



BTC

**STUDY & CONSULTANCY FUND
ANNUAL REPORT 2016
TAN 01005**

FEBRUARY 2017

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Acronyms

BI	Beneficiary Institution
BRN	Big Results Now
BTC	Belgian Development Agency
CDTI	Community Development Training Institute
DAWASCO	Dar es Salaam Water & Sanitation Company
DCP	Development Cooperation Programme
FYDP II	Second Five Years Development Plan
IDCP	Indicative Development Cooperation Programme
IGA	Income Generation Activities Project
JLCB	Joint Local Consultative Body
KILORWEMP	Kilombero and Lower Rufiji Wetlands Ecosystems Management Project
LED	Local Economic Development
LGAs	Local Government Authorities.
LUP	Land Use Plan
PFGs	Participatory Farmers Groups
PMO- RALG	Prime Minister's Office –Regional Administration & Local Governments
M&E	Monitoring and Evaluation
MAFC	Ministry of Agriculture Food Security & Cooperatives
MNRT	Ministry of Natural Resources and Tourism
MOF	Ministry of Finance
NRM	Natural Resources Management
PO	Programme Officer
R4P	Results for Prosperity
SCF	Belgium Tanzanian Study and Consultancy Fund
STC	Special Tender Committee
TOR	Terms of Reference

TSHTDA	Tanzania Small Holder Tea Development Agency
UDSM	University of Dar es salaam.
WCA	Water Consumers Association
WMA	Wildlife Management Area
ZAWA	Zanzibar Water Authority
ZNZ	Zanzibar

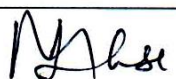
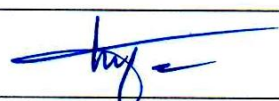
1 Intervention at a glance

1.1 Intervention form

Intervention name	Belgian Tanzanian Study and Consultancy Fund
Intervention Code	01005
Location	Tanzania
Budget	3.620.000 Euro + 260.42 = 3,880,420 Euro
Partner Institution	Ministry of Finance
Date of implementation Agreement	06/12/2001
Duration (months)	12 years + 2 years
Objective	Financing studies and consultancies in the priority sectors, preparatory studies in the context of Belgian Tanzanian cooperation programme, and implementation of the Paris Declaration.

1.2 Budget execution

Total Budget	Exp. in 2016	Total exp.	Disbu. rate	Committed Balance	Uncommitted Balance
3,880,420	273,130	2,611,940	67%	277,170	991,310

National execution official¹ Melckzedek Mbise	BTC execution official² Cranmer Chiduo
	

¹ Name and Signature

² Name and Signature

Context

1.1 General context

2015 has been a watershed in Tanzania, a year which the country has witnessed unprecedented stern actions being taken by the presidency. A new President was elected who is obsessed with a fight against corruption, embezzlement of public funds, tax evasion etc. that have been common in the preceding era. The presidency has banned the frequent often very unnecessary local and foreign travels by government officials. Holding of meetings, workshops and seminars in lavish hotels has been prohibited. Sitting allowances which has been a contentious issue between government and Development partners is also in the blacklist. Many leaders of public institutions have been suspended or dismissed leaving public service too scared to take innovative actions which might compromise with their security of employment.

The above situation has affected SCF both positively and negatively; positively because, it has been much easier to negotiate modest budgets for implementation of studies and consultancies than has been the case. Negatively, because public servants have become less willing to participate in intricacies of implementation of studies/consultancies outside the mainstream system unsure whether what they will be doing may be considered right or wrong.

In 2015, the government enacted a Withholding Tax act for all consultancies. SCF had to adjust its contracts to include the need for the consultants to comply to implementation of the new tax law.

1.2 Management context: execution modalities

There has been very little implementation in 2015. Majority studies started implementation in Q4 because of delays in consultant's selection process. SCF has been applying the Tanzanian public procurement regulations in procuring of consultants. The processes have been managed by the local partner institutions. The procedure requires several approvals along the way by the institutions Tender boards, which is often not as smooth as it should be.

The JLPC meeting of September 2015 approved use of Special Tender Committee for each study to replace the many committees in the Tanzanian public procurement process. The JLPC also directed SCF to approve a few new studies taking care that some resources remain to meet expenses during development of new DCP. In 2016, three new consultancies worth Euro 130,000 were approved and implemented. All were in support of the ongoing DCP. Procurement of consultancies were by single sourcing because effective implementation required specialized experts who had worked with the client institutions before.

Generally the execution modalities is **APPROPRIATE**.

1.3 Harmo-context

SCF has funded a consultancy to develop manuals on Tax exemption and Funds disbursement modalities by the Ministry of Finance. The manuals will be used by MoF to exchange information with the Development Partners Group on the issues. The consultancy stopped because of inability of the consultant to continue with the facilitation.

SCF continued to support the ongoing DCP with specialised studies to help projects in the DCP to reach better results. It has supported hiring of experts to conduct training of WCAs in Maji Yetu project. To prepare Kigoma region for management of investment projects in the Tanzanian Second Five Year Development Plan (FYDPII) the Tanzanian ministry of finance and Planning requested utilisation of SCF to facilitate training of Regional Secretariat and LGAs in Kigoma. Ministry of Natural resources and Tourism requested the support of SCF to cofinance a backstopping mission by RAMSAR secretariat to KILORWEMP project.

2 Analysis of Progress

2.1 Studies

2.1.1 Progress of studies

SN	Title of Study/Consultancy	ID No.	Amount Approved (Euro)	A	B	C	D	Comments (only if the value is C or D)
1.	ZNZ MOF Big Results Now	45	70,000	X				
2.	PRIDE RFW Microfinance to rural areas	46	75,000		X			Duration extended
3.	PMO RALG M&E Framework	49	80,000	X				
4.	Banana organisational support	52	100,000		X			Until 03/2017
5.	PFGs Coordination in Kagera Region	53	120,000	X				
6.	Feasibility Study TSHTDA	56	50,000		X			Started in Q4
7.	Land survey Buhigwe	57	130,000		X			1 st phase completed
8.	MOF Tax Exemption and Funds Disbursements	63	100,000		X			Started in Q4
9.	WCA Training	59	40,000	X				
10.	Ramsar Advisory	62	50,000		X			
11.	MoF Planning	61	40,000	X				
TOTALS			855,000					

A: completed in year N

B ongoing

C in preparatory phase: preparation going as planned (writing ToR, procurement procedure, etc.)

D planned but delayed

2.1.2 Analysis of studies completed

Title of Study: (45)	MoF ZNZ BRN
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<i>Describe, in a few sentences, for who the study was organised, and what it was about</i>	Organised by the Ministry of Finance in Zanzibar collaboration with MoF Tanzania. Ministry of Finance intended to conduct capacity building of key ministries in the Zanzibar government and MoF mainland on the development concept d catch word of Big Results Now that guides economic development in Tanzania.
<i>Have the studies been used as intended?</i>	Indeed the workshop brought together key ministries and institutions involved in planning and economic development in unprecedented manner.
<i>To what did the study contribute?</i>	The various ministries and institutions learned about BRN and shared the different ways of working which was a great learning and an opportunity to synergize in the future.
<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	BRN concept which was adopted by MoF in Tanzania mainlands related closely to Results for Prosperity R4P followed by Zanzibar Planning commission. MoF Zanzibar was actually less aware of R4P. Planning commission had to take long period to explain the concepts applied in R4P.
Title of Study: (49)	PMO RALG M&E Framework
<i>Describe, in a few sentences, for who the study was organised, and what it was about</i>	Consultancy to support Ministry of PMORALG to develop Monitoring and Evaluation framework for development projects with Local Government Authorities
<i>Have the studies been used as intended?</i>	A consulting firm was hired conduct trainings and facilitate the participatory process of developing a M&E framework.
<i>To what did the study contribute?</i>	In the study, the ministry's monitoring and evaluation system was reviewed to match with the M&E system at Regional secretariat and Local government authorities.
<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	The study laid down a ground for developing a M&E system that will accomodate the whole span of the PMORALG ministry. All departmental heads at the ministry were involved and were convinced on the need to develop a comprehensive M&E system for the ministry.
Title of Study: (53)	PFG: Consolidation of farmer groups to provide financial services
<i>Describe, in a few sentences, for who the study was organised, and what it was about</i>	Kagera region secretariat requested a support of SCF to enhance the capacity of Participatory Farmer Groups to establish financial services to enable its members access to finance to meet farm investment needs.
<i>Have the studies been used as intended?</i>	A consulting firm was hired to undertake the assignment. The intended farmer groups were reached. They managed to establish systems for saving and credit schemes.
<i>To what did the study contribute?</i>	In the consultancy farmers were mobilised to develop and operate savings and credit schemes.

<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	Apart from receiving members savings, group members generated seed capital from the communities they live in by charity. The groups have good financial systems that can attract more capital from other institutions such as the local governments.
Title of Study: (56)	TSHTDA : Feasibility study for establishment of commercial tea production in Kigoma region
<i>Describe, in a few sentences, for who the study was organised, and what it was about</i>	TSHTDA with its mandate to support small scale tea production requested a feasibility study of establishing tea crop in Kigoma. Neighboring Burundi is doing well in tea production.
<i>Have the studies been used as intended?</i>	A team of consultants was hired to undertake the study. The study was done suitable areas identified and a business plan for establishing a tea farming system around a tea factory was developed.
<i>To what did the study contribute?</i>	A business plan for establishment of one tea production and processing centre which has attracted the interest of the Regional authority and the Ministry of agriculture.
<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	The new government has declared its intention to move the country towards an industrialised economy. The has received a listening ear from the government. Its likely that results of the study would be of great use in the near future.
Title of Study: (59)	Coaching to enhance capacity of WCAs to manage their water schemes.
<i>Describe, in a few sentences, for who the study was organised, and what it was about</i>	WCAs were established by a Belgium funded community water project in Dar es Salaam peri urban. Ministry of Water requested support so that more coaching of WCA could be done to improve capacity of members and leaders to manage the water schemes sustainably.
<i>Have the studies been used as intended?</i>	Two consultants former employees of the Water project were hired to undertake the coaching.
<i>To what did the study contribute?</i>	10 WCAs out of 12 were coached for a period of 6 months. WCAs were also supported to elect leaders, adapt operational manuals to guide their operations and to finalise registrations.
<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	DAWASCO who have mandate to operate water supply and sanitation in Dar es Salaam took over 2 schemes which had experienced some operational difficulties. It has An intention of taking over more schemes as its capacity to generate more water improves
Title of Study: (61)	MOF Investment planning in Kigoma
<i>Describe, in a few sentences,</i>	Ministry of Finance Planning department developed a manual

<i>for who the study was organised, and what it was about</i>	for training government institutions on management of investment projects. Kigoma being a priority region for Belgian DCP MoF requested funding for he training to develop the capacity in Kigoma region
<i>Have the studies been used as intended?</i>	Funds were availed for MoF to hire the needed experts. The training was done to the Kigoma Regional Secretariat and all the Local Government Authorities in Kigoma.
<i>To what did the study contribute?</i>	The region has now the capacity to plan and manage investment projects in line with the second National Five Year Development Plan (FYDPII).
<i>Issues that arose, influencing factors (positive or negative)? Unexpected results (positive or negative)? How did they impact the study or the use of the study?</i>	The capacity to LGAs and Reginal secretariat will enable them to make informed monitoring and evaluation for Belgian supported projects in Kigoma. The government and the projects will be talking the same language.

2.2 Expertise

2.2.1 Progress of expertise

Progress of expertise ¹	A	B	C	D	Comments
No expert was engaged					

2.3 Budget execution

In 2016 implementation of the SCF was remarkable. A total of 6 consultancies were completed out of the 11 under implementation. The 3 consultancies started in 2016 were implemented quickly after approval because the nature of the consultancies justified consultants to be recruited through single sourcing. Two studies requested for and received approval for contract extension.

2.4 Quality criteria

Criteria	Score
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¹ A: Expertise completed in year N
B: Expertise ongoing
C: Expertise in preparatory phase: preparation going as planned (writing ToR, procurement procedure, etc.)
D: Expertise planned but delayed

Relevance	A
Efficiency	B
Effectiveness	A

2.5 Risk management

The major risks identified are described below:

1. Delays in selection of consultant: The old system of using Tanzania public procurement procedures will be replaced by the use of Special Tender Committee or single sourcing where justifiable.
2. Delays in supporting proposals at application stage or after approval stage due to the supervising assistant being too occupied by the need to support other ongoing studies or projects. It's was proposed that a full time projects assistant be recruited to assist in the needed follow-ups to the studies. However modalities for implementation of the decision were complicated.
3. Inability to make effective monitoring the performance of studies: To mitigate the risk all contract will be made in such a way periodic sessions for feed backs are integral part of the contracts. This has happened in all new studies. Most studies are broken into several tranches between 4 and 7. Reports are expected before a subsequent tranche is disbursed
4. Poor financial reporting is a risk because most consultants employed who are well skilled, available and affordable are not backed by sufficient financial management system within their organisations. Mostly these consultants are hired to deliver an output without a requirement for stringent financial reporting.

To mitigate the risk, the Fund has included as an annex to the contracts detailed instructions on requirements for financial reporting.

All the above listed risks and its management identified in 2015 were managed in 2016.

3 Steering and Learning

3.1 Action Plan

SCF will endeavour to create more awareness and support institutions in the priority sectors of DCP to utilise the facility in improving efficiency in their institutions. SCF continues to support institutions to develop proposals that are in line with the objectives of this Fund.

Now with the agreed use of Special Tender Committees, SCF will be able to recruit consultants and start implementation withing short time after approval of proposals. In 2016 there has been no delays in recruitment of consultants.

Payment to studies by Mpesa system from BTC direct to workshop participants has eased handling of logistics and improved transparence. This has reduced the consultants budden of accounting for expenditures.

A standard for reporting would improve the quality of final reports for convenience in sharing extensively. Quality of consultancies completed in 2016 was high.

A revision of the procedures manual agreed in JLPC of September 2015 was not done in 2016, will be conducted in 2017.

3.2 Lessons Learned

Lessons learned	Target audience
<i>Description of the lesson learned.</i>	<i>The audience that may be interested in the lesson learned.</i>
Conducting workshops in government premises away from private hotels has tremendously reduced the cost of studies and trainings eg. Big Results Now in Zanzibar	JLPC
Payment by Mpesa system from BTC direct to workshop participants has eased handling of logistics and improved transparence. This has reduced the budden of accounting for expenditures by the consultats.	JLPC

4 Annexes

4.1 “Budget versus Current (yn-1) Report

SN	Title of Study/Consultancy	ID No.	Amount approved (Euro)	Amount actual spent
1.	ZNZ MOF Big Results Now	45	70,000	34,370
2.	PRIDE RFW Microfinance to rural areas	46	75,000	18,630
3.	PMO RALG M&E Framework	49	80,000	62,670
4.	Banana organisational support	52	100,000	80,000
5.	PFGs Coordination in Kagera Region	53	120,000	120,000
6.	Feasibility Study TSHTDA	56	50,000	37,000
7.	Land survey Buhigwe	57	52,000	0
8.	MOF Tax Exemption and Funds Disbursements	63	100,000	15,000
9.	WCA Training	59	40,000	38,000
10.	Ramsar Advisory to Kilorwemp	62	15,000	15,000
11.	MoF Planning Kigoma training	61	40,000	40,000
TOTALS			742,000	460,670

4.2 Decisions taken by JLCB and Follow-up

- Strategic decision:* Thresholds extensified Euros10,000 to 150,000
Period of Identification: Last JLPC
Action: New approvals have considered the new levels.
- Strategic Decision:* Brochures for Awareness Creation
Period of identification: Last JLPC
Action: Brochures have been distributed to sector ministries
- Strategic Decision:* Awareness creation in sector ministries
Period of identification: Last JLPC
Action: SCF met PMO RALG Directors in Dodoma. As a result several proposals have been received from the ministry.
- Strategic Decision:* A focal person for representing the sector ministries in the JLPC
Period of identification: Last JLPC

- Action:* PMO RALG and MNRT attended in the JLPC meeting of February 2014. JLPC to decide on the members to be invited in each meeting.
5. *Strategic Decision:* Use of Special tender committee made up of MOF, BTC Partner Institution and external expert
Period of identification: Last JLPC September 2015.
Action: The new procedure will be applied for the newly approved Studies.
6. *Strategic Decision:* Revision of the SCF procedures manual
Period of identification: Last JLPC September 2015.
Action: A proposal will be tabled to the next JLPC for approval before use.