

Review of the PRS Processes in Tanzania

A contribution to the international review of the PRSP process

Final Draft Review Report

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Table of Content

LIST OF ABBREVIATIONS	4
HIGHLIGHTS OF THE REPORT AND GENERAL CONCLUSIONS.....	6
POSITIVE ASPECTS OF THE TANZANIAN PRSP PROCESS.....	6
<i>PRSP as a step in partnership building</i>	7
AREAS REQUIRING FURTHER ATTENTION	8
<i>Need for study of the role of civil society</i>	10
1. INTRODUCTION	11
1.1 BACKGROUND	11
1.2 THE SCOPE OF THE STUDY.....	12
1.3 OBJECTIVES	13
2. SUMMARY OF FACTUAL BACKGROUND.....	15
3. KEY ISSUES.....	18
3.1 PRS FORMULATION.....	18
3.1.1 <i>Integration into the policy-making process: the PRS relation to other ongoing reform and planning processes.....</i>	18
3.1.2 <i>Linking PRSP and HIPC: Implications for Quality and the Consultative Process.....</i>	18
3.1.3 <i>The approach of the government to organisation of the PRS formulation: ..</i>	19
3.1.4 <i>The response outside government.....</i>	25
3.2 PRS CONTENTS.....	28
3.2.1 <i>The PRSP inclusiveness of stakeholders' views</i>	28
3.2.2 <i>Feasibility of the PRSP.....</i>	29
3.3 PRS IMPLEMENTATION	33
3.3.1 <i>Progress in the first year.....</i>	33
3.3.2 <i>Government Initiatives for Monitoring PRS Implementation.....</i>	35
3.3.3 <i>Non-government monitoring of PRS</i>	36
3.3.4 <i>Civil service reform and delivery of public services in the PRSP context.....</i>	36
3.1.5 <i>Initiatives taken to improve and prepare coming PRS revisions.....</i>	36
3.4 IMPLICATIONS OF PRS FOR THE AID COMMUNITY.....	37
3.4.1 <i>The role of bilateral donors</i>	37
3.4.2 <i>Dialogue of donors with civil society representatives</i>	39
3.4.3 <i>The roles of the World Bank and IMF.....</i>	39
3.6 CONSTRAINTS ON PREPARATION AND IMPLEMENTATION	40
4. CONCLUSIONS.....	41
ANNEX I: LIST OF LITERATURE.....	44

List of Abbreviations

CAS	Country Assistance Strategy (World Bank)
CBO	Community Based Organisation
CCM	Chama cha Mapinduzi
CDF	Comprehensive Development Framework (World Bank)
CFAA	Country Financial Accountability Assessment
CG	Consultative Group
CSO	Civil Society Organisation
CUF	Civic United Front
Danida	Danish International Development Assistance
DFID	Department for International Development (UK)
ESAF	Enhanced Structural Adjustment Credit (IMF)
ESRF	Economic and Social Research Foundation (Tanzania)
FY	Financial Year
GoT	Government of Tanzania
HBS	Household Budget Survey
HIPC	Highly Indebted Poor Countries Initiative
IDA	International Development Association (World Bank)
IFI(s)	International Financial Institution(s)
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
JSA	Joint Staff Assessment (WB and IMF)
M&E	Monitoring and Evaluation
MoF	Ministry of Finance
MTEF	Medium Term Expenditure Framework
NGO	Non-Governmental Organisation
NPES	National Poverty Eradication Strategy
NPV	Net Present Value
OC	Other Charges
OECD	Organisation for Economic Development and Cooperation
PER	Public Expenditure Review
PFP	Policy Framework Paper
PMMP	Poverty Monitoring Master Plan
PMS	Poverty Monitoring System
PPA	Participatory Poverty Assessment

PRBS	Poverty Reduction Budget Support
PRGF	Poverty Reduction and Growth Facility (IMF)
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit (IDA)
PRSP	Poverty Reduction Strategy Paper
PSAC	Programmatic Structural Adjustment Credit
PSRP	Public Service Reform Programme
REPOA	Research on Poverty Alleviation
SPA	Strategic Partnership with Africa
SWAp	Sector-Wide Approach programme
SWG	Sector Working Group
TA	Technical assistance
TAS	Tanzania Assistance Strategy
TASOET	Tanzania Social and Economic Trust
TCDD	Tanzania Coalition on Debt and Development
TGNP	Tanzania Gender Network Programme
ToR	Terms of Reference
TWG	Technical Working Group
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations' Development Programme
URT	United Republic of Tanzania
USAID	United States Agency for International Development
VPO	Vice-President's Office

Highlights of the Report and General Conclusions

Positive aspects of the Tanzanian PRSP process

The PRSP process has until now been successful in Tanzania. This conclusion is based on the following positive points:

HIPC Completion

- The work on the PRSP has contributed to a reasonably timely movement to the completion point in the HIPC process.

Formulation of poverty reduction strategy

- The formulation of the PRSP provided an opportunity for the Government of Tanzania, at the highest levels, to pull together a number of strands in its various reform processes into a comprehensive framework, setting out key policy requirements for the achievement of poverty reduction, and committing the Government of Tanzania to the implementation of the required policies.
- The substantive contents of the PRSP included clear policy commitments in a number of areas, particularly the maintenance of a stable macroeconomic framework, the expansion of basic education and health care, the reform of the public service and decentralisation through the enhancement of local government capacity.
- Formulation of the PRSP has resulted in significant steps to put into place a data gathering and monitoring framework to track the success or failure of government policy in impacting on poverty.

Integration into the national policy-making process

- The PRSP was broadly integrated in the ongoing reform process, drawing on work in progress in a number of key areas of reform.
- Technical work on the PRSP was done largely by a national team, with a core group from the key co-ordinating ministries, supported by a network of economists from outside government. Many of the members of this national team were also involved in ongoing exercises of macroeconomic policy-making and reform. This proved to be a major strength.
- PRSP preparation was embedded in the formal government decision-making structure. Preparation was supervised at the political level by a committee of ministries and at the technical level by a committee of high-level administrators. It was finalised under the direction of the President and Cabinet, and the Parliament (Bunge) was briefed on its contents.

- The strength of the Tanzanian experience is that the PRSP process added to the reform process, and more clearly articulated some of the requirements for a greater poverty focus in government programs and policy-making, without displacing or side-tracking other existing reform efforts.

Implementation

- In the first year of implementation, there was significant progress in some of the key aspects of the program; a serious effort was made by government to identify implementation shortfalls, and steps have been taken to modify the program in the light of experience. However, progress so far is only a first step in a difficult process of developing an effective strategy for poverty reduction, and continued monitoring and further adjustments in light of experience will be required.

Consultation with civil society

- The PRSP process has involved a good deal of civil society consultation and participation in the policy dialogue. Gradually, as experience was gained, government shared important information with civil society participants. On their side, many civil society organisations recognised that the government utilised the information they provided and engaged in a serious dialogue on some of the key issues of concern to them. The involvement of the CSOs in the PRSP process encouraged them to analyse and come to terms with complex aspects of issues such as macro-economic policy, debt sustainability and poverty reduction.
- CSOs contributed in areas such as local and subject specific data collection and analysis, and often provided innovative service delivery mechanisms. As the PRSP is implemented, CSOs will be well placed to monitor aspects of the impact of the program and focus public attention on the outcomes.

The private sector

- In its substantive proposals, the PRSP contains a number of commitments that should enhance the environment supporting the private sector contribution to Tanzania's development. This relates particularly to commitments to maintain macro-economic stability, and to eliminate arbitrary bureaucratic restrictions on rural trade.
- In the consultation process, including the Consultative Group meeting which considered the PRSP, representatives of the private sector were included.

PRSP as a step in partnership building

The success of the PRSP process was built on the foundations laid through years of intensive work by the Government of Tanzania and the aid community, including bilateral donors and international financial institutions, to develop a more constructive working relationship. This has involved collaboration in such areas as the Tanzanian Assistance Strategy, Public Administration and Local Government Reforms, the Public Expenditure Review and the National Poverty Eradication Program. This work has built

the basis for a more positive dialogue and co-operation that had existed in the early 1980's, which had been characterised by a difficult and unequal aid relationship.

The Tanzanian experience indicates that it is possible to establish a more positive aid relationship, but this would require a committed effort by both sides over an extended period. Co-operation has been furthered by the active dialogue between local representatives of the donor community, the government and civil society organisations. Aid dialogue and aid co-ordination have benefited from the willingness of bilateral donors and, in the recent period, the World Bank to delegate more responsibility to their Dar Es Salaam offices.

One lesson to be drawn from the Tanzanian experience is that the PRSP process should not be seen as a 'stand alone' exercise, but should as far as possible be integrated into ongoing policy work, and if possible this should in future be carried further, particularly in integrating PRSP work with bilateral program support and with other reform initiatives. This should not involve subordinating those other activities to the PRSP process, but rather should involve the various initiatives on reform and program support being brought together within a comprehensive framework, devised under national leadership.

Areas requiring further attention

Thus the PRS process in Tanzania has been an additional stage in a learning process about co-operation in policy-making. The process is ongoing, and a number of areas that will require further attention are outlined below:

Reducing transaction costs:

- The PRSP is only one of a number of government policy initiatives and externally funded programs. The time of key officials is a valuable, scarce resource, the transactions costs of negotiation should be an explicit consideration in designing aid modalities. Where possible closely related initiatives should be fully integrated (e.g. the PRSP process and the bilaterally funded Poverty Reduction Budget Support program). It is not helpful to maintain parallel initiatives, increasing demands on limited policy capacity, merely to meet the needs of donors.

Strengthening the impact on income growth:

- The substantive parts of the PRSP relating to the links between policies/interventions and targeted increases in income needs strengthening, particularly in terms of the formulation and implementation of programs likely to achieve the target growth in agriculture of 5%.
- Pressures on the formulation process should not be such as to result in the inclusion of unrealistic targets, either in terms of numerical targets for output growth and poverty reduction, or more qualitative targets for institutional reform.

Improving the data base:

- Preparation of the PRSP was hampered by severe weaknesses in the data base, particularly the need to use household budget data from 1991 as a basic data set. High priority should be given to plans to improve the data base.

Clarifying the role of civil society:

- There is a need for a more explicit framework for CSO consultation and participation. As the government should be accountable for the allocation of resources, what is the status of consultation of organisations representing possibly competing interests? In general, there needs to be greater clarity about what is intended when the involvement of civil society in the policy process is advocated. This relates to who should be involved (who decides who represents civil society?), to the status of consultations and the relationship of such consultations to the accountability of government for policies through established constitutional channels.
- The (transaction) costs of consultation to all the participants are high, non-government organisers as well as government officials. Future consultations should therefore be focussed on achieving specific results.
- If civil society organisations are to be identified as ‘representatives’ of various constituencies, there needs to be a transparent process to establish the credentials of the organisations to play that role. (e.g. How far do those NGOs and CSOs that are largely funded by donors ‘represent’ Tanzanian civil society?) Standards should be developed to encourage greater transparency in relation to the true base of support for the various civil society organizations.
- CSOs should make greater efforts to provide comprehensive information about their own interventions providing services to the poor, so that government can take account of such activities in framing its own interventions
- If consultation is taken too far, it could compromise the CSO role as external watchdogs and independent critics. If NGOs were to participate in the actual drafting of documents they would have to share in the collective responsibility for the outcome, in the same way as members of the government. CSOs could be co-opted to become another element of the government/donor community, rather than playing an independent critical role. The NGO community should be encouraged to engage in further exploration of the advantages and disadvantages of alternative means of involvement in the policy dialogue, in light of their own goals and mandates.

Consulting the poor:

- Most existing consultation processes do not actively involve the poor. Given the situation of the poor it is not clear how they could be drawn into the consultation process, beyond the representation of their interests by their elected political representatives. Possibly in the future some NGOs and CBOs may emerge with a strong base among the poor, but this is unlikely to occur as a result of donor or government interventions. This report does not offer any solutions to this prob-

lem but it is felt that it is better to be frank about the difficulty of consulting the truly poor, rather than offering cosmetic solutions.

- However, the condition of the poor and the impact of programs can be assessed through such means as participatory poverty assessment, and efforts are being put into place to do that.

The Bretton Woods Institutions

- The PRSP process demonstrated the real returns from the World Bank decentralisation of its management structure. Possibly the IMF will need to make moves in a similar direction.
- Further movement is required in integrating World Bank and IMF poverty programs with bilateral program initiatives.

Need for study of the role of civil society

A number of questions are raised in this report about the role of CSOs and NGOs in the policy process. These points are not raised to question either the competence or commitment of those bodies, nor the proven value of their participation in the PRSP process. Rather it was felt that the promotion of new participatory processes represents an important step with far reaching implications for the content of policy work, for accountability and even for the evolution of the larger political and constitutional process. The right balance has to be struck between Government accountability, parliamentary consultation and scrutiny, and the active involvement of civil society in general and NGOs in particular. Therefore the time may have come for a searching examination of what is intended, and even of the chosen vocabulary.

In light of the interest in engaging civil society in the PRSP process and the many unresolved issues that have emerged in PRSP formulation regarding the appropriate mechanism for the involvement of civil society, there is now a need for an in-depth study of alternative means of engaging the various interested parties in the process, to provide the basis for a more systematic dialogue between government, the donor community and civil society organisations about the direction of further developments in this area.

1. Introduction

1.1 Background

At the Annual Meetings of the World Bank and the IMF in September 1999 it was decided that debt relief under the enhanced HIPC Initiative and future lending from the concessional windows of the World Bank (International Development Association - IDA) and the Fund (Poverty Reduction and Growth Facility - PRGF) would be made contingent on the preparation of a broad-based poverty reduction strategy. The PRS papers were to be prepared by the governments of borrowing countries in close collaboration with representatives of civil society and particularly of the poor.

The Boards of the Bank and the IMF would not approve the PRS themselves. However, the boards would endorse a Joint Staff Assessment that the scope, depth and quality of the PRS were sufficient to warrant lending from the two institutions. From the outset it was recognised that the preparation of solid and broadly supported PRS would be a resource demanding and time consuming process. To avoid putting undue pressure on the process it was subsequently decided that countries qualifying for HIPC assistance would be allowed to reach decision point under the enhanced HIPC on the basis of a so-called Interim Poverty Reduction Strategy (I-PRS). In the I-PRS the Government would set out its commitment to engage in the preparation of a full-scale PRS, described how it intended to go about the process of preparing the PRS and defined a set of medium-term poverty reduction targets that it would work towards, pending the finalisation of the full PRS.

As of August 2001, 36 countries have prepared I-PRS and 7 countries (Bolivia, Burkina Faso, Tanzania, Mauritania, Mozambique, Tanzania and Uganda) have prepared full PRSPs. Another 9 full PRSPs are expected to be ready before the end of 2001.

By mid-November 2001 Bolivia, Mozambique and Uganda have made satisfactory progress in implementing the full PRSPs for at least one year and consequently reached 'completion point', implying the following:

- For bilateral and commercial creditors: a reduction in the net present value of the stock of debt proportional to their overall exposure to the HIPC. Many bilateral creditors have announced that they will also provide debt forgiveness over and above HIPC Initiative assistance, particularly on ODA debt.
- For multilateral creditors (the IMF, the World Bank, and the other multilateral institutions): a (further) reduction in the net present value of their claims on the country based on broad and equitable action by all creditors sufficient to reduce the country's debt to a sustainable level.

Tanzania reached completion point in late November 2001, during the preparation of this report. As a consequence, debt service relief under the enhanced HIPC Initiative

from all of Tanzania's creditors will amount to approximately US\$3 billion over time, which in net present value terms is equivalent to external debt reduction of 54%. Debt service as a percentage of government revenue is reduced from 19 percent in 2000/2001 before HIPC assistance to an average after HIPC relief of 7.7 percent over 2000/01-2010/11 and 4.4 percent over 2011/12 –2020/21. The resources made available will be used to assist in implementing the PRSP.

At the launch of PRS in 1999 the boards of the Bank and the Fund decided that a comprehensive review would be carried out of the PRS process in the second half of 2001. Having initiated the review in August 2001, the Bank and the Fund requested partners to contribute to this important stocktaking. Denmark agreed to make the following two contributions:

1. A comprehensive review of key features of the PRS process in Danish partner countries,
2. An in-depth review of the PRS in Burkina Faso and Tanzania carried out by teams of external advisors.

This report is the outcome of the work of the team that was asked to study the Tanzanian experience. The team comprised of the following persons:

- Brian Van Arkadie, Economist, Team leader, Associate of Development Associates A/S
- Ambassador Charles M. Nyirabu, formerly Governor of the Tanzanian Central Bank and Tanzanian Ambassador to the U.S., and currently Chairman of National Bank of Commerce, National consultant
- Peter Frøslev Christensen, Economic Consultant from Development Associates A/S.

The team would like to express its sincere thanks to all the NGOs, external development partners, government officials and individuals who contributed with their valuable knowledge and experience, without which this study would have been impossible. The views and findings expressed in this report those of the team, which may not correspond to those of the Danish Ministry of Foreign Affairs.

1. 2 The scope of the study

The team was asked to assess the suitability and timeliness of the PRS as seen from the perspectives of national stakeholders – including the poor – and of those external partners who are expected to contribute to funding the PRS implementation.

The terms of reference for the study noted that PRS approach envisages a much stronger partnership between developing countries and their donors, formed around the implementation of a national development vision with strong local ownership.

The study of the Tanzanian experience was conducted in the context of the international debate. The terms of reference for the exercise noted that criticisms have been directed at the PRS process from various quarters. Doubt has been voiced over the degree of country ownership to the PRS and suspicion that the Bank and the Fund were pulling the strings behind the screen has been raised. The breadth, depth, timeframe and intensity of consultations with civil society have been questioned, as has the extent of the carry-over of these consultations into the macro-economic policies and structural reforms. The linking of PRS to debt relief under HIPC has been criticised for undermining the consultative processes and compromising the quality of the PRS, and the need for much stronger support to building up the capability to carry out poverty assessments and impact analysis in partner countries has been emphasised. The Bank and the Fund has also been requested to explain the rationale of their policy and structural advice in the context of the PRS.

The approach incorporated in PRS has ambitious objectives. It seeks to place poverty reduction at the centre of national and international development efforts and to strengthen the links between governance reforms, macro-economic adjustment, sector development and poverty reduction. One concern that has been voiced is that the ambitious nature of these objectives risks making the process excessively complex, which may strain the managerial capacity of both national institutions and the donor community.

In the Tanzanian case, not only has the process of formulation and implementation been complex, but it has also been subject to a good deal of in-depth examination. One task of the team was to take account of a quite rich literature that already exists on the Tanzanian PRSP and, in light of our own discussions in Tanzania, arrive at a balanced overview. The team interpreted its main task as being to prepare a clear and concise report to feed into the international discussions, emphasising some of the main lessons to be learnt.

The PRS is a newly launched initiative. The PRS has been described as a learning process and its features are expected to evolve as experience is gained. The team was asked to take this into account whilst assessing the appropriateness of PRS as a comprehensive framework of development planning and the contribution of key agencies towards its materialisation.

1.3 Objectives

The key objectives of the study are:

1. To assess the lessons learned on key parameters of the PRS process in Tanzania and recommend corrective action, aimed both at the global framework guiding the PRS and the actual process in Tanzania, designed to improve the prospects of achieving the goals of the PRS initiative in the future.
2. To assess the responsiveness, quality and timeliness of support provided to the PRS process in Tanzania by the World Bank and IMF as against the declared in-

tentions of the two institutions, and the degree to which other aid organisations have engaged in the PRS process.

2. Summary of factual background

A Committee of Ministers and the Governor of the Bank of Tanzania was established to steer the preparation of the PRSP². The Ministerial Committee began its work in mid-October 1999. A Technical committee was established in the Ministry of Finance to assist the Committee of Ministers. The technical committee, which was responsible for laying the groundwork of the PRSP, was to 'integrate its work with the macroeconomic subcommittee of the TAS (...) co-ordinate consultations with stakeholders such as the donor community, non-governmental organisations (NGOs), the business community, and academics, in the framework of the TAS set-up.'³

Between April and June 2000 the committees supervised the drafting of the PRSP by a group of specialists. The priorities for poverty reduction were reflected in the 2000/01 budget, within the framework of the MTEF. During this time there were also zonal workshops (May 2000) which provided the opportunity to discuss the process with various stakeholders and finally there was a presentation of the preliminary results to the Consultative Group (CG) meeting in May-June 2000. A national workshop was also held in August 2000 to discuss the draft PRSP.

The draft was discussed by the Tanzanian Parliament in July 2000. Following cabinet approval in September 2000, the final PRSP was submitted to the World Bank/IMF on 1 October 2000, and endorsed by them on 1 December 2000.

Generally the overall responsibility for monitoring poverty at the national level lies with the Vice-President's Office (VPO), which is charged with the co-ordination of poverty eradication initiatives to ensure that all relevant stakeholders are involved in the monitoring process.⁴

Given the central importance of budgetary allocations as an instrument for implementation of the PRSP, the Ministry of Finance has also taken on a key co-ordinating role.

Civil society organizations: The GoT sent letters to key NGOs in December 1999, stating that they wanted to involve the NGOs in the PRSP process.

On January 25 - 26, 2000, the Tanzanian Social and Economic Trust (TASOET), Tanzanian Coalition on Debt and Development (TCDD) and Oxfam GB organised a civil society workshop of representatives from CSOs and the private sector, to strategize

² See United Republic of Tanzania: Interim-Poverty Reduction Strategy Paper, March 2000 p. 4

³ *ibid*

⁴ Poverty Reduction Strategy Paper, Government of Tanzania, 1 October 2000, p.51

on how to participate in PRSP. The WB, IMF and the Government were invited to make presentations in the meeting on PRSP.

The CSOs then decided on a short-term strategy of how to participate within the government's time frame. They established a CSO/PRSP Steering Committee and five sectoral committees consisting of specialised NGOs. A Civil Society Report on PRSP was the outcome of the meeting of this steering committee.⁵

⁵ The report described a more holistic approach to poverty eradication and sought to provide a detailed direction to address issues of globalisation and liberalisation as well as debt relief.

Summary of Chronology

1997	Tanzania adopted the National Poverty Eradication Strategy (NPES)
1999	October: GoT started working on the Interim Poverty Reduction Strategy Paper (I-PRSP).
2000	
January	Government of Tanzania issued 'Poverty and Monitoring indicators'
25-26 January:	Tanzania Social and Economic Trust (TASOET), Tanzanian Coalition on Debt and Development (TCDD) and Oxfam organised a civil society workshop to discuss PRSP
14 March:	Tanzania submitted I-PRSP to the WB/IMF boards
31 March:	IMF Board approved a PRGF ⁸ loan for Tanzania equivalent to USD 182 million
4 April:	WB/IMF boards endorsed I-PRSP
5 April:	Tanzania reached the Decision Point in the Enhanced Heavily Indebted Poor Countries' Initiative (HIPC II) and was pledged interim relief. The debt service reduction package amounts to US\$3bn in nominal value and US\$ 2bn in Net Present Value (NPV). Completion point conditions include a first progress report on PRSP implementation.
May -June:	Zonal workshops held to ascertain the grass -root view conducted by the government Preliminary PRSP draft discussed at the Consultative Group (CG) meeting
15 June:	Approval of CAS and PSAC
July:	PRSP draft submitted to Parliament to obtain their views
18 July:	GOT submitted Letter of Intent and Technical Memorandum of Understanding to the IMF board, regarding the PRGF loan
August:	National workshop held to review PRSP draft; noted specific concerns. Discussion of the final PRSP draft by regional administrative secretaries
1 August:	The IMF Board completed a first review of Tanzania under the PRGF supported program and approved a disbursement of US\$26.3mn
September:	Tanzania's cabinet reviews and approves the final PRSP
15 September:	IMF Board concludes Article IV consultation with Tanzania
1 October:	Tanzania submits PRSP to the WB/IMF boards
1 December:	WB/IMF boards endorse PRSP
2001	
February:	GoT sends Letter of Intend to IMF on policies to be implemented to obtain PRGF
March:	IMF approves USD26 million disbursement under PRGF and USD 17 million in additional interim HIPC Assistance.
August:	GoT sends Letter of Intend to IMF on policies to be implemented to obtain PRGF
September:	PRSP Progress Report 2000/2001 released
September:	Consultative Group meeting discussing PRSP progress
September:	IMF approves US\$26 Million disbursement under PRGF
November:	Tanzania reaches HIPC completion point.

⁸ PRGF replaces Enhanced Structural Adjustment Facility - ESAF

3. Key Issues

3.1 PRS formulation.

3.1.1 Integration into the policy-making process: the PRS relation to other ongoing reform and planning processes

One of the main strengths of the Tanzanian PRSP is that it was formulated by a national team, the members of which had been involved in many of the ongoing exercises of macroeconomic policy-making and reform.

As such, many of the building blocks of the PRSP (e.g. such as the Agricultural Strategy, the National Poverty Eradication Program, the Tanzanian Assistance Strategy, the Public Expenditure Review and the Public Administration and Local Government Reform Programs) were ongoing activities. Moreover, the emphasis in the PRSP on bringing public expenditure priorities into line with PRSP goals carried credibility because of the very substantial body of joint work by donors and the government on the Public Expenditure Review process.

The fact that a good deal of the content of the PRSP reflected ongoing work led one commentator to question whether there was much additionality in PRSP process.⁹ However, if it is intended that the PRSP is to be embedded in the ongoing policy-making process and donor-government dialogue, straining for innovation would not make sense. There is no reason why a new international initiative should disrupt the process of national policy-making, if that is already proceeding on sound lines.

In fact, one of the lessons to be drawn from the Tanzanian reform process is that comprehensive reform, particularly building capacity to implement programs, requires a long-term commitment. Also, partnership in the aid relationship has to be built on understanding and trust developed over many years. The idea that one particular event (e.g. formulation of the PRSP) could transform the policy environment at a stroke would be naïve.

3.1.2 Linking PRSP and HIPC: Implications for Quality and the Consultative Process

The fact that PRSP was formulated in the context of HIPC did not seem to have any significant negative consequences for the substantive content, because of the point made

⁹ ODI: 'PRSP Institutionalisation Study – Final Report' October 2001, Edited by David Booth

above, namely that the main building blocks of the PRSP were drawn from programs already under preparation.

The main practical implication of the link between PRS and HIPC was the time pressure involved in trying to move towards HIPC decision points in as timely a fashion as possible. This had one good result, as it encouraged the government to give high priority to pulling together a statement of its overall poverty reduction strategy, but it also led some participants in the consultative process to feel that the process was perhaps too fast for consultations to have their proper effect.

This criticism has mainly come from outside the government, in particular from civil society organisations arguing the process was too rushed to allow for thorough and proper participation. These issues will be discussed below.

3.1.3 The approach of the government to organisation of the PRS formulation:

(i) Information on the PRS provided to the general public and stakeholders

In general the PRS process in Tanzania has proved to be a learning process for all involved parties.

Work started on the I-PRSP in October 1999 with the formation of a Steering Committee comprising 12 ministers and the Governor of the Bank of Tanzania. This committee was supported by a Technical Committee including officials from line ministries, the Vice President's Office, the Prime Minister's Office and the Bank of Tanzania. Ministry of Finance coordinated the work of the Technical Group. The draft I-PRSP was finalised in early January 2000 and subjected to discussions at a consultative technical meeting which included other stakeholders such as external development partners and civil society organizations. The Cabinet approved the I-PRSP in early February 2000.

Compared with later developments, the preparation of the IPRSP and the provision of information to stakeholders was generally not an inclusive or widely publicised exercise. Criticism by both civil society organisations and some external development partners suggested that the process was not sufficiently participatory and was rushed; driven exclusively by the need to reach decision point, which duly occurred in early April 2000. The main part of the I-PRSP was formulated during December and January when many donors were out of Dar Es Salaam and the subsequent consultative meeting was seen as not being sufficiently inclusive.

On the other hand it must also be recognised that the I-PRSP *was* indeed only interim and that the government faced a dilemma between the need produce the paper in as timely a fashion as possible and the time it would have taken to mount a full process of participation and consultation. The government understandably chose to act fast to get the process moving.

In contrast, in the preparation PRSP, far more information was disseminated and a more elaborate process of consultation implemented. Workshops were organised which were the starting point of a more open and comprehensive approach towards information sharing and discussion. The CSOs which participated in the process describe how the government in subsequent technical working groups gradually started sharing key documents and draft strategies as confidence was built. Zonal workshops were also held to inform local authorities at regional and district level, in addition to local CSOs and NGOs.

External development partners were briefed at the Consultative Group meeting in May 2000 and a special consultative meeting was held with donors in late June. In addition several donors provided comments and (mostly indirect) support throughout the process. Generally, external development partner have expressed their satisfaction with the information provided through the process and also appreciated the fact that Tanzanians – inside as well as outside government – were actually in charge of the formulation and drafting.

However, some have voiced concerns that the process was too driven by a small team, including senior officials from the Ministry of Finance, some national consultants and to a certain extent the Vice President's Office and State House. It has been suggested that this may have marginalized some sector line ministries, with the result that they were not always fully informed of the latest steps in the process. However, line ministry officials have noted that their work on sectoral programs was fed into the PRSP preparation process, and provided key elements in the final program. The pressures of program and project management within the sectoral ministries will usually limit the degree to which senior officials from sectoral ministries are able to participate in the detailed formulation of national policy documents, but through the inter-ministerial technical committee, there should be a continuing effort to ensure that line ministry policies and programs are fully integrated into the PRSP process.

A main challenge has been to disseminate information on the PRSP once it was finalised in October 2000. *Tanzania without Poverty* a plain language guide to the PRSP was published in May 2001 by the NGO 'Hakikazi Catalyst'. The first print was made available in five thousand Kiswahili and two thousand English copies, as well as being reproduced as a supplement in Daily News (English) and Majira (Kiswahili). Due to high demand there was a second printing, boosting circulation to more than 200,000 copies, making the PRSP one of the most widely disseminated government policy documents in recent years.

High-level political commitment to the dissemination of the PRSP has also been strong. A draft of the PRSP was presented to the Bunge (parliament) in July 2000 and subsequent discussion is said to have made the PRSP more responsive to regional dimensions and disparities of poverty. In March 2001 the President invited district and regional commissioners and executive directors to a three-day seminar in which key concepts of the PRSP were explained by senior Ministry of Finance staff.

Detailed knowledge and understanding the PRSP is strongest among the Ministry of Finance staff and planning personnel at the main spending ministries (e.g. education,

health and roads).¹⁰ Not surprisingly, the further one moves from centrally located and high-level staff, the more shallow the understanding becomes. At local level there is still little awareness of the PRSP and what the strategy entails in terms of priorities and demands on local government officials. More efforts are needed to disseminate the key messages of the PRSP, including active use of radio.

External development partners have generally expressed satisfaction with the level of information provided though some have expressed concerns over the information provided by government concerning expenditure tracking and control. Moreover, crucial up-to-date data on poverty are still not available, as the latest Household Budget Survey has not yet been processed.

The first PRSP Progress Report was presented to the Consultative Group meeting in September 2001. The Progress Report outlines progress on PRSP in FY 2000/01 as well as providing a rolling perspective of the government's poverty reduction efforts through 2003/04 together with financial requirements. An important step was taken to include politicians (including opposition spokesmen), the private sector and CSOs in the Consultative Group meeting.

However, civil society organisations have expressed concerns about the process by which they were involved in the presentation of the Progress Report. Apparently a newspaper notice shortly before the CG meeting invited participation and seats were distributed on a first-come first-serve basis. In response, government has engaged in a dialogue with civil society organisations about who should participate in the various fora.

In relation to PRSP implementation, concerns have been aired about the lack of information on how sectoral strategies will be integrated into the PRSP framework and about the inadequacy of proposed mechanisms by which the targets set out in the PRSP are to be achieved.

In sum, the quality, timeliness and depth of the information provided was considerable, breaking new ground in consultation and opening up political space for increased participation in the debate.

(ii) Role of Political Institutions and Democratically Elected Representatives

The top political leadership participated in the process of formulation through the ministerial committee that supervised the process. The program document received inputs from the highest political levels and was processed through Cabinet. In addition to the usual reporting of the government to the Bunge (parliament) there was a special briefing session held in which officials presented the program to back-bench MP's and was noted above the draft PRSP was also presented to a conference of local and regional leaders.

¹⁰ See study by KK Consulting Associates for DFID: 'An Assessment of the Depth of Understanding of the PRSP in the Government', 2001.

It is important that such key policy documents be processed through normal constitutional and political channels, to reinforce constitutional institutions, rather than be developed through parallel arrangement that by-pass or displace the formal institutions. In those terms, the PRSP process was correctly managed. However, it is not clear that the right balance has yet been struck in involving elected representatives. Parliamentary consultation was quite modest, compared to the active involvement of civil society in general and NGOs in particular.

(iii) Institutional Location of the PRSP

The preparation of the PRSP was properly embedded in the government structure. Committees at the ministerial and senior administrative level supervised the process. Representatives of the relevant sectoral ministries and CSOs were on the various preparatory working groups. Perhaps most important, most of the important components of the PRSP were based on ongoing work on sectoral programs and strategies, public expenditure and institutional reforms, which engage the energies of the responsible ministries.

One interesting and positive aspect of the PRSP process was the mobilization of a small team of Tanzanian professionals who played the key role in the actual formulation of the PRSP document. This involved a network including senior officials from the Ministry of Finance, the Vice President's office, State House, the university and two autonomous research institutions (REPOA and ESRF). The individuals involved have had a deep experience of involvement in all aspects of the reform process during recent years, and their contribution ensured that the document was a national product.

The World Bank, now with its more decentralised structure, played an important supportive role in encouraging this network and supporting the national character of the formulation exercise. This represented a positive development in the long process of shifting the responsibility for formulating such key documents into national hands. Lessons could be drawn from this experience for application elsewhere.

Questions might be raised about placing too much influence in the hands of a small group of technocrats, but it is a virtually universal aspect of all successful policy-making that at a critical stage responsibility for drafting coherent policy document has to be clearly located with a small team capable of effective drafting.

(iv) The role of Civil Society in the PRS process

In addressing this issue, the team first tried to ascertain what is the generally understood meaning of the term 'civil society'. Interestingly, although in widespread use, within the donor community in Dar Es Salaam there seems to be no very clear and agreed understanding of what is meant by the term. It is similar to other terms (e.g. 'stake holder' and 'empowerment') that are in vogue in donor documents, but are not defined with any precision. This is unfortunate, as the rhetoric seems to place demands on the Tanzanian system, without much clarity about what is intended.

Having raised the issue, and in the absence of a clear definition, donor agencies and the government tend to identify the NGOs, that present themselves as such, as representative as 'civil society'.

There should be an effort to clarify the proper role of NGOs, CSOs and faith-based organisations in the policy formulation process. Government is responsible for policy-making and is accountable to the public through elected institutions. Generally the government took the sensible stand that involvement of non-elected, non-representative bodies in the policy-making process should be limited to consultation, and that civil society organisations should not be involved in the actual drafting of the documents.

It should be noted that if CSOs were to participate in the actual drafting of documents they would have to share in the collective responsibility for the outcome, in the same way as members of the government. If consultation is carried too far, it could result in co-opting CSOs, making them another element of the government/donor community, rather than playing an independent critical role.

An important aspect of policy-making that is sometimes neglected in rather utopian visions of popular consultation is the time factor, in two different senses. The preparation of government policies is always subject to pressure for completion. Although it can be argued that the wish to complete the HIPC process added time pressure, especially in the preparation of the IPRSP, in which CSO consultations were relatively limited, all policy-making processes are time bound.

Also, the time of key players in the process is also a strictly limited resource. This not only applies to key government officials, but also to leaders of CSOs. Quality analysis of the substantive issues, especially regarding the links to macro economic issues and the budget process, is demanding and time consuming.

(v) Involvement of the civil society's and other stakeholders' representatives

To address this issue, it is necessary to clarify who are the 'representatives' of the general public and which are the relevant organisational entities. Organisations outside government see themselves as been responsible for particular social groups, and no doubt typically have a real concern about the needs of the groups they serve. However, in most cases they are not the elected representatives of the public, and even where they have a clear constituency, they may represent sectional interests, whose concerns have to be balanced against those of other groups, that may not be so well represented by community organisations. Currently there is no process through which CSOs are required to establish the validity of their claims to represent various groups in society, nor a very high degree of transparency about the extent of their active membership, and the degree to which they 'represent' the poor.

The poor are mainly rural. The very poor have to use their energies to achieve a bare subsistence, and are less literate than the better off, and are not very well placed to participate in the organisations that the donor community and the government typically

identify as 'civil society'. Judgements about participation in the PRSP process have to be made in light of that situation.

The strong civil society involvement in the PRSP process is partly the consequence of the IMF/WB conditionality attached to obtaining debt relief under the enhanced HIPC. Not only must the preparation of the PRSP take place through a broad-based participatory process, the implementation is also supposed to involve such participation, though again, what exactly is meant by participation is not specified in any detail.¹¹ Although this represents a welcome shift from earlier more elitist and technocratic approaches to policy-making, its implications now need to be explored with some care.

In the case of Tanzania it seems that the government interpreted this conditionality as mainly meaning consultations and participation of NGOs, with somewhat more limited participation of private sector representatives, academics and faith based organisations.

Officially CSO involvement in the PRSP process was launched in 1999, when GoT invited NGOs to participate in the process, although the exact nature and scope of the participation was at that point unclear. Subsequently a coalition (Tanzania Coalition on Debt and Development/PRSP) was formed with the purpose of organising the CSOs' input to the PRSP process. Two workshops were organised in Dar Es Salaam in January and March 2000, in which it was decided which groups would focus on the sectors identified as crucial in the PRSP process. Thus there had been comparatively comprehensive CSO preparations for the seven zonal and one national level workshop that the government organised.

The seven zonal workshops were held in May and June 2000, with regional, district and sub-district authorities, villagers and NGOs. Initially the government asked the TCDD and affiliated organisations to facilitate the zonal workshops, but after consultations TCDD felt unable to take on the responsibility arguing that insufficient time had been granted to allow for proper preparation and meaningful participation. However, there are also indications that the TCDD would have found it a difficult challenge to undertake such a task. The Coalition was not very clear on the exact role to play, and the TCDD reports that it decided not to participate further in the process of organising the zonal workshops.

The zonal workshops were organised with district commissioners, regional administrative secretaries and other government officials selecting which NGOs and 'ordinary' farmers should participate. On average 100 people participated in each meeting, of which around 50 were villagers and seven NGO representatives.¹²

Criticism has been made that the process was too rushed and top down driven, especially when considering that government officials selected the participants. However,

¹¹ See IMF: 'Debt Relief under the Heavily Indebted Poor Countries (HIPC) Initiative' November 2001 (available on www.imf.org/external/np/exr/facts/hipc).

¹² See URT: 'Report on Zonal Workshops on Poverty Alleviation' prepared by the Zonal Workshop Committee, June 2000.

the process also exposed the weakness of civil society organisations especially in terms of organisational capacity to respond rapidly to new demands and opportunities.

The national workshop was held in August 2000 in Dar Es Salaam. The civil society organisations were better prepared for this workshop than for the zonal meetings. Effective contributions were made, especially related to education, gender and health. While the Tanzania Gender Network Programme has expressed disappointment about the superficial manner in which civil society participated, most agree that participation was useful if imperfect, and led to a higher level of co-ordination and collaboration both between the organisations involved and in relation to government – civil society interaction.

On the government side, the view was expressed that one quid pro quo that could be expected from NGOs was that they should be more forthcoming about the details of their programs, so that their efforts could be more adequately integrated into the national poverty reduction effort.

CSOs were also invited to participate in several technical working groups on sectoral aspects of the PRSP. After initial meetings, participation was patchy, partly due to time and financial constraints faced by the CSOs.

Two key research organisations, REPOA and ESRF, played a crucial and instrumental role in the actual formulation and drafting of the PRSP. They were contracted by GoT to do so with detailed Terms of References and did not represent the CSOs as such. Their involvement demonstrated the substantial capacity that has been built outside the government for economic policy analysis on poverty issues, which the GoT has been willing to utilise.

In sum, the process of involving the general public and its representatives proved to be a diverse experience. Generally participation has been intensified. While a few organisations have remained deeply sceptical of the process, most have engaged constructively, contributing with substantial inputs, in some instances of high quality. However, the concept of ‘civil society’ has been interpreted relatively narrowly with heavy emphasis on NGOs. Faith-based organisations have not been as actively involved as might have been expected given their importance in Tanzanian society.

3.1.4 The response outside government

(i) Advantages and drawbacks of engaging in the PRS

The CSOs have generally welcomed the chance to engage in the PRSP process. However, CSO participation in national strategies was not an innovation as there had already been quite widespread participation in the preparation of the National Poverty Eradication Strategy and the Tanzania Assistance Strategy. The new issue here was the comprehensiveness of the PRSP coverage in which macro-economic policy, debt and the budgeting process are linked analytically. The inclusive and comprehensive nature of

the consultations has forced the organisations involved to broaden their analytical focus and to enter into more intensive collaboration with each other.

Concerning the actual process, the reactions of the CSOs have been mixed. A few feel that they have unintentionally added legitimacy to a policy process they question, as they see it as essentially the continuation of World Bank / IMF sponsored Structural Adjustment Programmes which they view as being inherently anti-poor, loaded with harmful and unwanted conditionalities imposed on the government.¹³ These organisations also point out that some policy issues with relevance for poverty reduction have not been addressed in PRSP process, claiming that they are secretly being imposed by the World Bank and the IMF, in the parallel PRGF, PRSC, PSAC processes, where key issues such as privatisations are discussed.

As a result, a few CSOs have expressed reservations about continued involvement in the consultative process. The press statement from CSOs in connection with the CG meeting contained heavy criticism of the PRSP process, which many other participants in the process found too strong and perhaps unfair. The press releases may have used relatively strong language for public relations purposes. Several of the NGOs who signed up to the statement have also subsequently expressed regret of the confrontational character of the wording. The rhetoric utilised by some of the CSOs demonstrates the tension between their roles as participants in a policy dialogue and critics of public policies on behalf of their constituents.

However, most civil society organisations recognise that the PRSP has involved a non-trivial change and has provided a catalyst for changes in the mechanisms by which the government and the civil society interact. Most CSOs are willing to continue collaboration with government and external development partners. Access to information and participation in discussions on key poverty related issues has been improved and poverty reduction has been made a mainstream issue, which will make it easier to focus on the impact of policies on the poor.

Participation has exposed several weaknesses of the CSOs. Capacity to address complex technical issues, especially concerning macroeconomic analysis, is limited. The process has been (and still is) time consuming and some NGOs complain of lack of adequate resources. Moreover, there is still criticism that in part the process is about rubber-stamping to reach completion points; the argument being that the close linkage between HIPC and PRSP has led to a rushed process.

Generally it appears that most civil society organisations consider that the advantages of engaging in the PRSP process outweighed the drawbacks, but that the process has simultaneously exposed serious limitations in their capacity, which they are now only beginning to address systematically. The PRSP process has required CSOs to develop a

¹³ See Challenge Globalisation Initiative: 'SAP Alert: The Status of Tanzania with the IMF and World Bank' November 2000 and also TGNP: 'Comments on IMF and World Bank endorsement of the Government of Tanzania's PRSP'. The strongest statement against PRSP is, however, found in the Jubilee South Pan-African Declaration (Kampala) on PRSPs from May 2001, in which PRSP is outright rejected. Interestingly TCDD and TGNP are both signatories to the document despite the fact that both organisations have participated in the process and continue to do so.

clear analytical framework on issues of the links between macroeconomics, debt and poverty reduction.

The intensity of public debate has varied, with more expression of views in the run up to important events, such as the National Workshop held in August 2000 and the more recently Consultative Group meeting held in September 2001.

One issue that needs to be addressed is the representative character of the CSOs involved in the debate. While several claim to represent the poor and disadvantaged (e.g. children, women, HIV/AIDS victims, Masaai people, marginal farmers, handicapped etc) very few of them have a substantial number of members. Those who have a substantial number of members are mainly faith-based organisations such as the Muslim Bakwata, and while they have participated in the debate, they have not been the most active.

Those most involved, have tended to be advocacy based NGOs, with a narrow membership basis, and which depend on donor funding for survival and dominated by relatively well-educated and articulate staff, often with previous experience in government or academic life. The arguments and evidence brought forward by these organisations make a useful contribution to the policy debate which deserves to be encouraged, but they do not necessarily represent the poor.

Others have argued that the CSOs, because of their dependence on donor funding, tend to represent the views of their sponsors. However, donors support a wide range of CSOs with quite diverse views, focus and political/religious beliefs, which adds diversity to the discussion.

Christian NGOs or local NGOs with support from international Christian NGOs have been active in the debate, partly due to the considerable international resources they can call upon. This also relates to the historical involvement of Christian NGOs in the international debate on debt relief.

What could become a cause of concern is if CSOs were to be seen as the main instrument of accountability for the government, bypassing core political institutions such as elected assemblies at central and local level. While CSOs participation in policy discussion has proved useful, there is also a need to enhance the effectiveness of elected bodies in appraising policies and monitoring government performance.

(ii) The involvement of the poor and disadvantaged in the PRS preparations

Overall the poor and disadvantaged sections of the Tanzanian society have not participated meaningfully in the PRSP process and it can be doubted whether such participation will materialise, at least in the short term. While farmers were invited to the zonal meetings, most of those who were selected cannot be described as poor, certainly not based on the statistical definitions of poverty.

The mechanisms by which participation was organised and the level of sophistication of the debate probably excluded the direct involvement of the poor. On the other hand numerous organisations, claiming to represent the views of the poor, did engage meaningfully in the process as described above. They were able to raise issues presumably of concern to the poor, but that is different from actual participation of the poor themselves.

Similarly, it is difficult to find evidence that information has been made available to the poor and disadvantaged. While the circulation of the simplified PRSP has been very impressive, it should be recognised that many of the poorest are also illiterate and radio which reaches a substantial part of the poor, has not been utilised extensively. However, there are indications that the widespread dissemination of the simplified PRSP has 'trickled down' in the sense that the strategy is now being discussed verbally in some village meetings and user committees.

Plans are currently being discussed to involve the poor more directly in the PRSP, most notably through Participatory Poverty Assessments.¹⁴ While the exact modalities of the PPAs are still being discussed, PPAs could serve to inform policy makers and make a useful contribution to program formulation and to monitoring. However, that falls short of an exchange of views or engaging the poor in the PRSP process in a consultative role.

3.2 PRS contents

3.2.1 The PRSP inclusiveness of stakeholders' views

Again, without a clear specification of what is meant by the term 'stakeholder' it is difficult to assess how far stakeholder views were reflected.

As concerns the views of CSOs, these have only been partially reflected in the PRSP. The more critical NGOs argue that the PRSP process 'smacked of tokenism' and that the main outcomes of the process were decided in advance. However, in specific sectors the input and views of the CSOs were reflected in the outcome of that process.

For example, the technical working group on education had relatively strong NGO representation that provided a valuable input into the drafting process, providing data and analysis. The civil society network on education argued consistently for the abolition of user fees in primary education, citing their own studies that had shown the negative impact on the access to education by the poor and disadvantaged segments of the society. The network also voiced concerns of the transparency and accountability of the financial management of user contributions. These views were also raised by

¹⁴ United Republic of Tanzania with the assistance of UNDP: 'Poverty Monitoring Master Plan' Final Draft, October 2001.

villagers in the zonal workshops as a main issue of concern to them. In the final version of the PRSP, the government stated that it intended to abolish primary schools fees, no doubt reflecting the views expressed by the national stakeholders.¹⁵

On the other hand strong opposition to the cost-sharing mechanism introduced in the delivery of basic health care failed to reverse government policy. In addition there is widespread belief among CSOs that gender issues were not sufficiently mainstreamed.

Those groups that feel that their views have not been taken into account tend to challenge the main thrust of the PRPS and the government's overall economic policy, with its emphasis on preserving macroeconomic stability, promoting private sector led growth and generally creating an enabling environment for both foreign and domestic investors. As well as opposing privatisation and further deregulation these groups tend to argue for a far more proactive response of the government and state institutions in the economy to address economic inequality and gender imbalances. Such views reflect a fundamentally different approach to economic policy in general and poverty reduction in particular.

Generally, there now seems to be a degree of consensus in government about the main economic policy thrust, a consensus that includes leading national economists. Therefore critics are not challenging an externally imposed view, but are offering an alternative approach to policy within the Tanzanian policy debate.

However, even within the consensus on the macro-policy framework there is, and has been, ample room for exchange of views on more detailed sector strategies, e.g. the case for government support to higher education, delivery mechanisms of basic health care, alternative approaches to promoting agricultural growth. In the consultations and during the technical working groups' deliberations many alternative views and strategies were discussed, and these discussions are ongoing.

In conclusion, it has to be understood that a tension exists between the objective of increasing the inclusiveness of consultation and the need to have clear accountability for program design and implementation. Particularly where various interest groups have divergent and at times competing views on policy, it must remain the responsibility of government to decide on the appropriate balance and contents of national policy, and to be answerable for its performance to the electorate.

3.2.2 Feasibility of the PRSP

As with the evaluation of all strategies, this issue can be tackled at two levels. The first relates to the feasibility of implementing the various programs set out in the strategy.

¹⁵ Other factors may also have influenced the decision, e.g. the government's commitment to Dakar 2000 World Education Forum's declaration on education for all, as well as the decision by the US Congress in October 2000 to oppose any multilateral loan that imposes user fees on poor people in primary education and basic health care.

The second relates to the impact of those programs, if implemented, in achieving specified output goals.

The feasibility of implementing the PRSP is reasonably high. The PRSP contains important programmes that are

- Concrete in content (quantified);
- Defined in terms of short-term targets;
- In principle relatively straightforward to implement; and
- Not difficult to monitor.

Examples of targets having these characteristics and accompanied by a specification of actions required for their achievement include:

1. **Roads** : Rehabilitation of 4,500 km of rural roads by 2003;
2. **Education**: Increase gross primary school enrolment to 85% by 2003 and net enrolment from 57% to 70%; Increase transition rate from primary to secondary school from 15% to 21% by 2002/2003; Reduce drop-out rate from 6.6% to 3%; Increase the number of students passing at specified mark at St.7 examination from 20% to 50% by 2003.; Increase secondary enrolment from 5% to 7% by 2003.
3. **Social well-being**: Reduce prevalence of stunting from 43.4% to 20% and wasting from 7.2% to 2% (no date). Reduce malaria in-patient fatality rate for under-5's from 12.8% to 10% by 2003. Increase coverage of births by trained personnel from 50% to 80%. Reduce infant mortality rate from 99 per 1000 to 85 per 1000 by 2003, and under-5 mortality from 158 to 127 per 1000 in 2003. Facilitate provision of safe water to 55% of rural areas by 2003 (compared to 48.5% in 2000).
4. **Macroeconomic stability**: Consumer price inflation of 4% by end of June 2003 and have sufficient reserves to fund four months' imports.

Judgements about each of these targets and associated actions would require a detailed assessment beyond the scope of this report. However, given the usual lags between policy decisions and commitment of resources, and between commitment of resources and implementation of programs, not to speak of the normal lags between implementation and the expected outcomes; it seems optimistic to assume that so much could be achieved by 2003. In a number of cases, the 2003 target is presented as a transitional target towards a longer-term goal in 2010. It might well be that a decade is a realistic time-frame for expecting new initiatives to have a profound impact on the chosen intermediate indicators.

More useful for short-term monitoring purposes is the specification of budgetary targets for allocation of discretionary recurrent expenditure (other costs) to priority areas identified in the program. These figures are specific, monitorable and in some areas indicate an intention for a very significant shift in spending (notably towards basic education, primary health, rural roads, water, and HIV/Aids prevention).

In other words, enough specific commitments are made for the PRSP to be taken seriously as a real action plan. With experience of implementation, it may be necessary to adjust some of the targeted outcomes, but the specification of targets provides a measure against which to assess progress.

Another interesting aspect of the PRSP is the large number of actions that are qualitative in kind, involving commitments to reforms in administrative systems or to the formulation of new policies to fill gaps in the national policy framework

Some of the key areas in which commitments were made to reform processes included:

- **Agriculture:** promote rural finance and develop micro-finance facilities, improve access to agricultural research and extension; improve trading/marketing of out and inputs and remove administrative fiat; promote community based irrigation and distribute land suitable for irrigation in favour of the poor.
- **Education:** strengthen local management capacity; increase capacity and improve coverage of inspection service.
- **Health:** Strengthen and reorient secondary and tertiary services to support primary health care; strengthen the national support systems for personnel management, drugs and supplies, medical equipment; promote the participation of private sector and civil society involvement in public health services delivery.
- **Governance and administrative reform:** Extend the Integrated Financial Management System to all ministries, Departments, Agencies and Regional Sub-Treasuries; develop and approve specific anti-corruption action plans for key ministries; implement actions under the Public Sector Reform and Local Government Reform Programs.

These sorts of action are no less important than the programs with quantifiable targets. Also, in some cases it was possible to identify a quantitative target (e.g. the average time to settle commercial disputes), but many of important reform areas involve qualitative changes that are not readily translated into quantifiable outcomes. This does mean that progress is not verifiable, but it will require judgment rather than arithmetic. And in some cases achievement of desired outcomes may take a generation – Local Government reform and local level capacity building will not be achieved in two or three years.

One reaction might be to exclude such qualitative goals from the program framework, and concentrate attention on the quantifiable targets. This would be a mistake, as in many areas of concern, effective institutional arrangements are as important for poverty alleviation as expenditure levels.

The Tanzanian PRSP struck a good balance between quantitative targets and qualitative policy commitments, and future evaluation will have to strike a similar balance between quantitative and qualitative evaluation.

If it is difficult to quantify and assess the feasibility of the actions included in the strategy, it is even more difficult to judge how realistic are the output and income poverty alleviation goals that have been, somewhat heroically, specified.

One key target is raising the rate of agricultural growth to 5% per annum in the near and middle term future as a means of alleviating income poverty. Given the concentration of poverty in rural areas, and the dependence of rural people on agriculture as a source of income, it is quite logical to identify acceleration in agricultural growth as a necessary condition for poverty alleviation, the central objective of the whole exercise.

The PRSP refers to the Agricultural Strategy that was being prepared parallel to PRSP preparation and is now completed. A number of important aspects of the agricultural strategy are explicitly included as PRSP sub-components. The Strategy does a good job in specifying required policies and possible interventions in agriculture, but is not yet carried to the point of being an agricultural program.

Tanzania has never previously experienced agricultural growth of 5% over a five-year period. Some immediate acceleration might be achieved through further policy reform (e.g. the elimination of petty harassment of local agricultural trade), but technical breakthroughs of a green revolution type will only be possible after institution building that will take time. Investments in all-weather roads, one potentially productive intervention, will also take some years to implement. Although it is not possible to develop all the supporting arguments in this short report, the judgment offered is that if a 5% agricultural growth rate were achieved in the coming five years, it would be an exogenous event, not the outcome of the PRSP.

Care should be taken, in encouraging a comprehensive development framework and quantitative targets, not to fall back into the old errors of Five Year planning, where planners were forced to specify 'targets' in areas outside the influence of available policy instruments – in other words, extrapolations that were not affected one way or the other by the Plan.

The impact of the PRSP on agricultural growth will be positive, and many of the actions in the PRSP, if successfully implemented, will contribute to increases in agricultural productivity (notably rural roads and basic education, alongside the specific agricultural programs). However, there is no available knowledge base from which to judge the size of the possible effect, and in light of historical and international comparative experience, the 5% target looks ambitious.

This is a significant point, as any targets for reductions in rural poverty must in turn be largely dependent on success in achieving agricultural output growth.

3.3 PRS implementation

3.3.1 Progress in the first year

The steps put in place to implement the PRSP have been set out in the Progress Report on the first year of implementation of the PRSP¹⁷. Table 1 below provides an overview of the achievements. The report high-lighted components of the 2001/2002 budget that were poverty oriented. The report describes action to put in place effective poverty monitoring and reports on recent data on various indicators of well-being.

Table 1: PRSP progress in relation to key indicators

Sector	Sector Targets/Outcome Indicators for 2002/03	Performance during 2000/01
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¹⁷ *Poverty Reduction Strategy Paper: Progress Report 2000/2001* Government of Tanzania, 14 August 2000

<i>Education</i>	Increase gross enrolment from 77 percent to 85 percent	Based on the 2000/01 HB S, gross primary school enrolment is estimated at 83.2, suggesting that the target for 2003 will be met.
	Increase net primary enrolment from 57 percent to 70 percent.	The net enrolment in 2000/01 increased rapidly from 57 percent to around 65 percent following abolition of school fees and other enrolment related contributions.
	Increase progression rate of primary to secondary level from 15 percent to 21 percent.	Performance is quite encouraging, as the current rate is estimated at 19.5 - 20 percent, following increased number of Government – aided community, and non-government secondary schools.
	Reduce the drop-out rate in primary schools from 6.6 percent to 3 percent.	Situation has not changed significantly; however, it is expected to improve following implementation of planned measures to improve the teaching and learning environment, as well as the abolition of school fees and other enrolment related contributions.
	Increase pass rate in standard 7 examination from 20 percent to 50 percent.	The pass rate has increased to 22 percent in 2000/01. The benchmark of 50 percent is considered ambitious and the medium-term target will be reviewed downwards in due course.
<i>Health</i>	Increase the number of children under 2 years immunized against measles and DPT from 71 percent to 85 percent. 75 percent of districts covered by an active HIV/AIDS awareness campaign	Performance has improved to 78 percent, following increased coverage of the Integrated Management of Child Illness (IMCI) in health facilities from 17 to 31 districts All districts are covered following preparation of HIV/AIDS plans for all Districts
	Increase coverage of births by trained personnel from 50 percent to 80 percent.	Performance has not changed substantially; however, it is expected to accelerate following adoption of District Health Plans that currently cover 82 out of 114 districts.
	Implement a full malaria control programme	New guidelines have been developed and distributed, training of trainers has been completed, and drugs have been ordered.
<i>Agriculture</i>	Attain growth rate of 5 percent	Overall growth was 3.5 percent during 2000, down from 4.1 percent during 1999, owing partly to adverse weather conditions. Forestry and fishery sub-sectors recorded growth rates of 5.0 percent and 7.2 percent respectively
<i>Rural roads</i>	Rehabilitate of 4500 km rural roads under the Urgent Roads Rehabilitation Programme, upgrade 7,000 km of rural roads, carry out spot and emergency repairs over 50,000 km.	Detailed costing of needed interventions has been developed.
<i>Water</i>	Fully implement the 2000 Water Policy.	The policy has been reviewed by the Ministry of Water and Livestock Development, to take into account the PRSP objectives.
<i>Legal and Judicial System</i>	Speed up primary court decisions, raise the ratio of decided filed cases from 63 percent to 80 percent.	The available information by districts shows uneven performance.
	Improve performance of the judicial system.	Introduction of the Independent Judicial Ethical Committee; Establishment of Judicial Administration Institute; approved recruitment of 36 State Attorneys, 6 Resident Magistrates, 13 Primary Court Magistrate and 11 Law Research Officers
	Reduce average time taken to settle commercial disputes to 18 months.	There has been significant improvement, as judged from the increase in cases disposed, from 53 cases in 1999/00 to 78 cases in 2000/01. Moreover, the average time taken to settle commercial disputes has been reduced to less than 6 months. Establishment of Land division of the High Court.
	Raise coverage of actual allocation for legitimate Other Charges (OC) requirement of the Judiciary from 50 percent to 100 percent.	There was a significant increase in the allocation of OC from TShs. 3.9 billion during 1999/00, to TShs. 5.7 billion during 2000/01, representing 100 percent budgeted of OC.
<i>Local Government</i>	Implement full Local Government reform.	Phase I has been completed, and phase II is on course.
<i>Governance</i>	Fully implement the Integrated Financial Management System (IFMS).	All central government operations, including 16 revenue station of the TRA in Dar-es-Salaam, are covered by the IFMS
<i>Macroeconomic Stability</i>	Attain real GDP growth rate of 6.0 percent.	During 2000, real GDP grew by 4.9 percent (compared to 4.7 percent in 1999), and is projected to grow by 5.9 percent in 2001.
	Maintain foreign exchange reserves sufficient to finance four months of imports of goods and non-factor services.	By end December 2000, foreign exchange reserves were equivalent to 5.5 months of imports of goods and non-factor services, and were at about the same level at end-June 2001.
	Reduce inflation rate to 4.0 percent	Inflation rate was 5.1 percent as of June 2001, compared to 5.9 percent in the same period in 2000.

The report also detailed works underway on the elaboration of strategies and costing for key sectors. Resource requirement for priority sectors over the medium term were elaborated in the context of the PER and the MTEF. Resource requirements for education, health and water are almost fully covered under the 2001/2002 budget. A significant resource gap exists in relation to the road targets, while the costing of agricultural programs to meet the PRSP was not yet completed. The approach to the budget placed special emphasis on non-wage current outlays ('other charges') and development spending, plus costing of additional teachers and redeployment of existing teachers. The efforts to cost programs in the priority sector and to relate spending to the achievement of specific outputs is an important part of the implementation of the PRSP.

Not surprisingly, data on well-being do not yet reflect impact of PRSP programs. The failure of real growth in agricultural to accelerate, and the poor performance of export prices, is likely to mean that the urban – rural income gap will increase. The hope is articulated in the progress report that nevertheless a sharp increase in agricultural growth can be expected in the current period. It remains true that given the rather general nature of the agricultural strategy, and the lags in likely impact, the agricultural growth target remains a weak link in the poverty reduction strategy.

3.3.2 Government Initiatives for Monitoring PRS Implementation

A poverty monitoring master plan was completed in November 2001. The Vice President's Office was given the overall responsibility for monitoring the implementation and impact of the poverty reduction strategy. Specific institutional mandates are laid out in the PRSP and to fulfil these, the government has strengthened capacity in the VPO and other concerned institutions. During 2000/2001 a strong institutional framework was developed for poverty monitoring, under the oversight of the Vice President's office and overseen technically by a National Poverty Monitoring Committee. A key organisation mobilised to support the monitoring effort is the National Bureau of Statistics, currently completing the latest Household Budget Survey and Labour Force Survey, and committed to a planned multi-year program of surveys to provide basic data requirements for poverty monitoring. An inter-departmental group has been formed to enhance the availability and use of administrative data, and research and analysis is being undertaken by REPOA and other non-government research groups are working with government ministries. Participatory poverty assessment work is also being implemented.

Resource allocation is monitored under the PER and MTEF framework and also some independent monitors within the framework of TAS. Detailed proposals for M&E were included in the PRSP.

3.3.3 Non-government monitoring of PRS

Numerous initiatives are currently being planned and implemented by CSOs in order to monitor implementation of the PRSP, especially within areas where NGO involvement and competence is considerable. These include education, health, gender, water, children's rights and rural development. Clearly one of the main roles of especially advocacy based NGOs will be to hold the government accountable for achieving the ambitious target set out in the PRSP, especially considering the relatively weak description of the proposed implementation mechanisms.

The government, realising the substantial monitoring capacity of civil society, has agreed to formally involve CSOs in the monitoring. REPOA has been designated to perform a crucial role in setting priorities for research and analysis of progress in poverty reduction and to propose funding mechanisms for these.¹⁸

CSOs are also represented in all four technical working groups on poverty monitoring (these are: surveys and census; routine data systems; research and analysis; and dissemination, sensitisation and advocacy) with special responsibility of ensuring that gender concerns are adequately addressed.

CSOs are also involved in complementing some of the large scale quantitative surveys under way (e.g. the Household Budget Survey and the census). CSOs have demonstrated a comparative advantage in undertaking Participatory Poverty Assessments which can improve the qualitative aspects of the information available on poverty, by highlighting the nature and some of the causal relationships of poverty, aspects which are not easily captured in large-scale surveys. The government intends to encourage and support NGOs to continue and possibly expand these efforts and integrate the findings from the PPAs and other CSO monitoring activities into the overall monitoring framework. The result will, hopefully, improve the basis for making policy-making more pro-poor.

3.3.4 Civil service reform and delivery of public services in the PRSP context

The government, with the support of the donor community, has been pursuing civil service reform over at least the past decade. No independent assessment on progress was possible for this report, but the view of those knowledgeable about the process is that change is gathering pace, with the balance of effort shifting from study and diagnosis to the implementation of reform programs.

3.1.5 Initiatives taken to improve and prepare coming PRS revisions

A detailed account of work to improve on the PRS and a statement of revisions already made is included in the government progress report. The evidence of that report

¹⁸ See the URT/UNDP: Poverty Monitoring Master Plan

suggests that there is an active program of work under way, with the intention of learning lessons from experience with implementation and revising programs and targets in light of evidence regarding their feasibility.

3.4 Implications of PRS for the aid community

3.4.1 The role of bilateral donors

From the point of view of the bilateral donors, the balance of opinion is that the PRSP process was another step in improving aid relationships, but that there are some areas in which further progress is required.

There has been considerable progress in redefining the relationship between the aid community and Tanzania after the past six years, beginning with the report of a five man mission led by Professor Gerry Helleiner in 1995, which provided an opportunity for a comprehensive re-examination of aid practices. That was followed by a Nordic assessment in 1996 and a meeting between the Government of Tanzania and donors in January 1997 in which eighteen points were agreed as a basis for redefining the relationship, with the main objective of increasing national ownership. Two subsequent Helleiner missions monitored progress and subsequently the donor community made considerable efforts both to change the nature of the relationship with Tanzania, to support the process of national policy-making and to enhance co-ordination amongst themselves.

In particular, a good deal of effort was put into formulating Public Expenditure Reviews through a new process involving co-operation between government officials from the various ministries, Tanzanian professionals from outside government, international experts and donor officials resident in Dar Es Salaam. The Bretton Woods institutions participate, with a number of donors, in this work on Public Expenditure, that includes detailed work on improving the control and targeting of public expenditures in the social sectors.

At the same time, the government sponsored a national consultative process that led to the production of the National Development Vision 2025, a long-term perspective for the country's development. Other work included the production of the Tanzanian Assistance Strategy, the Poverty Reduction Strategy and a number of sectoral strategies. All these were discussed at Consultative Group meetings.

The work on the PRSP should be seen in the context of related ongoing dialogue between segments of the donor community and the GoT on related issues. Notably, seven donors already provide budget support under the Poverty Reduction Budget Support arrangement. Integrating the PRSP and PRBS processes could significantly reduce transaction costs.

In summary, for many years there has been an active and creative policy dialogue between donors and Tanzania. In that context, and in light of earlier practices, it would have been only too easy for a major new initiative supported by the Bretton Woods institutions to have swept aside that earlier work. There are a number of precedents for the World Bank, for example, to initiate its own work independently from and insensitive to work already underway by the government and bilateral donors. In this case, that did not happen. The consultations leading up to the PRSP were open to bilateral donors. The PRSP built on the foundations already laid by the joint efforts of the donors and the Tanzanian side. That has resulted in a reasonable degree of compatibility between the PRSP and bilateral programs. Indeed bilateral donors had already made important moves in the adjusting their support towards program support for poverty reduction before the initiation of the PRSP process.

Insofar as there is some continuing unease among bilateral donors regarding their relationship to the process, it relates to the following:

- There is a concern that there should be a movement towards greater integration of program support by the Bretton Woods institutions with bilateral program support (notably with the Poverty Reduction Budget Support). There is a growing recognition of the heavy transaction costs resulting from parallel preparation and negotiation, plus a wish to ensure consistency between the various interventions.
- Some bilateral donors felt that they should be involved in the Joint Staff Assessment of the PRSP. Currently the formal bilateral involvement in the JSA process is through the country representatives on the Boards of the World Bank and IMF. (That representation gives rise to the counter-argument that the role of the bilateral donors as shareholders should be distinguished by keeping their officials at arms' length from the JSA process).
- Some bilateral donors share the suspicion of some CSOs that the preparation and drafting of the PRSP was too closely managed by the Bretton Woods agencies. However, some of this suspicion seems to have been engendered by the fact that the final stages of preparation was in the hands of a national technical team without a great deal of use made of donor technical support.
- Bilateral donors by and large see that significant progress was made in consultations with CSOs and NGOs, and with inclusion of the research community, in the formulation process, but some recognise a need to extend consultation further into grass-roots discussions.

Within the donor community, the UNDP has played a lead role in co-ordinating efforts to improve the poverty database, enhance national data gathering capacity and develop approaches to poverty monitoring. There are many examples of bilateral support for poverty work. To mention a few, the Netherlands DGIS has made an ongoing contribution to engage the research community in poverty work, though initiating and funding REPOA. The UK DFID has supported the work of REPOA and funded a number of studies of the PER and PRSP process. The Nordic donors have also supported much related work. The donor community supports many of the CSOs and NGOs working on poverty issues.

Related initiatives have included support to decentralisation by several donors, including Local Government capacity building and user group formation. Indirect support is given through CSOs working with local communities in generating key knowledge on poverty related issues. These efforts have been increased as a consequence of the PRSP process and also as a consequence of the need for gaining more knowledge on the dimensions of poverty and the causal reasoning informing anti-poverty strategies.

By and large, there has been an increasing amount of consultation and co-operation among donors, particularly between their representatives in Dar Es Salaam, who are able to build working relationship through frequent contact. Problems seem to arise when head offices and visiting missions intervene, without the same knowledge of local circumstances and informal relationships. In general, the degree of successful co-ordination of donors is directly correlated to the amount of decentralisation in aid management modalities.

3.4.2 Dialogue of donors with civil society representatives

The consultation procedures initiated in the preparation of the PRSP have been described elsewhere in this report. In general the aid dialogue in Tanzania is very active. Notably the Consultative Group meetings have become increasingly inclusive, with NGOs, the private sector and leaders of opposition parties participating in the most recent CG meeting.

Generally, donors and CSOs have engaged in a constructive dialogue on the main issues relating to poverty reduction. Donors tend to view CSOs as a valuable source of information, often providing alternative views on key issues relating to poverty reduction. The support given by donors to these organisations has broadened the policy debate and made it more pluralistic by encouraging the expression of views from outside the usual government-donor circles. However, the growing importance of CSOs, as independent actors, is mainly a feature of the multi-party era, and their experience and capacity is still limited.

3.4.3 The roles of the World Bank and IMF

The preparation of the PRSP can be seen as part of a steady improvement in the mode of operations of the Bretton Woods institutions in Tanzania. In particular, the decentralisation of the World Bank operations, with the shifting of key management decisions to the Dar Es Salaam office, has enabled the World Bank to play a more active, but sensitive role in promoting policy work in Tanzania. This process should be extended, by further integrating World Bank programs with other donor initiatives.

It is particularly important that national policy-documents should be appraised as to the degree to which they reflect national priorities and robustly address local conditions,

rather than whether they play well in Washington, which has often been the emphasis in the past. Significant progress has been made in that direction.

Decentralisation of staff and decision-making authority has been carried much less far by the IMF than by the World Bank. If the IMF intends to continue to play an important role in the dialogue about broad-based poverty alleviation programs, it may need to consider a move towards greater decentralisation.

It should also be noted that in order for the Bretton Woods institutions to accommodate nationally produced policy documents, there needs to be national capacity to produce such documents. In Tanzania, there has been a distinct improvement in the capacity to craft coherent macroeconomic policy documents, although there are still capacity building needs to be met to reinforce that capacity and to strengthen analytical work at the sectoral level.

3.6 Constraints on Preparation and Implementation

By and large, it will be possible to track the degree to which poverty strategies enhance the provision of basic services to the poor, which will have both a direct impact on the current well-being of the poor and, hopefully, an indirect impact on their future productivity and income.

However, a critical constraint on the preparation and implementation of poverty reduction strategies lies in the area of the knowledge needed to increase the impact of possible interventions on the livelihoods (incomes) of the poor. In particular, work on the Agricultural Strategy is only a beginning of what will be required to raise rural incomes.

4. Conclusions

The overall judgment of the team is that the PRSP process has – until now - been successful in Tanzania. This conclusion is based on the following positive points:

1. The work on the PRSP has contributed to a reasonably timely movement to the completion point in the HIPC process in late November 2001.
2. The formulation of the PRSP provided a good opportunity for the Government of Tanzania, at the highest levels, to pull together a number of strands in its various reform processes into a comprehensive framework, setting out key policy requirements for the achievement of poverty reduction, and committing the Government of Tanzania to the implementation of the required policies.
3. Formulation of the PRSP has resulted in significant steps to put into place a data gathering and monitoring framework to track the success or failure of government policy in reducing poverty.
4. The substantive contents of the PRSP included clear policy commitments in a number of areas, particularly the maintenance of a stable macroeconomic framework, the expansion of basic education and health care, the reform of the public service and decentralisation through the enhancement of local government capacity.
5. The PRSP was broadly integrated into the ongoing reform process, drawing on work in progress in a number of key areas of reform, including the Tanzanian Assistance Strategy, the National Poverty Eradication Program, the Public Expenditure Review, Public Administration and Local Government Reform.
6. Technical work on the PRSP was done largely by a national team, with a core group from the key co-ordinating ministries, supported by a network of professional economists from the University of Dar Es Salaam and leading autonomous policy centres. Obviously, the team responded to the Bank/Fund criteria which the PRSP would have to meet, but the work was nationally based, and Bank/Fund staffs were less obtrusive than was typical of earlier formulation of policy-based loans.
7. PRSP preparation was appropriately embedded in the formal government decision-making structure. Preparation was supervised at the political level by a committee of ministries and at the technical level by a committee of high-level administrators. It was finalised under the direction of the President and Cabinet, and the Parliament (Bunge) was briefed on its contents.
8. In the first year of implementation, there was significant progress in some of the key aspects of the program; a serious effort was made by government to identify implementation shortfalls, and steps have been taken to modify the program in the light of experience.
9. The PRSP process has involved a good deal of civil society consultation and participation in the policy dialogue. Gradually, as experience was gained,

government shared important information with civil society participants. On their side, many civil society organisations recognised that the government utilised information they provided and engaged in a serious dialogue on some of the key issues of concern to them. The involvement of the CSOs in the PRSP process encouraged them to analyse and come to terms with complex aspects of issues such as macro-economic policy, debt sustainability and poverty reduction.

10. CSOs have contributed in areas such as local and subject specific data collection and analysis, and often provided innovative service delivery mechanisms. As the PRSP is implemented, CSOs will be well placed to monitor aspects of the impact of the program and focus public attention on the outcomes.

The PRSP does not represent the completion of a policy-making process, but is best seen as one step in a long, continuing effort to improve on policy. If seen as a learning process, the identification of areas that need strengthening is now an important task.

The team identified a number of areas that will require further attention:

1. The PRSP is only one of a number of government policy initiatives and externally funded programs. Given that the time of key officials is a valuable, scarce resource, the transactions costs of negotiation should be an explicit consideration in designing aid modalities. Care is required not to overburden officials by demands placed on them to manage the process. In particular, where possible closely related initiatives should be fully integrated (e.g. the PRSP process and the bilaterally funded Poverty Reduction Budget Support program). It is not helpful to maintain parallel initiatives, increasing demands on limited policy capacity, merely to meet the needs of donors.
2. The substantive parts of the PRSP relating to the links between policies/interventions and targeted increases in income needs strengthening, particularly in terms of the formulation and implementation of programs likely to achieve the target growth in agriculture of 5%.
3. Preparation of the PRSP was hampered by severe weaknesses in the data base, particularly the need to use household budget data from 1991 as a basic data set.
4. Care should be taken not to place pressures on the formulation process that result in the inclusion of unrealistic targets, either in terms of numerical targets for output growth and poverty reduction, or more qualitative targets for institutional reform.
5. There is a need for a more explicit framework for CSO consultation and participation. There are a number of unresolved issues:
 - If consultation is taken too far, will this result in co-option of CSOs, compromising their role as external watchdogs and independent critics?

- As the government must shoulder responsibility in allocating resources between different uses, what is the status of consultation of organisations representing possibly competing interests?
 - How far do those NGOs and CSOs that are largely funded by donors 'represent' Tanzanian civil society?
 - How comprehensively is information on the poverty related interventions of the NGOs and CSOs reported, so that the non-government contribution is effectively incorporated into the national program?
6. In advocating greater consultation, donors should be aware of the (transaction) costs of consultation to all the participants, non-government organisers as well as government officials. Future consultations should therefore be focussed on achieving specific results.
 7. In general, there needs to be greater clarity about what is intended when the involvement of civil society in the policy process is advocated. This relates to who should be involved (who decides who represents civil society?), to the status of consultations and the relationship of such consultations to the accountability of government for policies through established constitutional channels.
 8. If civil society organisations are to be identified as 'representatives' of various constituencies, there needs to be a more transparent process to establish the credentials of the organisations to play that role.
 9. Most existing consultation processes do not directly involve the poor, and given the situation of the poor, it is not clear how they could be drawn into the consultation process, beyond the representation of their interests by their elected political representatives. However, the condition of the poor and the impact of programs can be assessed through such means as participatory poverty assessment, and efforts are being put into place to do that.

Throughout this report, a number of questions are raised about the role of CSOs and NGOs in the policy process. These points are not raised to question either the competence or commitment of those bodies, nor the proven value of their participation in the PRSP process. Rather it was felt that the promotion of new participatory processes represents an important step in the policy-making and aid processes with far reaching implications for the content of policy work, for accountability and even for the evolution of the larger political and constitutional process. Therefore the time may have come for a more searching examination of what is intended, and even of the chosen vocabulary, than has been undertaken so far.

Annex I: List of literature

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