

Study Session on Aid to Africa with DFID Tanzania Representative

July 18th, 2006

JANIC/TCSF/ODA Reform Network

During the international symposium “Can Japan’s ODA save the world’s poor?” on May 27, many issues were raised about the new aid approach for Tanzania but at that time we did not have a clear picture what they are. DFID is the leading donor agency on new approaches (mainly the General Budget Support, Joint Assistance Strategy, and Basket Funding to NGOs). Receiving Mr. Stanton of DFID Tanzania, Japanese NGOs and practitioners have discussed the situation and how such new approach benefits the empowerment of the poor, and the participation of the poor in policy making.

Date/Time: 18/July/2006, 15:00-17:00 (Reception: 17:00 to 18:00)

Venue: The Second Meeting room, International Conference Center, at Center for Scholarly Information,

Co-organized by: TICAD Civil Society Forum (TCSF), Japan NGO Center for International Cooperation (JANIC) and ODA Reform Network

Contents:

- 15:00 – 15:10 Opening Remark by Chairperson
Ms. Sayaka FUNADA-CLASSEN (TICAD Civil Society Forum)
- 15:10 - 15:50 Keynote Speech “Donor Harmonization & the Joint Assistance Strategy in Tanzania”
Mr. David STANTON
(UK Department for International Development in Tanzania)
- 15:50 – 16:10 Discussion 1: The implication to Japanese ODA reform
Comment: Mr. Kiyotaka TAKAHASHI (ODA Reform Network)
Open Discussion with Floor
- 16:10 – 16:40 Discussion 2: Aid reform and the participation & empowerment of the poor
Introducing opinions of the African Civil Society on its relationship with DFID
Comment: Prof. Minoru OBAYASHI (TICAD Civil Society Forum)
Open Discussion with Floor
- 16:40 – 17:00 Round-up Discussion
Comment: Prof. Masao YOSHIDA (TICAD Civil Society Forum)
Open Discussion with Floor
- 17:00 – 18:00 Reception

Contact: TICAD Civil Society Forum (TCSF)

169-0051 1-21-1 Nishi-waseda, Shinjuku, Tokyo, Japan TEL/FAX: 03-5286-8261

e-mail: tcsf_workshop2006@yahoo.co.jp URL: <http://ticad-csf.net/eng/e-index.htm>

[Aim of the Study Session]

The Aim is to have a chance to learn about the new aid approach for Tanzania that pointed out during the previous symposium held May 27th.

- ◆ Although the “Tanzanian Model” was presented as some kind of “model” of “aid harmonization” and “aid effectiveness” by some panelists on May 27th, many Japanese NGOs were not very much familiar with it. This is the primary reason why the Japanese Civil Society approached Mr. Stanton.

Our true aim is to hold an active discussion on (1) Japan’s ODA reform and (2) Participation and Empowerment of the Poor, based on Mr. Stanton’s insightful speech.

- ◆ We have already pointed out our concerns on the current so-called “aid reform” in Japan at the May 27th symposium. This was shared by Mr. Takahashi of ODA Reform Network, and the details can be found at <http://www.ticad-csf.net>
- ◆ Although Mr. Kodama of MOFA-Japan has mentioned the intention of the Japanese government to promote “aid harmonization” and other tools recommended by OECD/DAC or other donors, we know quite well that a vanguard case like Tanzania is still rare for Japan’s aid as a whole. It is important to know an example of good-practice of our aid carried out in Tanzania, but we must know that it is still an exceptional example within Japan’s ODA.
- ◆ Knowing the rareness and advanced nature of the aid harmonization in Tanzania, it will be a great opportunity for the Japanese civil society to learn about it fully, and discuss how we can promote it.

Another point to discuss is “participation and empowerment of the poor”.

- ◆ From the point of view of citizens, “aid effectiveness” must be measured based on the degree of accomplishment for the reduction of poverty.
- ◆ Since DFID’s vision and mandate is clear, that is, “poverty reduction” as Mr. Davis from DFID China mentioned during May Symposium, it is such an obvious thing for UK officials.
- ◆ However, for the Japanese ODA or officials, it is not such an obvious thing. Because Japan’s aid policy does not put “poverty reduction” as its primary objective.
- ◆ Unfortunately, the Japanese officials or politicians have measured aid effectiveness by “thankful statement” by presidents or prime ministers of the recipient countries.
- ◆ That is why it is important for us to learn more about “aid effectiveness” that is discussed in the world.
- ◆ Living in Japan or so called “developed country” or “donor country”, we tend to forget about the people’s voice on the ground. After all, it is not “us” who live in the poverty and face everyday hardship. More than we wish, they wish to be free from poverty. More than we know, they know the reality of their poverty and means to escape from it. Thus, we would like to learn how DFID deals with the deprived or Civil Society in the recipient country, in this case, Tanzanian people.

[Summary of Speech] “Donor Harmonization & The Joint Assistance Strategy in Tanzania” by Mr. David STANTON(UK Department for International Development in Tanzania)

The purpose of the presentation is that to explain about aid harmonization in Tanzania and to explain about what JAST (Joint Assistance Strategy of Tanzania) is about, which is the principle of harmonization in Tanzania.

Tanzania – a Model for Africa? (Background on Tanzania)

- ◆ Tanzania’s total population is 35-36million. Tanzania gained independence from the United Kingdom in 1963. Since then, the country remains politically and socially stable. There have been no significant conflicts for forty three years. Tanzanians themselves identify very strongly with the concept of the nation. That influences the way of the development of Tanzania.
- ◆ Since the beginning of the third phases of administration from 1995 to 2000 under the president Mkapa, the country has managed to establish quite strong political stability and economic growth. Since 2000, Tanzania has been generating 5-7%GDP growth on average and the last year was 6.8% growth. Whole range of the reforms which having been encouraged the donors such as DFID resulted in increasing the funding to Tanzania as considered a good performer.
- ◆ The donors have been supporting the reform of public financial management, to improve the quality of the civil service, the strategic planning of the local government, and the reform of the legal sector. Probably the most important thing for the developing partners is that poverty reduction has been a key policy objective in Tanzania and human development remains a top priority of the government.
- ◆ One of the most striking things is that the national budget in Tanzania has been structured around three principles which are growth, social services and human development. The government’s allocation of money is responding directly to the national strategy to reduce the poverty. In Tanzania, there is a clear structural link between the allocation of money by the government and the poverty reduction strategy.
- ◆ We are beginning to see the quite exciting changes in Tanzania. There are three indicators of how poor people’s lives are changing.
 - (1) First, the number of children enrolled in primary school is increasing, and more than 90-95% Tanzanian children are now enrolled in primary school. But major problems are the quality of education and the percentages of children who go on

secondary school. The percentage of children who go on to secondary school is very low. It is nearly 10 to 15%.

- (2) The second point is the child mortality. The under-five mortality rate and the infant mortality rate have dropped by 1/3 in the last 3-4 years. Because of better education, better awareness of Malaria and the actions preventing the transmission of HIV/AIDS, there are a lot of factors which are contributing to improve the child mortality.
- (3) The third point is the improvement of infrastructure such as roads and access to the market.

Some Big Gaps

- ◆ However, poverty is still broad. About 35% of people live on the less than \$1 a day. GDP for Tanzania is only about \$310. Even though SSA (Sub-Sahara Africa) is very poor, Tanzania is even poorer. This is one of the reasons why DFID puts more money in Tanzanian development programs.
- ◆ The economy of Tanzania is dependent on commodities, such as gold and minerals, and other commodities such as coffee and tea. This is due to the lack of small and medium enterprises and of a productive capacity in the country.
- ◆ Nearly 80% of the poor in Tanzania are farmers. Agricultural is relatively under developed. For example, 85% of the land in Tanzania is cultivated by hand, 10% of the land is cultivated by animals, and only 5% of the land is cultivated by tractors and machines. Therefore, the level of agricultural technology and productivity is extremely low. Japan has been engaged for a long time in trying to redevelop agriculture in Tanzania.
- ◆ The other point is the weakness of education and institutions. Many of those who are well educated are leaving the country. They leave and go abroad, and they work in other countries such as Europe, United States and Asia. This provides a real difficulty in terms of human resources. There is a lack of well educated people to develop these institutions.
- ◆ For 40 years of aid, Tanzania has received significant amount of aid and relatively they have made good progress, but poverty remains a critical concern for Tanzania.

Background to Harmonization

- ◆ The Paris Declaration promotes a model of partnership that improves transparency and accountability of development resources. The Paris Declaration lays down a practical, action-orientated roadmap to improve the quality of aid and its impact on

development. The partnership commitments are organized around the three principles : **ownership, alignment, and harmonization.**

- (1) The first principle of the Paris Declaration is ownership. The aid is more effective when the host country wants to develop and it has its own strategic agenda. If the host country is lead by the host government's own development agenda, it is more likely to be successful. In Tanzania, there is ownership.
 - (2) The second principle of the Paris Declaration is alignment. The donors tried to make sure that everything we do is consistent with Tanzanian strategies not separate form that.
 - (3) The third principle is harmonization. Where we have 14 different donors in Tanzania, there were too many donors and different conditionality. If we all have separate programs and separate monitoring and evaluation procedures, and separate accounting mechanisms, the host country can not manage the aid. It is too complicated.
- ◆ Harmonization means that developing partners agree shared mechanisms, shared instruments, shared processes, shared accountability, and shared monitoring evaluation, so it is simpler for the donors, for the government and for the civil society to manage. Without simplification, the government cannot make the best use of the aid.
 - ◆ In Summary, the most important thing is not the JAST but Tanzania's national strategy for growth and reduction of poverty, known as the MKUKUTA. JAST is just how development partners work with together to support of the MKUKUTA.

Why is Aid in Tanzania Considered Effective?

- ◆ First, there is a very good relationship between the government and the donors. The recommendations of the "Helleiner report" which was jointly adopted by the Government and Donors in 1997 included promoting the Government's ownership and leadership of the development process, together with harmonization of aid to Tanzania by donors. That was turning point. Now in 2006, with very high level of donor confidence in Tanzania, aid increases up to 1.6 billion dollars a year.
- ◆ Second, all donors support the Poverty Reduction Strategy known as the MKUKUTA.
- ◆ Third, there is a whole range of common funding instruments in different sectors, in health, in education, and in an infrastructure.
- ◆ Poverty Reduction Budget Support (PRBS) : 14 donors provide (British programs represent 81% of budget support) \$660million in 2006/07. They believe that the

government of Tanzania is responsible enough to make a decisions for itself, and outcomes would be better if the Tanzanian government decides for itself rather than been told by the donors. When the circumstance is appropriate, DFID believes PRBS is the aid instrument most likely to support a positive relationship between donor and developing country's partners on the poverty reduction, and most likely to help to build the accountability and capability of the state.

- ◆ Budget support is organized as single instrument and single process through the budget guideline. If the aid can be guaranteed for multiple years, it becomes predictable and the government can be confident to receive the money and make long term investments.

What's Needed?

- ◆ Broader-based growth is needed. At the moment, economic growth is focused on the cities like Arusha and Dar es Salaam, but the rural areas which do not have an access to roads still experience poor growth. Tanzania must generate broad based growth that gives impact to poor people, otherwise it just results in increasing disparity between the rich and the poor.
- ◆ Long term public and private investment is needed. The private investment is still very low in Tanzania and business people do not feel confident in the investment.
- ◆ Improvement in skills is needed, e.g. at the local level to ensure health services and educated services are delivered more effectively to the local community.

What Will Change Under JAST(Joint Assistance Strategy of Tanzania)?

- ◆ Government favors general budget support as in the JAST.
- ◆ JAST also says that donors should shift sector funding to General Budget Support, moving projects onto the budget such as health programs, and education programs.

Next Steps for JAST/ Conclusions

- ◆ Next step for JAST is Government Cabinet Approval. Memorandum of Understanding is to be signed by the government and all donors in September.
- ◆ Checking accountability to donor country taxpayers.
- ◆ Forming programs of public services.
- ◆ Tracking outcomes & improve action against corruption.
- ◆ When you work with a lot of different organizations in a harmonized way, everything takes a long time to be happen. And we need to find a way to speed up multilateral agreements and get reform in donors HQs.

- ◆ There are a lot of different JAS in Africa. In Tanzania, all donors signed . The donors have committed themselves to work in a more harmonized way to improve the effectiveness of our aid.
 - (1)Shift from bilateral to multilateral aid effectiveness.
 - (2)This really takes long time to achieve and to reform with not just government but also civil society.
 - (3) It is very important to have independent monitoring agencies such as NGO's and Civil Society.
 - (4)Tanzania is a progressive country, but still a long way to go. We have to be patient.