



ANNUAL REPORT

TANZANIA-BELGIAN STUDY AND CONSULTANCY FUND

TAN 01005

DECEMBER 2007



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1 PROJECT SHEET

Title of the project: **Tanzanian-Belgian Study and Consultancy Fund**

Navision code	TAN 01005
National Number DGDC	IN 19269/11
Country	Tanzania
DAC sector / sub sector (Multi-Sector Aid)	43010
National institution in charge of the execution	MoFEA
Agencies in charge of the execution	BTC
Number of BTC international cooperation experts	None
Duration of the project (according to SA)	72 months
Start date of the project:	
According to SA	06/12/2001
effective	06/12/2002
End date of the project	
According to SA	05/12/2005
Estimated	05/12/2009
Project management method	Co-Management
Project budget	
Belgian budget	620,000 EUR
Period covered by the report	January-December 2007

2 BRIEF FACTUAL OVERVIEW

In 2001 the Government of Tanzania and the Government of Belgium agreed to set up a study and consultancy fund project. The project is established to provide support and facilitate studies and consultancies including preparation of projects and programmes under the agreement between the two governments.

Until July 2007 the study and consultancy fund was exclusively been used to financing project preparation, notably identification studies of various projects within the framework of Tanzania-Belgium Indicative Development Cooperation Programme (IDCP) 2003-2007. However, regardless of it being limited to the preparation of identification studies, the project demonstrated that, funds are highly needed for crucial process of identification by the partner country. The study and consultancy fund contributed to GoT accomplish the project identifications and present reports of good with required quality by the GoB.

During the annual consultative meeting of April 2005 the two governments agreed to broaden the scope of using study and consultancy funds. In 2006 the GoT submitted a request to the GoB to review the Specific Agreement incorporating these changes. An exchange of letters finalized in July 2007 where the two parties agreed to broaden the scope of use and extended the project duration to December 2009. Currently the fund is financing studies and consultancies which meet the priority sectors and programmes of the GoT.

On the 24th July 2007 the JLCB met to agree on the modalities of implementing the revised project Specific Agreement. Among other things the JLCB clarified components of the new Specific Agreement which include: preparation and implementation of the IDCP; capacity building of Tanzanian Ministries, Departments and government Agencies (MDAs) through training and workshops and other studies priority to the GoT. The JLCB approved 5 new studies/ consultancies which will be implemented in 2008.

Management and Operation of the Fund:

The Study and Consultancy is jointly managed by both governments. The Government of Tanzania through the Ministry of Finance and Economic Affairs (MoFEA) foresees the administration of financial resources and selection/ approval of project activities. The MoFEA appoints the Fund Director. Whereas technical ministries and government agencies are responsible to monitor the whole process of consultancies and studies and ensure good quality of the final reports. The Technical Ministry assigns a Supervising Officer.

The Government of Belgium is represented by the Attaché in charge of the International Co-operation within the Embassy of Belgium to approve the study and/ or consultancy proposals as stipulated in article 5 of the Specific Agreement. On behalf of the GoB, the Belgian Technical Co-operation, (BTC), is responsible for the follow up of the implementation of the Studies and Consultancies. BTC Resident Representative is a Fund Co-Director, responsible for the follow-up of the awarding process, contractual obligations and certifies expenditure.

The Joint Local Consultative Body (JLCB) is the organ with the mandate in making all major decisions regarding the utilization of the study funds.

3 OVERVIEW OF ACTIVITY PLANNING

3.1 Activity overview

No	Activity	Status of Implementation	Remarks
1.	Revision of the Identification report for the Improved Banana production, processing and Marketing project	- The report was revised to accommodate the requirements of the 3rd Management Contract and submitted to the GoB for approval.	
2.	Civil Engineering study for Inland Container Depots (ICDs) in Mwanza and Shinyanga	- Terms of reference (ToR) finalized (August) - Tender published in National Newspaper in August - 2nd publication of tender on National Newspaper in October - MoF authorized contract negotiation (December)	Only eligible bids were opened during the selection of candidates
3.	Study on Environmental Sensitivity Atlas for the Coastal Areas of Tanzania	The proposal was approved in November 2007 and discussion is being undertaken with the technical ministry	Technical ministry is reviewing the document in collaboration with SUMATRA, process will start in early 2008.
4.	African International Group of Political Risk Analysis (workshop)	- Approved in November 2007 - All Logistical arrangements done in December 2007 and workshop postponed due to non availability of targeted key officials	To be conducted 2008

5.	Collection of information on designation of the Kagera Swamps - Ramsar site	The proposal was approved in December 2007 and communicated to the technical Ministry	The discussion with technical ministry to define modalities to undertake the study in 2008.
6.	Study of wetlands intervention in Luwegu river sub-basin	The proposal was approved in December 2007 and communicated to the technical Ministry	The discussion with technical ministry to define modalities to undertake the study in 2008.

3.2 Analysis of activity planning

Due to the application of the 3rd management contract as of 2007, the two remaining projects, Banana and Income Generating Activities were reviewed to meet the criteria set out in the new contract between BTC and DGDC.

The Engineering study for ICD, very few bidders submitted offers which necessitated the tender board to re- advertise to attract more bidders for the proposal. In the last week of December 2007 the tender committee made a selection of a suitable bidder who is expected to start project execution in January 2008.

The Environmental sensitivity Atlas for the coastal areas was approved in November 2007. It has taken sometimes to refine the document as it was recommended during the approval. The Agency responsible to oversee the study is the Surface and Marine Transport Authority (SUMATRA). Currently, all preparations are in progress for the study to start in the first Quarter of 2008.

The Study of wetlands intervention in Luwegu river sub-basin has been approved in December 2007. The Study is expected to start in the second Quarter 2008.

Collection of information on designation of the Kagera Swamps - Ramsar site has been approved in November 2007. The ministry has identified the Wild Life Management College for the study and activities are expected to start in the second quarter of 2008.

A proposal for a workshop on improving governance and fighting corruption organized by African International Group of Political Risk Analysis (PORIS) was approved at the end of November 2007 and was scheduled to take place mid December 2007. But due to the unavailability of some key government officials, the workshop could not take place. The workshop is expected to be conducted in March 2008.

4 FINANCIAL OVERVIEW

4.1 Overview of expenditure versus financial planning

The total budget of the Project is EUR 620,000. The planned budget for 2007 was 119.900; however, only 12.929,87 have been spent which is 10% of the budget in 2007.

Generally, there was no significant expenditure in 2007 and the project is characterized by the extremely low implementation rate.

4.2 Analysis of financial planning

It was expected that the construction studies under TAN0401411 will be approved in early 2007 but that did not happen until the end of the year.

Moreover, the exchange of letters for the project was only signed in July and the process took sometimes to approve and start the procedures for new studies.

5.0 MONITORING OF THE INDICATORS

5.1 Specific objective

The objective of this project is to provide funds to support and facilitate studies and consultancy works including preparation of projects.

In 2007 there were limited studies and consultancies have taken place. There was no much to be done under the IDCP projects/ programmes (only revision of the Identification Report for Banana and Income Generating Activities). This was in line with the initial purpose and agreement on the use of funds that was foreseen to finance only activities under the Belgo-Tanzania IDCP, notably project identifications.

Moreover, the processes of approval to the request in broadening the scope for use of the Study and Consultancy Funds caused some delays in using the funds.

In July 2007, through exchange of letters, the two governments have agreed the use of funds can be instrumental to finance other studies and consultancies as per priorities of the GoT (not being confined to the IDCP framework only). Subsequently five proposals have been approved in late July 2007.

The studies could not start immediately because some required improvements and amendments of the terms of reference and project proposals. The process of identifying suitably candidates and undertaking the tender process is time consuming process.

5.2 Results

The Result indicators for this project are executed studies, consultancies, trainings and identified projects. The means of verification are training, studies and consultancy reports and project documents.

The assessment indicators were not clearly defined from the outset. The rate of execution is more dependent on the requests/proposals submitted and approved. Sometimes it is difficult to determine the time, number and quality of proposals that will be submitted in the year in question.

In 2007, the project financed the revision of two identification studies i.e. Banana and Income Generating Activities Projects.

Furthermore, five other studies were approved in the second half of 2007. The engineering studies of the Inland Container Depots project and training on Good Governance were in advanced stage while other three were still in preparation. The state of progress of each project is detailed in section 3.

Banana and Income Generating Activities Projects:

- Identification report reviewed and submitted.

Inland Container Depots:

- MoF authorized contract negotiation (December)
- Terms of reference (ToR) finalized (August).

- Tender published in National Newspaper in August
- 2nd publication of tender on National Newspaper in October
- 21st December 2007 a credible bidder for the Engineering study was selected to conduct the study for the Shinyanga and Mwanza ICDS.

Environmental sensitivity Atlas study:

- The proposal was approved in November 2007 and the technical ministry in collaboration with SUMATRA is reviewing the proposal document. Launching of tenders for the consultant is expected in the first Quarter of 2008.

Studies for River Kagera Basin:

- A consultant (Wild Life Management College) has been identified to undertake the study in Kagera River was identified by the technical ministry.

Ruwegu River Basins:

- The technical Ministry is in the process of identification of the consultant to undertake the study in Luwegu River basin.

5.3 Indicator evolution (chart)

NA

6.0 ASSESSMENT OF MONITORING CRITERIA

6.1 Efficiency

The efficiency of the project for 2007 is low as it was demonstrated by the volume of activity-financial planning under section 3 and 4 above. This has been caused by the delays in administrative processes in approving the request by the GoT to expand the use of funds, which was only effected in July 2007.

Other factors are:

- The poor quality of proposals submitted for study/consultancy required improvements before starting studies;
- The project had some difficulties in getting good quality bidders to undertake some studies e.g. the ICD-engineering studies were re-advertised because suitably and qualified bidders were no found in the first round of received offers;
- Availability of government official;

6.2 Effectiveness

The studies under the project are very effective as it addresses a specific problem and the real needs of the GoT. It relates to issues which can't be absorbed in the main budget of the technical ministries and other government institutions. The availability of the fund enabled the ministries to properly identify needs and priorities in the respective sectors.

6.3 Sustainability

The purpose of the fund is to enable the government to identify needs which is a priority for possible funding either by Belgian or by any other Development Partner, in the framework of Joint Assistance Strategy for Tanzania (JAST) and the Paris Declaration. The revised objectives of the fund relate to the government priorities contained in the development National strategy for Growth and Reduction of Poverty (NSGRP).

7. MEASURES AND RECOMMENDATIONS

7.1 Overview of the assessment criteria

The project can be assessed on the basis of the different studies undertaken. Since not has been much was done in 2007, it is important to observe the quality and relevance of studies and activities in the future.

7.2 Recommendations

Since it is less than 50% of the funds available for the project have been utilized in the 6 years period, the JLCB has to accelerate utilization of the funds on the basis of the newly defined agreement.

There must be a mechanism for quality control of the studies so that high standard is kept and Terms of Reference is respected.

There are only three JLCB conducted in the 6 years period. It is therefore important, for regular meetings to take place to monitor progress and assess the impact.

8.0 PLANNING FOR THE UPCOMING YEAR 2008

8.1 Activity planning year 2008

Proposed Projects for year 2008	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08
Civil Engineering studies for Inland Container Depots (ICDs) Mwanza and Shinyanga												
Environmental sensitivity Atlas for the coastal areas												
African International Group of Political Risk Analysis												
Collection of information on designation of the Kagera Swamps - Ramsar site												
Study of wetlands intervention in Luwegu river sub-basin												

8.2 Financial planning year 2007/ 08

Project Expenditure projection	MODE	Q1	Q2	Q3	Q4	Total
Civil Engineering Study for Inland Container Depots (ICDs) in Mwanza and Shinyanga	COGES	10	28	1.79	0	39,79
Environmental sensitivity Atlas for the coastal areas	COGES	0	10	30	10	50,00
African International Group of Political Risk Analysis	COGES	0	0	0	0	0
Collection of information on designation of the Kagera Swamps - Ramsar site	COGES	0	10	10	7	27,00
Study of wetlands intervention in Luwegu river sub-basin	COGES	0	10	18	5	33,00
	Total	10	58	66.79	22	149,79

9.0 CONCLUSIONS

9.1 Activities and Finance

Project implementation was not as expected this year but necessary measures are being taken to ensure that in year 2008 everything will be executed according to the plan. This will be done through enhanced communication with relevant Ministries, promote team work between BTC the representation/technical ministries, and other priority areas as identified by the government.

The activity and financial planning provides an indication of the approved studies, but more studies and consultancies can be requested and approved in 2008. The new proposals will be incorporated in the quarterly activity and financial planning throughout 2008.

9.2 Monitoring criteria

Supervising officers are appointed by each technical ministry related to studies and consultancies for effective monitoring of implementation.

9.2.1 Efficiency

Well defined and detailed ToR should be carefully observed during the approval process. The Fund Director and Co-Fund director should ensure contract terms are adhered to and respected by the service providers/consultants. In addition, established quality control mechanism will ensure efficiency of project in the course of implementation.

9.2.2 Effectiveness

Monitoring of project effectiveness should be assured with the new defined agreement between the two countries.

9.2.3 Sustainability

Sustainability of the project impacts largely depends on the realization of studies, results of workshops, recommendation of consultancies, etc in meeting government priorities and needs.

9.3 Advice of the JLCB on the recommendations

- The Third JLPC meeting was held on the 24th April 2007 and recommended the following:
- Start implementing the agreement as stated in the reviewed Specific Agreement through exchange of letters of July 2007.
- To regularly present to the Fund Director or JLCB members the situation of receipt and expenditure of funds under the project.
- Review and approval of proposals
- Joint monitoring of the IDCP activities

10.0 ANNEXES

NA