic contexts

Tanzania is a rich country with plenty of natural resources. Still it is one of the poorest countries economically among the developing countries. About one third of its population live below the national basic needs poverty line. Nonetheless, the country has undergone major macroeconomic and social structural reforms in the past decade and is now experiencing satisfactory levels of growth. GDP which stagnated in the early to mid-1990s has seen annual growth averaging just under 6% in the period 2000-2003, reaching 6.7% in 2004 and 6.8% in 2005, while its economic stability is found in statistics of macro-economic fundamentals, e.g low inflation rates of about 4% in the last three years. Tanzania is also enjoying a stable political atmosphere, having changed Presidents three times democratically and peacefully in the past 20 years. Multiparty politics and freedom of speech are flourishing. This political opening up and stability as well as strong economic achievement have ensured an attractive atmosphere for foreign investments and strong donor supportⁱ.

2.2 Background: key policy frameworks and participatory processes

Another element that appealed to donors was how Tanzania developed its poverty strategy programmes. In 2005, the country completed a three-year Poverty Reduction Strategy (PRS-1: 2000 to 2003/4). PRS-1 singled out a few priority sectors for preferential budget and foreign aid allocations, notably the primary service sectors of education, health, agriculture, rural roads and water. A comprehensive and robust poverty monitoring system was established to monitor and assess progress in these sectors and had developed mechanisms for accommodating participation of non-governmental organizations (NGOs).

After the experience under PRS-1, the government embarked on addressing lingering problems of embedding poverty reduction goals and processes into the mainstream administrative and economic systems in a successor PRS programme popularly called MKUKUTA in Kiswahili (2005 – 2010) or the National Growth and Poverty Reduction Strategy. MKUKUTA amply documents the participatory processes relied upon in PRS-1 and explicitly stipulates its aim under governance as, among others, "to develop structures and systems of democratic governance that are participatory, representative, accountable and inclusive"ⁱⁱ. The roles of non-state-actors including CSOs are clearly spelt out.

Under the overall PRS-1 implementation framework, there were several participatory processes used. They were intended to elaborate the roll out of the strategy, to monitor its implementation, to keep budgetary spending under control, to make interrelated processes themselves more responsive to the PRS objectives and to tackle any emerging problems. Thus the importance of the SectorWide Approaches (SWAs), the Public Expenditure Review (PER) system and the Medium Term Expenditure Framework (MTEF). Under the MKUKUTA, PER and MTEF arrangements are expected to be broadened to cover all sectors of the economy. MKUKUTA is constructed around three clusters: growth and income poverty reduction; quality of life and social well being; and governance and accountability. It focuses on definite poverty reduction outcomes, thus able to capture multiple rather than narrow sector-specific contributions (found in PRS-1), needed for reaching the MKUKUTA goals. Emphatic linkage is being made between MKUKUTA's goals and the budget objectives.

The government has long realized that economic and social progress cannot be directed with commands from the top. On the contrary, it results from the involvement of many stakeholders in its planning, formulation and implementation. The major participatory processes have included the PRS monitoring systems (the technical working groups) and the budget processes, with PER and MTEF as well as the SWAps being the most prominent. In a limited way one can add the annual Poverty Policy Weeks, the Tanzanian Assistance Strategy (TAS), the Joint Assistance Strategy (JAS), the Independent Monitoring Group (IMG) and the bi-annual Consultative Group Meetings. The latter four are primarily government/donor dialogue arrangements. Much later, the Performance Assessment Framework was added to monitor the GBS. More is to be said later in this Report about the TAS, JAS and IMG in the context of aid harmonisation.

Organized civil society has a potentially important role to play in these participatory processes. It is expected to supply independent information and ideas based on its intimate contacts with the society at large and to stimulate the demand in the community so as to hold public officials accountable for services and policy performance.

Among all the participatory processes, the SWAps and PERsⁱⁱⁱ have been more systematically organized. They have entailed relatively more extensive and frequent participation by different stakeholders. They underpin the policy and budget frameworks that create the feasible environment to earn General Budget Support (GBS) from donors. The SWAp deals with^{iv}: (i) Sector policies, strategies and investment plans; (ii) Harmonisation of intervention efforts by different players (central and local governments, NGOs, donors, faith-based organisations, communities and the private sector); (iii) Adopting common progress indicators and reporting systems, and (iv) Financing modalities suitable for funding the sector activities.

In principle, SWAps may be financed through different aid modalities. These include GBS, basket funds, and projects⁵. If the a strategic focus on the sector is upheld and simplified disbursement procedures are kept in line with national processes and systems, then the different modalities of financing would not be incompatible with the ideals of the SWAp. But this is as far as individual projects and programmes are concerned and would endure in the short run. For the long term sustainability of the integrity of sectoral goals, however, and particularly where certain crosscutting objectives are concerned, the commonality of approaches to funding must lead gradually to common budget support, otherwise individual interest of funders (in collaboration with entrenched vested interest of sector operators in ministries) will diverge and lead to dilution of the SWAp objectives, or to scattered directions.

In the areas designated as priority in PRS-1, the most conspicuous SWAps were initiated in the sectors of education, health and agriculture. SWAps in other areas such as transport and water development were also initiated but were not as active. The health SWAp has been probably the best known in which the dialogue between development partners (DPs) and government was successful^v and was not unduly bogged down to funding matters.

⁵ A SWAp does not automatically include a sector funding basket, although without such a basket it is difficult to "protect" the sector investment priorities in an open budget competition

Whereas the SWAPs are meant to address the issues of strategic allocation of resources among sectors and different needs, these form the thrust of the annual review exercises under the PERs. PERs promote dialogue and interaction among government MDAs, donors and civil society that facilitate to keep the spending of public resources aligned with basic PRS tenets. Budgetary spending and processes thus should become more responsive to PRS objectives. Although Tanzania managed to install an elaborate PRS monitoring and performance management system, many admit that it was linked tenuously with the budget process.

The participatory processes, including SWAPs and PERs, have been criticized on shortcomings in several studies^{vi}, and some of these criticisms were echoed during the current Study interviews. The following points were particularly underlined during the interviews:

- Failure to roll down the SWAPs and PERs to regions and districts as had been originally intended. Progress was made notably with: (i) installation of the O&OD⁶ methodology in planning and (ii) lately, fine-tuning of the criteria for funds transfer from the center that has facilitated improvements in planning to a reasonable extent; but this has not been fully exploited. Yet effectively planned development at the local government (LG) level is still weak. Indeed, in most districts, and more so at lower LG strata, plans are substantially seen as budgetary application documents with little serious or no analysis on cross-cutting issues or on national policy implications to the specific conditions of an area.
- Emphasis on civil society participation has implicitly marginalised the role of legislative entities. NGO participation has not resulted in pressure being exerted on these bodies for enhanced responsiveness to peoples' demands. Thus, the legitimacy of the legislative institutions as counterpoints to executive power has been put at risk.
- Not all domestic stakeholders are politically committed to the participatory process, or have sophisticated technical capacity to articulately present and pursue their views and information to enrich ongoing dialogue.
- Pressure from communities for better services has yet to build up to sufficient and sustained impact to force public authorities to become truly responsive and accountable.
- While donors played a positive role in insisting on enhanced participation of NGOs in the processes, this has not led to a diminished role of the donors. In fact, the very use of English language (instead of Kiswahili) in information communication and in most participatory fora, intended to accommodate the donor officials, has resulted in less effectiveness of NGO participation since the majority of NGO representatives do not master English use that well.
- Assistance to NGOs and the media to build up oversight capability is scarce.
- Weakened revenue generating capacity at local level since 2004 tax reforms impairs LGAs in raising their stake in promoting participative behaviour. They rely more on central government

⁶ Opportunities, Obstacles to Development, an official project identification and planning methodology adopted at lower level government

grants with accompanying directives on process inclusiveness, and are thus not firmly committed to the process.

- The budget process still needs to improve on feedback mechanism about service delivery. Although, the PER process claims to be one of these feedback mechanisms, it should first improve on the analysis it generates and must link closely with resource prioritisation.

2.3 The aid structure

Tanzania is highly dependent on external support for its development. In 2002/2003 aid amounted to about 40 percent of total government expenditure^{vii}.

Historically, aid in Tanzania was predominantly provided via distinct projects. Other modalities intervened such as programme aid, although most were fundamentally projects banded together for common effectiveness or rational management. Project assistance has been accused of imposing high transaction costs on both the giver and particularly on the beneficiary. TAS makes this point clear. But lest people forget, Tanzania had also been receiving structural adjustment aid since the 1970s, and other forms of non-project aid such food aid, debt relief and other balance of payments support classified as programme aid.

With the evolvement of the aid structure, all these modalities have now been judged as having limited effectiveness in view of their high transaction costs and generally as perverse to country management systems.

During the period of high concern for heavy indebtedness of poor countries in the late 1990s, Tanzania was one of the few countries to carry out successful negotiations for HIPC⁷ debt relief. Donors set up the Multilateral Debt Relief Fund (MDF) to contribute money for Tanzania to meet its external debt service obligations, as the GOT and World Bank with IMF were finalising negotiations on the conditions for a deep-going debt relief under the HIPC arrangements. After the HIPC debt relief benefits started to flow, it was agreed to transform the MDF in year 2000 into a general budget support (GBS) called the Poverty Reduction Budget Support (PRBS) facility.

It will be deduced from previous sections that the SWAps had led to establishment of sector basket funds, and some other baskets had been created to handle crosscutting issues. Thus currently, three principal modalities are utilised in financing Tanzania's development programmes:

- (a) Project modality.
- (b) Sector and programme baskets
- (c) General Budget Support (NB: Tanzania officially uses General Budget Support rather than Direct Budget Support)

The relative weight of each modality is as indicated in Table-1 below. The composition of external assistance has thus changed in favour of GBS, with the project modality showing an unmistakably declining trend. For more information on this change with a more historical perspective on a wider range

⁷ HIPC = Highly Indebted Poor Country

of aid modalities that preceded the GBS see ANNEX III. This general trend, however, should not be construed to imply that all Tanzania’s donors are abiding to it. In fact a few donors are still defying the trend, if not opposed to the GBS idea.

Table1: Percentage of Aid Flows by Different Modalities 2001/2002 to 2004/2005

Type	2001/2002	2002/2003	2003/2004	2004/2005
Budget Support	26%	30%	38%	34%**
Basket Funds	5%	16%	18%	21%
Project Funds	69%	54%	44%	45%

Source: Government Budget Books and documents to the Africa Regional Workshop on Harmonization and Alignment Dar es Salaam, 9-11 November 2004..... ** Provisional figure for 2005/06 is 38% (MOF)

Sector and subject baskets are still playing a useful role in an appropriate period. On the other hand, they are possibly a transition, one step behind GBS, and they are thus a formative experience towards GBS ideals. In the meantime, when not closely associated with a SWAp, the baskets have tended to be seen purely as technical/financial instruments that allowed the donors to dominate a process. Notwithstanding this, sometimes they have managed to deal with critical issues outside the ordinary dialogue process that genuinely require research and ad-hoc inputs that NGOs could more effectively provide (i.e tracking studies, service satisfaction surveys, corruption surveys, Tanzania Participatory Poverty Assessment 2002-2003, etc).

2.4 Why in favour of General Budget Support ?

A number of advantages associated with GBS in Tanzania were reiterated during the interviews. In effect, they corroborate what is contained in the JAS in Tanzania^{viii}. Only a sample of these GBS attributes is listed below:

- Promoting local ownership of the development process and building up local capacity to achieve desired development results on poverty reduction;
- Strengthening GOT own resources management systems by respecting and using them; this has particularly strong reference to the budget process and systems;
- Leveraging contestability of resources, thus able to balance service delivery needs and outcomes with requirements for sustainable growth now underlined under MKUKUTA;
- Ability to disciplining donors in adopting priorities that match with the recipient country’s owns;
- Providing better incentive for policy dialogue on wide ranging issues beyond those targeted by the assistance from a specific donor so as to determine spending priorities, actually a clear advantage for small donor and small non-government stakeholders in that they can extend their reach beyond the magnitude suggested by the amount of their assistance or capacity;
- Cuts down on transaction costs to government and to donors, at least in the long run once the relative weight of GBS is large enough compared to other funding modalities.

Notwithstanding the reported attributes of GBS noted above, the ODI/Daima Evaluation Report as well as the IMG report still point out that in Tanzania, in the use of public resources, democratic accountability to elective bodies and to NGOs is still uncertain. They give as an example NGO inability to challenge decisions on resource allocations.

2.5 The Setup of General Budget Support in Tanzania

Currently, 14 donors contribute directly to GBS. This is in the form of Poverty Reduction Budget Support (PRBS) grant facility. The donors are: UK, Canada, Denmark, the EC, Finland, Ireland, Japan, the Netherlands, Norway, Sweden, Switzerland, and the UK, as well as (credits from) the World Bank and AfDB. In absolute amounts, the UK is the largest grant donor with approximately 70 percent of its aid going to the PRBS, while all donors provide on average about 34% of their aid budgets in form of GBS. The Poverty Reduction Support Credit (PRSC) from the World Bank is closely coordinated with the PRBS. Germany provides general budget support in the form of cofinancing of the PRSC based on World Bank assurance to satisfy German domestic constituencies (Brian Frantz 2004). The IMF is also closely associated with the PRBS/PRSC. Table 2 below shows donor-by-donor amounts.

Table 2: General Budget Support in USD

Country	Years				
	2000/01	2001/02	2002/03	2003/04	2004/05*
AfDB				58,721,683	–
Canada			1,015,196	4,393,030	–
Denmark		11,851,834	11,004,126	11,002,807	13,409,265
EU	11,671,532	32,953,108	42,835,736	38,971,376	38,332,413
Finland		1,570,394	1,747,015	1,838,878	3,929,096
Ireland			14,165,250	10,338,525	6,529,970
IDA		37,720,000	83,558,283	176,548,241	150,536,772
Japan		4,241,649	3,952,633	381,988	4,526,509
KfW (Germany)				6,093,475	6,187,592
Netherlands		14,370,000	15,331,424	31,497,435	18,084,852
Norway	5,393,918	11,317,890	13,713,083	13,569,302	14,573,190
Sweden	8,394,528	7,660,985	12,769,323	13,052,477	15,834,223
Switzerland	4,669,352	5,024,494	6,052,353		5,039,899
UK ⁸	57,380,000	49,840,000	70,776,000	100,360,000	120,767,000
Total⁹	87,509,328	176,550,354	276,920,421	466,769,217	397,750,781

* provisional figures. Source: MOF January 2006; NB: includes bilateral grants and credits from lending institutions

The MOF is optimistic that other DPs are likely to join the PRBS eventually, including under prodding from the JAS. In the 2004/05 budget, GBS amounted to about 4.56% of GDP (PER Meeting 23/05/05) and more than 20% of total budgeted expenditure in FY 2005.

In January 2006 a new agreement was reached with DPs to continue supporting implementation of MKUKUTA. This is to be done by observing the objectives of MKUKUTA and the requirements for accountability, strengthening of public financial management and procurement, and transparency and

⁸ Another £ 110 million was added in year 2005/06. NB: 1US\$ =1200 T.Shs and 1UK£=2080 T.Shs as per The Guardian Newspaper (Tanzania) of 16/3/2006.

⁹ Total aid was US\$85.4 million and US\$88.1 million (actually disbursed) in 1998/99 and 1999/2000 respectively all under the then MDF that was still prevalent: Source: Tanzania Development Partners Group website

involvement of stakeholders. GBS Partners, who at that time announced their commitments, agreed to provide TShs 693 billion in FY2006/07, which is about 16% of the national budget estimates. This figure is harmonious with the trend of GBS indicated in table 2 above, in showing a continuing increase in the position of GBS.

The intention of the government is to move gradually GBS to more than 70% of all aid flows after year 2010, from the low 26% in FY2001 and 34% in FY2005.

GBS blends perfectly well with GOT domestic resources. It undergoes through the same budget processing and management procedures as other government own resources. GBS resources can therefore be subjected to participatory scrutiny by CSOs just like any other government funds. Due to deliberate steps first taken by Ministry of Finance (MOF) External Finance Department, the portion of donor funds reflected in the national budget system has been increasing. The progress made is published in the annual TAS¹⁰ reports.

2.6 GBS monitoring: Performance Assessment Framework (PAF)

After donors were encouraged to contribute to policy formation and monitoring to improve the environment for aid intervention to match with PRS requirements under PRBS, they created a modality for policy dialogue under quarterly meetings of a PRBS Steering Committee, and other specialised subgroups. A more logical system for assessing progress reached under the PRBS partnership was found in setting up a Performance Assessment Framework (PAF)^{ix}.

It should be recalled that GOT and DPs had been meeting biannually in Paris to discuss formally their relations in a DAC/World Bank format of Consultative Group meetings. In late 1990s, the CG meetings were moved to Dar es Salaam to allow more domestic stakeholders, including CSOs, to participate. These were supplemented of course by bilateral review meetings and quarterly sector level meetings with interested donors.

In November 2002 a PRBS/ PRSC Partnership Framework was signed. It outlined measures for evaluating the partnership. When it was subsequently revised to become as a joint undertaking between the GOT and the 14 PRBS DPs, it articulated the enlarged participation in the PAF. This pertained especially to the involvement of sector ministries, as well as the focus on outcome indicators.

The PAF of Tanzania was the first of its kind in providing ideas on the concepts of harmonization and alignment and their actual operationalisation for the benefit of GBS. From PAF's conception in 2001, it was thought appropriate that to avoid duplication World Bank PRBC and the PRBS be monitored under a single framework. Until its expansion to allow new comers to GBS in 2004 (Canada, KfW, Japan and the African Development Bank), the PAF had not undergone major modifications, e.g. in its major areas covered, focus on policy issues or principal actions required to cause disbursement, although the list of actions to be implemented expanded. To that level, involvement of CSOs in the PAF had not been particularly underscored.

¹⁰ TAS is Tanzania Assistance Strategy, a management mechanism initiated by the Ministry of Finance to coordinate and manage donor financial and technical assistance for better harmonisation of aid interventions and approaches as well as data collection; it has also promoted common donor and government dialogue

In 2004, however, participation from Tanzanian NGOs and faith-based organizations was solicited, although doubts remain as to whether they were sufficiently facilitated to become effective.

It is an open question as to what input the NGOs can bring into this area, according to the view of some interviewees in this Study. They consider PAF to be the realm of technical experts in finance and economic development. Others do not think so and argue that the Policy Forum and a few such networks could possibly be able to use the arrangement effectively. The latter argue that areas of past disagreements in PAF, for instance in cases of budgetary allocations to nonpriority areas, could be ironed out better with more neutral participation of the NGOs.

2.7 Progress in Aid Harmonisation and Alignment

International efforts at harmonisation and aid alignment have been on going for more than a decade. The conference in March 2005 in Paris France by major donors under the auspices of OECD/DAC with developing countries came out with a Paris Declaration on Aid Effectiveness^x and is seen as a landmark occasion in development cooperation. It spelt out principles on aid ownership, harmonisation, alignment, expected results and mutual accountability. Above all, it recognised the importance of strengthening the country systems, national policies and strategies; strengthening national institutions and procedures, instead of avoiding them as donors were used to do before. It gave capital importance to supporting the country's capacity for development and finance management. On harmonisation of aid delivery, it emphasised the need for donors to implement common arrangements with simplified procedures.

In Tanzania, progress has been made in the rationalisation and harmonisation of aid delivery processes in order to improve aid management. One of the most outstanding initiatives taken by MOF was the preparation of a Tanzania Assistance Strategy (TAS) in 1999, as a strategic instrument for aid coordination and management.

The framework of TAS^{xi} was aimed at providing a three-year strategic outline for dialogue among GOT, DPs and other stakeholders on policy, aid matters and other priority issues that require periodic monitoring. This was followed by an action plan prepared by GOT and shared with the DPs as well as annual TAS implementation reports prepared by the MOF. To ensure more systematic monitoring of TAS issues, a Joint TAS/Harmonization Secretariat was later established with strong leadership from MOF. At the DP level, they set up a formal Development Partners Group (DPG) in Dar es Salaam to coordinate their action and improve dialogue with government. Both the TAS and the DPG have been off-limit to NGO participation.

The mechanism for TAS implementation seems to have worked well. As a result, both the GOT and DPs agreed to replace the TAS with the Joint Assistance Strategy¹¹ (JAS)^{xii}, which could be launched during the course of this year 2006. The formulation of the JAS has involved participation of more numbers of stakeholders, including NGOs based in Dar es Salaam, although some of the latter feel that they have been brought in often late to have sufficiently substantive inputs into the JAS content or

¹¹ Whereas the TAS was essentially a government instrument which the donors respected, the JAS is a joint undertaking between the GOT and the DPs/DPG with commonly agreed principles. CSOs have been invited as contributors at certain meetings but to an essentially two party mechanism.

direction¹². Others feel that JAS is essentially a donor government aid mechanism and involvement of NGOs has been modest, saying that is what should be expected in that context. Compared with the TAS, however, the JAS is an improved framework in as far as the envisaged involvement of NGOs is concerned.

The TAS and now the JAS provide for an independent monitoring and evaluation mechanism to periodically assess progress in the aid relationships. The latter reports to GOT and the DPs to account on what is going right or missing and what needs to be improved. The last Report by the Independent Monitoring Group (IMG)¹³ was in 2005.

Within Tanzania, the donors, or as now more conventionally known, development partners (DPs), have organised themselves into the Development Partners' Group (DPG). This is partly in response to the TAS initiative at national level and to the adoption of the Rome Declaration at international level. The OECD/DAC took Tanzania as one of the best practices in country level harmonisation; and eventually the DPG was formed, the name found more appropriate than the local DAC. The DPG intends to complement GOT's own coordination efforts by promoting inter-donor coherence among the DPs based in Dar es Salaam and within the context of TAS/JAS. DPG harmonisation aims at reducing transaction costs for GOT actors and the DPs themselves. The DPG also aims at speaking with one voice to government and seeks to move beyond information sharing towards promoting best practices in harmonisation.

The DPG has made improvements in defining its working group operational approaches and conduct. Nonetheless, they have not developed common principles for dealing with NGOs.

¹² One NGO respondent pointed out that in the final analysis NGOs were able to get a section inserted in the JAS pertaining to an explicit role of NGOs in the JAS in enhancing domestic accountability.

¹³ This one was made up of a team of 4 independent experts (2 from Tanzania and one each from UK and Norway)

CHAPTER THREE: NON-GOVERNMENTAL ORGANISATIONS IN TANZANIA

This chapter provides an outline of the nature and the environment in which the NGOs¹⁴ are operating. In this regards, it also highlights the status of the relationship of NGOs vis-à-vis the government of Tanzania and the donors, as well as how the NGOs relate among themselves. Above all, it brings into view the crucial issue of how financial resources are being accessed by the NGOs.

3.1 The Make Up of NGOs in Tanzania

In the 1980s and early 90s when donors got disillusioned with poor government performance in developing countries, they saw recourse in non-governmental organisations (NGOs) and civil society in general to deliver services and agitate for democracy. Later by the mid-90s, when they realised that aid does not deliver in a wrong policy environment, the prerogative domain of the government, they turned back to government to deliver on policies. At the same time, they recognised that CSOs¹⁵ (together with the private sector) have to work with government for both parties to be effective. Thus, the ascendancy of both policy-related assistance to government (like structural adjustment finance and GBS) and increased funding of NGOs. In Tanzania, the CSO community is growing fast with a few NGOs standing out in terms of organisational capacity and inherent motivation, while others lack a clear popular base or mission or focus (A. Kiondo *et al*, 2000)^{xiii}.

The number of registered NGOs is disputable. Nonetheless, The Vice President's Office and Kiondo *et al* (above) estimated it to be between 8,000 and 8,500. NGO registration under the NGO Act is ongoing. The last directory of NGOs was published by the Vice President's Office in 1995 with about 8% international NGOs and 92% local ones for a total of 813. The list of local NGOs was broken down as follows: (a) District trusts and social services organisations 40.6%, (b) Faith-based organisations 20.7%, (c) Professional organisations 13%, (d) Women and youth groups 11%, (e) Sector and issue-based organisations 14%, and (f) Others 1%. Most NGOs were concentrated in Dar es Salaam, Arusha, Kilimanjaro, Mbeya, Morogoro, Iringa and Dodoma. Typically, poorer regions and rural areas in general had very low representation. Nonetheless, in the delivery of services, especially basic health, education and water, faith-based organisations had managed to penetrate into remote rural and poor areas to facilitate access. NGOs specialising on political empowerment, human rights and fighting corruption are more recent but due to elite leadership, they are seen as having a big impact or profile. NGOs can further be classified as those that are: (a) primarily involved in social service delivery and (b) motivated by concerns on issues or specific interests. It is common to find religious and local and district-based organisations exclusively dealing with service delivery; whereas professional associations and advocacy groups may be formed to deal solely with policy advocacy or matters of interest to their members.

Lack of recent statistics on NGOs/CSOs is a glaring phenomenon. But The Foundation for Civil Society wants to remedy this and, in collaboration with other partners, is intending to carry out a study this year to map NGO/CSOs presence and categories in the country.

¹⁴ This Report has largely focused on NGOs and not CSOs as a whole.

¹⁵ Note intentional use of term CSOs here

3.2 Involvement of NGOs in Policy Dialogue in Tanzania

Involvement of NGOs as important partners in policymaking, and indeed in all other aspects of economic and social governance, is now recognised in almost all major policy documents of the government. But NGO observers assess this attitude to be perfect in theory and clearly deficient in practice; with a wide gap between rhetoric and reality. Some NGOs admit however that in certain aspects of government processes (e.g. in SWAPs or PERs) that did not go too well, there were more NGO voices heard, drawing attention to shortcomings that finally the government had to deal with, though it may not have openly admitted the positive contribution of the given criticism by the NGOs.

Policy dialogue in Tanzania is open to all donors, those providing GBS and those who do not, and potentially to all NGOs. But in reality when policy narrows down to specific areas such as negotiations for specific aid arrangements under PRBS or PRSC, they entail details that are closed to NGOs and cannot be found in general policy debates. This limitation has often frustrated some NGOs keen to follow up an issue to full conclusion. Yet, it is a reality that NGOs will have to contend with, as they cannot be expected to be fully involved in all government/DP discussions. But to be fair, NGOs have not been craving for that either. They ask for greater genuine involvement at key policy phases and for more transparency in sharing the information on the outcome of the negotiated issues.

The lack of capacity of NGOs to be present in all policy dialogue occasions is not a reality lost on them. Some have organized themselves in networks to share information and enable representative participation. Some NGOs are also rearranging their internal institutional and staff structures so as to take meaningful part in selected dialogue processes and to be more effective in policy advocacy. During the interviews for this Study, one NGO representative cautioned that changing structures every time to meet capacity needs for specific policy initiatives is risky as changes in policy directions and about-turns can be quite expensive on capacities that have been developed to suit a definitive policy agenda. Thus NGOs that individually try to join all policy agenda open to NGOs, find that they spread themselves too thin physically and financially to pursue these agenda to conclusion, as most do not have sufficient funds and/or external support to meet the cost involved for this purpose.

More transparent public resources management processes, and generally policy processes, have potential for enhancing policy influence by NGOs, not to speak of the parliament and local councils, for the sake of sustainable GBS. This however requires several capacity building efforts and attitudes on the part of NGOs. One of these is capacity in terms of staffing and internal institutional restructuring already cited above. The other is capacity and disposition of opening up the NGO's own activities and records for public information and scrutiny through use of the Internet facilities, periodic briefings and publications, as this would help to build the NGO credibility to influence public policy and generally to exercise the watchdog functions without the hazard of being accused of playing with double standards.

3.3 Government Relations with NGOs

3.3.1 The NGO Act

NGO and GOT relationship is now dominated by the NGO Act 2002. The Act, among other subjects, lays out guidelines for organisation and operation of NGO activities in the country.

The NGO Act (Box-1) provides for formation of a single multi-sector national NGO network, namely the National Council for Non-Governmental Organisations, which was established since 2003. Its main purpose is to coordinate all NGOs operating on Tanzania Mainland, as the unique umbrella organisation. The Council (or BARAZA in Swahili) has 30 members drawn from different NGO groups, from every region, as well as thematic and vertical networks like TANGO and TACOSODE, as well as few government ministries. Though the BARAZA was formed by government, it is not funded by it, unlike similar bodies initiated by government such the National Business Council to promote relations within the private sector or the National Sports Council that coordinates sports activities. The attitude of the networks existing in the NGO community before the establishment of the BARAZA is not supportive of it, to put it mildly, representing a feeling that the BARAZA is likely to overshadow or even supplant their roles. A number of NGOs seem to support the Policy Forum instead, although the Forum focuses on policy and is not a multipurpose NGO umbrella organisation as would be the BARAZA. One of the NGO interviewees went as far as saying the Act is "is a bad law - lawyers have termed it draconian, limiting the autonomy of NGOs so crucial to participating in advocacy work that requires us to be the watchdog of a Government for which the law gives it dictatorial powers to squash NGO and limit their independency and autonomy ..", she further went on to explain that the Act in some ways hinders freedom of association of different interest groups coming together to advocate issues of concern to them or to society as a whole. Some observers find it incredible that the Act wants founder members to

Box-1 The NGO Act 2002

"Non Governmental Organization also known in its acronym "NGO" means a voluntary grouping of individuals or organization which is autonomous, non-partisan, non profit making which is organized locally at the grassroots, national or international levels for the purpose of enhancing or promoting economic environment, lobbying or advocating on issue of public interest of group of individuals or organization, and includes a Non- Governmental Organization, established under the auspices of a any religious organization or faith propagating Organization, trade union, sports club, political party, or community based organization; but does not include a trade union, a social club or a sports club, a political party, a religious organization or a community based organization;.....

Each Non Governmental Organization shall be required to register with the Registrar pursuant to the provisions of this Act.....A Non Governmental Organization which is registered or established under any other written law shall apply to the Registrar for a certificate of compliance.....An application for registration shall be submitted by one or more persons, being founder members, which shall be accompanied by.....The (NGO) Board may refuse to approve application for registration of a Non Governmental Organization if it is satisfiedAny applicant who is not satisfied with the decision of the Board may appeal to the Minister....A certificate of registration shall be a conclusive evidence of the authority to operate as specified in the constitution or in the certificate or registration...If the Board is satisfied that a holder of a certificate is in default as provided for in subsection (1), it shall direct the Registrar to suspended or cancel the certificate.....There shall be established an umbrella organization for Non Governmental Organizations to be known as the National Council for Non Governmental Organization.....The Council shall be composed of thirty members as may be appointed by Non Governmental Organizations to represent their respective interests...No person, body of persons or a Non Governmental Organization shall, after the establishment of the Council, perform or claim to perform anything which the Council is empowered or required to do under this Act...Each Non Governmental Organization shall for every calendar year...(a) prepare a report of its activities which it shall make available to the public, the Council

Sign the application for certificate of registration¹⁶. Lastly, some respondents recommend that the Act should be amended in a consultative manner to lay ground for a feasible national NGO network establishment. Government officials contacted on this matter do not share the same views. They suspect arrogance or unjustified fear on the part of some well-known NGOs as the primary problem.

One interviewee complained that self-interest (read selfishness) of existing networks undermines the standing of the BARAZA. He also cited the habit by sponsors of meetings/workshops, sending invitations to some NGOs directly instead of to the BARAZA and the invitees not informing the BARAZA before attending or even on return. Apparently, government at large does not detect this anomaly. Another respondent explained that the practice of selecting NGO participants by government is often through co-opting by sending invitations to well known NGOs or networks like TANGO, HAKIELIMU, HAKIKAZI, PF, TGNP, TENMET, etc, even going to the extent of identifying specific individuals in the organisations. There is no transparent rule or practice as to who should participate. Historical connections and individual connections, like favouring officials implementing specific projects, seem to be commonly used. So the crux of the problem in representation of the NGOs community is not solely due to the formal Act or the BARAZA: it is in the organisation of the invitations as well as functioning of the networking arrangement.

3.3.2 Government/ NGO Interface: Participation and Information Exchange

According to some interviewees, GOT and NGO relations are characterized by mutual mistrust, not strictly related to introduction of GBS *as such* or on matters of principle. As a matter of fact, NGOs are interested in: (a) How the state resources are used and (b) What is the impact of their application. All these questions happen to coincide with GOT's thinking and NGOs recognize that government experts are working on these concerns. Accordingly, NGOs through the Policy Forum and in the Study interviews have expressed the following views:

- That the perspective of the government needs to be balanced and be more readily willing to listen and even be influenced by other views and opinions.
- In Tanzania accountability is generally considered by donors to be working relatively well; but it is essentially between the government and the donors and in effect NGOs are not in the equation.
- In the last few years the system processes started opening up with a lot of hope, to the extent that NGOs found they did not have capacity to take up the options that were unfolding. "But as soon as you start being more keen and effective, the doors are shut!" one NGO official said. "Invitations then become more selective in terms of who should attend"¹⁷.

¹⁶ This is impracticable to old NGOs, whose founder members may no longer be existing

¹⁷ Here there was subtle reference to participation in the Education Sector 2005 Review. Meetings were postponed 2 times and the number of NGO invitees was progressively reduced to such a low level that the number of donor representatives exceeded that of NGOs; eventually some NGO invitees refused to attend in protest. This point was also echoed in the Open Forum/Workshop and mentioned in an interview with an embassy staff

- At the LG level, the problem of information dissemination by government is acute. There is information asymmetry happening in several ways: from central government to lower LG information flow is slow and uneven on policy messages and decisions that are taking place. NGOs sometimes approach lower LG with new or challenging information and positions.
- The problem of giving out information in Tanzania is a wider phenomenon, than just within the government or between the government and NGOs. It is a pervasive, possibly societal problem; it is not confined to government, but extends to NGOs, private sector etc, and mostly arising out of mutual mistrust.
- Capacity to participate in strategic frameworks is constrained by internal constraints within the NGOs: a solution is to be found in creation of networks like Policy Forum, the BARAZA, etc.. But the majority of the networks are weak and persistent follow up on issues is lacking in some.
- While other parties are provided with general purpose resources or specific votes they can use to meet the cost of attending meetings, most NGOs do not have this kind of resource and the cost of attending meetings if not met by the inviters can become quite formidable an impediment.
- As for participation in PAF, the doors have been factually closed. This limitation was, however, endorsed by one DP representative, pointing out that certain financial processes are typically technical and should be left to technically responsible officers to accomplish and participatory circles expanded when added value is possible. Another DP staff commenting on this statement added a general point of caution that NGOs have to prioritise their roles in the participatory processes: if they want to be in all policy processes, they have to weigh how this could compromise their watchdog function. A counterbalance to this would be more open information to be available for those who want to carry out independent technical analysis of the PAF data, outside formal participatory forums, as is done in Europe (helped by the freedom of information policy to access data in official financial establishments) so as to make an assessment of the PAF itself or to use the data for other purposes.

3.4 Relationship between Donors and NGOs

In the 1980s and early 1990s donors had seen NGOs as a means of bypassing the government bureaucracy to deliver services to the needy. But in recent years, it was realized that aid effectiveness on the ground is not dependent on money spending alone. The shift has focused on public policies and strategic thinking to enable genuine development to take place, then support the new paradigm with GBS. The NGO role has thus to shift to focus on policy advocacy and monitoring of government accountability. This is not only the attitude of donors but is reality also that the NGOs themselves have taken in, as evidenced with the increased visibility of the NGO Policy Forum (PF) and NGO participation in critical policy processes of PRS and MKUKUTA for example.

Consequently, donor funding in Tanzania is reflecting these changes in the composition of the purposes for which support is provided to NGOs. There is relatively less emphasis now on direct service delivery with growing focus on: (a) capacity building with strong bias in favour policy engagement ability, (b)

sector-wide specialization, (c) advocacy, (d) right-based approach including human rights, enhancement of livelihoods, land rights, etc and (f) building networking relationships. Concern (T) for example said they are winding down direct services delivery in favour of strengthening partners in local CSOs¹⁸ to operate these services. Exceptions are made in case where this is not possible due to remoteness, or in Mtwara region, where they have to rehabilitate a water project they had started; or in Ngara district because of emergency programmes for Burundian refugees.

Despite this donor shift that coincided with the onset of GBS, focusing more on strategic purposes of aid generally, donor funding of NGOs in Tanzania has not shown that it is operating on firm underlying principles. Donors' contacts with NGOs fundamentally evolve mainly around funding needs/issues (as shown in section 3.7.2 below) and are mostly ad hoc. Even those donors with frequent donations to make, many appear to have no transparent and systematic guiding principles that are used to announce or receive applications for funds or selection of suitable proposals. Other contacts with NGOs are made as part of the programmes they are financing in a particular area. Nonetheless, the World Bank seems to have a well-articulated policy and strategies for cooperation with NGOs¹⁹, at least at the international level. Its Dar es Salaam office indicated that it meets the press and NGOs every 2 months to update them on what is happening.

Dialogue between the donors and the NGOs as groups do take place at various levels within the framework of PRS/MKUKUTA and the national budget under already existing structures; but these are not confined to NGOs alone, as they include other non-state actors as well. There is no formal bilateral group forum between the donors and the NGO community. The rationale seems to be straightforward. It goes like this: donors need to promote accountability to the Tanzania domestic constituency as a whole and under the JAS various dialogue processes are envisaged that facilitate non-state participants to provide relevant inputs and hold government and donors accountable over the use of aid and other resources. One DFID interviewee pointed out that currently NGO policy influence needs to be exerted more on the Tanzania government as donors follow what the partner wants (e.g MKUKUTA), with aid (i.e GBS) buying into a policy that is considered to be credible. The role of NGOs in this framework, according to this argument, is to facilitate understanding by the population of the policy precepts, to inform the policy formulation process of the people's sentiments, and then to establish an oversight mechanism to ensure efficient delivery on the agreed policy. The latter echoed the view of a Policy Forum interviewee that donors see in the NGOs a strong leverage in policy management oversight.

Though the DPG has been trying to define its operational approaches and conduct, it has not as a group clarified how the members should interact with NGOs or, as mentioned before, even spell out common principles for promoting and supporting NGOs.

There is tendency of each bilateral donor to fund preferentially those NGOs from their respective countries. Naturally this disadvantages local NGOs in accessing the donor funds. Of course, international organisations such as UNDP, World Bank, ADB and others are by nature unable to give such preferences. On the other hand, the European Union funds are reserved for NGOs from member countries although local NGOs can be funded through the medium of the NGOs from EU member

¹⁸ Intentional use of "CSOs", to emphasise that these services are offered by a variety of organisations not just NGOs

¹⁹ see extensive list of sources in World Bank Civil Society Engagement: Review of 2002-2004

countries (refer section 3.8.2 below). A few Tanzanian NGOs such as REPOA and ESRF have defied this trend and have been funded by bilateral donors, including DFID. Programmes such as TACAIDS Rapid Funding Envelope (for HIV/AIDS) and FSC are set up purposely to facilitate more access by local NGOs.

Apart from funding relationships, donors have also established contacts with NGOs for undertaking specialised assignments. For instance, NGOs were reported to be particularly suited for undertaking tracking expenditure studies and indeed some like REPOA, ESRF, Concern, WaterAid, SavetheChildren²⁰ and ActionAid^{xiv} have already been commissioned to carry out such assignments by DFID. Such focused relationships might even intensify with GBS as the donors seek to use neutral channels to validate different aspects of government activities related to resources use, including use of GBS money.

On the question of whether NGOs influence donors in policy making, respondents of the Study said the influence cannot be direct within Tanzania. First of all the Country Assistance Plans have not been drafted through open consultations with local NGOs. A few might have even been drafted locally but at least finalised in home offices overseas. Hopefully, the introduction of the JAS is expected to remedy this shortcoming. It is, however, assumed that in the donor countries themselves the voices of international NGOs are particularly strong and cannot be ignored. This has been evident around the international development forums. NGOs believe that within Tanzania, on the other hand, the watchdog function of NGOs has been confined to monitoring of government and rarely on donor behaviour, policy or practices. Government officials contend that this is effectively likely to change if the JAS framework will be fully operationalised, as it spells out respective accountability responsibilities of all parties, including the NGOs.

3.5 Intra- NGO Relations

3.5.1 NGOs Outreach and Coordination

Geographically, NGO presence in Tanzania is varied but generally thin especially in outlying regions and districts. In a few regions, they are active and relatively strong. Besides Dar es Salaam, better presence is found in Arusha, Dodoma, Mbeya, Iringa, Mtwara (Masasi), Lindi, Morogoro and Kilimanjaro, many of these having important urban centres, where either communication is good or specific donor programmes were intentionally targeting NGOs. Another feature is that even within one district, NGO presence can be uneven as well, with some areas benefiting from many community-level NGOs that are mostly unregistered but active while others have sparse presence. Such difference in geographical spread is found in both local and international NGOs.

It was noted during the Study that inter-NGO cooperation is badly lacking at the district level. Here, it could have made tremendous contribution to strengthening the role of NGOs and in providing needed support to district development. One government official suggested that perhaps there is need to have district Consultative Councils at the district level so as to draw private sector and NGO (especially

²⁰ SavetheChildren is hosting a large programme funded by The Commonwealth Education Fund to monitor spending in the education sector

FBOs) resources to supplement local government resources. That way, the district would be able to formulate more balanced priorities based on wider resource support than just government own funds.

At the sectoral level the presence of NGOs is also uneven, as it is on issues. Information gathered by the PF indicates about 16 “national”²¹ networks concentrating on environment, gender, HIV/AIDS, human rights, disabled, youth, children, and policy with only 2 multipurpose ones and only one each oriented to agriculture, pastoralism and education. . Some who have watched over this tendency speculate the attraction of donor funds as sometimes one of the main motives for NGOs springing up and concentrating in given areas, and less based on altruistic agenda. Perhaps this is an exaggeration. In fact, some people have high regard to the motive of grassroot CBOs, saying that the primary motive of their establishment is often to solve a particular problem vexing the community or its members.

The Study observed that formation of NGO networks has been a continuing process but strong solidarity among the NGOs has been missing. Sectorwide and theme-centred networks seem to thrive better particularly in urban areas. International NGOs have been supporting formation and consolidation of networks of local-level NGOs by using social mobilisers and by providing financial support within the specific projects they are managing²². Truly multi-purpose nationwide networks recognised by everybody have not consolidated. Moreover, as mentioned above, the position of the BARAZA is still contested.

3.5.2 Relationship between International and Local NGOs

In an amplification of the terms of reference for the Study, it was particularly demanded to investigate the status of relations between INGOs and local NGOs. The turn out of the assessment was that the relationship in Tanzania was on the whole amicable. And there are reasons for this situation.

Most international NGOs (INGOs) have a longer history of existence compared with the local ones. For example, Concern Worldwide was started in 1968, Save the Children International in 1962, ActionAid International in 1972 and Care in 1945. They have thus long experience, even if in Tanzania they might be relatively recent. The gap in the funding endowment of the two groups is also very wide. Contrary to what one would expect in such a differing background, however, the two groups have worked without visible tension. On the contrary, some INGOs have forged partnerships with the local ones particularly at the sub-national level, often of two unequal partners. One is providing funding support to the other, thus enabling the INGO to do less direct services delivery, while grooming the local NGO to undertake more services, starting with more close supervision by the INGO and slackening supervision as the local one gains experience and earns credibility.

The seemingly frictionless relationship between the two groups is also due to the fact that some local NGOs have stood out in terms of prestige, leadership and ability to make clear policy arguments. They occasionally do so to the extent of presenting more confident positions than the foreign NGOs could possibly make. National NGOs like TGNP, HAKIARDHI, HAKIELIMU, etc, are already a force to be reckoned with: they were started by professionals, are articulate and are able to obtain robust donor

²¹ Some are “national” in the sense of their objective but in reality have not spread beyond a few towns or regions

²² E.g OXFAM supported the Youth Advisory and Development Council based in Shinyanga region with 33 branches countrywide and the Women Economic Group Coordination Council based in Arusha

funding to carry out their advocacy work. Thus one cannot talk of the local NGO community as one homogeneous lot. Those on the upper scale have common things to bring them closer to INGOs, particularly on the policy platform. Those at the bottom of the scale seek INGOs for support and grooming.

According to a source at the PF, some tension had been observed between the INGOs and the local NGOs initially²³ in its internal experience. This was due to the differences in the agenda the two groups wanted to put forward, the purpose for which they assigned priorities and the approaches in dialoguing with other stakeholders. There was also the attitudes of the INGOs who acted as donors and the local NGOs who felt were beneficiaries, the relationship already inferred in the preceding paragraph. Accordingly, the constitution, strategy, and structure of the PF reflect these concerns and thus the differences have been largely minimised. In the past, the INGOs also were a bit more closer to the donors with frequent donor consulting INGOs on policy matters; but this is diminishing as the unilateral involvement in policy by donors relatively reduces with the onset of GBS, the Development Partners Group and the TAS/JAS frameworks. The bit of the problem remaining is language use (the problem mentioned in section 2.2 above).

Finally, according to the PF interviewee, the comparison of INGOs and local NGOs may be a bit more complex as may be evidenced in the preparation of funding proposals. Whereas some local NGOs manage to present credible proposals and even excel in highlighting local community needs, this may be counterbalanced by INGOs submitting in proposals examples of international best practices to leverage their proposals. Thus presentation of joint proposals occasionally may gain an upper hand.

3.6 NGO Information and Transparency

It was observed during the Study interviews that unfortunately there is no source within the government or elsewhere providing comprehensive data on NGO features such as their numbers per categories, geographical location, sector distribution, financial endowment, or the activities they are involved in. This could be done under the auspices of the NGO Act 2002 but currently its implementation is still giving priority to initial registration formalities. As mentioned before, the FCS is trying to deal with this problem. What is clear though is that international NGOs, including those getting support from DFID, have much better financial means than the local ones, whose lack of sure sources of funding should be raising concern. One of the problems noted, however, is that many NGOs guard information on them and particularly on their financial sources, rather jealously.

The information on operations run by NGOs is considered to be valuable due to their experience and independence. NGOs can use this information as a platform for advocacy, quoting examples of real issues they are factually engaged in to influence policies. In some quarters, the advantages of this experience transcend the service delivery role to leverage advocacy ability and credibility of a given NGO. Some NGOs have been adept at using the internet and the free media channels to publicize the course of advocacy they are pursuing. They also participate in different fora to air their views and information.

²³ PF was established in 2001 and has membership of about 80% from local NGOs

3.7 NGO Funding

3.7.1 Funding Sources

NGOs prefer and try to obtain resources from different sources. The NGOs assert that diversification of sources mitigates the risk of sudden cut off of funds that is inherent in over reliance on a single source. Unfortunately, many local NGOs are not able to access such varied sources, or if they do, they are of very short time nature, like project implementation fees or are small sums with no consequence on the long-term financial strength of the organisation.

The following were mentioned by NGOs as typical sources of funding support:

- **Official donors:** there are three sub sources under this rubrique: (i) regular public grants voted as such by home parliaments accessible to international NGOs; (ii) through project work such as those financed by Netherlands, CIDA, USAID, World Bank, DFID and others; and (iii) through funding programmes or agencies solely aimed at supporting grassroot activities in developing countries which NGOs can access by presenting acceptable proposals and applications (found in World Bank, AFDB, Japan and others).
- **Basket sources:** for sectors and more importantly for thematic activities such as for 2000 and 2005 elections, governance, HIV/AIDS, etc, and a new variety in form of local trust or foundation (such as FCS).
- **Access to GOT resources:** there is no open national policy of government subventions or grants to NGOs, and as such no comprehensive data on how much different MDAs provide disparate funding to NGOs. But in reality government funds do go to NGOs, though in appearance not directly from the central government budget.
- **Philanthropic grants** (or sponsorships) from the private sector and private foundations for an expressed cause such as to meet needs of vulnerable groups or human rights.
- **The new global funds:** from both public multilateral and private sources (e.g for HIV/AIDS, the environment, etc,) that may be passing through agreements negotiated with the government.
- **Members contributions:** this appeared often forgotten when NGOs are asked about sources of funds; but PF saw it as a very important source and the BARAZA with the same reason lamented it was not getting enough.

3.7.2 Funding from Official Donors, including DFID

Different donor countries are applying different means of funding NGOs. In these funding practices, they often differentiate between INGOs and local NGOs within the recipient country and certainly with community level CSOs. At the national level, there does not appear to be common principles among donors for individual donor funding of NGOs and the latter apparently like this kind of loose situation. But in several cases, possibly indicating a likely trend, many donors are contributing to pooled funds or baskets. Donors choose to manage NGO funds directly from home offices and/or from the country offices²⁴, and in some cases opt to confer the management of small grants to INGOs to cut down on transaction costs. The current Report provides some details on two special funds set up specifically to

²⁴ DFID does both

provide support to NGOs. They are the Foundation for Civil Society (FCS) and an EU facility. In addition, the funding arrangement of HIV/AIDS activities is also presented, as it is designed to substantially involve NGOs.

Funding by DFID is stipulated in its public policy, which openly states that it supports NGOs financially. Box-2 below makes this point clear, quoting the Country Assistance Plan 2003 that ended in December 2004 and was extended to December 2005. Apparently, the term CAP was not extended beyond end of December 2005 in anticipation that the JAS would have been operational by then. More and more donors like DFID are recognising that the state plays a central role in facilitating development and thus support it with such instruments like the GBS (what DFID calls "*supply side reforms*"). For many in their aid management practices, the donors are empowering the country office to

BOX-2: DFID statement on supporting civil society

Organised civil society has a key role to play in stimulating the demand to hold public officials to account and is growing and developing, particularly the indigenous NGO, faith-based and privately-owned media sectors...In supporting the development of effective and accountable government, we will bring together our work on supply-side reforms with our work on demand-side capabilities. Our current activities in support of the demand side include...supporting civil society capacity building through its funding to the independent Foundation for Civil Society.

DFID Tanzania Country Assistance Plan, June 2003 – December 2004

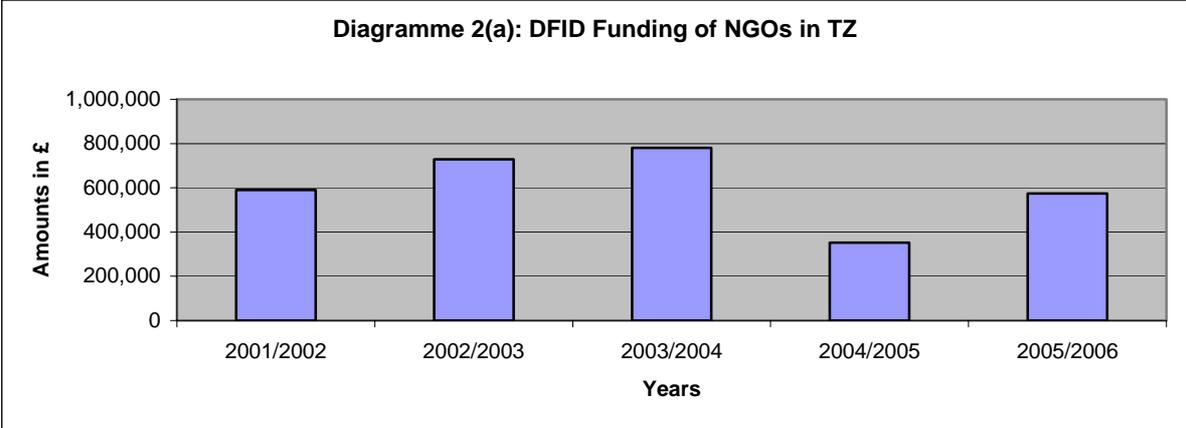
interface with government institutions to monitor what is going on and holding them accountable over this role. In an attempt to reduce transaction costs, the country offices may find it worthwhile to empower NGOs (i.e. enhancing "*demand side capability*") in return to monitor government accountability over service delivery and policy follow up, and also to enrich the quality of policy making. But that is not the sole motive of donors' support to NGOs. Other reasons are in conveying services to communities and other charity intentions.

DFID affirmed this, that there a shift taking place in its practice toward supporting policy engagement roles of NGOs, adding that they now would wish to do that more at lower levels of government, through the FCS for example. For large size funding of local NGO capacity building, this is handled under the SGA²⁵ arrangement from London (Annex -IV).

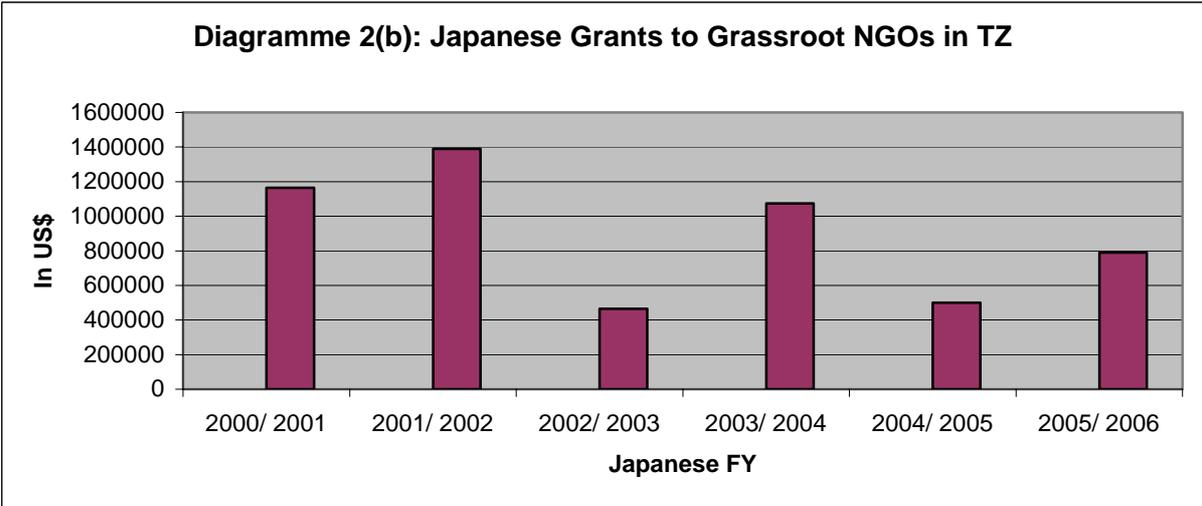
The involvement of DFID in cofunding GBS with other donors (table-2 above) does not seem to have had any negative impact on its support to NGOs. This was the view expressed in the interviews and is the message that one derives from different sources [diagramme 2-(a) and (b) below, Annex IV and even Annex VI-a]. Information from the Japanese embassy does not indicate any general reduction of

²⁵ SGA= Strategic Grant Agreement. SGA funds are relatively large usually above Tshs 100 million (Annex-IV) intended for local NGOs whose performance is already credible, whose capacity is reliable and that do not need much supervision. The applications are processed and approved by DFID(Tz) but payments are effected in London directly and supervision is done by DFID(Tz).

funding to NGOs that can be associated with Japanese contribution to GBS in Tanzania either (Annex V). During the interviews with donors and NGOs, none



appeared to feel that GBS as such would threaten the prospects for funding to NGOs. Government respondents were adamant that such effect was not expected. Only apprehensions were raised by some NGOs in case donors get more inclined toward pooling NGOs funding. The reasoning is that such tendency might jeopardize accessibility to donor support that they currently enjoy when all doors are still open and donors do not lock their NGO support funds under the basket/pooled arrangements.



Aggregated information on NGO funding from all donors was not available during the Study, as admitted by several respondents, including TANGO and Policy Forum networks as well as the Vice President's Office, which has a unit coordinating NGO affairs. But this concern will be addressed through a mapping study by FCS or by the Vice president's Office once it has done substantial work on registering the NGOs under the 2002 NGO Act.

Some people argue that the creation of common funds for NGOs is a mirror reflection of GBS and as donors try to cut down on transaction cost^{xv} of supervising thousands of NGOs projects. The trend, they fear could cut off money accessed independently by NGOs eventually. As indicated before, however, there is no evidence yet to back up this fear. The data obtained from DFID (figure 2-a above) on the contrary show a marked increase between 2002 and 2004. Although, there was a slump in 2004, it was

short lived, as recovery occurred in the following year 2005. Another fear about the possibility of duplicating support to NGOs under different funding channels was denied by DFID in that at least communication between DFID headquarters and DFID Dar es Salaam is quite good. Even those programmes like PPA (Partnership Programme Agreement) whose applications are approved in London and supervision of the grant is done from there, often comments on the application information are sought from the DFID(Tz) office. Therefore, the emerging picture on DFID is that both local and INGOs are able to access its funding, like through the PPA (mainly for the UK registered NGOs) and the SGA (for large amounts to local NGOs) as well as indirectly for small sums through local funding programmes cofunded by DFID.

The trend in NGO funding by DFID in relations to GBS was also compared with another donor contributing to GBS, namely Japan. Japan's choice was based on its geographical and historical distance from UK and Tanzania respectively, almost a random choice one can say. Its total ODA to Tanzania (ANNEX-V), though substantial, has not changed much between 2000 and 2004 and its modest budget for direct grassroots assistance, a proxy for NGO assistance in the context of the current Study, has not taken a firm trend either way (diagramme- 2b above). Overall, study interviews on this question did not lead to any solid conclusion on the likely trend. Data from CARE (T) and from ActionAid (T) for example reproduced in ANNEX-V (b) and (c) also show no emerging pattern.

3.7.3 Funding from GOT

Ostensibly, the government does not provide funds directly to NGOs. At least this is what government officials asserted during interviews. GOT policy evolves around recognition of NGOs as important stakeholders in the development process as indicated in government policies. Thus GOT invites representation of NGOs to different fora. But the view about government not making direct grants to NGOs may be misleading, although it is understandable as a public posture. The fear may be that otherwise the government would be denuded with applications the day it announces that now NGOs can get money directly from the government budget.

Below is a sample of avenues under which government support is passing, albeit indirectly vis-à-vis the central government votes:

- MDAs with direct budget lines for NGOs like TACAIDS and the district councils;
- Voluntary agencies such as FBOs with recurrent government subventions for health institutions under MOH²⁶ and district council budget votes; private institutions through the Education Fund managed by the Education Authority with funds provided as grants and as loans; and other government resources;
- Special government funding agencies like TASAF, Tanzania Cultural Trust Fund, PNTF²⁷, RFE²⁸ and other programmes either funded fully with government own resources or in blending with official donor funds;

²⁶ MOH = Ministry of Health;

²⁷ PNTF= Presidential National Trust Fund for self reliance

²⁸ RFE= Rapid Funding Envelope of TACAIDS

- Consultancy work to NGOs like TGNP, REPOA, ESRF and others through competitive tendering but even as direct assignment in recognition of their competence or unique positions because of expertise or for carrying out other activities in remote areas;
- Government budget, including GBS resources, provided to LGAs are accessible for project implementation by the beneficiary communities or groups and CSOs/NGOs as contractors under outsourcing arrangements.

At the district level direct allocations of district resources for development programmes for NGOs and for general NGO support purposes has not been possible²⁹. One of the excuses mentioned is that because the NGOs themselves do not disclose their own funding sources and many have not been quick to indicate well in advance what they plan to do or provide at the local level. But curiously enough, the LGAs have been compelled by central government to set aside certain percentages of their own budget resources for lending to youth and women groups.

3.8 Special Funds for NGO Support

A few examples of special funding trusts and baskets are presented here, to illustrate the concept and practice of donors (occasionally with government) pooling resources to support NGO activities.

3.8.1 Foundation for Civil Society

Although the DFID Country Assistance Plan says little about how it would support NGOs, interviews with DFID officers and other sources for the current Study^{xvi} clarified the direction that DFID assistance is taking. The ideal way for DFID to reduce transaction costs and better manage its funding relationship with NGOs is to contract out to an external executing agency the management of DFID support facility. This was the reason why the Foundation for Civil Society (FCS) was born in 2002 as a nonprofit Tanzanian company. The original project started with CARE (Tanzania) assuming interim management responsibility as agent of DFID funds to NGOs, until some formal arrangements were in place to hive off the programme to an independent local management organization, now called Foundation for Civil Society (FCS).

Eventually other donors joined in recognition of the need to pool resources to support NGOs engagement in policy processes and in capacity building for service delivery.

Specifically what are FCS's aims? They are:

- Improving access by NGOs to donor resources and capacity building support.
- As opposed to ad-hoc short term, isolated and compassion funding offers to CSOs, providing a more systematized allocation of resources.
- Promoting NGOs to grow stronger and achieve a critical mass as advocacy organizations.

²⁹ During the Study, some INGOs mentioned also that occasionally they use LGA structures to implement the programmes they sponsor as this avoids setting up parallel structures solely for executing "NGO" projects, which in any case are supported by the communities and the LGAs.

- Promote alternative thinking and approaches to development.

In its funding approach^{xvii}, the FCS has emphasized funding of community or locally identified and managed small-scale projects that are targeted at groups or areas considered to be truly disadvantaged³⁰. Thus FCS funds are provided in a quick disbursing manner to meet intended objectives and are processed outside government structures and procedures quite independently, though not by disregarding local authority environments and programmes. Though the trend is not clear, and a few donors are defying the trend, the FCS and suchlike pooled funds are possibly a mirror of GBS in its common donor funding approach, while building up a countervailing voice of influence by NGOs so that they can contribute to the overall development effectiveness espoused by GBS. While building up NGOs capability in policy engagement to allow for critical analysis and monitoring of GBS use and applications, FCS support will also stimulate voices that hold government accountable over GBS funds within and outside the PER process.

GBS is transferring donor funds without much preconditions through “the big pot” i.e. the government budget, often ultimately aimed at large projects and programmes. By contrast, FCS transfers are in small amounts for more modest initiatives at the local and grassroots levels. But FCS funds are also, consciously or not, coping the GBS: reducing to minimum the preconditions to grant making and disbursement. A lesson that should not be lost on government transfers to LGAs.

By end September 2005, FCS was enjoying a five-donor support source, totaling US\$ 6,558,341 (Annex VI-a). Out of that amount, DFID was contributing over 50% during the period of 3 years 2003-2005.

Despite the above attributes of FCS, during the Study Open Forum (workshop) some concerns were aired that the tendency of donors to come together around FCS and such-like mechanisms could drain diverse resources that are independently accessed by NGOs at present. They added that the experience of Tanzania could be copied in other countries, leading to overall reduction on donor funding of NGOs that is individually accessed. Nonetheless, from evidence in the data and from interviews this attitude appears to be just speculation, as there is no reason to be that pessimistic. Another concern aired at the Open Forum was about to whom FCS is accountable, given its sources of funding. The implication of this question is that it would be accountable to the donors. Such a conclusion would be a bit unfair, however, because most NGOs present at the Open Forum depend predominantly on donors for support anyway. In addition, the FCS board of trustees exercises considerable independence due to the nature of its composition. It is expected that by end of 2006, board membership is going to be fully Tanzanian.

3.8.2 European Union Support to NGOs in Tanzania

Development cooperation between the EU and Tanzania dates back to 1974^{xviii}.

Currently, the official aid framework, financed by the European Development Fund, according to the CAP amounts to EUR290 million committed for supporting Tanzania's reform policies and programmes

³⁰ The latest information from FCS (April 2006) is that they are considering restricting recipients of their grants to only local NGOs, i.e. excluding INGOs.

over a period of five years stretching up to 2007. Priority goes for transport infrastructure, basic education/PEDP, agriculture, macro-support, and there is a small envelope for governance and a programme to support non-state actors (NSAs) participation in development cooperation. The Non-State Actors programme has been formulated for Tanzania. It mainly supports access of CSOs to information, facilitates a resource centre and engages Non-State Actors in regular dialogue around the EC's development support programme.

Despite preponderance of government in its relationship with Tanzania, the EU has a long history of working closely with the communities. It has been supporting NGO initiated projects for about 30 years through the general budget and respective budget lines. For instance between 1995 and 2001, it supported 92 projects in the latter manner with EUR 46.6 million, although 20 of them were regional, involving activities in more than one country. Currently under this funding instrument, the EU is funding about 30 NGO projects in Tanzania in the areas of HIV/AIDS, rural microfinance, small-scale business, water, sanitation and hygiene; strengthening local NGOs; gender advocacy; support to agro-production; environment, wildlife and protected areas management; as well as civic education. The current support to ongoing projects amounts to approx. EUR38 million.

In Tanzania, one of the oldest EC/EU budget line mostly used has been known as 'NGO cofinancing budget line', which is based on global Calls for Proposals launched by Brussels. Contracts and follow-up of successful projects are managed at the delegation in Tanzania. The allocation for the NGO co-financing budget line funded from the general budget has grown worldwide over the years to EUR 200 million in 2002. Application competition under this line has been stiff in Tanzania. For example, out of 21 submitted project proposals in 2002 presented to the global Call, only 2 were approved. There is no prior allocation to Tanzania, as each application has to compete worldwide. Under such procedures, it is therefore not possible to show the planned trend in financing NGOs in one country.

There are other thematic budget lines which support areas such as sexual and reproductive health, poverty related diseases, environment, etc. Local organisations (FBOs, CSOs, research organisations,..) are eligible to apply for project funding from these thematic budget lines contrary to the NGO co-financing budget line where only European NGOs can submit a proposal (but they have to work with local organizations, usually NGOs). Project proposals submitted to the EC must be based on an initiative by local partners. There is a requirement of cofinancing contribution by the prospective beneficiary of at least 25% of the project costs, which in itself reduces competition for funds somewhat.

Under a comprehensive reform of the Commission made recently a transfer has been made from headquarters to the EC Delegations of the local management of funding contracts with NGOs. Thus all projects being implemented in Tanzanian under the thematic and NGO co-financing budget line are being contracted and managed in the country. It is hoped this will improve relations with NGOs and enable a smoother implementation of their projects.

3.8.3 Funding Arrangements for HIV/AIDS Activities

The HIV/AIDS threat has stirred compassion among donors who have responded by making funding resources available to Tanzania through different arrangements. Likewise, many NGOs have joined the battle against the threat because of the critical situation engendered by the epidemic.

Resources for funding HIV/AIDS activities are derived from both the government and the donors. The latter include bilaterals, the World Bank, agencies of the US Government, as well as the UN family. GOT fundings flow in form of both direct (donor supported basket) and GBS. The latter is embedded in budgets of various MDAs and LGAs. Direct support is provided for example through the Rapid Funding Envelope (RFE) established by 8 donors in 2002 and managed by Deloitte & Touche (T) Company together with the Department of Health Science of the Muhimbili University College. RFE is principally aimed at supporting short-term needs of NGOs in the HIV/AIDS areas. Also the Community AIDS Response Fund (CARF) was established to fund NGO activities at the district level. Another programme called GAFTM also supports national NGOs and FBOs.

Indeed it looks like a plethora of channels have been established which contain a potential for management problems. About 80% of the external funds go through channels that are parallel to the GOT budget system.

In a comprehensive mid-term evaluation exercise of the HIV/AIDS programme carried out in 2005^{xix}, a number of highlights were picked up that are summarized below:

- There have been allegations (not entirely correct) to the effect that most leaders pay only lip service in public about their support and factually do little in practice about their behaviour or give HIV/AIDS much due priority.
- There is continuing disparity between rural and urban communities in the advocacy drive related to HIV and AIDS; and lack of consensus in the voices by conservative political, religious and community leaders against preventive measures advocated by such NGOs as "Ishi" and "LIVE" in campaigns and advertisements on condom use and similar means.
- The greatest impetus to implementation on HIV/AIDS policy has been the high profile support it got from the President of Tanzania since 1999 when he declared the HIV/AIDS epidemic as a National Disaster. This created a conducive environment for the Tanzania Commission for AIDS (TACAIDS) who are spearheading the fight against the epidemic.

The evaluation has acknowledged that there was an effective consultative process that was followed in preparing policy documents and the National Multi-sectoral Strategic Framework on HIV/AIDS (NMSF) 2003-2007 or NMSF, thus enabling internal and international stakeholders to contribute appropriate inputs. It was however observed that NMSF has been promoted and disseminated by TACAIDS mainly at national level and less so at the district level. After its launch, efforts were made to mainstream HIV/AIDS into ministries' and districts' plans. In this respect, a popular Swahili version of the National Policy on HIV/AIDS was also finalized in mid- 2005 to enhance wider dissemination.

TACAIDS is keen to providing capacity building to NGOs generally and facilitating their access to the RFE. Indications are that the community and district responses have been significant in extending the national initiatives to their echelons at wards and villages levels. This is thanks in some part to collaboration with NGOs in place, although it is possible to mix up genuine community initiatives with those promoted by NGOs.

Some shortcomings observed in the 2005 evaluation on the role of NGOs include the following :

- NGOs concentrating in certain areas and yet leaving gaps such as in areas dealing with vulnerable groups, particularly with respect to orphans and access to care and treatment of the sick;
- Shortcoming on the part of the NGOs in skills, such as in preparing elaborate project proposals for funding;
- Allegations of unethical conduct by a few NGOs who are keener to obtain funds for their own economic survival rather than to carrying out genuinely needed interventions;
- Lack of sufficient collaboration among NGOs in carrying out activities, or at least planning these activities together, sharing assignments, funds or information or just lending resources to one another.

It appears that nationwide there is no national network uniting all the NGOs working in this sub sector, although TACAIDS is eager to facilitate such a coalition, in part because this could potentially contribute significantly towards better coverage of the sector.

4.1 Conclusion

The overall aim of the research has been to examine the implication of GBS on different relationships of NGOs with other parties they interact with, specifically government and donors. The approach of this Study Report has been to avoid a simple yes and no answer to record the results of the enquiry, as these relationships are complex. In this context, the key messages presented in the Executive Summary have highlighted the main policy frameworks and the participatory processes that allow NGOs to input into them. Thereafter, the Report has presented the aid composition and related funding issues before examining the implication of GBS on NGOs.

The PRS/MKUKUTA and the budget systems established by government are the main formal frameworks that embody policies, strategies and actions for poverty reduction that have earned the country the support of donors now transforming more into General Budget Support (GBS). NGO entry into relationships with the government has multiple objectives, namely: (i) to influence the direction of policy, or (ii) to monitor accountability in policy and service delivery by government i.e the oversight function, (iii) to promote and protect the welfare of the population (i.e provide direct service delivery), and (iv) to undertake advocacy activities on a wide range of issues (e.g rights and causes of citizens). Generally these fall under the strategic national frameworks. NGOs establish relationships with development partners within the same frameworks and with individual donors for funding purposes. In this context, the onset of GBS seems to call for more efficient management of NGO relationships with the different parties.

The message that runs throughout the current Report is that GBS, despite any inherent disadvantages it may carry, has opened or is associated with ample opportunities for NGOs. They must capitalise upon them in order to enrich policy dialogue and enhance service delivery. The Study is therefore optimistic on the implications of GBS on the role and likely benefits to NGOs. In this regard, Study respondents mentioned the following opportunities to NGOs:

- Participation in the preparation of poverty reduction frameworks and in various monitoring and evaluation groups.
- Opening up of the budget process.
- Progress toward decentralisation of government and setting up of lower level government administration and planning mechanisms.
- Apparent objective of GBS to support local ownership of the development process and building up local capacity.
- Establishment of many alternatives for NGO access to government funds.
- Many channels still open to NGOs to access donor funds, in spite of creation of pooled funds.

This Report has nonetheless pointed out some flaws in these opportunities as well. These relate for example to the following: (i) NGOs not being facilitated sufficiently for effective policy engagement; (ii) poor link between PER and budget process; (iii) inability to roll down PERs in the districts; (iv) dominance of donors in many processes still visible; possibly a reflection of some still-remaining lopsided accountability of government to donors vis-à-vis the domestic constituency; (v) lack of

harmonized principles by DPs in supporting NGOs; (vi) NGOs overstressing themselves to cope with increasing demands on them; in face of lack of effective networks; (vi) The NGO Act being resented by a good number of NGOs; and (vii) Information release in Tanzania being problematic. The other side of the coin is that all this is what constitutes the challenges to NGOs to overcome any way. The Report has also discovered a huge gap in getting comprehensive data on NGO representation, i.e what they are, their financial means, what they are doing, where, etc, a matter that is of much concern to government and the NGOs themselves, and hopefully will be resolved soon.

4.2 Recommendations

In view of the objective of achieving effective poverty reduction, there is need to facilitate greater involvement and a more appreciated role of NGOs in the country. This calls for deliberate action from the government, the donors and the NGO community itself. Following is a list of summary of recommendations presented on specific actions and ideas that should be explored:

(a) For Government attention

- **Government** commitment to instill participative governance is not questionable as a general intent. But much more needs to be done to **reduce the gap between rhetoric and practice in encouraging participation and inclusiveness** especially in policy making and policy monitoring by making NGO participation systematic and genuinely welcome. The government should initiate practical steps in this direction, but do so in close consultation with the NGO community.
- **The government has to address the persistent complaints by the NGOs about the shortcomings in the NGO Act.** As a reciprocal, the NGOs should take a more positive stance toward the government on its intentions and cooperate to make the Act more amenable and workable. Government should accept to reduce its influence over the BARAZA as soon as the latter gets sufficient recognition by NGOs and can get substantially funded by non-government means.
- **GOT should adopt an open comprehensive policy to finance and/or provide other types of open support to Tanzanian NGOs,** including providing direct grant allocations in similar manner as northern governments provide funding to their NGOs. This however would have to be designed in such a way that it does not result in government interference in the affairs of the NGOs or in rendering them powerless in exercising the watchdog functions.
- Information on government activities should be easily accessible and available on demand, albeit on paid basis where necessary. For this to happen, **Government should adopt a clear Freedom of Information Policy** that enforces transparency on government information as a citizen's right. Data put on the website by many ministries has already made routine information release no longer a taboo, but it should be updated regularly and be user friendly. Donors can lead the way in this direction as well.

- Invitations to NGOs for meetings have to be better planned by government, including consultations with NGO networks in order to achieve satisfactory representation.
- At the district level government should examine the possibility of establishing a District Consultative Council (DCC) so as to bring private sector and NGO/CSO resources into the planning range to supplement local government resources. That way, the district would be able to formulate more balanced priorities based on a wider resource base than just on government own funds.

(c) For Donors

- **Donors have to make their NGO assistance facilities more transparent and be competitively accessed by all NGOs, which submit worthwhile proposals.**
- The use and strengthening of existing foundations and trusts should not exclude separate **NGO financing** by donors until an evaluation is made of the benefits and implications of the foundations/trusts.
- **Donors should set aside funds to enable local NGOs to participate in different fora**, if the NGOs can prove that this support is not duplicating other sources.

b) For NGOs

- Government insistence for NGOs to make information on sources of funds transparent should be addressed through some sort of consensus hammered out among the NGO communities. **Better cooperation among the major NGO networks would make an ideal environment** to tackle this problem, as they would be able to gather easily such information from their members. Information on sources and application of resources is important for inter-NGO cooperation, let alone for coordinating with official planning processes especially at the district level.
- **The NGOs wanting to change internal structures** to respond to demands imposed by GBS requirements such as policy engagement, expenditure oversight function or service delivery, **must first address their own institutional mission and objectives** so as to make focused and informed decisions on the restructuring that can withstand the test of time and impulsive changes that are induced by donors for different policy objectives. **They should also consider the advantages of pooled resources and efforts under the networks** or work out convenient bilateral NGOs arrangements to share information and work assignments for common purposes. Such division of labour would maximise the benefits of complementarity, would be cost effective on collective resources and would have more clout in policy dialogue.
- **The area of citizens' empowerment is an important one in creating a citizenry that can make policies more demand-driven** and can keep the elected bodies more responsive and accountable to their constituencies. This is a task most suited for NGOs, than any other policy constituency. Some NGOs can build up a strong niche in facilitating grassroot empowerment

through training, encouraging formation of associations and primary cooperative groups and methodical involvement of villagers in project identification, prioritisation and implementation. Such a niche would prove beneficial for leveraging the NGOs in policy advocacy and monitoring of LG activities and governance in general. As corollary, the NGOs should be more bold in putting pressure on legislative bodies and government to be responsive to public demands.

- In a market setting, full **cost recovery of inputs and primary services** and supplies by operators poses a problem that government subsidies to LGAs and NGOs may find difficult to solve; thus other safety nets or safety valve alternatives may have to be created for the very poor and the disadvantaged. **This is perhaps an area where NGO pathfinding initiatives can be of significant** added value and another potential **niche** in both policy advocacy and oversight functions. The subject of cost recovery in public services is closely related with the issue of judicious expenditure of public resources in general (including budget funds), thus making expenditure tracking also an appropriate niche for NGO specialisation.

ANNEXES

Annex I: List of Persons Met/Interviewed

Government and Related Agencies

Samuel Kibaja	Principal Finance Management Officer, Budget Dept MOF
Mugisha G. Kamugisha	Commissioner for Policy Analysis MOF
Hamisi Ramadhan	Assistant Commissioner Budget , MOF
Balandya Elkana	Economist Aid Coordination Section, External Finance Dept MOF
Marcel Katemba	Director NGO Coordination Unit, VPO
Regina Kikula, J.N. Njau	Ag Director Policy and Planning Department, MOH Health Sector Reform Coordinator, MOH
Richard Mkumba	Health Economist, Policy and Planning Department MOH
Cyprian Iraba	Head Budget Unit, Policy and Planning Division MOEC
Richard Musingi	Director Regional Planning Coordination PO-RALG
Richard Lwoga	Economist, Directorate of Regional Planning PO-RALG
David Biswalo	Economist, Policy and Planning Department Ministry of Agriculture
Richard Ngirwa	Policy and Planning Officer, TACAIDS
J. M. Temba	Director of Policy Planning and national Response, TACAID
A.M. Kamagenge	Training , Resources and Participation Specialist TASAF
Renatus Kihongo	Economist , Municipal Planning Office, Ilala District Dar es Salaam
Maneno Mtunguzi	Councillor Bagamoyo District Council (2000 –2005)
Salim R.Abeid	Chairman Bagamoyo District Council (2000 –2005)

Donors

Ingeborg Veller	Programme Officer Rural Development, EU Delegation
Kaz Fujiwara	Researcher/ Advisor, Embassy of Japan
Yu Nakawa	Programme Officer, Economic Cooperation Section, Embassy of Japan
Emiel deBont	Head of Economic and Trade Section, Royal Netherlands Embassy
Andrew Felton	PRS Team Member, DFID Tanzania
Naangela Mcharo	Accountability Programme Officer, DFID Tanzania
Ian Shapiro	Programme manager, DFID Tanzania
Robin Milton	Social Development Advisor, DFID Tanzania
John Piper	Economic Advisor, DFID Tanzania
Adolf Evarist	National Programme Officer SDC Tanzania
Emmanuel Maliti	Private Sector Development Advisor SDC Tanzania
Martin Saladin	Deputy Country Director Economic Affairs SDC Tanzania
Katharina Haeberli	Assistant Country Director SDC Tanzania
Philip Mpango	Senior Economist, World Bank Tanzania
Rest Laswai	Education Specialist, World Bank Tanzania
Yuko Suzuki	Secretary Development Partners Group, UNDP

NGOs

Rose Mushi	Executive Director ActionAid
Nick Southern	Executive Director CARE (T)

Zabdiel Kimambo	Policy Coordinator, CARE
Yitna Tekaligne	Programme Manager, ActionAid (T)
Albert Jimwaga	Programme Coordinator ActionAid
Geoffrey Tweve	Concern(T) and Secretary, National Council for NonGovernmental Organisations
Buberwa Kaiza	Executive Director, Fordia (NGO)
John Ulanga	Chief Executive Officer, Foundation for Civil Society
Getrude Mugizi	Coordinator, Policy Forum
Martine Billanou	Country Director Save the Children Tanzania
Samwel Wangwe	Principal Research Associate ESRF and Chairman IMG 2005
Joseph Semboja	Executive Director REPOA
Valerie Leach	Coordinator for Policy Analysis, REPOA
Geir Sundet	Senior Researcher Tanzania Governance Notice Board, REPOA
Paula Tibandebage	Training Coordinator, REPOA
Rehema Tukai	Research Coordinator, REPOA
Joseph N. Kisanji	Coordinator, TANMET
Mary Mwingira	Executive Director TANGO
Silas d. Likasi	Programme Coordinator Livelihoods and Vulnerability, Oxfam Tanzania
Plus 18 other participants at the Open Forum Workshop of 28 February 2006, drawn from 16 organisations	

Annex II: General References

1. URT: Tanzania Poverty Reduction Paper October 2000
2. URT: National Strategy for Growth and Poverty Reduction SGRP /MKUKUTA), June 2005
3. URT: 2002/3 Tanzanian Participatory Poverty Assessment (TzPPA): Main Report
4. URT: Tanzania Assistance Strategy 2002
5. URT: Enhancing Aid Relations in Tanzania: IMG Report 2005
6. United Nations Joint Strategic Review Report, February 2005
7. URT/World Bank: PER FY 2003
8. DFID Tanzania: Country Assistance Plan June 2003 – December 2004
9. DFID Tanzania: Addendum to Country Assistance Plan December 2005
10. DFID Country Profiles /Tanzania from DFID website
11. The Foundation for Civil Society Strategic Plan 2005 – 2008: Investing in Impact
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15. CARE/FCS: Letting the Baby Grow: Lessons in Establishing a National Local Fund for Civil Society: FCS in Tanzania by Katie Wiseman, Sept 2004.
16. Daima Associates/ODI: Joint Evaluation of General Budget Support Tanzania 19995-2004, of 2005
17. Cathreine Paul: Tanzania's Health SWAP: Achievements, Challenges and Lessons Learnt, December 2005

18. REPOA/Hakielimu/LHRC 2005: Research Report on Access to Information in Tanzania
 19. TASAF: TASAF II Operational Manual October 2005

Annex III: Composition of External Assistance (% of Tanzania's GDP)

	FY98 Actual	FY99 Actual	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Budget	FY03 Projected
Grants and Loans	4.0	4.4	6.0	5.0	5.9	9.4	7.9
Grants	3.0	4.0	4.5	3.8	4.5	5.7	5.3
Program	0.7	1.2	1.4	1.5	2.2	1.9	3.2
Project	2.3	2.8	3.0	1.6	1.6	3.0	1.6
HIPC grant relief	0.0	0.0	0.1	0.6	0.7	0.8	0.5
Loans (net)	1.0	0.4	1.5	1.2	1.4	3.7	2.6
Loans	2.1	1.6	2.8	2.3	2.2	4.8	2.9
Program	1.3	0.6	0.9	0.6	1.0	1.2	1.7
Project	0.8	1.1	1.9	1.7	1.2	3.6	2.1
Amortization	1.1	1.2	1.3	1.1	0.8	1.1	0.9
Gross aid inflows (*)	13.3	12.7	12.8	12.5	10.5	10.5	NA

Source: URT Public Expenditure Review FY03 and (*) IMF Website data

Annex IV: DFID Funding Support to NGOs in Tanzania (excluding FCS) in UK£

Programme	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Save the Children SGA				90,000	120,000
Save the Children Global PPA*	590,000	529,000	580,000		
Women's Dignity project SGA					131,195
National Policy Forum SGA				61,683	
Water Aid Tanzania SGA					100,000
Water Aid Global PPA*		200,000	200,000	200,000	
REPOA					112,500
ESRF					110,000
Total	590,000	729,000	780,000	351,683	573,695

Source: DFID (Tanzania) * Partnership Programme Agreement

Annex V: Japan's Grass-roots Grant Assistance in Tanzania

JPN FY	No. of Projects	(Net Disbursements, USD) Total Amount (USD)
2000/ 2001	22	1,164,679
2001/ 2002	38	1,389,917
2002/ 2003	17	465,483
2003/ 2004	21	1,074,616
2004/ 2005	12	499,451
2005/ 2006	11	789,662

Source: The Embassy of Japan under GGHSP: The Grant assistance for Grass-roots Human Security Projects

Annex VI(a): Donor Funds Committed to and Received by FCS in the last 3 years (in US\$)

Donor	Three Year Commitment	Funds Received 2003	Funds Received 2004	Funds Received 2005 (up to end September)	Total Funds Received (3 years)	% Distribution
DFID	5,958,000	1,900,000	441,900	1,090,000	3,431,900	52.3
SDC ^a	3,193,400	516,300	615,600	800,000	1,931,900	29.5
DCI ^b	208,941	69,647	68,365	59,353	197,365	3.0
Netherlands	729,654		399,950	291,000	690,950	10.5
Norway	421,360		210,680	117,546	328,226	5.0
Total	10,511,355	2,485,947	1,736,495	2,357,899	6,558,341	100

Source: FCS NB: Amount disbursed is less than commitment due to time required to spend previously committed funds. FCS commenced operations in January 2003.

NB: New pledges for year 2006 have been announced with respect from the five funders as well as from CIDA and DANIDA to the tune of US\$ 5.1 million and Norway and Netherlands commitments go a bit farther than 2006.

Annex VI(b): Data on ActionAid (T) Sources of Funds

Years	Sponsorship	Non-Sponsorship	DFID	Global Fund	TACAIDS	Ford Foundation	Government (PRS)	Deloitte & Touche
2000								
2001	324000	2000	248000					
2002	445000	7000	241000			34000		
2003	608000	187000	24000					
2004	814000	41000					4000	32000
2005	988000	71000	116000	83000	182000	62000		
2006	1200000	103000	53000	124000	270000			
2007	1319000	53000	53000	146000	246000			
2008	1345000	427000						

All figures are in UK pounds Source: ActionAid Tanzania

Annex VI(c): Data on CARE (T) Sources of Funds

NAME OF DONOR	PERIOD	AMOUNT US\$ million
UNHCR	1994-1998	10
	2005	0.2
USAID	1994-1998	1.4
	2001-2005	25
Netherlands	1998-2001	12
	2002-2005	11.4
CIDA/Canada	1994-1998	0.5
	1998-2002	6
Ministry of Health	2004-2005	3

^a SDC = Swiss Development Corporation

^b DCI = Development Cooperation of Ireland

UNDP	2003-2009	3
NORAD	1995-1998	1.7
	2000-2005	1.1
EU	2005-2009	2.7
DAWASA	2003-2004	0.17
GOT/TMAP	200-2007	1.2
DANIDA	2003-2006	3.3
Austria	2004-2006	1.9
Ford Foundation	2003-2006	0.3
DFID	2001-2002	2
Others	1994-2005	7

Source: CARE (T)

Annex VII: Acronyms

ADB	African Development Bank
AFDB	African Development Fund
CAP	Country Assistance Plan (by donors)
CIDA	Canadian International Development Agency
CSO	Civil Society Organisations
DAC	Development Assistance Committee (of OECD)
DFID	Department for International Development
DP	Development Partner (DPs in plural)
DPG	Development Partners Group
ESRF	Economic and Social Research Foundation
EU	European Union
FBOs	Faith Based Organizations
FCS	Foundation for Civil Society
FY	Financial Year (1 st July to 30 th June: FY 2004-2003/04)
GBS	General Budget Support
GOT	Government of Tanzania
HIPC	Heavily Indebted Poor Countries
IMG	Independent Monitoring Group
INGO	International NGO
JAS	Joint Assistance Strategy
LG	Local Government
LGA	Local Government Authority
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
MOF	Ministry of Finance
MOH	Ministry of Health
MTEF	Medium Term Expenditure Framework
NSA	Non-State Actor
ODA	Official Development Assistance
PAF	Performance Assessment Framework

PER	Public Expenditure Review
PRBC	Poverty Reduction Budget Credit
PRBS	Poverty Reduction Budget Support
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
REPOA	Research on Poverty Alleviation
RFE	Rapid Funding Envelope
SDC	Swiss Development Corporation
SWAPs	Sector Wide Approaches
TACAIDS	Tanzania Commission for Aids
TANGO	Tanzania Non-Governmental Organisations (network)
TACOSODE	Tanzania Council for Social Development
TAS	Tanzania Assistance Strategy
TASAF	Tanzania Social Action Fund
TEN/MET	Tanzania Education Network
TGNP	Tanzania Gender Network Programme
URT	United Republic of Tanzania
VPO	Vice President's Office

ⁱ IMF [Press Release No 05/286](#)

ⁱⁱ UTR: National Strategy for Growth and Reduction of Poverty, June 2005

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^{vi} (a)) Heimans, J. 2002, 'Strengthening Participation in Public Expenditure Management', OECD Policy Briefing no. 22

(b): Watson, D. 2002, 'Pro-poor Service Delivery and Decentralization', Issue Paper No. 3

(c) Bräutigam, D.A., 2004 'The People's Budget? Politics, Power, Popular Participation and Pro-Poor Economic Policy',

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^{xv} Katie Wiseman, CARE International UK: Letting the Baby Grow Lessons in Establishing a National Local Fund for Civil Society: The Foundation for Civil Society, Tanzania September 2004

^{xvi} Ibidem

^{xvii} The Foundation for Civil Society Strategic Plan 2005 – 2008: Investing in Impact

^{xviii} (EU/EC Newsletter June 2004)

^{xix} From Draft Report on Mid-term Evaluation of the National Strategic Framework on HIV/AIDs 2003-2007.