

profile

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United Republic of Tanzania Country Programme Evaluation

The United Republic of Tanzania's economy grew quickly during 2004-2012, at an annual average rate of 6.9 per cent, although average agricultural GDP growth was only 4.2 per cent. Although there was rapid GDP growth during the 2000s, poverty reduction did not follow suit. The headcount poverty rate in Mainland Tanzania decreased slightly, from 35.6 per cent in 2000 to 28.2 per cent in 2011-2012 (in rural areas from 38.7 to 33.3 per cent). In Zanzibar it decreased from 49 per cent in 2004-2005 to 44.4 per cent in 2010 (in rural areas from 54.6 to 50.7). Agriculture remains the mainstay of the economy, contributing about 30 per cent to the country's GDP and employing a majority of the workforce.

This second country programme evaluation (CPE) by the Independent Office of Evaluation of IFAD in Tanzania covers the period 2004-2014. Since 2005, the Government and a number of major donors in agriculture (the African Development Bank, the International Fund for Agricultural Development (IFAD), the World Bank, the Governments of Ireland and Japan, and the European Union) have supported the Agricultural Sector Development Programme (ASDP), an agricultural sector-wide approach financed mainly through a sectoral basket funding modality.* The programme seeks to harmonize interventions and minimize individual and uncoordinated projects, with local government authorities at the forefront as implementing bodies. The Government planned to approve the second phase of ASDP in 2013, but this has been delayed until 2015.

With a cumulated value of loans of US\$360 million (48 per cent of the total estimated portfolio costs of US\$769 million), IFAD's lending portfolio to Tanzania's is the second largest (after Ethiopia) in the East and Southern Africa region. The Government has provided cofinancing for US\$72 million to IFAD-funded projects (or 9.6 per cent of total portfolio costs). The remaining costs have been cofinanced by the African Development Bank (parallel financing), the World Bank, the Government of Belgium and the Government of Ireland. In addition to loans, IFAD also approved 37 grants, most of which had regional coverage. IFAD piloted its country presence in Tanzania in late 2003, and out-posted a country programme manager in 2008 and a country director in 2014.



Woman winnows rice at a sorting, peeling, weighing and storing center in Magugu village, Babati, Arusha.

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Main evaluation findings

The stronger case of effectiveness and impact has been the support to ASDP in the Mainland and, even more, in Zanzibar. Although it took a long time for the Government and donors to agree on the programme content and financing mechanisms, ASDP had realistic objectives to address sectoral needs, and national and donors' (including IFAD's) priorities. In line with national decentralization policies, local government authorities, particularly districts, were the actual "implementers" of the programme. ASDP introduced a more participatory, "bottom up" system for preparing local agricultural development plans, which start at the village level and are aggregated at the ward and district levels.

Arguably, one of the main institutional impacts of the programme has been the establishment of a system to channel funds through districts to thousands of rural villages, in support of their agricultural development. This system is now operational, although there are challenges and room for improvement. The District Agricultural Development Plans and the guidelines for developing and implementing them have provided a strategic and budgetary framework for the district Director of Agriculture, Irrigation and Cooperatives and his staff.

* Basket funding is a distinct funding instrument from project funding and general budget support. Project funding is earmarked to a specific intervention. General budget support is a non-earmarked contribution to the government general budget including funding to support the implementation of macroeconomic reforms. The basket-funding approach is earmarked to a certain sectoral programme in the country, as per the agreement between donors and the recipient country.

In addition to its support to ASDP through basket funding, IFAD has also financed more traditional interventions in agricultural marketing and value chain development. However, these have suffered from a series of design flaws, due to: (i) insufficient value chain diagnostics; (ii) insufficient focus on implementation feasibility; and (iii) limited awareness of lessons learned from the experience of IFAD-funded grants that had piloted market access and market intelligence approaches and had developed contacts with private entrepreneurs.

Non-lending activities such as knowledge management, partnership development and policy dialogue have been developed to a limited extent. On the positive side, partnerships with the Government (Mainland and Zanzibar) and the main donors in the agricultural sector have dramatically improved in the past ten years. In particular, IFAD has participated more regularly and actively in the donor coordination group and in consultations with the Government regarding the implementation of the ASDP. In the past, when IFAD had no country presence, this was not possible.

At the project level, interventions are rich in practical experience on the ground, but this has been insufficiently documented. One reason is the limited synergy between the country programme and the grant activities (mainly regional) that had initiatives planned in the country.

As for policy dialogue, both the 2003 and 2007 Country Strategic Opportunities Programmes set an agenda that was over-ambitious, given that IFAD had not earmarked resources. In its non-lending work, IFAD faces human resource and budget constraints: a very onerous portfolio management workload absorbs the country office time and financial resources.

At the strategic level, IFAD has been capable of adapting to changes in the policy and institutional environment of the country, such as: (i) the implementation of a national sector-wide approach in agriculture, funded preferentially through basket funding; and (ii) a decentralization policy whereby local government authorities would be in charge of preparing and implementing local agricultural development plans.

TANZANIA AT A GLANCE

Population: **45 million (mid-2012)**
 Rural population: **33 million (73%, 2012)**
 Poverty headcount ratio (% of population): **28.2 (2011-2012)**
 Life expectancy at birth: **60 (2013)**
 Human development index: **0.488 (2013)**
Ranking = 159th of 187 countries (low)
 Total number of IFAD loan-funded projects: **14**
 IFAD lending approved since 1978: **US\$769 million**

Sources: IFAD Flex Cube, National Bureau of Statistics of Tanzania, United Nations Development Programme and World Bank: World Development Indicators.

Key recommendations

- **The first priority is to continue supporting the agricultural sector-wide approaches**, to consolidate and strengthen the capacity of local government agencies to deliver quality services to farmers. More systematic monitoring and evaluation is also needed. Furthermore, Tanzania has important livestock potential (including rangeland management and the dairy value chain), but this has received limited attention and investment so far.
- **IFAD could consider additional support through traditional project modalities** to target specific socio-economic groups, as well as to test/develop innovations. However, IFAD should insist on geographical areas or commodities that are likely to have significant welfare effects on a high number of poor households and avoid geographically scattered interventions. In addition, far stronger focus needs to be placed on implementation readiness at the project design stage.
- **Value chain development remains a strategic priority, but the approach needs to change.** Consultation ex ante with private sector actors needs to increase, and more attention should be given to opportunities for coordinated interventions with other international organizations.
- **Engage more in knowledge management, partnership development and policy dialogue activities that are closely connected to IFAD-funded operations.** Specifically IFAD could contribute to:
 - *Knowledge management* by helping document cases of success and failure and establish practical guidelines;
 - *Policy dialogue* by supporting: (i) the preparation of the second phase of ASDP, based on lessons learned; and (ii) the Government in designing programmes relating to rangeland management, livestock development and conflict prevention between pastoralists and farmers;
 - *Partnerships* by engaging more with: (i) governmental agencies in charge of land tenure, environment and climate change; (ii) non-governmental organizations and private sector organizations in agricultural value chain development; and (iii) United Nations agencies that are closer to IFAD's mandate (e.g. World Food Programme on grain procurement, Food and Agriculture Organization of the United Nations or United Nations Development Programme on technical assistance and policy issues).

Further information:

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