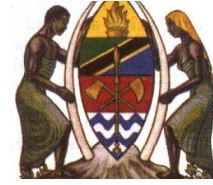




**CTB**



# ANNUAL PROGRESS REPORT JAN-DEC 2011

## SUPPORT TO INCOME GENERATING ACTIVITIES PROJECT - TAN0501611



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## Acronyms

BTC	Belgian Technical Cooperation
SMCL	Structure mixte de concertation locale
M&E	Monitoring and Evaluation
DFT	District Facilitation Team
DED	District Executive Director
MoFEA	Ministry of Finance and Economic Affairs
IPTT	Indicator Performance Tracking Table
TAMISEMI	Tawala za Mikoa na Serikali za Mitaa
PSO	Private Sector Organizations
CMT	Council Management Team
NTA	National Technical Advisor
NPC	National Project Coordinator
DPC	District Project Coordinator
TFF	Technical and Financial File
IGA	Income Generating Activities
JLPC	Joint Local Partnership Committee
LED	Local Economic Development
MTR	Mid Term Review
PPP	Private Public Partnership
MFI	Micro Finance Institutions
PSD	Private Sector Development
ASDP	Agricultural Sector Development Programme
BEST	Business Environment Strengthening for Tanzania
NSGRP	National Strategy on Growth and Reduction of Poverty
VAT	Value Added Tax
EPICOR	Budget data entry spread sheet system linked to IFMS
ASDS	Agriculture Sector Development Strategy
LGCDG	Local Government Capital Development Grant
SWAP	Sector Wide Approach
HQ	Headquarters
LGA	Local Government Authority
BIP	Beekeeping Improvement Project
SIDO	Small Scale Industries Development Organization
MKUKUTA	Mkakati wa kukuza uchumi na kupunguza umasikini Tanzania
IFMS	Intergraded Financial Management System

## 1 Project form

Project name	SUPPORT TO INCOME GENERATING ACTIVITIES IN COAST AND KIGOMA REGIONS
Project Code	TAN0501611
Location	6 DISTRICTS OF KIGOMA AND COAST REGIONS IN TANZANIA
Budget	Total budget €2,432,000 Belgian contribution €2,162,000 MoFEA contribution €150,000 LGAs contribution €120,000
Key persons	NTA KIGOMA REGION AND NTA COAST REGION
Partner Institution	Ministry of Finance and Economic Affairs
Date of implementation Agreement	The Specific Agreement for project was signed on the 30 <sup>th</sup> of December 2008 and expires on 30 <sup>th</sup> of December 2013.  The project started on January 2009 and ends in July 2012.
Duration (months)	36 months
Target groups	6 LGAs (staff and councillors), 12 PSOs with 2,443 members/clients and 130 IGA groups with 2,600 members
Global Objective	The general objective of the project is <i>“To contribute towards improving livelihoods of the poor particularly in rural areas”</i> .
Specific Objective	The Specific Objective of the Project is <i>“To create an enabling environment for income generating activities of the poor, especially women and youth to improve their incomes, in six districts of the Coast and Kigoma Regions”</i>
Results	R.1 Improved capacity of the local government to facilitate pro-poor local economic development  R.2. Improved capacity of business related service providers to respond to the needs of the target group  R.3. Increased capacity of the target group to demand and access technical, entrepreneurial and business services

## 2 Summary

### 2.1 Analysis of the intervention

Intervention logic	Efficiency	Effectiveness	Sustainability
<b>Specific objective</b> The Specific Objective of the Project is “To create an enabling environment for income generating activities of the poor, especially women and youth to improve their incomes, in six districts of the Coast and Kigoma Regions”	B	A	B
<b>Result 1</b> Improved capacity of the local government to facilitate pro-poor local economic development	B	A	B
<b>Result 2</b> Improved capacity of business related service providers to respond to the needs of the target group	B	C	B
<b>Result 3</b> Increased capacity of the target group to demand and access technical, entrepreneurial and business services	A	B	A

Total budget	Budgeted Jan-Dec 2011	Expenditure as per Jan-Dec 2011	Total expenditure year N (31/12/2011)	Balance of the budget	Over all Execution rate by end of 2011
€ 2,162,000	€ 584,190	€ 499,550.79	€1,167,173.87	€94,826.13	54%

### 2.2 Key elements

2.2.1 The M&E system that was developed last year needed process and tools that could make it operational. Thus in Q2, NTAs and the NPC developed the process and templates and trained DFTs on their use. The templates are for (i) capturing progress of IGA groups (ii) sub-sector DFTs quarterly reports (iii) DPCs quarterly reports (iv) annual activity and financial plan. (v) Quarterly activity and financial plan, and (vi) project flow of information. The IPTT was also revisited and simplified.

2.2.2 Whereas the TFF assumed DFTs have necessary technical capacities and that district councils being capable of supporting DFTs to routinely work with target groups, was depicted on the contrary. The

Project therefore, conducted three basic training for DFTS and DPCs (i) result oriented process for supporting IGAs groups (training conducted in Q3) (ii) Process for preparing IGAs profiles, capacity assessment and planning for support during Q4 (iii) Process for facilitating groups to undertake value chain assessment and preparation of business plans in Q4. Also a request for equipping the DFTs with 3 motorcycles in each district has been included in the proposed budget modification.

2.2.3 The Project consulted professional consultancy firms and relevant stakeholders at district level for review, summarization and translation of policies and laws concerning entrepreneurial frame work. Seven booklets were translated and 700 copies were produced and disseminated to the districts for use by DFTs, PSOs and CBOs.

2.2.4 The process to support strengthening of the established stakeholder platforms was implemented in all districts. The platform plans were reviewed and also the platform leaders participated in the LED and PPP workshops that selected the economic priority areas for the Project. The selected economic areas in each district are agriculture, natural resources, trading/services, handcraft, value addition/processing and livestock of which in each district IGA groups are being supported to implement at least two to three specific selected enterprises. Further efforts in consultation with the district councils will be directed towards supporting the platforms to be part of organs with legitimacy for coordinating LED initiatives.

2.2.5 The LED and PPP workshops involving councillors, CMT, PSOs and CBOs were successfully executed in each district. Total participants were 240. The workshops focus was on the understanding of linkage between investment and local economic development and how PPP can be executed in LED. To widen further the understanding of linkage between investment and LED sensitization workshops will be conducted involving all wards in each district.

2.2.6 Development of the proposal for supporting IGAs to access and use microfinance services was done and shared with DFTs in each district during the training of result oriented capacity building. The basic features are establishment of savings and credit services in the 130 IGA groups (membership 2,600), developing linkages for the IGAs to access credits from six MFIs (scheme managers), supporting MFIs to develop IGAs products and provision of seed capital grants to the scheme managers. In depth analysis of the identified MFIs to analyse their legitimacy and operational conditions is still needed so as to facilitate workable contract between district councils, and the MFI.

2.2.7 Towards end of Q2 the Government of Tanzania changed its financial

modalities that impacted negatively to the implementation of Project activities. BTC was obliged to find the alternative financial disbursement modality; the process that consumed about five months (July – November). The situation contributed to very slow pace for implementing Project activities planned for Q3 and Q4. The JLPC held on November 2011 directed the project to use development accounts available at target district councils based on specific activity and not as quarterly lump sums.

2.2.8 The Project received backstopping support from Brussels in May 2011. The mission focused on the analysis of the major challenges and risks the project is facing regarding the implementation, lasting period and the preparation of the Mid Term Review that was to be conducted as soon as possible. The mission was very helpful to the project as it confirmed the direction in which the project was moving including a shift from activity based to result oriented approach, the process for establishing micro finance and the ToRs for the MTR.

2.2.9 MTR mission was organized during Q3, feedback and debriefing meetings were organized at regional level and emergency JLPC meeting was organized in Dar es salaam. Final report has been delivered and PMT has prepared proposed actions for implementing recommendations that were presented to the November JLPC meeting for approval. The exercise was very important to pave the way for possible consolidation phase. The MTR mission strongly commended that the Project could not be concluded within the remaining time frame, urgent measures are needed to increase implementation pace and improving service delivery capacities of the DFTs in supporting the IGA groups, PSOs and CBOs.

2.2.10 During Q2 and Q3, the Project reorganised and harmonized approaches for implementation and a common framework is now being applied in the districts. The framework focuses on quarterly and annual targets all focusing on making contributions to the three outputs. Progresses are measurable quarterly and linked to log frame indicators. Also the DFTs have been reorganized by forming sub-teams that are responsible for each selected economic sectors that the IGA groups are being supported to establish and or improve micro enterprises. The sub-teams are responsible for planning jointly with the IGAs and support the groups to assess their progress quarterly.

2.2.11 Comprehensive group profiling had been a requirement and had been still an outstanding requirement for establishing the baseline for the supported groups. The project therefore conducted training for DFTs on assessment of IGA enterprises and establishment of clear baseline information for IGA groups. The training included preparation of instruments for profiling and capacity assessment of the groups that enabled the DFTs to carry out the assessment and categorization of the



groups in relation to development stages. The results apart from availing baseline information is being used as the basic inputs for supporting the IGA groups to move ahead with implementation of their selected enterprises in each economic sector.

2.2.12 The requirement for value chain analysis of priority sub sectors and having sound business plans for selected enterprises of IGA groups necessitated the project to impart DFTs with relevant skills to enable them appropriately work with target groups. Likewise impart knowledge on business plans so as to get positioned in their relevant value chains and have clear view on what exactly hinders their business progress. The process for enabling groups to carry out value chain assessment and use the results to prepare business plans has been scheduled in 2012-Q1.

### 2.2.13 PMT Meetings

<b>Date</b>	<b>Agenda of the meeting</b>
Quarter 1	Two meetings held to prepare documents required for 5 <sup>th</sup> JLPC meeting and discussing directives given during 5 <sup>th</sup> JLPC meeting
Quarter 2	Discuss comments and recommendations given during BTC-Brussels backstopping mission in Tanzania
Quarter 3	Work on MTR mission's comments and recommendations, preparation for emergent JLPC and way forward
Quarter 4	Two meetings held to prepare 6 <sup>th</sup> JLPC meeting, discussion on 6 <sup>th</sup> JLPC directives, work on budget modification and work on proposal for project extension and preparations of targets and operational plan for 2012.

## 2.3 Key Risks

Change of financial modality has impacted negatively field activities. The EPICOR system arrangement lacks clarity as to when it will be operational. The temporally financial arrangements to use bank agencies appointed by DED do not suit voluminous funding for implementing activities in the districts and also is time consuming during preparations of request, remittances and reporting on the use. Moreover, accountability may be compromised. Consequently the risk is on the increased delays and hence completeness of implementing the project activities as planned in the annual work plan.

Also the assurance of availability of the DFTs on time to implement the activities is an aspect of concern. The DPCs do not have mandate to utilize the DFTs as per the operational plans since they are answerable to their department's supervisors. Thus the risk is on the delays and hence completeness of implementing the project activities as planned in the annual work plan.

## 2.4 Key lessons learned and recommendations

- (i) During the process of building capacity of IGA groups it was noted that on the one hand, DFTs lack entrepreneurial and financial facilitation capacities required to facilitate development of the IGA owners. While on the other hand they are constraint with working facilities such as transport to improve their outreach to target groups timely as assumed on the TFF. Moreover, the developed M&E system will not optimally function due to unavailability of execution funds in the districts and the office of NPC in which budget reallocation was foreseen for amendment.

### **PMT recommendations:**

- (i) DPCS and DFTs need training on entrepreneurial approaches for supporting IGAs groups to improve their enterprises. Training to focus on facilitating IGAs to carry out self-assessment at organizational and enterprise levels and eventually preparation of learning plans with specific periodic targets for attainment. Another important training is on facilitating IGA groups to carry out value chain assessment that will enable positioning their enterprises along the market chain and develop strategies for situating the enterprises well in the market (preparation and implementation of business plans).
- (ii) Formation of financial services facilitation team (2 DFTs in each district and 3 staff from PSOs/CBOs) and provide training on supporting IGAs groups to establish savings and credit services. The teams also, will undergo training on facilitating IGAs group members to learn financial literacy and developing linkages with MFIs.
- (iii) Equipping the DFTs in each district with motorcycles to enhance their outreach to IGAs groups for training, follow up and monitoring their groups. The proposed budget presented and approved by the JLPC meeting of November 2011 is to buy 3 motorcycles for each district.



A DFT member in Mafia providing training to a women group

- (iv) Funds for M& E to be included in the financial plans and allocated to the districts and NPC office for monitoring implementation and progress guided by the indicators and periodic targets of attainment.
- (v) Due to unavailability of funds to finance the above recommendations budget modification had been proposed that focused on funds reallocated between budget lines within the same result areas including usage of the budget reserve.

## 3 Analysis of the intervention

### 3.1 Context

Contextual framework for this intervention is the National Strategy for Growth and Reduction of Poverty (NSGRP), popularly known as MKUKUTA in its Kiswahili acronym. MKUKUTA recognizes the importance of economic growth to eradicate poverty, and while the strengthening of the government capacity is considered the key to achieving long-term growth targets, the importance of the private sector engagement to poverty reduction is also put forward. Besides, the more macro-economic initiatives to attract foreign direct investment, the development of local economic initiatives is receiving more and more attention as one way to improve the living standards of rural people.

Tanzania is undertaking major efforts to support its decentralization process through extensive local government reforms. Likewise, the Local Government Reform, which is part of the Public Sector Reform, also provides an important element of the legal framework from an institutional point of view. The main goal of the latter is to improve the performance of the public sector by enhancing its accountability and service delivery. Delegating powers, functions and resources to the people in communities are key factors in the public sector reform strategy. Progress has been made within the area of fiscal decentralization with a formula based approach to health, education and agriculture. A modality for discretionary development funding at LGA level has been developed in the form of the Local Government Capital Development Grant (LGCDG).

The new phase of the Local Government Reform Programme which the Belgian Cooperation actively supports, states that: « According to the vision of Local Government Reform, and in line with the Vision 2025 and MKUKUTA, the ultimate goal of the reform is increased capacity and efficiency of delivering services to the people, to foster local economic development and to alleviate poverty ».

A number of sector policies, strategies and programmes related to private sector development, economic growth and income generation have been elaborated by the central government such as Mkurabita, SMED Policy, Trade policy, Rural Development Policy, Micro-finance policy, BEST programme. Other examples include the ASDS and ASDP for agricultural transformation and the SWAP for forestry and Beekeeping.

They provide a good framework for implementation of economic development at local level. However, there is an overlap between the different policies and programmes; there is little coordination between the different ministries and institutions in charge of these different policies and

programmes and their knowledge and understanding at local level is often still weak.

While the current regulatory environment is difficult for medium and large-scale formal sector firms, it is largely inappropriate and irrelevant to micro and small-scale informal businesses. It is virtually impossible for small businesses to operate legally. Consequently, the current environment encourages businesses to remain small and informal. Besides the fact that informal sector entrepreneurs often cannot operate without permits and do face regulatory constraints, they also have to deal with insecure and inappropriate working places, harassment by authorities and limited access to utilities and other inputs and services. The tax regime is complex, in particular with respect to the effects of VAT on poor people, and the dissemination of information on taxes, regulations, and procedures is still poor.

### **3.1.1 Evolution of the context**

#### **3.1.1.1 Importance of establishing strong dialogue platforms**

TFF depicts weak coordination level of target district councils to coordinate efforts of its potential stakeholders exploring district economic opportunities towards local economic development. The organ that would be facilitated such as district business councils seem not to be functional. In view of this prevailing situation the project facilitated potential stakeholders to establish LED dialogue platforms.

DFTs provide guidance to LED dialogue platforms in which plans and budgets have laid down. Legitimacy, sustainability and complete functioning, a stage whereby district councils have identified its economic opportunities and have clear vision towards LED will be reached as entrepreneurs become more aggressive in business. Possibilities will be explored with consultation at National, Regional and District Councils levels to explore channels for sustaining the platforms and enable them to be part of district organs for coordinating LED initiatives.

### **3.1.1 The importance of capacity building and improved outreach for DFTs**

During project implementation it has become clear that DFTs do not have the required technical capacities and also it has become very clear that the district councils do not equip DFTs with relevant tools required for working with IGA groups. The project therefore devotes to improve DFT capacities and budget reallocations accordingly to improve the situation.

### **3.1.2 Provision of financial services required to IGAs.**

Availability of appropriate micro finance services to IGAs being targeted by the Project is among the challenges. Moreover, the IGAs do not depict the basic features of enterprises and they need development support to reach stages of becoming clients of micro finance services. The groups themselves as organizations depict high potentials for initiating the service through informal savings and credit arrangements. Such approach inbuilt sustainability factors stage by stage and thus enables the IGAs to access credits in-house and also the groups can create linkages with local MFIs for bigger volumes of credits. Proposal for implementing the process has been developed of which the IGA groups will be facilitated to establish own managed savings and credit services, while the members will be trained on financial literacy and the groups will be assisted to develop linkages with MFIs that have been identified by the Project. The MFIs will receive support for developing systems for provision of credits to the IGAs through the groups and competitively allocated with seed capital grants.

### **3.1.3 Training of DFTs on profiling and preparation for capacity building support to IGA groups**

Comprehensive group profiling had been a requirement and has been still outstanding. DFTs therefore were trained on assessment of IGA enterprises and clear baseline information for IGA groups

### **3.1.4 Training of DFTs on value chain analysis and business planning**

A requirement for value chain analysis of priority sub sectors and having sound business plans for selected enterprises of IGA groups necessitated imparting DFTs with relevant skills to enable them appropriately work with target groups. Business plans, get positioned in their relevant value chains and have clear view what exactly hinders their business progress.

### 3.1.5 Institutional Anchoring and Execution Modalities

At institutional level, IGA project is ranked very appropriate because it anchors with MKURABITA , BEST and MKUKUTA National programmes and strategies.

The execution modalities are based on the principle of COGESTION that bring BTC and the government of Tanzania to share responsibilities of project execution. Most of the human resources for the execution of the project are available by the government of Tanzania,(75 extension staff in the districts and NPC) which is crucial element for project sustainability.

### 3.2 Harmo-criteria

The project essentially is a multi-sector intervention for contributing to creation of employment and generation of incomes at grassroots level in the six districts. The overall approach has created space for collaboration with other on-going related projects receiving support from BTC and other donors. In Kigoma (Kigoma district and Kibondo) and in Rufiji district in Coast region, the project has been working closely with BIP and as part of exit strategy for the bee keeping project in Rufiji district the IGA project is supporting 10 beekeeping groups and Mkongo bee keeping Cooperative Society. The project also has worked closely with SIDO in both regions in developing processing capacities of the groups engaged in value addition of foodstuffs, vegetables and fruits. In Mafia district the project has utilized skills of the WWF staff in improving the operational capacities of the groups.

The overall approach of which the project has adopted for supporting the IGA groups and PSOs/CBOs is based on other related interventions that are on-going in the various regions in Tanzania. Some of the interventions include those implemented by SCC-Vi, CARE, CRS and DASIP

### 3.3 Specific objective

#### 3.3.1 Indicators

<b>Specific objective:</b> “To create an enabling environment for income generating activities of the poor, especially women and youth to improve their incomes, in six districts of the Coast and Kigoma Regions”						
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments

Change in income levels by gender, age and wealth groups in the intervention zone	!	!	!	!	15 %	<b>See recommendations 3.3.5.</b>
Type, quantity and quality of business services offered to the target group						<b>Idem</b>
24 Coordination meetings held between LGAs and PSOs by 2012.	<b>0</b>	<b>13</b>	<b>15</b>	<b>20</b>	<b>24</b>	<b>idem</b>

### 3.3.2 Analysis of progress made

The implementation teams in the districts demonstrated continuous improvement in fulfilling their annual work plans and by end of Q4 the implementation rate stood at 54%. Importantly also, is the re-organization and harmonization of approaches that resulted into having Common Framework, shift from activity based implementation to result oriented implementation, clearly defined economic sectors to focus on, completion of the M&E system and formulation of sub-teams among the DFTs responsible for each sector. However in Q3 and Q4, targets set could not be attained due to the abrupt change in financial modalities that could not ensure properly the disbursement of funds and accountability in the districts. Thus the project and BTC had to negotiate with the districts councils and Ministry of Finance on temporary modalities.

### 3.3.3 Risks and Assumptions

Risk (describe)	Probability (score)	Potential implications		Risk Level (score)
		Describe	Score	
Change in financial modality	H	Delayed implementation of activities	H	D

### 3.3.4 Potential Impact

Despite delay in project commencement and delayed activities during 2011 due to change of financial modality, PMT together with district implementation teams are continuously performing according to the project



plan geared at realizing targeted objectives that shades light for positive impact. Time falling short for some of the activities is the challenge that asks for project extension. The project has developed process that enabled the districts to select economic sectors to focus on by the IGA groups and the service providers. The process for profiling groups and capacity assessment, the value chain assessment and micro finance are all potentials that are replicable within the districts and other districts. They are also, basic in setting up the baseline data that can be tracked through the indicators and developing capacity building support that is based on result oriented approach to the IGAs and PSOs/CBOs.

### 3.3.5 Recommendations

Recommendations	Source	Actor	Deadline
PMT proposes to JLPC to consider project extension		JLPC	
Indicators have to be revised and approved by JLPC	PMT	PMT/JLPC	Q1 2012

### 3.4 Result 1: Improved capacity of the local government to facilitate pro-poor local economic development

<b>Result 1:</b>						
<b>Indicators</b>	<b>Baseline value</b>	<b>Progress year N-1</b>	<b>Progress year - 2011</b>	<b>Target year - 2011</b>	<b>End Target</b>	<b>Comments</b>
At least 5 Economic opportunities promoted by each LGA and adopted by target groups by 2012.	0			5	5	The indicator has been attained and on average 3 enterprises are being promoted in each economic opportunity by the 130 IGA groups
A least 24 dialogues (meetings, study visits, fora) held by 2012. At least 1 dialogue per quarter per district.	0	13	15	20	24	Multi stakeholder LED Platforms have been formed and meetings involved preparations and review of plans and selection of economic opportunities have been held.
Level of understanding of LED (including importance of transversal issues) by government officials increased by 50% by 2012.	0		50%	50%	50%	CMT have participated in LED workshops and some are participating in supporting IGAs in the district
3 Types of coordination mechanisms improved by 2012.	0	6	6	6	18	One platform in each district being supported to function as coordination mechanisms
Level of knowledge and understanding of national policies and programs related to LED by local authorities increased by 50%.			30%	30%	50%	Councillors, CMT, leaders of PSOs and CBOs have participated in workshops on investment, PPP and their contribution to LED.

At least 2 bylaws formulated/reviewed by each district council to suit Pro-poor LED by 2012.	0		2	2	2	2 by laws currently under review in each district by trade officers with support of legal officers
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### 3.4.1 Evaluation of activities

Activities (See guidelines for interpretation of scores)	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
1. Review of M and E system and development of relevant tools for capturing information required for IPTT			X		M and E system was set in delay. The review of the system comes later and hence its adoption by the DFTs
2. Production and dissemination of translated versions i.e. booklets and leaflets	X				
3. Review of stakeholder plans and formation of stakeholder platforms for facilitation of LED.	X				
4. Workshops for councillors, women councillors & leaders, district executives and PSO on effective facilitation of LED with special attention on private sector development and emphasis on PPP.		X			
5. Production and dissemination of T-shirts to target group members		X			
6. Support target six districts to review, prepare and present taxes and by laws based on taxes that have negative effect to LED			X		Activity was not completed due to delayed funds for Q3 to date
7. DFTs from Mafia district conduct study tour in Morogoro region to learn study modern paddy production practices.			X		Only one district out of six have taken up the initiative, other districts still have to do it subject to availability of funds

### 3.4.2 Analysis of progress made

#### **R1: A01-01 M and E review**

DFTs in six districts were facilitated to review the M and E system and development of relevant M and E tools. Each district and the whole project will be able to monitor, review, plan and implement activities that are based on actual progress made.

#### **A0103 Dissemination of translated versions of policies and laws to stakeholders.**

700 booklets leaflets were produced and disseminated to DFTs and PSOs as reference materials that can be used in training and sensitization of the IGA groups and members. The booklets that are in swahili captures the basic laws, policies and regulations involved in establishing IGAs in the economic sectors that were given high priority in each district.

#### **A0104 Promotion of dialogue and coordination mechanisms to improve cooperation among key stake holders.**

DFTs in six districts were facilitated to review stakeholder plans and formation of stakeholder platforms for facilitation of LED. Platform committees have been established and in the process of seeking government financial support through district council CMTs and eventually from TAMISEMI.

#### **A0105 Broaden understanding of linkages between investments and local economic development**

A project engaged two facilitators to conduct workshops for councillors, women councillors & leaders, district executives and PSO on effective facilitation of LED with special attention on private sector development and emphasis on PPP. The workshops were conducted in all six districts.

#### **A0106 Support the local tax reforms process at district level, favourable to pro-poor LED**

The project supported six districts in the two regions to review, prepare and present taxes that have negative effect to LED. The proposals for presentation to CMT and district council are being prepared by Trade Officers with support of legal officers in each district.

#### **A0107 Facilitate active sharing of information and experience on business related policies and their impacts on IGA, PSD and LED through the existing fora.**

Mafia district organized a study tour in Morogoro region to learn modern paddy production practices. The team composed of 15 people, these were councillors, DFTs, DED and planning officer.

### 3.4.3 Risks and Assumptions

Risk (describe)	Probability (score)	Potential implications		Risk Level (score)
		Describe	Score	
Failure to agree on an efficient financial modality with District Councils.	High	Long delays, loss of funds, misuse of funds, failure to account for use of funds	High	D

### 3.4.4 Budget execution

Budgeted for result one is €501,500 and the total expenditure amounted to €357,487.67, which is 71% of execution rate

### 3.4.5 Recommendations

Recommendations	Source	Actor	Deadline
The project should improve its execution rate by ensuring that funds reach target district councils as per plan	PMT	PMT	Q1 2012

### 3.5 Result 2: Improved capacity of business related service providers to respond to the needs of the target group

Result 2:						
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments
At least 4 improved and new instruments (training manual, pamphlets, loan schemes) developed and implemented by Private Sector Organizations (PSOs) by 2012. At least 3 instruments per district	0	5	5	5	3	<p>3 PSOs in each district are currently being supported to develop and implement service delivery plan that will enable them to increase outreach and also deliver high quality services that matches with requirements of their clients/members. The approach has been adopted as it will assure a comprehensive approach for enabling the PSOs to have focus on their clients during planning and implementation rather than the current way of operating that do not have clear context and vision for serving their clients/members.</p> <p>Moreover, in each district one scheme for micro finance involving one PSO has been identified and plan for supporting establishment of service provision to IGA groups through linkage approach developed.</p>
At least 5 quick wins implemented by each district council by 2012	0				5	Proposal for providing quick funds to PSOs through competitive

						grants approach was approved by 6 <sup>th</sup> JLPC. Implementation of the modalities planned in 2012.
50% of target IGA groups satisfied with quality and quantity of services delivered by 2012.	0				50%	Service delivery through PSOs and CBOs under the LED approach has not yet started
10% of existing Service Providers delivering services to the IGA target groups by 2012. (technical, entrepreneurial and business)	0				10%	The PSOs and CBOs will be supported in setting up the system in 2012

### 3.5.1 Evaluation of activities

Activities (See guidelines for interpretation of scores)	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
Identification of potential MFIs in each of the six target districts in the process of improving the outreach of financial services to the target communities.		X			
Identification of opportunities geared at development of instruments to improve outreach of services to target beneficiaries			X		Execution was not completed due to change in funding modality
Support implementation of quick wins as practical examples of LED			x		Not executed as planned due to change to competitive approach that required approval of JLPC

### 3.5.2 Analysis of progress made

#### A0201 Identification of opportunities for instruments development

All six districts with guidance from NTAs worked with PSOs and CBOs to identify opportunities geared at development of instruments to improve outreach of services to target population. The service providers from Coast region are Goal Achievers, Presidential Trust Fund, Ishengoma and

Mwambao SACCOs (Mkuranga), Mkongo Cooperative Society, Utete, Ikwiriri and Mama Ntilie SACCOs (Rufiji), CARITAS and Fishing Cooperative Society (Mafia). In Kigoma are REDESO (Kibondo), Kigoma SACCOs and UBUMWE( Kigoma-Ujiji) and Basansa SACCOs (Kigoma district). The service providers have 2,443 members/clients.

### A02 O2 **Develop and facilitate process for provision on micro finance services**

During Q2 the NTAs supported the districts to identify potential MFIs in each of the six districts in the process of improving the outreach of financial services to the target communities. The MFIs are REDESO SACCOs (Kibondo), Basanza SACCOs (Kigoma Rural), Kigoma SACCOs (Kigoma Ujiji), CARITAS (Mafia) and Presidential Trust Fund (Mkuranga and Rufiji). Proposal for providing support for establishing the system has been approved by the 6<sup>th</sup> JLPC. In Q3, training programme for DFTs and staff from the MFIs was prepared including operational manual for use by the IGAs. Also preparation of training guide that will be used by the DFTs in training has been drafted and 130 savings box kits for issuing to the groups were procured.

### 3.5.3 Risks and Assumptions

Risk (describe)	Probability (score)	Potential implications		Risk Level (score)
		Describe	Score	
Change of financial modality	High	5 month without activity implementation	High	D

### 3.5.4 Budget execution

Budgeted for result two is €242,000 of which €121,227.91 was spend about 50% of execution rate

### 3.5.5 Recommendations

Recommendations	Source	Actor	Deadline
For clear identification of the opportunities, the CBOs will have to be supported in positioning themselves along the market chain, and identify clearly the kind of services needed by IGAs and prepare service provision plan	PMT	NTAs and DFTs	Q1: 2012



### 3.6 Result 3: Increased capacity of vulnerable groups and individuals to demand and access technical, entrepreneurial and business services

#### 3.6.1 Indicators

Result 3: Increased capacity of vulnerable groups and individuals to demand and access technical, entrepreneurial and business services						
Indicators	Baseline value	Progress year N-1	Progress year 2010	Target year 2011	End Target	Comments
15% of IGA target groups accessing services by 2012 (technical, entrepreneurial and business).	0		-	-	15%	The targeted IGA groups are 130 that will be tracked and all have accessed services from the LGAs through DFTs.  Process and plan for enabling the groups to access services from PSOs and CBOs will be implemented through the support to PSOs and CBOs to improve outreach and the MFIs linkage to groups
30% of IGA target groups demanding services by 2012 (technical, entrepreneurial and business).	0		-	-	30%	With implementation of the supporting plan, progress is expected. The level of attainment will be indicated in WP 2012.
70% of members of the target groups are aware of the importance of business related services by 2012	0		50%	50%	70%	The demand for business related services especially credit and training on entrepreneurship by the groups is an indication of the awareness on need for business services
5 Types of new and improved technologies promoted and adopted by 2012	0	5	5	5		In each district an average of five improved technologies have been promoted through the IGA groups.

### 3.6.2 Evaluation of activities

Activities (See guidelines for interpretation of scores)	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
1. The project organised training on result oriented capacity building to DFTs		X			
2. Develop and facilitate process for provision of micro finance services to IGAs		x			
3. Promotion of innovative and new economic activities.			x		Implementation delayed due to requirements for getting approval of JLPC to provide grants based on competitive approach and
4. Training of DFTs on profiling and preparation for capacity building support to IGA groups		X			
5. Training of DFTs on value chain analysis and business planning	X				

### 3.6.3 Analysis of progress made

**A03 01 During Q3 2011 The project organised DFTs training on result oriented capacity building facilitated by the NTAs.** The approach entail logical approach guided by R3: Increased capacity of vulnerable groups and individuals to demand and access technical, entrepreneurial and business services and also the milestones for 2011: (i) At least one system for MFS designed and process for systems set-up prepared in each district (ii) Process for IGA business development initiated in each district (iii) At least two innovations identified and process for promotion ongoing in each district. The training was divided into two main parts: (i) Sharing and developing process IGA operators capacity building through learning groups approach that incorporates PPP and LED (ii) Establishment and implementation of M&E system that focus and can capture progress towards attaining R3.

### **A03 02 Training of DFTs on profiling and preparation for capacity building support to IGA groups during quarter four.**

The training aimed at enhancing all DFTs in each district to assess and prepare profiles and capacities of IGA groups and utilize the information in preparing plan for supporting the groups. Brief explanations focusing on key concepts revolving around groups as membership based organizations and learning facility for developing IGAs, the role of social capital in groups and transforming social capital into actions through IGA groups and groups as service providers to IGAs. Case study and information collected for preparing groups profiles and assessing capacities were used for learning techniques for facilitating groups to prepare IGA groups development.

### **A03 03 Towards end of Q4 the project conducted training of DFTs on value chain analysis and business planning.**

This training aimed at improving the understanding of the need for value chain analysis and business planning in successful management of IGA enterprises. Logical steps for guiding members of IGA groups to position their enterprises in markets by applying value chain analysis techniques clearly understood. Logical steps for guiding members of IGA groups to utilize value chain analysis results in preparation of business plans. At end of this training DFTs made action plans for guiding IGA groups to undertake value chain analysis and preparation of business plans.

#### **3.6.4 Risks and Assumptions**

Risk (describe)	Probability (score)	Potential implications		Risk Level (score)
		Describe	Score	
Change of financial modality	High	Delayed implementation of field activities	High	D

#### **3.6.5 Budget execution**

Amount budgeted for Result 3 is € 696,000, total expenditure of result three is €255,736.59 or 37% of execution rate

#### **3.6.6 Recommendations**

Recommendations	Source	Actor	Deadline

## 4 Transversal Themes

### 4.1 Gender

Gender integration for this project is good. Out of 130 target groups, more than 60% of members are women. During the workshops on broadening understanding of LED and PPP, deliberately all women councillors were invited and they provided views on inclusion of women and other vulnerable groups in the IGA processes. The need for ensuring food self-sufficient at household level and availability of affordable financial services for women was specifically emphasised by the women councillors. The instruments that have been developed for tracking down progress of IGA groups includes capturing data of women participation in the IGA activities and impacts created by their participation.

### 4.2 Environment

At the onset of the project, Selection of Income Generating activities and eventually the subsectors and economic opportunities involved was based on environmental friendly practises. During end of 2010 a project organized a work shop specifically to stress on environmental aspects.

Decisions taken by the 6<sup>th</sup> JLPC and follow-up

Decisions	Source	Actor	Time of decision	Status
Project district accounts are closed, temporary use of development district accounts	6 <sup>th</sup> JLPC	Secretariat	November 2011	Approved
Approval of action plans based on MTR recommendations	6 <sup>th</sup> JLPC	Secretariat	November 2011	Approved
Approval of Budget modification and instructing PMT to forward to RR	6 <sup>th</sup> JLPC	Secretariat	November 2011	Approved
Approval of micro finance development system	6 <sup>th</sup> JLPC	Secretariat	November 2011	Approved

## 5 Lessons Learned

Lessons learned	Target audience
M and E system should be set prior to the start of the project for a result based approach to work correctly	BTC while formulating and starting up projects
Technical capacities of Partner institutions should be identified prior to the start of the project i.e the assumption by TFF that DFT have required capacities was proved the contrary	BTC while formulating projects
Ability and willingness of partner Institutions to finance some project activities should be proven prior the project. Example The provision of working tools to improve outreach of DFTs to target population should now be supported of by the project i.e. the assumption by TFF that LGAs will equip DFTs with relevant working tools was proved the contrary.	BTC and LGAs
Prompt communication of all changes that can affect the project and taking quick action is of importance.	Project coordination team
In kind government contribution should be very clearly defined in the TFF such as provision of office space, salaries for personnel involved in the implementation of the project but not to include operational costs that need cash like car fuel, car servive, etc.	LGAs and BTC