



**Enabel** 

**ANNUAL REPORT 2019  
STUDY & CONSULTANCY FUND  
TAN 01005**

*JANUARY 2020*

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## Acronyms

<b>BTC</b>	Belgian Technical Cooperation (old name)
<b>CEF</b>	Commissioner External Finance
<b>Enabel</b>	Belgian Development Agency
<b>GCF</b>	Green Climate Fund
<b>GOT</b>	Government of Tanzania
<b>IDCP</b>	Indicative Development Cooperation Programme
<b>IGA</b>	Income Generation Activities Project
<b>IUCN</b>	International Union for Conservation of Nature
<b>JLCB</b>	Joint Local Consultative Body
<b>JLPC</b>	Joint Local Partners Committee
<b>LED</b>	Local Economic Development
<b>LGAs</b>	Local Government Authorities.
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MOA</b>	Ministry of Agriculture
<b>MNRT</b>	Ministry of Natural Resources and Tourism
<b>MOFP</b>	Ministry of Finance & Planning
<b>NRM</b>	Natural Resources Management
<b>PO</b>	Programme Officer
<b>PMO-RALG</b>	Prime Minister's Office Regional Administration & Local Governments
<b>PO- RALG</b>	President's Office Regional Administration & Local Governments
<b>SA</b>	Specific Agreement
<b>SCF</b>	Belgium Tanzanian Study and Consultancy Fund
<b>SPO</b>	Senior Programme Officer
<b>TARURA</b>	Tanzania Rural & Urbans Roads Agency
<b>TOR</b>	Terms of Reference


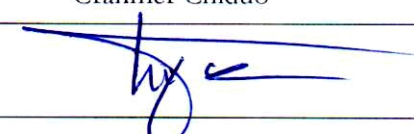
## 1 Intervention at a glance

### 1.1 Intervention form

<b>Intervention name</b>	Belgian Tanzanian Study and Consultancy Fund
<b>Intervention Code</b>	01005
<b>Location</b>	Tanzania
<b>Budget</b>	3.620.000 Euro + 260.42 = 3,880,420.00 Euro
<b>Partner Institution</b>	Ministry of Finance and Planning
<b>Date of implementation Agreement</b>	06/12/2001
<b>Duration (months)</b>	12 years + 2 + 2 + 2 + 2 = 20 years
<b>SA end date</b>	October 2021
<b>Objective</b>	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	Total Expenditure	Expenditure 2019	Disbursement Rate	Committed Balance	Uncommitted Balance
3,880,420	2,721,341.80	108.94	70%	70,000.00	1,089,078.20

<b>National execution official<sup>1</sup></b> James Kamomonga	<b>Enabel execution official<sup>2</sup></b> Cranmer Chiduo
	

<sup>1</sup> Name and Signature

<sup>2</sup> Name and Signature

## 2 Context

### 2.1 General context

Tanzania continues relentless effort to increase performance in Tax collection, fight corruption and embezzlement of public funds. Measures to institute a tight control system in collection and use of public funds which basically is a positive signal has had an impact on the smooth functioning of the Study and consultancy fund implementation since the fund is co-managed and go through more or less the same internal mechanism control as the one that applies for the government funds even though it should not apply for this fund.

Moreover, the Tanzanian government decision to shift the capital from Dar es Salaam to Dodoma had and still has a negative effect on communication between Enabel and other development partner's offices still in Dar es Salaam and the ministry officials who have already shifted to the new capital. This has reduced face to face discussions, consultations and agreements between Enabel and the GoT, to the minimum. The result is that operational challenges facing SCF has lingered on for long times to drastic effect on SCF performance mainly in the signature of contracts for approved studies. The use of email and mobile phone has lessened the challenge in some case but the situation is still not optimal.

In August 2019, SCF received a new Fund co director following turnover at the position of Enabel's Resident representative to Tanzania. Again, in December 2019 the CEF at MoFP was changed meaning a replacement at the SCF Fund director's position. Hopefully, these two changes will be translating into a renewed vigour in SCF performance in 2020 and beyond.

### 2.2 Management context: execution modalities

Ministry of Finance appointed a new Commissioner for External Finance who *de facto* is the SCF Fund director. The new CEF demanded a written mandate from MOFP appointing him to a Fund directors' position. Finally, the permanent secretary gave a written mandate in line with the SCF SA. In spite the provided mandate, the Fund director did not enjoy the autonomy in decision making of Fund director without consultation of the ministerial central legal and financial system and approval by ministry's Permanent secretary office. This has led to long delays in taking key decisions. In several cases SCF activities went to a standstill. In a turn of events, toward the end of 2019, the new Fund director has again been replaced. The need of introducing SCF procedures to the new Fund director cannot be over emphasised. Enabel will seek to convene a JLPC meeting at the earliest convenience in order to review SCF processes and procedures in line with the Specific Agreement between the two partners guiding utilisation of the Fund without conflicting the new control systems imposed by ministerial financial and legal management requirements.

As a result, there has been very little implementation in 2019. One study on a Feasibility study for construction of stone paved roads in Kigoma was approved late in 2017, consultant selection was done in Q1 and Q2 2018. Consultant selection was done by the use of special tender committee set for that particular purpose, in accordance to the new SCF guidelines. Contract was drafted for approval by Fund Director at MoFP but could not be signed due to lack of clarity to the new Commissioner for External Finance in the new government setup on mandates. Nevertheless, it was finally signed 16 months later in December 2019.

Generally the execution modalities are **INAPPROPRIATE** and need to be adapted.

### 2.3 Harmo-context

The study on stone paved roads is being implemented in Kigoma Ujiji municipal council. This is the only council in Kigoma region not benefitting from the 3 Belgian funded projects in Agriculture, Water and NRM sectors.

In Q4 2019, SCF received a proposal from MoA and IUCN jointly for a feasibility study and design of a full proposal for GCF funding. SCF has approved a fund to a maximum of 100,000 Euro. SCF is following up selection and contracting process internally to meet requirements for Enabel as well as MOFP. The proposal is in harmony with the development cooperation support to agriculture sector in Tanzania.

### 3 Analysis of Progress

#### 3.1 Studies

##### 3.1.1 Progress of studies

SN	Title	ID No.	Amount Approved (Euro)	A	B	C	D	Comments (only if the value is C or D)
	Kigoma Stone Paved Roads	64	70,000		X			Ongoing
2	MoA/IUCN GCF proposal	65	100,000				X	Process for the signing of the contract at Ministry level.
<b>Total</b>			170,000					

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

##### 3.1.2 Analysis of studies completed

<p>Title of Study:</p> <p><i>Describe, in a few sentences, for who the study was organised, and what it was about</i></p> <p><i>Have the studies been used as intended?</i></p> <p><i>To what did the study contribute?</i></p> <p><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></p>	<p><i>(No studies were completed in 2019)</i></p>
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### 3.2 Expertise

#### 3.2.1 Progress of expertise

Progress of expertise <sup>3</sup>	A	B	C	D	Comments
2019 no Expertise					No Expertise in 2019

### 3.3 Budget execution

In 2019, a study on Stone paved roads was contracted; however payments are not yet done. Another consultancy for a GCF proposal has reached a stage of contract signing. Payment linked to this 1 consultancy is expected in Q1 2020. The second one will depend on the process related to signing the contract in the MoFP.

### 3.4 Quality criteria

Criteria	Score
Relevance	A
Efficiency	C
Effectiveness	B

### 3.5 Risk management

The major risks identified are described below:

1. The actual operating procedures of the fund have proven to be inefficient and non-functional at present materialising by lengthy process of approval and signing of studies. They must be discussed and adapted through the mean of holding a JLPC (but difficult to organize). At present, if the situation does not evolve, there is no element to justify an extension of the fund
2. Reputational risk when the current ineffective implementation of the fund does not allow for a smooth implementation of the consultancies and studies due to lengthy administrative process in the approval process of procurement and contract awarding and signing.

<sup>3</sup> 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



3. Inability in periodic monitoring of SCF studies and consultancies: To mitigate the risk, all contracts will be made in such a way intermediate reporting is integral part of the contracts. Most studies are now broken into at least 2-3 tranches. Reports are expected before a subsequent tranche is disbursed.
4. Good financial reporting is at risk because although, most consultants employed are well skilled, available and affordable but are not backed by sufficient financial management reporting systems within their firms. To mitigate the risk, the Fund includes detailed instructions on requirements for financial reporting as a contract annex. As much as possible lumpsum contracts will be preferred.
5. No. JLPC could not be held in 2018 nor in 2019, due to elusive members leading to the impossibility to discuss and ease the funds mechanisms and modalities. JLPC has been requested again and will hopefully be planned for early Q2 2020.

## 4 Steering and Learning

### 4.1 Action Plan

The priority for the SCF is to have a JLPC taking place in the first part of 2020. The anticipated revision of the procedures manual agreed in JLPC of September 2015 has not been done in 2018 nor 2019 for lack of inputs and availability from partners. However, revision of SCF is now of immense importance in order to put the Fund back on track. The parties shall agree afresh on guidelines to be respected with adapted modalities and adhered to by both parties.

If point one is successfully resolved, the 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 will continue to support institutions to develop proposals that are in line with the objectives of this Fund.

A template for reporting would improve the quality of final reports such that the reports reach internationally agreed standards.

### 4.2 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>
SCF modalities have to be adapted to smoothen the effectiveness and efficiency of the fund	JLPC members Enabel + MoFP
CEF turnover at the MOFP resulted into a standstill in contract approval by MoFP. The new commissioner (CEF) demanded written mandate on CEF's role as Fund director. Elaborative introduction of new staff in case of turnover is important to avoid ambiguity.	JLPC members Enabel + MoFP

## 5 Annexes

### 5.1 “Budget versus Current (yn-1) Report (in Euros)

SN	Title of Study/Consultancy	ID No.	Amount approved	Amount actual spent
1.	TARURA Stone Paved Roads	64	70,000	0
2.	MoA-IUCN GCF proposal	65	100,000	0
3.	Banking charges			108.94
Totals			170,000	108.94

Only banking management charges have been booked for 2019.

### 5.2 Decisions taken by JLCB and Follow-up

- Strategic decision:* No JLPC could be held in 2018 and 2019 hence no decisions or followup.

*Period of Identification:* 2019

*Action:* JLPC to be held in Q2 2020.