Indicative Development Cooperation Programme

2010 – 2013

BETWEEN THE GOVERNMENT TANZANIA AND THE KINGDOM OF BELGIUM

DAR ES SALAAM OCTOBER 2009
ABBREVIATIONS

AfDB  African Development Bank
BIO   Belgian Investment Organization
BSF   Belgian Survival Fund
BTC   Belgian technical Cooperation
CPIA  Country Policy & Institutional Assessment
CSO   Civil Society organization
D-by-D Decentralisation by Devolution
DFID  Department for International Development
DGDC/DGOS Director General Development Cooperation
DoL   Division of Labour
DPG   Development Partner Group
DPs   Development Partners
DSM   Dar es Salaam
EAC   East African Community
EC    European Commission
EDF   European Development Fund
EMA   Environmental Management Act
EPICOR Financial Management program
EU    European Union
GBS   General Budget Support
GoB   Government of Belgium
GoT   Government of Tanzania
HDI   Human Development Index
HIV/AIDS Human Immunodeficiency Virus / Acquired Immuno Deficiency Syndrome
HLF   High Level Forum
IDCP  Indicative Development Cooperation Programme
IFMS  Integrated Financial Management Systems
IGA   Income Generating Activities
JAST  Joint Assistance Strategy Tanzania
JLPC  Joint Local Partner Committee
JPC   Joint Partner Committee
LG    Local Government
LGA   Local Government Authority
LGDG  Local Government Development Grant
LGRP  Local Government Reform Programme
MDA   Ministries, Department and Agencies
MDG   Millennium Development Goals
M&E   Monitoring & Evaluation
MIP   Micro Investment Program
MKUKUTA Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
MKUZA Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Zanzibar
MNRT  Ministry of Natural Resources and Tourism
MoEFA Ministry of Finances and Economic Affairs
MoU   Memorandum of Understanding
MTEF  Medium Term Expenditure Framework
MTR   Mid Term Review
NACP  National Aids Coordination Programme
NEP   National Environmental Plan
NFBK  National Forestry and Beekeeping
NGOs  Non Governmental Organisations
NRM   Natural Resource management
NSGRP National Strategy for Growth and Reduction of Poverty
ODA   Official Development Assistance
OECD  Organisation for Economic Cooperation and Development
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>PAF</td>
<td>Performance Assessment Framework</td>
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<tr>
<td>PER</td>
<td>Public Expenditure Review</td>
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<td>PFM</td>
<td>Public Finance Management</td>
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<td>PLANREP</td>
<td>Planning and Reporting Tool</td>
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<td>PMO-RALG</td>
<td>Prime Ministers Office Regional Administration and Local Government</td>
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<td>PPRA</td>
<td>Public Procurement Regulatory Authority</td>
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<td>PRBS</td>
<td>Poverty reduction Budget support</td>
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<td>PRS</td>
<td>Poverty Reduction Strategy</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>SBS</td>
<td>Sector budget Support</td>
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<td>SCF</td>
<td>Study and Consultancy funds</td>
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<td>STDs</td>
<td>Sexually Transmittable Diseases</td>
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<td>SWAp</td>
<td>Sector Wide Approaches</td>
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<td>SWGs</td>
<td>Sector Working Groups</td>
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<td>TA</td>
<td>Technical Assistance</td>
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<td>TANGO</td>
<td>Tanzania Network from NGOs</td>
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<td>TCB</td>
<td>Tanzania Centre for Democracy</td>
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<td>TFF</td>
<td>Technical &amp; Financial File</td>
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<td>TGNP</td>
<td>Tanzania Gender Network Platform</td>
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<td>TNRF</td>
<td>Tanzanian Natural Resource Forum</td>
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<td>TPA</td>
<td>Tanzania Ports Authorities</td>
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<td>TRIAS</td>
<td>Belgium NGO</td>
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<td>TZS</td>
<td>Tanzanian Shillings</td>
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<td>UNDP</td>
<td>United Nations</td>
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<td>VECO</td>
<td>Belgium NGO</td>
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<td>WMA</td>
<td>Wildlife Management Act</td>
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In April 2008, the current IDCP was assessed in cooperation with the Tanzanian partners. The following conclusions were made:

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1 INTRODUCTION

This document is the result of the meeting of the Joint Committee on direct bilateral cooperation between Belgium and Tanzania, held in Dar es Salaam on 26th of October 2009.

The aim of this document is to define the Indicative Development Cooperation Program (IDCP) for direct bilateral cooperation between Tanzania and Belgium for the period 2010-2013, and the framework of its implementation.

The cooperation program wants to contribute fully to the implementation of the Tanzanian National Strategy for Growth and Reduction of Poverty (called Mkukuta 1) and its successor (Mkukuta 2 after 2010). It also wants to contribute to the attainment of the Millennium Development Goals, to which both countries subscribed.

The program also takes into account the following documents:

- The Belgian law on international cooperation of 25th May 1999
- The General Agreement on Direct Bilateral Cooperation between the Kingdom of Belgium and the United Republic of Tanzania signed in Dar es Salaam on 16 of October 2002.
- The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008)
- The EU Code of Conduct on Complementarity and Division of Labour in Development Policy
- The Joint assistance Strategy for Tanzania (JAST) between the Government of Tanzania and its Development Partners
- The National Anti-Corruption Strategy and Action Plan(s) (NACSAP)
- The EU-Governance profiles

The Memorandum of Understanding concerning the Joint assistance Strategy for Tanzania (JAST) between the Government of Tanzania and its Development Partners, to which Belgium is a signatory since December 2006, will guide the planning and implementation of this program.

The present IDCP is also a reference instrument for the other programs and instruments of Belgian Development Cooperation (indirect cooperation, local NGO’s, University Cooperation, Belgian Survival Fund). Synergies with these programs will systematically form part of all interventions during their formulation and further implementation.

Both Parties attach relevant attention to Human Rights and Gender Issues. The Tanzanian Partner recognises the importance of these issues and will give due attention to this during planning and implementation of interventions, financed by the Belgian Bilateral Programme. Due attention will be given to these transversal themes during the Partner Committee Meetings.

The fight against corruption is a common concern for both Governments. They commit themselves to transparency and accountability in order to avoid corruption. The Government of Tanzania will implement its anti-corruption strategy and action plan NACSAP. Its implementation will be closely monitored by the Partner Committee. The core activities of NACSAP consist of self-monitoring and evaluation by ministries, departments and agencies of government. Also, no offer, payment, consideration, gift or benefit of any kind, which could be regarded as an illegal or corrupt practice, has or will be made, promised, sought or accepted, neither directly nor indirectly, as an inducement or reward in relation to development interventions resulting from this Indicative Cooperation Programme,
including tendering, award or execution of contracts. Any such practice will be grounds for appropriate action. Both Governments have the mutual obligation to inform each other about all incidents and suspected incidents of corruption that occur in relation to the use of the funds planned for in this ICP; in case of budget support, the Government of Tanzania will act likewise with regards to the execution of the overall national (or relevant sector) budget. If it fails to fulfill these commitments the Government of Belgium may, without affecting other interventions:

- withhold/suspend any future disbursements;
- reclaim all or part of funds already disbursed;
- renegotiate this ICP.
2 PRIORITIES OF THE TANZANIAN NATIONAL POLICIES

The National Vision 2025 spells out Tanzania’s long-term development vision, which outlines the main attributes that Tanzania is expected to have attained by the year 2025. Tanzania’s first medium-term Poverty Reduction Strategy Paper was implemented between 2000 and 2004. In 2004 the Government of Tanzania formulated the National and Zanzibar Strategy for Growth and Reduction of Poverty (NSGRP/ ZSGRP), also known under the Swahili acronyms MKUKUTA/MKUZA (2005/06–09/10). Unlike the first PRS, it adopts an outcome based rather than a priority sector oriented approach, focusing on three broad clusters: (i) growth and reduction of income poverty; (ii) improvement of quality of life and social well being, and (iii) governance and accountability.

A Joint Assistance Strategy for Tanzania (JAST) that is being supported by the Development Partners, ensures the implementation of the MKUKUTA. Its objectives, activities and finance are operationalised in a Medium Term Expenditure Framework. It is managed, planned for and reported through comprehensive management systems from national down to district level. After the Annual Review for General Budget Support, which shall take place in November 2009, major changes in the JAST might occur.

Tanzania defines its priorities in an integrated way on results and specific (reform) themes. As a result, one overall ‘basket’ of support exists out of which MKUKUTA related programs and activities are financed (and monitored), i.e. General Budget Support (GBS) being called Poverty Reduction Budget Support (PRBS), as well as ‘baskets’ for specific policy reform themes or contributions to (parts of) MKUKUTA related sectors:

- Public Financial Management Reform,
- Public Service Management Reform,
- Legal Sector Reform,
- Local Government Reform,
- Anti-corruption Plan

Recent poverty monitoring data show that poverty reduction is not keeping pace with the speed of economic growth. Improvements in economic and social well being of the population need to be speeded up if MDGs are to be reached in 2015.

Hence, a new PRBS document, the Mkukuta II, is expected to have a strong growth focus and could be operational from the start of the fiscal year 2011/2012.

In its recent third review of the Policy Support Instrument (PSI) the IMF concludes that the economy of Tanzania continues to perform well with high economic growth (5%) rates and good medium term prospects (7%). Tanzania has sustained high rates of broad-based economic growth with generally low inflation over the past decade. Government revenues are assumed to increase while external debts decline.

However, three main challenges are identified for the short term: maintaining fiscal stability in the face of uncertain financing caused by development partners’ attitude towards GoT approach to governance
issues; dealing with inflationary pressures caused by increases in oil and food prices; addressing governance weaknesses and strengthening public accountability. In the longer term structural and institutional reforms should aim at further raising Tanzania’s growth potential. The report concludes that public priorities are appropriately focusing on improving infrastructure and public services in education and health through a decentralization process.

3 BELGIAN DEVELOPMENT OBJECTIVES AND POLICIES

The general objective of the Belgian development cooperation is to contribute to sustainable human development through poverty reduction and strengthening democracy and good governance 1.

Major sectors of interventions are: primary health care, education and training, agriculture and food security, basic infrastructure and good governance. Belgium puts a special emphasis on some specific transversal themes, which are equal rights for women and men (gender), sustainable management of the environment, and human rights – especially children’s’ rights.

Belgian interventions are strongly oriented towards the Millennium Development Goals, which are directly linked to the above mentioned sectors and themes.

Belgium adheres to the principles of the Paris and Accra declarations and the EU Code of Conduct on Complementarity and Division of Labour in Development Policy.

Belgium will therefore limit its interventions to two sectors or crosscutting reform themes (preferably one productive and one social sector), and rely on the development aid mechanisms and policy dialogue structures as agreed upon with other Development Partners in the Joint Assistance Strategy for Tanzania (JAST), also signed by Belgium.

Furthermore Belgium has taken the firm commitment to spend 0.7% of its GDP as ODA in 2010. As a result it is scaling up its efforts in the Indicative Development Cooperation Programs with its partner countries. The Belgian Government has taken a clear commitment towards more use of country systems. During the formulation of each intervention foreseen under this IDCP, the implementation modality will be decided upon. The questions of which processes and systems could be applied as well as how the responsibilities are shared between both governments, will be considered on the basis of a supplementary risk analysis of the quality of the Tanzanian implementation and monitoring systems (institutional and organizational).

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1 Belgian Law on bilateral development cooperation May 25, 1999
4 THE BELGIAN-TANZANIAN COOPERATION

Tanzania is a partner country of the Belgian bilateral cooperation since 1982. The Government of Belgium (GoB) and the Government of Tanzania (GoT) signed a second General Agreement on direct Bilateral Cooperation on 16 October 2002. Under this Agreement the Ministry of Finance and Economic Affairs of the Government of Tanzania and the Directorate General Development Co-operation (DGDC) of the Federal Public Service Foreign Affairs, Foreign Trade and Development Co-operation of the Government of Belgium act for the GoT and the GoB respectively.

Besides direct bilateral cooperation (focus of this IDCP), Tanzania benefits from Belgian development cooperation through the following other channels:

- the indirect bilateral cooperation, via NGOs and Universities
- the multilateral cooperation
- the projects and programs funded through the Belgian Survival Fund
- conflict prevention & peace building activities
- the Belgian Investment Company for Developing Countries (BIO).

The total Belgian ODA to Tanzania in 2008 was 12.8 million euro, of which 5.7 Million euro was direct bilateral cooperation. This does not include non-carmarked contributions to the EDF and multilateral organisations.

5 OVERVIEW OF DIRECT BILATERAL COOPERATION

The last Joint Commission on Development Cooperation took place in Dar es Salaam on 15 and 16 October 2002 and approved an IDCP for € 40.3 million, originally foreseen for 4 years. The Belgian Survival Fund, EDF and additional TA have added another € 7.8 million to the budget. Meanwhile, due to slow disbursement rates the current IDCP has been extended till 2009.

Under the current IDCP Belgium is active in 5 areas of concentration and 2 special programmes:
Areas of concentration :
- Education
- Health and HIV/AIDS
- Environment
- Infrastructure
- Governance

Programmes
- Socio-economic activities (Agriculture)
- Multi-sector support

In these sectors and programmes 18 interventions have been or are implemented under the IDCP:
2 basket fund contributions, 15 direct projects and 1 TA service (NRM). There are three key interventions in the current IDCP that fall under multi-sector aid: the Study and Consultancy Fund (SCF), the Micro Interventions Programme (MIPs), and the Scholarship Programme. The details of the present direct bilateral cooperation program are given in annex 1.
6 ASSESSMENT OF IDCP 2003-2007

In April 2008, the current IDCP was assessed in cooperation with the Tanzanian partners. The following conclusions were made:

- The scope of the current IDCP was far too broad: Belgium has engaged in too many sectors with rather limited resources, presenting challenges to harmonising with other Development Partners and aligning with Government of Tanzania’s priorities, and to attributing impact.

- The geographical dispersal of the projects under the current IDCP has made it difficult to have an effective Monitoring and Evaluation system and a coherent approach to the bilateral cooperation.

- The predictability of the expenditures needs to be improved.

- The project cycle has taken too much time and initial project designs were taken over by events, thus requiring adjustments at implementation stage.

- The portfolio approach of the bilateral cooperation under the current IDCP was an opportunity for alignment and harmonisation. However still, 50% of the IDCP was spent through projects, mostly under co-management and not fully integrated in the Tanzanian systems.

- The *modus operandi* for project management might move increasingly towards extended use of country systems, based on an additional analysis of the quality of the Tanzanian execution and monitoring systems already used in the current IDCP.

These recommendations are instrumental for the new Indicative Development Cooperation Program.

In view of Government of Tanzania priorities and the proposed Division of Labour, between the Development Partners in Tanzania, concentration in the following sectors is recommended for the new Indicative Development Cooperation Program:

- Local Government Reform
- Natural Resource Management (NRM)

The GoT’s request to consider these sectors confirms the comparative advantage of the Belgian expertise in Tanzania.
7 INDICATIVE DEVELOPMENT COOPERATION PROGRAMME 2010-2013

7.1 Introduction
The IDCP is the result of a policy dialogue on development co-operation between the two governments, taking into account policies and needs of both governments, as well as the division of labour between the development partners and the DPG architecture.

The present distribution of the overall budget of 60 mio € is indicative; internal reallocations can be discussed annually during the Special Partner Committee for approval by both governments.

The selection of intervention sectors for this direct bilateral cooperation is based on the following criteria: (Paris/Accra):

- Belgium will limit its interventions to two sectors (one productive and one social sector);
- The proposed Division of Labour elaborated by the GoT in November 2008;
- Sectors of the bilateral direct cooperation as identified in the Belgian Law on Development Cooperation
- Experience and added value of Belgian Cooperation in the selected sectors;

The cross-cutting themes (gender equality, environment and children’s rights) are taken into consideration for each sector selected. Results to be obtained will be defined for each intervention with appropriate specific budgets and indicators.

To improve Results Based Management, a results Matrix is proposed in annex. This matrix should be developed in a participatory way between the two partners and will be further developed during the identification and formulation process of the selected projects and programmes. The matrix will be reviewed at the Partner Committees so that both parties can better follow-up on results obtained.
1 **Sector I: Local Government Reform** through:
   - Component 1: Local Government Development Grant System
   - Component 2: Decentralisation of PPRA (Public Procurement Regulating Authority) services for Local Government

2 **Sector II: Natural Resources Management** through:
   - Component 1: Continuation of the Kilombero Ramsar Site Management Programme
   - Component 2: Beekeeping project (consolidation phase)
   - Component 3: Development of a coherent bottom up approach of NRM.
     - At district level:
       - Component 3.1: Development of 'Natural Resources Management'-plans (including land use plans) in a selected number of pilot districts.
       - Component 3.2: Take off of the implementation of these 'Natural Resources Management'-plans in a selected number of pilot districts
     - At national level
       - Component 3.3: Development and approval of a nationally coordinated NRM-strategy and -policy.

3 **Multi-sector Aid** through:
   - Study and consultancy fund (widening of scope)
   - Scholarship project
   - Micro Intervention Programme

4 **Non priority sectors – through delegated cooperation:**
   - Transport and Infrastructure

5 **Exit strategy for ending programmes in non-concentration sectors**

6 **Cooperation with Belgian Indirect actors (NGO’s, Universities and BIO) and Tanzanian civil society**
   - Synergy project between Belgian NGO’s and bilateral cooperation
   - Direct support to CSO’s
   - Creation of a platform
   - Support from BIO
7.2 Sector I: Local Government Reform

7.2.1 Diagnosis
The Local Government Reform programme is one of the 5 major reform programmes of Tanzania and important for service delivery at local level and reduction of poverty. It matches Belgian interests in reducing poverty and values its experience in working with the local government capital development grant and local governments in the previous IDCP through various projects.

The programme fully complies with current policies on development cooperation of Belgium as well as the international community. By using existing government systems, harmonised and aligned aid modalities and by being fully in support of the National Poverty Eradication and Economic Growth Strategy, the LGRP and LGDGS are in line with the Paris Declaration and contribute directly to the achievement of the Millennium Development Goals.

7.2.2 Objectives

- **General objective:**
  Equitable socio-economic development, public service delivery and poverty reduction across the country are accelerated.

- **Specific objective:**
To achieve devolution of Government role and functions and, to that end, transform Local Government Authorities (LGAs) to become competent as strategic leaders and coordinators of socio-economic development, accountable and transparent service delivery and poverty interventions in their areas of jurisdiction. The expected results of the Belgian contribution to this objective, are that the LGA’s are strengthened in order to improve equitable and gender sensitive public service delivery and that the capacities of PPRA are enhanced at local level.

7.2.3 Elements of the cooperation strategy

- **Integration in the national and sectoral policy and strategies**
In 1999, Tanzania launched the Local Government Reform Programme (LGRP), which is a vehicle for the operational aspects of the Decentralization by Devolution Policy.
It aims at empowering the Districts, Towns, Cities and Municipalities (all referred to as the Local Government Authorities) to improve public service delivery.

The principle of the local government reform support is based on ownership and leadership by the Government of Tanzania, encouraging decentralisation of aid, good governance in LGAs and alignment to Government systems.
The key ministry is the Prime Ministers Office-Regional Administration and Local Government (PMO-RALG).

The funding mechanism within the LGRP, the Local Government Development Grant System (LGDGS, see 7.2.5: component 1), is also managed by this Ministry in close cooperation with the Ministry of Finance and Economic Affairs.
The Program and the System are financed through a pooled fund mechanism (basket) jointly operated by GoT and participating DPs in a well established and extensive dialogue structure.
The basket allows DPs to choose where their funds are being used, either for the programme or the system or both.

This program ended in 2008 and was jointly positively evaluated by GoT and participating DP’s. To date, LGRP has achieved, among other things, an increased awareness of local government reform, enhanced capacities of local authorities and more people’s participation in local development.

The second phase was formulated in 2008 with the objectives to consolidate the gains made under the first phase, to continue the capacity building in local governments and to embed the devolution process across the whole of government. For this phase the parallel implementing unit was abolished to allow the parent ministry (Prime Ministers Office) to take full ownership of the program.

- **Geographical concentration**
  Since the program aims at empowering the Districts, Towns, Cities and Municipalities (all referred to as the Local Government Authorities) throughout the whole country, there is no specific geographical focus. However, links will be made with a limited number of well defined district programmes for Natural Resources.

- **Target population**
  The second phase of LGRP (LGRP II) will specifically address issues at lower level government and involve civil society more in the policy dialogue on the reform as well as in the implementation thereof.
  The programme targets the population of Tanzania Mainland (Zanzibar has a separate reform programme) in an equitable and transparent way.

- **Sustainability**
  The management of LGRP II is fully mainstreamed in the parent ministry responsible for Regional Administration and Local Government (PMO-RALG) and will gradually be incorporated in regular government business. This means that, once the reform process at LGA level is finished and the decentralisation process has been adopted across government in ministries, departments and agencies, LGAs will be fully responsible for the local management of a discretionary budget provided yearly by the GoT.
  The LGDGS will gradually grow into the single transfer system between central and local governments as pro-claimed by government and re-affirmed in the MoU for the second phase of the LGDGS.

There are two basket funds established to channel DPs support to the decentralization process: the LGRP Common Basket Fund and the LGCDG Common Basket Fund. Some DPs have opted to finance exclusively the local development grant system (i.e. Belgium), while others have preferred to support the wider local government reform. However, to ensure proper coordination between the LGRP II and the LGDG reform activities, there will be a single Common Basket Fund Steering Committee to oversee the two separate common basket funds for the LGRP and the LGDG, respectively.

The Common Basket Fund Steering Committee is chaired by the PS of PMO-RALG and attended by MOF, PS’s of key sector ministries (health, education, land, infrastructure, livestock and fisheries, agriculture), the head of the Reform Coordination Unit, all DPs, ALAT, three directors of LGAs, and two non-state actors. The Committee approves the annual audit report (of LGRP
II), the medium term and annual workplans, and budget and implementation progress reports on the LGRP II reforms and the release of funds for LGDGs.

Belgium is present in the Common Basket Fund Steering Committee, along with Finland, Germany, Ireland, Japan, the Netherlands and Sweden. So far DPs have shown sound understanding of the reform process, good communication with the GoT as well as an excellent capacity to make joint decisions regarding their disbursements.

On LGDGs the GoT and DP’s meet in the Technical Coordination Committee to advise the Common Basket Fund Steering Committee and the Programme Implementation Coordination Committee on actions and decisions to be taken.

The Programme Implementation Coordination Committee (PICC) is the final decision making body on policies and implementation issues. It is institutionalised in the Reform Coordination Unit and has the Principal Secretaries of the stakeholder Ministries as its members.

7.2.4 Transversal themes

- Gender
  The GoT has taken affirmative action to include women in decision making. In the local Government Councils, women are assured 33% of the seats, while in the Union Parliament women are assured of 20% of the seats. The Strategic Country Gender Assessment refers to a table on ‘Men and Women in Politics and Decision making’ indicating that there has generally been a progress in the representation of women in most areas of public life over the last five years.

  Gender budgeting processes are being institutionalized in all ministries, regional and local authorities.

The Tanzania Gender Networking Programme (TGNP) is a non governmental organisation, focusing on the practical promotion and application of gender equality, equity and women’s empowerment objectives through policy advocacy and mainstreaming gender and pro-poor perspectives at all levels in the Tanzanian society and beyond.

Belgian cooperation considers financing certain aspects of TGNP-work (Tanzania Gender Networking Programme) under the Support to Civil Society programme, with a special focus on reinforcing Gender issues at local and district levels

- Environment
  The development of a NRM-window under the LGDG system and the reinforcement of the decentralized natural resources management services will automatically contribute to improved environmental management at the local levels.

- Human rights, with a specific focus on children’s rights
  There is no specific Human Rights component under the Local Government Reform Programme.
  However, the basic principle of the LGRP is decentralization by devolution, aiming at empowering the Districts, Towns, Cities and Municipalities to improve public service delivery. Improving Public Service Delivery will not specifically address Human Rights issues but will more generally improve education, health, agricultural services, water
provision etc., which will also contribute to improving basic conditions for man and woman, and especially children. Gradually the LGRP will create more involvement of the population in decision making and a more critical civil society engagement for civil and political rights, women and children rights.

- **Good governance/fight against corruption**

  Local Government Reform is one of the underlying processes in the Cluster Good Governance and Accountability in the National Strategy on Growth and Reduction of Poverty. This theme is therefore intrinsic in the overall programme direction and is expected to contribute directly to improve accountable governance and combat corruption at those service delivery entities, e.g. LGA’s, villages and towns.

### 7.2.5 Components

The Belgian bilateral support will concentrate on the following components:

- **Component 1: Local Government Development Grant System**

  The Local Government Development Grant System is a fiscal decentralization programme, which aims to compensate Districts for the abolishment of a number of locally enforced taxes by creating an intergovernmental budget transfer system to LGA’s. This funding modality became known as the LGCDG System, the Local Government Capital Development Grant System. Next to the LG Development Grant, LGAs receive sector specific grants for Agriculture, Education, Health and Water/Sanitation using the same system. Local Government Development Grant System is financed through a basket in a sector budget support modality approach.

  The LGDG system requires larger amounts of money to complement GoT efforts and it is recommended to focus financial support here.

  Support to LGDG only (and not the reform programme itself) does not limit the participation in the LGRP dialogue with DP’s and GoT nor does it limit a role in the wider context of the overarching dialogue structure in the framework of the national poverty reduction and economic growth strategy (MKUKUTA).
• **Component 2: Decentralisation of PPRA (Public Procurement Regulating Authority) services for Local Government**

The LG Reform Programme offers opportunities to add to the portfolio approach with a project concerning PPRA for improved coherence.

Since the LGDG is a capital investment grant for LGA’s most funds provided under this system are expended through procurement processes. The independent national Public Procurement and Regulatory Authority requests assistance from DPs to establish four zonal procurement centres to facilitate the enhancement of local procurement processes by building capacity in local government and private sector and by providing supervision over procurement compliance. Combating fraud and corruption and improving value-for-money contracting would greatly support the effectiveness and efficiency of the local government reform program. The zonal centres will be built first as training centres and later expanded into full procurement service centres.

Belgium’s experience in procurement according to GoT rules in its co-managed district level projects indicated the need for building the capacity of both local government staff as well as private contractors in procurement regulations and procedures. The procurement function is largely underdeveloped at local government level. Recently new legislations have been adopted, but the rolling out of practices from national to local level has hardly begun.

Belgium can provide assistance in building capacities at lower levels of government in the context of the decentralisation process. To this end Belgium will provide financial support and procurement expertise to decentralised operations of PPRA.

Belgium will concentrate on the capacity building aspect, namely knowledge and experience sharing in the use of procurement systems at lower levels of government. To this effect Belgium will support the establishment and operationalisation of the Zonal Centres in an effort to enhance the quality of Local Government Administrations. Consequently they can adapt to their new roles and responsibilities under the overall Local Government Reform process.

Belgium will provide a number of man-months **Technical Assistance** to assist PPRA in developing curricula on procurement to be used in institutes of higher learning. The TA component will also be used to provide guidance on operationalizing the zonal centres.

### 7.3 Sector II: Natural Resources Management (NRM)

#### 7.3.1 Diagnosis

Natural Resources Management (NRM) is economically seen an important sector. This is also linked to the wider environment theme. The National Strategy for Urgent Action on Land Degradation and Water Catchment Areas (DoE 2007) has identified six major environmental problems for urgent attention: land degradation, lack of access to good quality water for both urban and rural inhabitants; environmental pollution; loss of wildlife habitats and biodiversity; deterioration of aquatic habitats and deforestation. Improvement in the management of natural
resources will directly affect four of those problems and contribute to a decrease in environmental pollution and improved access to good quality water. Natural resources offer opportunities for long-term economic development and poverty reduction provided that resources are managed and utilised in a sustainable manner. This is reflected in the current National Growth and Poverty Reduction Strategy (MKUKUTA), which recognises the link between poverty and environment and includes a number of environmental indicators. While the Ministry of Natural Resources and Tourism (MNRT) has a Policy and Planning Division, there is currently no single overall natural resources management strategy. Each division within natural resources (wildlife, forestry and beekeeping) has its own strategy/policy. There is, however, a common feature to the sector policies since the sustainable management of natural resources is dependent on a decentralised approach with management of the resources at the lowest appropriate level. Need for more focus is therefore required in the discussion between the GoT and the various DPAs on the one hand, but coordination of the various ministries concerned (NRM, PRO-RALG, Environment, ...) is also vital to make more progress. In order to deal with planning of NRM activities that have an outreach beyond the jurisdiction of one single LGA, coordination structures have to be put in place at the appropriate levels.

7.3.2 Objectives
- General objective:
The principal objective of the natural resources sector is to enhance its sectoral contribution to the national economy to meet Tanzania’s future needs through conservation and proper management of resources.

Belgium is committed to contribute to a broader framework and enhanced capacity for policy making on decentralised Natural Resources Management and Environment issues.

- Specific objectives
  - Wetlands: Sustainable wetland management is improved through the development and implementation of management plan for the lower parts of the Rufiji basin. Experiences of this project are integrated in other management programmes
  - Beekeeping: the expected result of the Belgian contribution is; well-being of rural population is improved through increased income as a result from its beekeeping activities. Relevant lessons from income generating projects, putting less pressure on the environment, are incorporated into other programmes
  - Development of a coherent bottom up approach of NRM.
    - At district level:
      - Component 3.1: Development of ‘Natural Resources Management’ plans (including land use plans) in a number of pilot districts.
      - Component 3.2: Take off of the implementation of these ‘Natural Resources Management’ plans in a selected number of pilot districts.
    - At national level
      - Component 3.3: Development of a nationally coordinated NRM-strategy and –policy and discussion in an appropriate forum.
7.3.3 **Elements of the cooperation strategy**

- Integration in the national and sectoral policy and strategies
  Since there is no single natural resources management strategy currently and each sub-sector within natural resources has its own policy, coordination structures of the various lead ministries have to be put in place to make more progress, and efforts have to be made for an encompassing policy framework.

  The Tanzanian Government is interested in the elaboration of a sub-swap for Forestry and Beekeeping (Joint Financing Agreement for National Forest and Beekeeping Program). However, there is also a clear need for a larger view on (decentralized) NRM. Belgium will, in the course of this IDCP, collaborate with GoT and the donors involved in order to establish a broader sectoral policy framework.
  Meanwhile, Belgium wants to invest in the policy dialogue on the establishment of the decentralised NRM. A wider intervention at programme/project level in NRM is considered, albeit without losing the linkages to a national policy level. This investment in enhanced policy making capacity is conditional for a possible sectoral budget support in a later stage.

- Geographical concentration
  One of the lessons learned in the IDCP 2003-2007 is that Belgium should concentrate its development efforts in a more concise geographical area to reduce overhead costs in management, monitoring and evaluation while at the same time having a greater impact per area of intervention.
  While the new IDCP projects would further concentrate on Kilombero and Kigoma, district and national strategy support is not linked to a specific geographical area.

- Target population
  General population in the target area’s, but with a specific focus on women and vulnerable groups.

- Sustainability
  The Belgian Cooperation wants to commit itself to extended periods of time, preferably covering 2 or 3 consecutive IDCP’s (e.g. 12 years). Project interventions will be more sustainable when linked to efforts in favour of a broader policy framework.

7.3.4 **Transversal themes**

- Gender
  In 2000, Tanzania adopted a Women and Gender Development Policy to ensure gender mainstreaming in all government policies, programs and strategies. The major objective of the Community Development policy is to enable Tanzanians as individuals or in their families and/or groups or associations to contribute more to the government objectives of self-reliance and therefore bring about development at all levels and finally have a bigger national growth.
In 2005 the National Strategy for Gender Development specifies how gender mainstreaming can be implemented throughout the different sectoral departments.

Since the Natural Resources Sector creates many opportunities for employment, due attention should be given to the question how women and men can capture their economic role and therefore, how the whole society can benefit from mainstreaming gender throughout the economic system.

Gender patterns in employment, in farm and non farm activities have changed in Tanzania during the last ten years, as an increasing number of women have become active in market-oriented activities, and have become more responsible for providing cash needs of the household. Women are in the forefront in expanding micro and small enterprises in what is often referred to as the informal sector.

When formulating new interventions, these elements will be brought to a more operational level.
In the existing interventions that will be continued (albeit in slightly re-formulated ways), gender is taken into consideration in the following ways:
- Beekeeping: offers important opportunities for women employment.
- Kilombero / Wetlands project: gender considerations have been taken into account and women are part of the village land use committees and its decision making processes.

**Environment**

All proposed interventions have strong environmental impact, to be detailed in the formulation phase.

**Good governance/fight against corruption**
The proposed interventions focus on decentralised NRM with participatory approaches as a basis. Creating awareness and involving communities in the decision making process will lead to improved governance and more critical control by civil society and communities, sensitizing them in the fight against corruption.

**Human rights**

Environmental management in essence will preserve natural resources for future generations, which represents one of the most fundamental ‘human rights’ for the future.

**Children’s rights**
Since children constitute almost 47% of the Tanzanian population, they are an important segment of the Tanzanian society. The Belgian support to NRM should take into account the Tanzanian Child Policy in order to reduce and eliminate problems facing children and provide direction on the best way of educating children.

### 7.3.5 Components

The NRM-sector will be supported through an integrated approach. In comparison with the previous IDCP 2003-2007, the number of interventions is reduced and the respective components
are interlinked in order to guarantee a more coherent programme which will lead to an overall increase of impact in the long run.

The Belgian bilateral support will concentrate on the following components:

- **Component 1: Continuation of the Kilombero Ramsar Site Management Programme**

  Under the IDCP 2003-2007 Belgium assisted the District authorities to develop and implement a management plan for this valuable wetland eco-system of international importance. It may be expected that at the end of this phase (scheduled for 2011) a management plan is ready. However, the implementation would still be very much in its infancy.

  Continuation of this support would ensure that the implementation of the integrated management plan is given due attention and is used to increase capacity in adaptive management techniques and in using the management plan as a tool.

  The mid-term review took place in August 2009 and its recommendations will be taken into consideration.

  Consequently, a second phase of support is justified. Kilombero Ramsar Site is part of a larger complex of wetland systems in the Rufiji river basin, with the Rufiji-Mafia-Kilwa Ramsar Site at the delta of the Rufiji River. These eco-systems are obviously interdependent and a **study into the development of an integrated management plan for the lower part of the Rufiji basin** would take the presently local intervention level to a higher level of national interest. Current and planned commercial uses of the basin (bio-fuel, WMA’s, tourism, hydro-electric energy generation, mining, impact of pastoralists, etc.) have the potential to greatly affect the basin system, while data to assess its vulnerability or resilience are mostly absent.

  Through the National Wetlands Working Group, the experiences from the Kilombero Ramsar Site are reported to stakeholders at the national level and similarly experiences from other Ramsar Sites, such as Malagarasi-Muyovozi, and other wetland activities are fed back to the management team.

- **Component 2: Beekeeping project (consolidation phase)**

  The Beekeeping Improvement Programme in Coast and Kigoma Regions has revealed that the Kigoma area may have the best potential for this activity.

  A final evaluation of this programme is to take place early 2010 and could be used to formulate the exit strategy for the Coast component of this programme and a continuation in Kigoma.

  Continuation of the Beekeeping programme could also integrate some experiences from the Kigoma component of the Income Generating Activities Programme, currently running parallel to the Beekeeping Improvement Programme.

  The beekeeping programme offers excellent opportunities for demonstrating NRM-related economic development and poverty reduction. The emphasis on market-chain improvement of the Belgian beekeeping project has been replicated in other similar projects in other areas. Once this approach is embedded sufficiently, Belgium would gradually phase out of the Beekeeping project (towards 2012-2013) and emphasize more on larger development issues at stake in the broader NRM-sector.
Component 3: Development of a coherent bottom up approach of NRM.

This component will be implemented both at district and at national level. It contains three distinct elements, which will be developed chronologically. The rationale for this approach is the following: the results of every activity will feed into the next activity. The success of the previous activity is a necessary condition for the achievement of the following result. The long term impact of this program will be the development of a nationally coordinated umbrella strategy and policy, as a framework for the lower decentralized levels. Hence, this framework will be based on a bottom up philosophy rather than a top down approach.

At district level:

Component 3.1: Development of 'Natural Resources Management' plans (including land use plans) in a number of pilot districts.

The point of departure for the selection of a number of pilot districts are the logframes of the Selous- and Kilombero projects, where Belgium is developing land use plans at the moment (IDCP 2003-2007). A representative sample of other districts, scattered throughout Tanzania, can be included in this pilot program but preferably on a voluntary basis.

It is vital to have NRM plans at a district level when making decisions on wetlands or other natural resources at an ecosystem (inter district) level. Belgium has so far assisted with village land use plans in the Eastern Selous and Kilombero Projects (four districts). Based on these experiences, NRM-plans will be further developed at district level in close consultation with some of the project teams Belgium is already working with. In addition, these projects have also facilitated GIS based natural resources information systems in the districts concerned. Thus Belgium is well placed to assist with the development of district NRM-plans in these districts. The intervention would serve a dual purpose of

i) developing a standard methodology for district wide natural resources/environmental management planning

ii) trialling/fine tuning the methodology in these pilot districts.

In addition, these plans will not remain limited to the theme of ‘land use’, but other subsectors of NRM (forestry, fishery, wetlands) will be included, except for natural resources below the ground level.

Finally, these plans will have to be approved at the competent policy level in order to guarantee their implementation in a later stadium.

Component 3.2: Take off of the implementation of these ‘Natural Resources Management’-plans

After mature consideration with the districts chosen in component 3.1, a fixed number of pilot interventions shall be chosen for Belgian financing. The selection of these interventions will be based on the district NRM strategies, which are elaborated through the district NRM-plans. Depending on the
available budget, the selections will take into account as many distinctive sectors and districts as possible in order to create a representative image on how an integrated and coordinated NRM-policy could be composed.

If this leads to positive results, a synergy could be provided with the decentralisation process under the Local Government Reform Programme and the dialogue on establishing greater autonomy for Local Governments to manage their own environment. In order to do so, NRM plans at district level will be a prerequisite for accessing funds if an integrated NRM funding mechanism is developed as a window under the Local Government Development Grant. Hence, the model, mentioned under 3.1, could then be adapted as a standard in preparation for the accessing of decentralised NRM funds. It can be used to develop an encompassing and useful funding mechanism at central level, to support district governments in their natural resources management. By linking the Belgian NR-program to the Tanzanian LGDGS-program, the creation of a NR-window could be facilitated. Since this funding mechanism falls under the responsibility of MoFEA and PMO-RALG, this issue shall be further developed in the relevant policy dialogue.

- At national level
  - Component 3.3: Development of a nationally coordinated NRM-strategy and policy.

Based on the outputs of components 3.1 and 3.2 on the one hand and on the other hand through active participation in the policy dialogue at national level and after extensive consultation with the relevant partner institutions (at the different policy levels and within the different subsectors), a globally coordinated policy and an national strategy of the Tanzanian Natural Resources Management shall be developed and approved.

7.3.6 General considerations for NRM sector

- Technical assistance

The need for continuation and/or extension of the existing Technical Assistance is crucial for an effective follow-up of the NRM programme and more specifically for coordination of the elaboration of the NRM plans at district level. In order to ensure continuity in the follow up of the ongoing programme, the formulation of an exit strategy and the migration to new project set-ups, it is necessary to extend the contract for the present TA in NRM seamlessly.

- Governance and accountability

Belgium will give a specific attention to reinforce accountability mechanisms in the sector, on decentralized as well as at national level. It is clear from the proposed interventions that the Belgian contribution is strongly focused on the decentralised level of NRM. By reinforcing the
participatory mechanisms (such as participatory Forest Management, community involvement in the management of Wildlife Management Areas, etc) accountability mechanisms should be reinforced as well. Additional attention will also be given to CSO-control mechanism such as the TNRF (Tanzania Natural Resources Forum) etc.

7.4 Multi-sector Aid

7.4.1 Study, Consultancy and Expertise Fund: widening of scope

The fund will concentrate its studies and consultancies on the sectors of Local Government Reform program and Natural Resources Management. The scope of the fund will be extended to include also medium to short-term expertise (maximum 24 months) for activities related to the sectors of this IDCP and to the implementation of the Paris Declaration in Tanzania. The beneficiary could be the Ministry of Finance and Economic Affairs, the ministries relevant for the sectors supported by this IDCP and the lower administrative levels.

On request of the Tanzanian Government, the Fund might be used to engage expertise to bring in know-how and support in specific areas if this would reveal itself as necessary during the implementation of the LGDGS. The deployment of Expertise in a more flexible way, not exclusively tied to a specific intervention only but to the sector as a whole would greatly improve the effectiveness of Experts and add to the creation of synergy in the portfolio. During identification and formulation of the interventions, this approach to Expertise will be explored.

For the support to the decentralization process, Belgium strongly suggests to consider the input of additional economists, public finance specialists, secretarial staff etc.

For the NRM-program, additional experts might be useful in order to be able to strengthen the projects but meanwhile link them in between and with the reinforcement of district and national NR planning and management. A combination of long term and short term Expertise (both international and local) will be necessary to be able to reach the planned results and to contribute to the policy dialogue with enough technical knowledge. Working with the District Councils while feeding the gained information back into the policy dialogue at National level would provide a synergy with the decentralisation process under the Local Government Reform Programme and the dialogue on establishing greater autonomy for Local Governments to manage their own environment. Expertise can be used to enhance this process.

The Local Government Reform Programme, which is managed by PMO-RALG, also recently established the office of a Wetlands Management Coordinator. Belgian Cooperation could provide expertise to this office to assist with further integration of wetland management into mainstream government reform and the institutional development of the inter district management/coordination committees required to manage the wetlands in their jurisdictions under a decentralised government system.

Under the former IDCP, an envelope of 1 mio € was foreseen for the Fund. This amount will be increased to 3 mio €, specifically to be able to finance additional short and medium term experts.

7.4.2 Scholarships

Under the new programme there will be an identification and formulation process for the scholarship programme. After this process a separate Specific Agreement will be signed with an
amount for the total period of 4 years. The necessary human resources will be provided under the project to follow up the activities.
The expected result of the scholarship programme is contributing to the improvement of the organisational capacities of the Tanzanian institutions by providing training for their personnel.

While emphasis will be given in the new program to provide at least 50% of the scholarships to the Local Government Reform and Natural Resources Management sectors the identification and formulation will define the needs and modalities (including the role of Belgian Universities). In order to strengthen the human capacities in these two priority sectors, a maximum of 25% of the corresponding envelope for scholarships in the above mentioned sectors could be used for studies in Belgium and other European countries.
The remaining 50% will be allocated to other priority sectors decided upon during the formulation. While civil servants will be the main beneficiaries, candidates from civil society and the private sector will also benefit.

At least 50% of the scholarships will be allocated to girls and women. Promotion of candidates from upcountry will be actively pursued.

The scholarship program will be implemented with the necessary flexibility: type, curriculum and location of the studies (national or regional) will be decided in function of the needs of the sectors.

7.4.3 Micro Intervention Program

In the next IDCP the MIP is to be continued. As with the other supporting programmes synergy with the selected sectors and components in the new IDCP 2010-2013 will be attained.

7.5. Delegated cooperation

Infrastructure and Transport

Apart from the two concentration sectors, the bilateral program will co-fund the Infrastructure and Transport sector.
This support, to be investigated in 2010, will be channelled through delegated cooperation with another development partner. Belgium will be a silent partner and actively explore in 2010 the possibilities of delegated cooperation with other donors focusing on “Infrastructure & Transport” sector (the EU with the SBS roads or DFID with REAP are possible partners).
This support will have to be coordinated with our contribution to the regional level (EAC).

7.6. Exit and Transition Strategies

The programs in the previous IDCP that are not retained will not be closed down pre-maturely, but implemented as foreseen in the specific agreements. The programmes concerned are:
• **HIV/AIDS Awareness.**
• **Banana Cropping systems.**
• **Income generating Activities.**

On the basis of the Mid Term Reviews, which will take place respectively in 2010, 2011 and 2010 it will be decided if the projects meet the expected results within the original framework (budget and period). A portion of the funds allocated under Exit Strategies can exceptionally be used in case one or all of these interventions should need a consolidation phase.

• **Selous:**
The original approved budget for the project was 1,304,460 Euro and the duration of the project is 5 years. During the formulation stage the villages to be covered under this project were increased from 9 to 22 without any additional budgetary provision.
The technical Ministry has requested earlier for a budget increase in January 2007 and the recent Mid Term Review (MTR) in February 2009 has indicated the need for a financial increase to accommodate the needs of all villages. The JLPC has approved the MTR report and recommended an exit strategy to be directed towards achieving the critical stage of Authorised Association and building capacity to deal with potential investors.

• **Technical Assistance MNRT:**
In order to ensure continuity in the follow up of the ongoing programme, the formulation of an exit strategy and the migration to new project set-ups it is necessary to extend the Specific Agreement for the present TA in NRM.
7.7. Cooperation with Belgian Indirect actors (NGO’s, Universities and BIO) and Tanzanian civil society

In synergy with the direct bilateral interventions, some forms of indirect cooperation will be supported through the Government of Belgium, to enhance the internal and external coherence of the IDCP. The budget for these initiatives is not included within the IDCP budget. It will be granted through Belgian and local NGO’s and other partners, by another budget line from the Belgian development cooperation.

There are three potential areas of support, which are to be investigated.

- A specific ‘synergy project’ between Belgian NGO’s and Universities active in Tanzania and the bilateral cooperation programme, related to the selected sectors Local Government and Natural Resource Management (a draft proposition is added in annexe)
- Direct financial support to local NGO’s (a strategy paper is added in annexe)
- The establishment of a communication and consultation forum between all indirect actors (NGO’s, universities, …) and bilateral cooperation. This forum has been established in 2009 and will meet on a regular basis at least twice a year. The Belgian Embassy will take the lead of the practical organization of this forum. The idea of creating a website to exchange useful information will be explored.

Furthermore, BIO (Belgium Investment Organization for Developing Countries) is, to a limited extent, involved in financial cooperation to facilitate the development of the private sector. In the new IDCP opportunities will be explored to better integrate private sector development in the programme either through involvement of BIO or other facilitating initiatives (e.g. networking and linkages).
8 INDICATIVE FINANCING OF THE IDCP 2010-2013

Taking into account i) the HDI of Tanzania (159th position on 177 countries) and ii) its global peaceful & democratic context which is critical for the development of the whole sub-region; the budget for the Belgo-Tanzanian IDCP 2010/2013 will be 60 mio euros for 4 years, according to the following indicative distribution:

<table>
<thead>
<tr>
<th>(x mio Euro)</th>
<th>FY 2009/10</th>
<th>FY2010/11</th>
<th>FY2011/2012</th>
<th>FY2012/13</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Government Reform</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGDG (budget support)</td>
<td>27</td>
<td></td>
<td>5</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>PPRA support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27</td>
</tr>
<tr>
<td><strong>Natural Resources Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Kilombero</td>
<td>4</td>
<td></td>
<td>3</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Beekeeping</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>NRM-plans for LGA’s+NRM window</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td><strong>Delegated cooperation</strong> (Transport and Infrastructure)</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td><strong>Multi sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Study &amp; Consultancy fund</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Scholarships</td>
<td>2</td>
<td>4</td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Micro Interventions</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>1</td>
</tr>
<tr>
<td>Exit programs</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31.25</td>
<td>15.25</td>
<td>13.25</td>
<td>0.25</td>
<td>60</td>
</tr>
</tbody>
</table>

The expenditures will be done in accordance with the calendar agreed in each intervention. Twice a year, Belgium will communicate to Tanzania the planning of the expenditures for all the interventions for the next 3 years (MTEF). Annually Belgium will communicate the real expenditures of all the ongoing bilateral interventions for the previous year.

All above-mentioned figures are subject to the approval of the annual Belgian budget by its Parliament and the signing of a Specific Agreement per intervention. In addition, some figures in the above table may be shifted during the meetings of the Extended Joint Partner Committee, where possible reorientations of the IDCP can be discussed and proposed for approval by both governments.
9 THE PROJECT CYCLE

Within the framework of the IDCP, the Ministry of Finance and Economic Affairs submits its requests for new projects to the embassy of Belgium, each one accompanied by an identification document. These identification documents will be approved by the Joint Partner Committee. After the approval, BTC will start - in close collaboration with the Tanzanian technical Ministry - with the formulation of the project (drafting of the technical and financial file). During this process, regular consultation with the Ministry of Finance and Economic Affairs and the Embassy is foreseen.

Once the formulation document is finalized, it will be submitted for advice to the Joint Local Partner Committee (JLPC) of the future project. This JLPC consists of the Attaché for Development Cooperation of the Embassy, the Representatives of Tanzania and the Resident Representative from BTC. In the event of a positive advice of the JLPC, the formulation report and the draft specific agreement will be submitted for approval to the Ministry of Finance and Economic Affairs and to the Government of Belgium. After approval by both Governments, the Specific Agreement will be signed in Dar es Salaam and the project can start.

10 MONITORING AND IMPLEMENTATION OF THE IDCP

10.1 Monitoring structures

With regard to the monitoring of the implementation of the IDCP both parties confirm the role of the Joint Partner Committee as defined in article 5 of the General Agreement on Direct Bilateral Cooperation between the two countries. The Joint Partner Committee consists of the Representatives of Tanzania, the Attaché for International Cooperation at the Embassy of Belgium, and the Resident Representative of the BTC. The Joint Partner Committee should meet in principle every six months and at least once every year and is presided by Tanzania. Furthermore, an Extended Joint Partner Committee, including a Representative from headquarters (DGDC & BTC) in Brussels will meet annually in Dar es Salaam. This Extended Joint Committee will carry out the assessment of the ongoing IDCP and will discuss on possible needs for the re-orientations of the IDCP, which will be submitted to both Governments for approval.

In the IDCP 2010-2013 45% of the total budget will be provided as budget support (sectoral budget support or Basket Funds) and the remaining part in project support aligned to national priorities and procedures and under co-management modalities, shifting to the full use of national systems as far as conditions are met. The analysis concerning those conditions will be finalised as soon as possible after the approval of this IDCP.

10.2 Follow-up Modalities in General and Sectoral dialogue

In annex, a matrix is presented indicating the link and the contribution of the IDCP 2010-2013 to the MKUKUTA, the poverty reduction strategy, of Tanzania.
The two sectors in which Belgium is active are part of the non-sector but result-based MKUKUTA strategy.
For MKUKUTA an elaborate monitoring system has been set up.
Besides, the Development Partners have their Performance Assessment Framework (PAF) with additional indicators on underlying processes, temporary process actions and outcomes. The IDCP sectors are also part of the PAF. Thus, at IDCP level it is proposed to monitor progress through these existing systems.

The results of MKUKUTA and PAF monitoring are part of the annual policy dialogue in which Belgium also participates.

At sector level, the sector ministries have established their own monitoring frameworks that are being fed into the overall monitoring of MKUKUTA.

Belgium will also use the sector indicators to monitor the progress agreed upon. Especially for the NRM-sector, efforts will be made to establish a broader policy framework, including objectives / expected results and indicators.

At project level specific outcomes and results will be defined, monitored and discussed in joint Belgium-Tanzania progress meetings (JLPC and JPC).

11 PARTICIPATION IN POLICY DIALOGUE

11.1 General

The political dialogue is outlined in IAST and structured under the DPG architecture.

Monthly, there is a main DPG meeting discussing the 22 sectors of the 3 clusters. Besides this, Belgium is attending the Annual Review; which monitors annually (around November) the progress within the three MKUKUTA clusters. (referring to the PAF indicators).

Belgium is also present in the working groups and contributing to the policy dialogues in the areas where it is active:

- Local Government Reform, especially regarding capacity building of local authorities, enabling them to decide on and manage its own financial resources
- Natural Resource Management, especially regarding a broader policy framework on the one hand and community based natural resource management on the other

11.2 Policy dialogue in LGRP & NRM

11.2.1 Local Government Development Programme

Belgium has been a partner member of the Development Partner working group on local government since 2007. The working group is chaired by two lead partners (Finland and Germany at the moment) that conduct the communications with the GoT on behalf of all DPs. The chair of Finland becomes vacant in December 2009 and Belgium has been informally contacted to take the role of co-lead donor. The co-lead donor is supposed to act in the policy dialogue at two levels: the technical level and the political level. Belgium is willing to assume this role.

11.2.2 Natural Resource Management

A clear forum for policy dialogue encompassing the sector as a whole is still missing, due to the high fragmentation into sub-sectors of everything related to Natural Resource Management.
However presently a new effort is being made to harmonise and establish a sector wide approach with its subsequent architecture of policy dialogue between GoT, DP’s and other stakeholders, including Civil Society.

Moreover, with the passing by the National Assembly and the President’s assent to the Environmental Management Act, Government has also emphasised the importance of and cross cutting nature of environmental concerns. Implementation of the Act will require a concerted effort by the whole government (as well as other stakeholders), from local government authorities to national line agencies.

Government, in cooperation with Development Partners, is attempting to support the strengthening of its implementation capacity, amongst others by building up knowledge on the resources in question and its value, by supporting involvement of private sector and communities in management etc.

DPs are committed to harmonise, and aim at a broad sector perspective, encompassing private sector, civil society and government, and ensure harmonisation of present and planned interventions.

The challenge of coordination and harmonisation is also emphasised on the Government side, where Division of Environment in Vice-Presidents Office, National Environmental Management Council, Ministry of Natural Resources and Tourism and its many departments, such as forestry and wildlife, and PMO-RALG, all are stakeholders in the sector.

Recently, an Environmental Working Group, consisting of the relevant government stakeholders, DP’s, and a few representatives from civil society, has been established and is operating with some success.

Belgium should and will play a role in the further strengthening of this forum and channel gained knowledge from its field interventions into the policy dialogue.
Annex 1

The present IDCP contains the following interventions:

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Awareness on HIV-AIDS in Primary Schools</td>
<td>Ongoing</td>
<td>20/10/2006 - 19/11/2014</td>
</tr>
<tr>
<td>Construction and enhancement of inland container depots - Ilala, Shinyanga and Mwanza</td>
<td>Ongoing</td>
<td>08/12/2005 - 07/12/2009</td>
</tr>
<tr>
<td>The Development and Improvement of Processing, Packaging and Marketing of Honey, Beeswax and Other Bee products in Tanzania</td>
<td>Ongoing</td>
<td>25/08/2005 - 24/08/2010</td>
</tr>
<tr>
<td>Support to STD Component of the National AIDS Control Program (NACP)</td>
<td>Completed</td>
<td>16/10/2002 - 15/10/2008</td>
</tr>
<tr>
<td>Support to the Primary Health Care (PHC) in Karagwe District</td>
<td>Completed</td>
<td>10/06/2003 - 09/06/2008</td>
</tr>
<tr>
<td>Study and Consultancy Fund (SCF)</td>
<td>Ongoing</td>
<td>06/12/2001 - 06/12/2009</td>
</tr>
<tr>
<td>Technical Assistance to the Ministry of Natural Resources and Tourism</td>
<td>Ongoing</td>
<td>25/08/2006 - 31/12/2009</td>
</tr>
<tr>
<td>Support to Local Government</td>
<td>Ongoing</td>
<td>20/10/2006 - 19/10/2009</td>
</tr>
<tr>
<td>Support to Legal Sector Reform Programme</td>
<td>Reallocated to LGDG II</td>
<td></td>
</tr>
<tr>
<td>Support to primary education Development Programme</td>
<td>Completed</td>
<td>10/06/2003 - 09/12/2005</td>
</tr>
</tbody>
</table>
## Annex 2

### Overview IDCP 2002-2009

**FINANCIAL STATUS OF BILATERAL COOPERATION**  
**TANZANIA JULY 2009**

<table>
<thead>
<tr>
<th>IDCP</th>
<th>Budget</th>
<th>Until 2008</th>
<th>Until July 2009</th>
<th>Balance</th>
<th>Balance %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BUDGET EXPENDITURE AND BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TAN0801711</strong> HIV/AIDS Awareness Implementation</td>
<td>1,549,832.00</td>
<td>0</td>
<td>2,752.01</td>
<td>1,547,079.99</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TAN01002</strong> STD-NACP</td>
<td>889,149.00</td>
<td>852,080.22</td>
<td></td>
<td>37,069.78</td>
<td>4%</td>
</tr>
<tr>
<td><strong>TAN01005</strong> STUDY FUNDS</td>
<td>620,000.00</td>
<td>408,547.98</td>
<td></td>
<td>211,052.02</td>
<td>34%</td>
</tr>
<tr>
<td><strong>TAN0401011</strong> Eastern Selous Implementation</td>
<td>1,304,462.82</td>
<td>646,313.76</td>
<td>207,643.99</td>
<td>456,506.07</td>
<td>35%</td>
</tr>
<tr>
<td><strong>TAN0602117</strong> Community Water Supply Implementation</td>
<td>3,910,504.00</td>
<td>154,031.54</td>
<td>413,802.12</td>
<td>3,342,670.34</td>
<td>85%</td>
</tr>
<tr>
<td><strong>TAN04000911</strong> Banana Implementation</td>
<td>1,500,000.40</td>
<td>0</td>
<td>36,841.69</td>
<td>1,463,158.71</td>
<td>98%</td>
</tr>
<tr>
<td><strong>TAN040111</strong> Kilombero Implementation</td>
<td>1,950,000.00</td>
<td>623,201.94</td>
<td>316,730.03</td>
<td>1,010,068.03</td>
<td>52%</td>
</tr>
<tr>
<td><strong>TAN0401811</strong> LGCGDS - Implementation (Basket Fund)</td>
<td>10,000,000.00</td>
<td>8,500,000.00</td>
<td>1,500,000.00</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TAN0401311</strong> Beekeeping Implementation</td>
<td>1,212,179.94</td>
<td>493,644.82</td>
<td>273,469.66</td>
<td>448,065.46</td>
<td>37%</td>
</tr>
<tr>
<td><strong>TAN040141</strong> TRC Implementation</td>
<td>1,995,388.56</td>
<td>362,027.97</td>
<td>7,270.01</td>
<td>1,626,090.58</td>
<td>81%</td>
</tr>
<tr>
<td><strong>TAN0401511</strong> Legal Reform Implementation (Basket Fund)</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
<td></td>
<td>2,000,000.00</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TAN0801611</strong> Income Generating Activity Implementation</td>
<td>2,162,000.00</td>
<td>0</td>
<td>11,737.68</td>
<td>2,150,262.35</td>
<td>99%</td>
</tr>
<tr>
<td><strong>TAN0801911</strong> TA Environment</td>
<td>589,510.00</td>
<td>377,976.77</td>
<td></td>
<td>211,533.23</td>
<td>36%</td>
</tr>
<tr>
<td><strong>TAN0801711</strong> PEDP (Basket fund)</td>
<td>8,000,000.00</td>
<td>8,000,000.00</td>
<td></td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TAN0809091</strong> MIPS (2002 -2008)</td>
<td>405,000.00</td>
<td>311,522.00</td>
<td></td>
<td>93,478.00</td>
<td>23%</td>
</tr>
<tr>
<td><strong>UNI2003-09</strong> Scholarships (2003-2009)</td>
<td>3,661,167.00</td>
<td>2,985,070.00</td>
<td>447,086.09</td>
<td>228,111.00</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Sub-total IDCP</strong></td>
<td>41,749,183.72</td>
<td>33,709,726.00</td>
<td></td>
<td>14,822,124.56</td>
<td>36%</td>
</tr>
<tr>
<td><strong>EU Contribution to Water DSM</strong></td>
<td>3,647,859.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total commitment</strong></td>
<td>45,397,042.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### BSF

<table>
<thead>
<tr>
<th>IDCP</th>
<th>Budget</th>
<th>Until 2008</th>
<th>Until July 2009</th>
<th>Balance</th>
<th>Balance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PHC Karagwe</strong></td>
<td>1,830,000.00</td>
<td>1,801,694.18</td>
<td></td>
<td>28,305.82</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Food Security</strong></td>
<td>1,150,000.00</td>
<td></td>
<td>12,789.20</td>
<td>1,137,210.80</td>
<td>99%</td>
</tr>
</tbody>
</table>

### TECHNICAL ASSISTANCE

<table>
<thead>
<tr>
<th>IDCP</th>
<th>Budget</th>
<th>Until 2008</th>
<th>Until July 2009</th>
<th>Balance</th>
<th>Balance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TAN0301711</strong> PEDPTA</td>
<td>500,000.00</td>
<td>338,834.00</td>
<td></td>
<td>161,166.00</td>
<td>32%</td>
</tr>
<tr>
<td><strong>TAN0501811</strong> LGTA</td>
<td>690,000.00</td>
<td>343,256.35</td>
<td>114,488.68</td>
<td>232,254.97</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Total Commitment</strong></td>
<td>49,567,042.72</td>
<td>26,195,510.53</td>
<td>3,344,611.04</td>
<td>16,218,896.15</td>
<td>33%</td>
</tr>
</tbody>
</table>
Annex 3

Assessment on Paris Declaration and Harmonisation/Alignment

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Result</th>
</tr>
</thead>
</table>
| Aid flows reported in the budget of Tanzania (Indicator 3)                | • In 2005, 90% of aid disbursed was reported in the government budget. Belgium reported 8.3 M. USD of which 57% was reported.  
• This is partly the consequence of the long periods of identification and formulation. Therefore aid projection was higher than actual disbursement. |
| Technical Cooperation consistent with national strategies (Indicator 4)    | • GoT is developing a national policy on Technical Assistance  
• Belgium TA has been directed to the reform process and to policy support (hardly to project support)  
• GoT is fully involved in recruitment of TA provided by GoB.  
• Employment of national TA more complex than anticipated. There is need for more guidance and harmonisation between DPs and GoT.  
• Embedding of projects into the district structures and programmes not in tune with available staffing or existing competencies.  
• Payment of allowance has been harmonised between DPs  
• Staff of DP Funded Projects should be paid according the Medium Term Payment Targets. Salaries paid to National TA in par with Civil servants in similar functions (target set at 107%) |
| Use of National Systems 5A/5B                                             | • 50% of IDCP budget used for basket funding. Project funds do not pass the exchequer systems but are recorded on budget.  
• IFMS (Integrated Financial Management Systems) are in place and are useful for accurate expenditure tracking.  
• Additional professional accountants have been hired and will support the integration of project funds in the national systems.  
• The link between FIT and IFMS has to be developed.  
• MTEF has been operational in all projects under IDCP.  
• Internal auditing systems at district level and the national audit bureau has been instrumental in auditing processes. The quality of assessments (and timeliness) needs to be improved.  
• Since Tanzania has met the CPIA Criteria of the World Bank, a gradual move towards a national execution modality can be foreseen. However this has to be judged against the local capacity at district level  
• There is need for more participation from BTC/Embassy of Belgium in PER, PEFA and PETS exercises.  
• Belgium is using the national procurement systems. Difficulty arises when projects are implemented in more than one district. Timely operations of tender boards is a challenge. |
| Avoiding parallel project implementation units (6)                        | • Although projects are implemented at district level, co-management and the compulsory use of FIT and National TA hinders full functional integration  
• Adherence to the JAST will require a new strategy for the Belgium cooperation on “co-management in exit”, to move towards the national execution modality  
• JAST allows to go beyond bilateral cooperation and establish cooperation between DP’s and Civil society actors. |
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Result</th>
</tr>
</thead>
</table>
| Improving predictability (7)                  | • DPs do report before the budget session their commitment and disbursements for the financial year. Figures provided by the Embassy of Belgium tend to become more accurate.  
• The new IDCP should improve on predictability of Belgium disbursements  
• Basket funding adds to the predictability of disbursements. |
| Use of common procedures & approaches (9)     | • Division of labour between DPs has been discussed and is in line with the code of conduct and the JAST  
• The current geographical spread and number of sectors requires changes in the new IDCP. This will lead to improved quality of partnership and facilitate active participation in policy dialogue. Complementing interventions of DPs and a better DoL will lead to more efficiency and effective support to the policy & plan of Tanzania. |
| Joint Mission and Sharing (10a & 10b)         | • Organising joint missions seems to be still very difficult and not all mission will fall under this modality. Sector and thematic working groups could encourage more harmonisation to this effect  
• Belgian participated in the Danida supported Sustainable Wetland Management Component  
• Belgian participated in a joint appraisal of the LGRP II and a joint support study for the Association of Local Authorities  
• Studies on specific missions (education) have been shared and used for formulation and Evaluation missions  
• Belgium conducted a study on local TA-policies to feed into the national dialogue on the deployment of TA  
• The development of the Joint Programme Document will likewise support more harmonisation  
• The recently proposed simplified dialogue structure between the GoT and the DPs on reaching the MKUKUTA goals will lead to more effective discussion and less time for coordination |
| Result-oriented management (11)               | • Quality and availability of data has received much attention. The government is developing the Tanzanian Statistical Master Plan  
• Access to information has increased (from GoT and DP side)  
• The existing Poverty Monitoring Database was revised and a MKUKUTA Monitoring Master Plan established  
• Individual projects under IDCP used existing information tools to develop the technical and financial files. The next IDCP can use developed mechanisms to establish an assessment system to monitor result oriented indicators |
| Mutual Accountability (12)                    | • The Paris declaration indicators have been adopted to the context of the country, and within the JAST a monitoring frame work with jointly agreed indicators has been prepared to assess the performance  
• The independent monitoring group has been evaluating the relationship between the GoT and the DPs. Outcomes have been integrated in the development of the JAST. IMG has stimulated dialogue and stimulated mutual accountability  
• IDCP can be drafted against the Paris Declaration and the principle of mutual accountability. |