

Tanzania's PRSP 'Everyone Wants a Success Story'

Feedback Report for Interviewees

Comments welcomed

<duncanholtom27@hotmail.com>

Or

Centre For Development Studies
University of Wales, Swansea
Taliesin
Singleton Park
Swansea
SA2 8PP
United Kingdom

Research Conducted by Duncan Robert Holtom,
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EXECUTIVE SUMMARY

The research entitled, *Tanzania's PRSP: An institutional Ethnography*, undertaken for a forthcoming Ph.D., documented the changing nature of relations between Government, donors and civil society, within the context of the PRSP (Poverty Reduction Strategy Paper). It draws primarily upon semi-structured interviews, with key informants conducted in 2001 and 2002, complemented by a comprehensive review of the secondary data.

The report is broken up into five sections that discuss different themes emerging from the interviews, with a sixth, concluding chapter, that contextualises the Tanzanian experience within the global context.

The first section measures the success of the Tanzanian PRSP against two key objectives: building consensus about, and ownership of, ongoing economic reforms. The research suggests that to a large degree it has succeeded. However the public presentation of the PRSP's successful development, omits a number of themes, sometimes judiciously, sometimes rather clumsily edited out of this 'success story'. In particular, what was perceived by some to be a heavy handed role played by some actors in the process, most notably the World Bank (hereafter 'The Bank'), have created a perception that the document is more an imposition, than a country led initiative, with predictably deleterious effects on ownership. More broadly it appears that the reasons for 'ownership' of the PRSP often stem more from its instrumental value (as a tool for accessing debt relief) rather than any belief in its intrinsic value.

This discussion of ownership is expanded in section two. The section details case studies of the much vaunted 'partnership' between government, donors, NGOs in three priority sectors: health, education and agriculture. Once again there was a perception among some respondents of heavy handed donor involvement, and a sense that 'ownership', was often motivated by a perceived 'instrumental' rather than 'intrinsic' value, of many donor sponsored policies.

Sections three and four both explore smaller themes: Section three details the successful interagency partnership that drew up the Poverty Monitoring Master Plan, and the tensions surrounding its findings; a worrying foretaste of how partnerships forged during the development of the PRSP, might fare. Section four focuses upon the issue of 'corruption', a complex issue uniting respondents in concern, but dividing them on how to respond. Some favouring what might be regarded a 'pragmatic' approach (corruption is needed to sustain the reform movement), from those unwilling to compromise for broader objectives.

Section five, details a small illustrative local government case study conducted in Mwanza, designed to explore the prospects for the implementation of the PRSP and sectoral policies. It suggests that although understanding of the PRSP has yet to filter down, the central thrust of reforms: improving service delivery, has. However it suggests changing the 'culture' of Local Government may demand more than training.

In conclusion, section six situates the challenges facing Tanzania within global trends: Conditionality has failed in inducing recalcitrant governments (and electorates) to tackle more complex 'second generation' reforms. In an attempt to meet this challenge, 'partnership', 'consensus' and 'ownership' all now figure prominently in donor discourses. However while progress has undoubtedly been made, donors are still far from 'letting go'. In this context, ownership, and hence political commitment to ongoing reforms is liable to remain fragile.

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ABBREVIATIONS USED

ACBF - Africa Capacity Building Foundation
AERC - African Economic Research Consortium
CCM –Chama Cha Mapudndizi [Party of Revolution]
CGs – Consultative Group Meetings
CSO – civil Society organisation
CWIQ - Core Welfare Indicator Questionnaire
DAWASA – Dar es Salaam Water and Sewerage Authority
DFID – Department for International Development
ERB – Economic Research Bureau
ESRF – Economics and Social Research Foundation
HBS – Household Budget Survey
HIPC - Highly Indebted Poor Countries Initiative
IDS – Institute of Development Studies (university of Dar es Salaam)
IMF international monetary Fund
INGO - International Non Governmental Organisation
MDF – multilateral Debt Fund
MoF - Ministry of Finance
MoH – Ministry of Health
NGO – Non-Governmental Organisation
MTEF – Medium Term Expenditure Framework
NPES - National Poverty Eradication
ODI – Overseas Development Institute
PER – Public Expenditure Review
PFP- Policy Framework Paper
PRBS – Poverty Reduction Budget Support
PRGF – poverty reduction and Growth facility
PRSP - Poverty Reduction Strategy Paper
PSAC – Programmatic Structural Adjustment Credit
ROM – results oriented Management
SDP - Sector Development plan
SDRC = Social Development Research Capacity Building project
SWAP - Sector Wide Approach
TANGO – Tanzania Association of NGOs
TASF - Tanzania Social Action Fund)
TASOET - The Tanzanian Socio Economic Trust
TCCIA – Tanzania Chamber of Commerce, Industry and Agriculture
TCDD – Tanzania Coalition for Debt and Development
TGNP – Tanzania Gender Network programme
UDSM – University of Dar Es Salaam
URT – United Republic of Tanzania
VPO – Vice presidents Office

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Tanzania's PRSP

Everybody Wants a Success Story

The research entitled, *Tanzania's PRSP: An institutional Ethnography*, documented the changing nature of relations between Government, donors and civil society, within the context of the PRSP (Poverty Reduction Strategy Paper). It draws primarily upon semi-structured interviews with key informants (See Annex 1) conducted in 2001 and 2002, and complemented by a comprehensive review of the secondary data. Confidentiality, where requested, has been fully respected, and a coding system (denoted by interviewee [# ..]) has been employed in order to preserve this.

The report is divided up into six sections:

Section One: **Tanzania's PRSP**, places the PRSP within its global and national contexts, and discusses the drafting process underlying the Tanzanian PRSP, and the impact this had upon the PRSP's twin objectives: building consensus and ownership of ongoing economic reforms.

Section Two: **Sector Case Studies**, discusses the 'partnership' between government, donors, NGOs and the university involved in the co-production of policy, in three priority sectors: health, education and agriculture. The section seeks to 'contextualise' the PRSP, and place the principles of 'partnership' underpinning the PRSP in more concrete settings.

Section three: **Poverty Monitoring**, briefly discussing partnerships in relation to poverty monitoring, an early litmus test of how the partnerships forged during the PRSP's drafting are developing.

Section four: **Governance**, briefly discusses, the complex challenge of improving 'governance' – or as most respondents less euphemistically put it – reducing corruption. An issue that united respondents in their concern, but divided them on how to respond.

Section Five: **The PRSP and Local Government**, briefly discusses some of the findings from a small illustrative local government case study conducted in Mwanza, and designed to explore the prospects for the implementation of the PRSP and sectoral policies.

Section Six: **Conclusions**, draws out key themes from the research, contextualising them within global trends.

1. Tanzania's PRSP

This section of the report, firstly places the PRSP within its global and national contexts; and secondly discusses the drafting process underlying the Tanzanian PRSP, and the impact this has had upon its objectives of building consensus for, and ownership of, continuing economic reforms.

1.1. The New Aid Regime

The vision driving the new aid regimes of 'partnership' was articulated by World Bank President James Wolfensohn in his 1997 address:

"[T]he government and the people of developing countries must be in the driver's seat — exercising choice and setting their own objectives for themselves. Development requires much too much sustained political will to be externally imposed. It *cannot* be donor-driven".¹

The PRSP, originally conceived as a vehicle for accessing debt relief under the HIPC initiative, is now envisaged as the "centrepiece for dialogue in *all* countries receiving concessional lending flows from the World Bank and IMF"² (hereafter 'The Bank' and 'the Fund'), and crucially, is intended to be "country driven"³; a further consolidation of the partnerships between recipient governments, civil society and donors. Tanzania, one of the first countries to develop a PRSP, has been lauded by the Bank and Fund for its "significant achievements"⁴, and for the extent to which the "the PRSP process is strongly owned domestically".⁵

The transformation of Tanzania is marked.⁶ Once doyen of the left and vilified by the Bank and Fund. Tanzania today is a "donor darling"⁷, boldly heralded as one of a new breed of African state: a "post-conditionality regime"⁸, consolidating its reputation as an Africa "success story".⁹ As part of the World Bank's 'assessing aid' programme¹⁰ Tanzania is singled out. Despite its mixed record,¹¹ today:

"Tanzania is presently at the forefront of the discussions on transforming the aid relationship into a partnership between donors and recipient."¹²

¹ Emphasis in original, Wolfensohn 1997. Similarly: "the PRSP approach is rooted in the concept that countries themselves and their citizens need to own their poverty reduction strategies. It is also based on the concept of partnerships – partnerships within countries among government, NGOs, the private sector and the local communities in which poor people live, together with partnerships between countries and their external supporters, but always with the country in the lead" (Wolfensohn, 2002).

² Emphasis added, World Bank 2000b

³ World Bank 2000b

⁴ IMF/IDA 2001:1

⁵ Emphasis removed, IMF/IDA 2001:7

⁶ See e.g. Bigstein et al 2001:335

⁷ Interviewee [#18]; see also EIU May 2002:9

⁸ Harrison 2001

⁹ Turner 2000

¹⁰ Devarajan et al 2001, a product of the Development Research Group of the World Bank's research project: "Aid and Reform in Africa".

¹¹ See e.g. Devarajan et al 2001:16-17

¹² Bigstein et al 2001:309

This research does not dispute the marked change in relations between donors and government, well documented by Professor Gerald Helleiner.¹³ On the surface, the PRSP appears a natural continuation of this; a strengthening and deepening of the tripartite ‘partnership between government, civil society and donors. However the research suggests, for all the hype surrounding the PRSP, the key to understanding the private story, underpinning the PRSP’s public successes, is simply debt relief. In short, the talk of partnership, conceals a story about money.¹⁴

The discussion that follows deliberately avoids exposition of the (well documented) policy making structures¹⁵, concentrating instead upon the experiences and perspectives of actors within these formal structures.

1.2. The Public Performance

A great success...

1.2.1. ‘From conflict to consensus’¹⁶

Times have changed. Administratively simpler, albeit still politically contentious reforms (e.g. devaluation) characterising the early adjustment phase, have been largely completed in a number of African countries. What remains are more complex reforms (e.g. Civil service reforms) coupled to increased concern about the sustainability and ‘ownership’ of the reform process.¹⁷ The initial format for policy change: the authoritarian ‘strong’ state (i.e. reforms spearheaded by a small number of technocrats with non-participatory policy reforms) is outmoded,¹⁸ and has been replaced by a more ‘inclusive’ state model¹⁹ As Professor Brain Van Arakadie²⁰ puts it:

“To carry through a difficult reform agenda it was not enough to push the bitter medicine down the throats of unenthusiastic national authorities, there had to be a national basis of support for policies to be effectively implemented and sustained. In the discussion, this was articulated by positing the need for “national ownership” of policies.”

A sentiment extensively documented in Tanzania, by the Helleiner report²¹, and more succinctly by Dr Jan Lindstrom, Socio-Cultural Analyst, SIDA Tanzania:

“Even the World Bank realised that Tanzania must own its own development”

¹³ See e.g. Helleiner 1997

¹⁴ Admittedly a commodity whose importance may be easily underestimated in an extremely poor, highly indebted country like Tanzania

¹⁵ See e.g. Naschold & Fozzard 2002 for details

¹⁶ After Helleiner 1994

¹⁷ See e.g. Selbervik 1999:13-14; Attiyas 1996; Helleiner 1994:7-9; Hyden & Karlstorm 1993; Mosley 1993

¹⁸ See e.g. Nelson 1999:1554

¹⁹ OECD/DAC 1999; World Bank 2000b; Lal 1983:33

²⁰ Van Arakadie 2001:13

²¹ See e.g. Helleiner et al 1995:5-6

1.2.2. The 1990s: Ownership, Participation and Partnership

The early-mid 1990s are widely regarded as the turning point.²² Reforms under then President, Ali Hassan Mwinyi began to falter, as the more complex ‘second generation’ reforms confronted vested interests.²³ The impasse led to a break down in government/donor relations and the suspension of aid. In an attempt to resolve the impasse, a team of experts was agreed by all sides, led by Professor Gerald Helleiner. Their report, popularly known as ‘The Helleiner report’²⁴, was a catalyst for change, and now stands as a marker for the change in government/donor relations.²⁵ Incoming president, Benjamin William Mkapa’s agenda, reflected the Helleiner sponsored agreement between donors and the government: the desire to rebuild bridges, and get reforms back on track.²⁶ President Mkapa would go on to deliver a keynote address at the 1999 Stockholm International Conference on *Making Partnerships Work*²⁷.

Tanzania’s PRSP is in many ways a natural continuation of this. Certainly on the surface a well crafted example of this consensus building in action;²⁸ viz. a ‘participatory (inclusive) government lead dialogue about appropriate developmental models and objectives, laying the foundations for a tripartite partnership between government, civil society and developmental partners.’²⁹

In addition to consensus building, the states’ capacity to manage reforms had to be rehabilitated. There is of course a certain irony in having the state’s capacity through the adjustment era of the 1980s and 1990s,³⁰ donors are now frantically trying to rebuild it.³¹ The PRSP process was buttressed by broader moves designed to strengthen capacity (and ‘ownership’) within Tanzania.³² This broadened from the ubiquitous ‘technical assistance’ for key governmental institutions, to encompass support for pro-reform non-governmental institutions (e.g. ESRF³³ and REPOA) and increased employment of Tanzanians³⁴ such as Professor Benno Ndulu and Dr. Ben Tarimo³⁵. Tanzania today, stands at the forefront of a revolution aid, as conditionality is

²² See e.g. Interviews Prof. Benno Ndulu, lead Macroeconomic Specialist, World Bank; Tone Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy ; Nashon B.S, Magambo, Asst. Commissioner, Budget Division, MoF ; Prof. Samuel M. Wangwe, Principal Research Associate, ESRF

²³ Bigsten et al 1999:30

²⁴ Helleiner, G, Killick, T, Ndulu, B (1995)*Report of the Group of Independent Advisors on development co-operation: Issues Between Tanzania and Its Aid Donors*

²⁵ See e.g. Interviews Alison Evans, ODI Associate; Max Mapunda, Senior Economist (Policy and Planning Department), Ministry of Health; Prof. Samuel M. Wangwe, Principal Research Associate, ESRF; Phillip Courtnadge, Development Management Unit, UNDP; Bigsten et al 1999:30

²⁶ Bigsten et al 1999:30; Helleiner undated:5; Helleiner 1997:4

²⁷ Making Partnerships Work on the Ground (1999). *Making Partnerships Work on the Ground* (Stockholm, Sweden: Ministry of Foreign Affairs).

²⁸ Interviews Professor Benno Ndulu, Lead Macroeconomic Specialist, World Bank, Tanzania Country Office Alison Evans ODI Associate; Cf. Abugre 2000:18-19

²⁹ IMF/IDA:2001:1

³⁰ See e.g. World Bank 1998b:8

³¹ See e.g. Van Arkadie 2001:17-18; Van Arkadie et al 2000

³² Interview Prof. Samuel M. Wangwe, Principal Research Associate, ESRF

³³ The Economics and Social Research Foundation, largely funded by the ACBF, an organisation whose executive director has described as a “baby” of the World Bank and which was responsible for drafting much of the PRSP (along with the Vision 2025, NPES and key players in the PER/MTEF processes).

³⁴ Gordon 194:256; see also Helleiner 1994:9-11

³⁵ Respectively Lead Sector lead Specialist, Macroeconomics and Consultant macroeconomist at the Tanzania Country Office

consigned to history, and the government, the Bank, the Fund, development partners and even NGOs, co-write a new developmental consensus.³⁶

As a post script to the story, we might pause to congratulate the former Bank country director, Jim Adams, for his promotion to become Vice president of operational policy, on the back of his twin successes: Tanzania and Uganda.

1.3. The Backstage Production

This public performance, while essential for the success (acceptance) of the story itself (by its audience(s))³⁷, omits a number of themes, sometimes judiciously, sometimes rather clumsily edited out of this tale.

1.3.1. The Ascendancy of Economists: 1970s-1990s

The account might begin in the 1970s, as a generation of economists left, their then left leaning departments³⁸ to complete their PhDs in North America. Their profile remained relatively low until the early 1980s. By then Tanzania's generally excellent relationship with The Fund, Bank and bilateral donors had soured; Tanzania was soon embroiled in a very bitter and very public row with the IMF³⁹ over the terms of support to stave off the threat of insolvency. The pressure Tanzania was under at the time is well documented.⁴⁰ What was more interesting – and although reasonably well documented,⁴¹ less widely discussed, were the often acrimonious debates between 'pro' and 'anti' reformers⁴². These raged between politician within the ruling party (CCM)⁴³, and more interestingly among academics on 'The Hill',⁴⁴ and most pertinently, the role played by Economists drawn from the Faculty of Economics and the Economic Research Bureau at the University of Dar es Salaam (UDSM).

Although the terms of the internal policy discourses at the university had been "transformed"⁴⁵, these economists had hitherto played a relatively minor role in external policy debates. Then in 1982, in a bid to break the impasse, former World Bank president Robert McNamara helped put together the 'Technical Advisory Group' (TAG) composed of both ex-patriate and Tanzanian economists, in attempt to broker rapprochement between the IMF and Government.⁴⁶ This gave a number of now prominent Tanzanian economists, including professors Ndulu, and. Amani, and Dr.

³⁶ Interviewees confirmed they saw Tanzania as "ahead of the game" (Phillip Courtnadge, Development Management Unit, UNDP), a 'pilot' for new practices in aid: basket funding, SWAPs et al (e.g. Dr. Bergis Schmidt-Ehry, Senior policy Advisor, Sector Co-ordination (Health), GTZ, Atsushi Hanatani, Special Advisor (Agriculture) JICA.

³⁷ A notion that needs to be further unpacked.

³⁸ The university was historically to the left of Nyerere

³⁹ Nyerere for example famously commented: 'Who made the IMF, the International ministry of Finance et in Helleiner undated:3

⁴⁰ see e.g. Selbervik 1999:36; Bigsten et al 1999:25-27; Campbell & Stein 1992:14

⁴¹ see e.g. Bigstein et al 1997:27; Campbell & Stein 1992:6-9; Wangwe 1997:11-12

⁴² The distinction is a crude, but arguably useful one.

⁴³ See e.g. Kiondo 1989

⁴⁴ The unofficial name bestowed on the then influential, University of Dar es Salaam (UDSM) during its heyday. Interview Prof. Chachage Seithy L. Chachage, Department of sociology, UDSM

⁴⁵ Campbell & Stein 1992:8

⁴⁶ The World Bank itself having refused to resume lending until agreement was reached with the Fund.

Tarimo an early taste of policy based work.⁴⁷ The TAG would ultimately fail; though many of its recommendations - bar devaluation – the main sticking point were adopted in government budgets between 1982 and 1984.⁴⁸ This university based group of economists went onto held a series of high profile and influential⁴⁹ ‘pro-reform’ workshops. The group included Professors Ndulu, Semboja, Amani, Wangwe and Osoro and Doctors Likwelile and Tarimo. Describing the period: Dr. Rwekaza Mukandala, Prof. of Political Science and Public Administration commented:

“After Nyerere left, there was you could say no left dissenting critique at that time. So those people [economists] just fitted in very well and they started dealing with the IMF and offering advice, consultants, researchers, and the rest is history.”

1.3.2. ‘The Rest is History...’

By the late 1990s many of economists had moved on (and up) from the University: Prof. Ndulu and Dr. Tarimo are now both at the Bank⁵⁰; Professors Wangwe and Amani are at ESRF⁵¹; Professor Semboja at REPOA⁵² (both Tanzanian policy oriented NGOs); Professor Osoro is part of the Ministry of Finance’s think tank⁵³, while Dr Likiweille is head of Poverty Eradication at the Vice President’s Office (co-ordinating the PRSP)⁵⁴. They would provide much of the “momentum” that sustained the reforms in the late 1990s, becoming an “an important driver of change in government”.⁵⁵ In 1998 Tanzania began to draw up its PRSP. After running into teething problems, the government in effect sub-contracted drafting to one of its trusted partners⁵⁶: Professor Wangwe at ESRF, who, in turn brought in Professor Amani (then still at the University) and Professor Semboja at REPOA.⁵⁷ The importance of these relationships is well (if inadvertently) captured by Prof. Amani (one of the key authors of the PRSP)⁵⁸ when discussing the Bank’s influence over the drafting of the PRSP.

“Yes, Professor Ndulu was following the process, and you see, and I don’t know how to put this. Professor Ndulu is a World Bank Employee, but he’s also a Tanzanian. He never influenced the World Bank to accept our views. But at the same time he would suggest here and there, purely in terms of the quality of what was expected, rather than on specific details. So, yes, he was a key player in terms of advising, in terms of giving various decisions by the World Bank. For example in the agricultural sector he just made a suggestion that we should include it in the PRSP. So subsequently the government decided to formulate a broader strategy in those two areas. But believe me, there was no pressure.”

⁴⁷ Interview Prof Brain Van Arkadie

⁴⁸ Campbell & Stein 1992:7; Kiondo 1992:24-25

⁴⁹ See e.g. interview Peniel M. Lyimo, Deputy Permanent Secretary, Ministry of Finance; Bigsten *et al* 1999:15, 27

⁵⁰ As noted Lead Sector lead Specialist, Macroeconomics and Consultant macroeconomist, respectively.

⁵¹ Principal Research Associate (former Executive Director) and Principal Research Fellow (now Executive Director) respectively

⁵² Executive Director

⁵³ While remaining at the Faculty of Economics

⁵⁴ Dr. Servacius B. Likwelile, Director Poverty Eradication, VPO, Poverty Eradication Division, and formerly at REPOA

⁵⁵ Interviewee [#14]

⁵⁶ See e.g. Interview Peniel Lyimo, Deputy Permanent Secretary, Ministry of Finance

⁵⁷ Interviews Paschal B. Assey, National programme Co-ordinator, Poverty Eradication Initiative Programme, Vice Presidents Office; Dr. Servacius B. Likwelile, Director Poverty Eradication, VPO, Poverty Eradication Division

⁵⁸ Interview Prof. H.K.R. Amani Principal Research Fellow ESRF

The organisations themselves (ESRF and REPOA) are also worthy of brief note. They form in effect a duopoly dominating the Tanzania consultancy field⁵⁹, and are heavily donor funded, in the case of REPOA by the Netherlands, in the case of ESRF, by the ACBF⁶⁰. The (now) executive director of ESRF (Prof. Amani) went so far as to describe ESRF as the ‘World Bank’s baby’. Indeed the World Bank’s plan to relocate its Public Information Centre to the ESRF offices⁶¹, although the change is more symbolic than substantive.

1.3.3. Getting the Bank Back in Business

In the mid 1990s faced with the (embarrassing) prospect of net inflows of resources from Africa, then Vice president for Africa at the Bank, Kim Jaycox, pushed for the Bank to become more ‘client focused’⁶² to help increase lending, and redress the balance. In Tanzania, by 1994, relations between the government and all donors (both bi and multilateral) had reached a particularly low ebb. As noted the Helleiner Team, was established, and influential report⁶³, duly published. With the Bank in particular, excoriated:

“We have no wish to single out any particular agency. But the range of criticism we heard of the Bank on this subject [impact of operational culture on ownership] was too extensive to be ignored and our discussion with the Bank’s resident mission were not reassuring...there was virtual unanimity among other donors that it was unwilling to engage in serious substantive discussions....The perception is of an institution encouraged by its superior manpower and other resources to be self confident to the point of arrogance, with little consideration of others’ views. Local ownership is usually the first casualty of such an attitude”⁶⁴

However the momentum for change had already begun. Authority was decentralised to country offices, and in 1995 a new Director for East Africa was appointed. As one experienced observer put it “Jimmy Adams⁶⁵ was sent with a mission: to get the Bank back in business”⁶⁶. By the 1997 Helleiner ‘update’⁶⁷, the relations had improved massively and the Bank was again singled out:

“The Government of Tanzania has moved significantly forward toward the assertion and establishment for a degree of leadership over its development programmes which, while still not complete, would hardly have been conceivable when the Helleiner report was originally written (in 1995)...The change is manifest most dramatically in the sphere of macroeconomic management where the Government has led the preparation for the Policy Framework Paper (PFP)...World Bank staff were highly supportive of the new PFP process and backed the effort to ensure the maximum Tanzanian ownerships to the fullest extent one could imagine. (The important

⁵⁹ See e.g. interviews Tonne Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy; Interviewee [#18]

⁶⁰ The core funding has come under the Africa Capacity Building Foundation (ACBF), a quasi-independent body funded by the World Bank, UNDP & ADB.

⁶¹ Interview Evelyn Kapy World Bank Public Information Centre

⁶² Interview: Arthur Mwakapugi, Director Macro Economy Divisions, President Office-Planning and Privatisation

⁶³ Helleiner, G, Killick, T, Ndulu, B (1995). *Report of the Group of Independent Advisors on development co-operation: Issues Between Tanzania and Its Aid Donors*

⁶⁴ Helleiner et al 1995:15-16

⁶⁵ Former World Bank Country Director

⁶⁶ Interviewee [#1]

⁶⁷ Helleiner 1997

precedent is the mandate for a senior resident Bank official [Prof. Ndulu] to work closely, and more importantly, freely with his own government seems to be generating fruitful outcome).⁶⁸

The Bank led by Jim Adams, and crucially supported by Prof. Benno Ndulu, a respected Tanzanian economist, went on to open up the PER/MTEF processes (earning further praise from Helleiner⁶⁹, among others⁷⁰) and presaging increases in lending. As members of the Ministry of Finance put it:

The “PER, you know [was] originally World Bank dominated...seemingly working with government...[but in reality] more of a World Bank lead document, critiquing things, as if someone came along and said ‘this is not done according to the rules’. But only up to 97, thereafter, more of a partnership approach, involving government and World Bank on equal footing, and not just criticising, but also how to go forward and also involving all the key donors...so the World Bank is very effective.”⁷¹

It’s a “big change, in fact I’d say like the World Bank, it’s become very, very flexible, you cannot believe! Even if you check their portfolios, it’s increasing every time, they see every new [opportunity] to assist the government. There is much improvement now the offices are here, most of the decision-making is here. But also, when you talk with the Bretton Woods institutions, as long as these macro-economic things are moving upwards you don’t find you have a problem with them.”⁷²

This emerging government/donor partnership exemplified by the PER/MTEF is widely regarded as laying the foundations for the subsequent success of the PRSP,⁷³ while providing the structure in which donor co-ordination could be enhanced.⁷⁴

At the global level the Bank continued to aggressively develop its “Client focus” under James Wolfensohn⁷⁵, crystallising first in the CDF and subsequently the PRSP. Making policy processes more ‘inclusive’ and giving countries greater autonomy to develop their own policies, so the theory went, would help build consensus, and hence ownership (and sustainability) of more complex ‘second generation’ reforms.⁷⁶ Tanzania was an obvious early candidate. But would - could - the Bank let go? As Van Arakadie⁷⁷ argues, donors recognise the need for greater ownership, and hence a greater role for government in policy making, but remain unwilling to follow through if this does not result in ‘good’ policy.⁷⁸ The tensions in Tanzania are well captured by Dr. Rwekaza Mukandala, Prof. of Political Science and Public Administration, UDSM:

⁶⁸ Helleiner 1997:5

⁶⁹ Helleiner 1999:6

⁷⁰ See e.g. interviews Tonne Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy; Arthur Mwakapugi, Director Macro Economy Divisions, President Office-Planning Commission; Interviewee [#14]

⁷¹ Interview Nashon B.S, Magambo, Asst. Commissioner, Budget Division, Ministry of Finance; see also Naschold & Fozzard 2002:34

⁷² Interview Joyce Kompeho G. Mapunjo, Head, Multilateral External Finance Department, Ministry of Finance

⁷³ See e.g. interview Alison Evans, ODI Associate; Phillip Courtnadge, Development Management Unit, UNDP;

Tonne Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy; B.A. Shallanda, Assistant

Commissioner, Policy Analysis Department, Ministry of Finance

⁷⁴ See e.g. Interview Prof. Joseph Semboja, Executive Director, REPOA

⁷⁵ Tjonneland et al 1997: chp3; See e.g. World Bank 1997

⁷⁶ Interviews Alison Evans ODI Associate; Dr Jan Lindstrom, Socio-Cultural Advisor, SIDA Tanzania; Cf.

Helleiner 1994

⁷⁷ Van Arakadie 2001:9

⁷⁸ See also e.g. Wilks & Lefrançois 2002:9

In the 1980s “donors came down and would say what is to be done, how it is to be done...and of courses you had resistance and criticism of that, and there is a sense that the PRSP is kind of partly to respond to that criticism, but at the same time still maintaining critical control with donors and the Bretton woods institutions.”

1.3.4. Letting Go?

On the surface the change is striking – and should not be dismissed lightly. Commenting on the change in approach, B.A. Shallanda, Assistant Commissioner, Budgets, Ministry of Finance contrasted the PRSP with the PFP⁷⁹:

“...the first [PFP] they drafted in Washington. They came with it here, and we did revisions together [with the Fund]. With the second one, we did the same. The main difference with the PFP and PRSP is that with PRSP, the whole process is undertaken by the government. But the PFP, I remember one day, I think in 1993... They came with that PFP draft, ‘ok, let’s do the editing’, so they [the Fund] came, page by page, line by line, until we reached a sentence that said ‘Tanzania is a major exporter of oil’ [laughs]. They’d brought the draft for Angola! [laughs again]”

The government, it should be noted, did take greater control of the PFP, with increasing dialogue over its content, culminating in the government taking the lead role in preparing the 1999 PFP.⁸⁰ The PRSP (which replaces the PFP) appears to mark a further step along this road. There are of course tensions – even the most ardent supporters of the PRSP acknowledged that it started life as yet another external imposition, but as Professor Joseph Semboja, Executive Director, REPOA argues:

“[T]he PRSP, it is clear that it was externally driven, and of course in the end quite carefully crafted to really become in the end a local initiative...it is a local initiative. It has local content.”

Given this level of ‘ownership’, donors have embraced the PRSP, albeit sometimes begrudgingly, in the (representative) words of one:

“[W]e’ve all fallen behind the PRSP...it’s more owned by the Tanzanian government than I would have first believed”⁸¹

1.3.5. A brave new ‘post conditionality’⁸² world?

As in all ‘adjusting’ countries in Africa there have been tensions.⁸³ ‘Tensions’ though scarcely captures the bitter battles between the Fund and Government in the 1980s that verged on the, “theological”⁸⁴, and led Nyerere to become a leading critic of the Fund.⁸⁵ But today, while there may be disagreements over the pace of reforms, most

⁷⁹ Policy Framework Paper, the document that sets out the economic policies that the government agrees to adopt as part of its agreement with the IMF.

⁸⁰ Helleiner 1999:5-6

⁸¹ Interviewee [#16]

⁸² Harrison 2001

⁸³ Most notably over devaluation in the 1980s (see e.g. Loxley 1989:13; Kiondo 1989:157-158, and the social sector expenditure (and financing) in the 1990s see e.g. Selbervik 1999:38

⁸⁴ Hyden & Karlstom 1993:50-51

⁸⁵ See e.g. Development Dialogue 1980:11-23 cited in Kiondo 1989:154

notably with regards privatisation⁸⁶, there *is* broad consensus⁸⁷. The PRSP, adopting the macro-economic framework laid out in the PRGF and PSAC⁸⁸, and fiscal stance laid out in the MTEF, simply codifies the developmental consensus shared by donors⁸⁹ and government, offering little new.

The PRSP then has reinforced the Bank and Fund's 'local' leadership⁹⁰ (itself both complementing and product of their global leadership⁹¹). Granted NGOs hadn't brought into the process as might have been hoped – but at least they had participated, and had not rejected the whole process as an apologia for SAPs⁹²; as had happened in some other Southern African countries like Zambia.⁹³ Tanzania's PRSP was duly submitted and Tanzania became the second country (after Uganda) to qualify for enhanced debt relief under HIPC-II.⁹⁴

The Bank's confidence in Tanzania appeared to be vindicated. By 'letting go' the process was widely regarded as "country driven" (World Bank 2000b), and had generated a pro-reform (pro-Bank) developmental consensus and plan, in line with the Bank's own developmental consensus.⁹⁵ In short the reform process had been internalised; the donor's, "well schooled" technocrats⁹⁶, people like Peniel M. Lyimo, Deputy Permanent Secretary, Ministry of Finance, who fitted "seamlessly", with the thinking of the Bank (and Fund)⁹⁷ (who'll we'll return to later), ably supported by the pro reform groupings of economists at ESRF and REPOA⁹⁸, produced a document that reaffirmed Tanzania's commitment to Bank thinking. Conditionalities could be cast aside and the government and Bank could go forward in a new spirit of partnership.

But did the Bank really let go? As noted, even a cursory reading of the PRSP makes the adoption of the macro-economic framework outlined in the PRGF and PSAC-1⁹⁹ without question or comment, explicit. A product of consensus, perhaps. But hardly surprising as compliance with the PRGF was itself a condition for reaching the HIPC completion point.

As Dr. Ben Tarimo, Consultant Macroeconomist, World Bank (Tanzania Country Office) put it:

⁸⁶ See e.g. interviews Dr. Max Mmya, Political Science, UDSM; Prof. Samuel M. Wangwe, Principal Research Associate, ESRF ;Giulio Maraini, Deputy head of Mission, Embassy of Italy; Ali I. Abdi, Senior Resident Representative, IMF

⁸⁷ See e.g. interviews: Prof. Brain van Arkadie; Karl Schmidt, First Counsellor (Economics) EU; Tonne Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy; Amon Manyara, UNDP Resident Co-ordination Officer; Interviewee [#14]; Interviewee [#18]

⁸⁸ Poverty Reduction and growth Facility and Programmatic Structural Adjustment Credit: Fund and Bank lending instruments respectively.

⁸⁹ See e.g. Nelson 1996, Killick 1997 & 1998; Hewitt & Killick 1996 et in Selbervik 1999:30

⁹⁰ See e.g. interviews: Tonne Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy; Interviewee [#18]

⁹¹ See e.g. Wilks & Lefrançois 2002:8, Selbervik 1999:30; Killick 1998; Gibbon et al 1993

⁹² Structural Adjustment Programmes

⁹³ Interview Alison Evans, ODI Associate

⁹⁴ The Enhanced Highly Indebted Poor Countries Initiative

⁹⁵ Cf. Naschold & Fozzard 2002:10

⁹⁶ Interview Alison Evans, ODI Associate

⁹⁷ Interview Alison Evans, ODI Associate, who went onto cite Peniel Lymio as a very good example of how the PRSP, MTEF etc all fit together. Comments echoed by many others, e.g. Interviewee [#1]: "certainly Ministry of finance is very committed; [Peniel] Lyimo, PS at Ministry of Finance is very committed"

⁹⁸ Prof. Chachage Seithy L. Chachage, Department of sociology, UDSM, going as far as to describe them as more "ferocious" than the World Bank.

⁹⁹ World Bank Programmatic Structural Adjustment Credit

In response to the request for HIPC debt relief: “now we told them in that case you need to have three things: First is to prepare a poverty reduction strategy ...second was that, must continue with the Macro Economic Reforms, the macro economic stability, there’s not getting off track, because for *growth!* Because growth is necessary and for growth you need a stable macro-economic environment; the third requirement was to continue with structural reforms – the privatisation process”

1.3.6. Building Consensus and Ownership?

The tensions this was bound to generate with hostile NGOs, were considered by many to be handled badly from the start.¹⁰⁰ As one NGO source¹⁰¹ put it:

“[R]eading the first [PRSP] document we found all the stuff very friendly, but realised later that [there was] another document, the PRGF...and we realised this too late...[we were] told, ‘not an open document’...where was this coming from?! No link to the PRSP!...so our fight was to make the PRGF more open”.

The Fund compounded these tensions by refusing to release the PRGF, before NGOs realised it was on the Fund’s website anyway.¹⁰² Relations would subsequently go from bad to worse. During a workshop to discuss a draft PRSP document, NGO representatives came across reference to a ‘PRSP Conditionality Matrix’ in ‘Appendix 9’. Appendix 9 was missing. The missing appendix was leaked by DFID to Haki Kazi, and the NGO sector discovered 30 conditionalities, covering politically sensitive areas like the privatisation of TANESCO (the state electricity company).¹⁰³ The conditionalities were technically not part of the PRSP *per se* but conditions for HIPC debt relief,¹⁰⁴ but the distinction was a fine one, and the damage already done. Even the Fund¹⁰⁵ has conceded, to some extent that mistakes were made, commenting on the issue, Ali I. Abdi, Senior Resident representative, IMF argued:

“[T]he NGOs are arguing what? The HIPC decision point, there is a process, the first is the preliminary HIPC point, then completion point, but at the beginning, set of [HIPC] trigger points negotiated with government and no secret...we say eight conditions, they say twenty five, the bottom line is, if take each subset of eight can multiply to twenty five. Whatever. The fact that the Tanzania HIPC completion point one of the earliest, what has come later, much more streamlined...maximum of four or five key points.”

So much for the brave new post ‘post-conditionality’ world (and that’s before we move to sectors like agriculture). But at least the process has been internalised. Returning to Ali I. Abdi (Senior Resident representative, IMF):

“Starting [from the] mid 1980s, relationships has been more contentious in sense that Tanzania at that time trying to meet a set of external conditions being proposed as conditions of financial support of the Fund...think what changed, Mid ‘90s probably, late ‘90s certainly is a process of internalisation of process of reforms themselves...not that conditionalities have changed much. [The] Fund provides support on a conditional

¹⁰⁰ See e.g. interviewee [#4]; interviewee [#20]

¹⁰¹ Interviewee [#4]

¹⁰² Interview: Geir Sundet, Specialist in Governance, UNDP

¹⁰³ Interviewee [#4]

¹⁰⁴ Interview Silas Likasi, Oxfam Public Policy Officer

¹⁰⁵ See also e.g. IMF/IDA 2000b:16

basis, [but] not a sense of us against them now. They look at the merits of reforms rather than seeing them as Fund conditions”

It’s perhaps time to hear from Penniel Lyimo, Deputy Permanent Secretary, Ministry of Finance the “donors man” in the Treasury¹⁰⁶, who as noted, is widely regarded as an exemplary example of this internalisation:¹⁰⁷

“I think that one [PRSP]... it was purely a standard procedure or requirement for accessing HIPC, otherwise we – I – Could say we might have well used the TAS, and that was why in the process there was quite a lot of confusion, and tug of war...about whether PRSP was undermining TAS, or whether we’re duplicating things...We see the PRSP as a one time process, But we see the TAS as a permanent process...after a few years they’ll be another initiative...but our TAS is going to be there.”

Scarcely a ringing endorsement. This needs to be treated with care though. There is nothing to suggest that the foundations of the PRSP – the PER/MTEF, the macro-economic framework outlined in the PRGF/PSAC are being questioned.¹⁰⁸ As with many Ministry of Finance senior staff throughout Sub Saharan Africa, there is, as there has been for some time, a broad consensus with the Bank over reforms.¹⁰⁹ However the PRSP essentially adds nothing new,¹¹⁰ it simply means more work,¹¹¹ particularly as Tanzania already had its TAS.¹¹² Moreover what goodwill there might have been, appears to have been eroded, by the heavy hand the Bank took with regards the PRSP.

1.3.8. ‘Technical Assistance’

In addition to the conditionality, the PRSP was developed with “‘technical assistance’” from World Bank staff.¹¹³ Some of this ‘technical assistance’ has been alluded to, most notably Prof. Ndulu’s contributions. Not all of it was so sensitively (or discreetly) handled. John Zayumba, Director Policy & Planning, at the Ministry of Community Development, Women and Children, confirmed that early drafts of the PRSP were rejected by the Bank, because they did not adequately address “cross-cutting” issues like ‘gender’ and the ‘environment’.

Bank involvement continued, most controversially over the decision to abolish user fees for primary education – arguably the only new policy in the PRSP – and somewhat ironically hailed as one of the ‘successes’ of the PRSP by the Bank¹¹⁴ was apparently inserted at the Bank’s behest. This was not only a major public relations coup for the Bank (keen to raise it’s poverty profile through support for Universal Primary education) but also paved the way for a \$150mil primary education sector loan (in the face of bilateral opposition), cementing Bank leadership in the sector. Rakesh

¹⁰⁶ Interview Dr Brian Cooksey, Director TADREG

¹⁰⁷ See e.g. Alison Evans ODI Associate: Ministry of Finance technocrats are “well schooled”, fit “seamlessly” with IFIs e.g. Peniel Lymio: very good example of how the PRSP, MTEF etc all fit together; “Certainly Ministry of finance is very committed; Lyimo, PS at Ministry of Finance is very committed” Interviewee [#1]

¹⁰⁸ See e.g. interview Alison Evans

¹⁰⁹ See e.g. Helleiner 1994:11-12

¹¹⁰ Interview Alison Evans, ODI Associate

¹¹¹ Interview Professor Brain van Arkadie; see also KK Consulting Associates 2001:iv

¹¹² It’s interesting to speculate what might have happened if Tanzania has sought to submit it’s TAS as it’s PRSP as Uganda in effect did with it’s PEP (Poverty Eradication Plan). Peniel Lyimo unfortunately would not be drawn on the point during discussions, arguing they were not comparable.

¹¹³ Interviewee [#5]

¹¹⁴ See e.g. IMF/IDA 2001:7

Rajan, director of Haki Elimu [Right to Education] describes how the decision was made:

“If you follow that process carefully, you will note that much of the cabinet was against this, and the penultimate draft of the PRS had nothing on school fees. It’s a really that some of us convinced the Bank that this is the right thing to do, and at the last stage, when the PRSP was with the president, it got put in there.”

Worse was to come. The Bank’s team from Washington working on Tanzania’s PRSP, had already seen Uganda resist the Bank, and submit their Poverty Eradication Plan as their ‘PRSP’. Tanzania’s PRSP would thus be the first to go before the Boards of the Bank and Fund. Considerable concerns were raised about the ‘quality’ of the Tanzanian document, with considerable doubt among the team about whether the Tanzanians had the capacity to draw up the PRSP. Tanzania’s PRSP would be taken from the Tanzanians for redrafting in Washington.¹¹⁵ The final draft was not substantively different, but a lot of the local “flavour”,¹¹⁶ people’s voices, women’s complaints of drunken husbands, land issues and the like was lost.¹¹⁷ Peniel Lyimo appears to allude to this, and the serious impact it had upon not only ownership at the higher echelons of the Ministry of Finance,¹¹⁸ but among an already hostile NGO community:

“I don’t think there was a serious compromise on ownership, just because [The Bank and Fund were] saying the format should be changed, the way this wording should be changed a little bit, editing, I don’t think that was material. But I think one thing, one has to observe, as long as it is an initiative which the public construes as external, there will always be that concern that you know, local ownership has been compromised.”

A fear amply illustrated in interviews across the NGO community, during the course of the research: common reactions included:

The “final content to the PRSP did not reflect the contribution of stakeholders... as a government document it filled some of the conditions for the IMF and World Bank. it was a document for donor funding.”¹¹⁹

The “World Bank’s only seeking legitimacy from civil society for the policies they are bringing to our country, which we rejected for years”¹²⁰

More broadly it’s worth noting that the breadth of ‘civil society’, invited to participate remains severely circumscribed, to NGOs, (themselves dependent upon the vagaries of donor funding). Participation of elected representatives (parliament) was tokenistic at best,¹²¹ while that of trade unions, and other ‘traditional’ civil society bodies,

¹¹⁵ Interviewee [#2]

¹¹⁶ Interviewee [#4]

¹¹⁷ Interviewee [#2]

¹¹⁸ Howard Stein conducting research for as an yet unpublished SIDA evaluation of ‘Ownership’ reportedly had several senior Ministry of finance officials who were openly critical of the PRSP claiming PRSP was ‘their’ document.; see also interviewee [#1]

¹¹⁹ Rajab Kondo, Programme Officer at TACOSODE

¹²⁰ Rebecca Muna, Co-ordinator TCDD

¹²¹ See e.g. interview Dr Jan Lindstrom, Socio - Cultural Analyst, SIDA; Naschold & Fozzard 2002:49., With limited evidence of a “satisfactory depth of understanding of the PRSP” (KK Consulting Associates 2001:iii), or strong commitment (KK Consulting Associates 2001:iv); ODI 2000:17

practically non-existent.¹²² Hardly the strongest base for building a broad-based consensus.¹²³

1.3.9. All about the money?

This of course raises an interesting question. Why have both the government and donor community embraced the PRSP so strongly and publicly?

On the government side, the President very publicly and vocally endorsed PRSP. Gaining access to debt relief became a “lodestar” for the Tanzanian government.¹²⁴ With the president’s weight behind it, no one in the government wants to rock the boat. Put crudely: ultimately, it’s still all about the money¹²⁵ – just as it was in the 1986, when the government finally capitulated to the Fund in the face of insolvency.¹²⁶ Moreover by keeping the back stage mechanisations under wraps, it appears a degree of ownership among lower echelon government staff within the Ministry of Finance has been built (sectoral staff remaining more hostile for other reasons addressed subsequently), and the PRSP’s success continues to enhance the stature of the Ministry of Finance.

The picture on the donor side is less clear. Some donors appear to be in the dark – or at least are unwilling to let on either publicly, or privately. The reasons for this appear to be mixed, in part it appears that World Bank leadership and support of the PRSP has raised its profile, has cajoled reluctant donors to at least pay ‘lip service’ to it. In any event there appears little incentive for them to rock the boat either. There is a belief that ‘home grown’ strategies are more sustainable (so publicly questioning ownership of the PRSP would serve little obvious cause), and the PRSP offers the poverty analysis, prioritisation and link to the budget so markedly missing in the earlier NPES and Vision 2025 Documents.¹²⁷ Moreover as one donor¹²⁸ put it, when commenting on the key changes, that allowed the shift to budget support and SWAPs (both high on the current donor agenda):

“I think the PRSP has been one of the major factors. I don’t think we could have moved toward a more medium term approach – budget support – without the PRSP being in play and without it being credible.”

Few people believed the TAS, Tanzania’s ‘own’ document could have played this role¹²⁹, without PRSP it’s hard to see how much of the donor’s present agenda could have advanced. In sum neither side has an incentive to publicly question the ownership of the PRSP; pragmatism leads to mutual duplicity. Besides, few careers are made on the back of a failure.¹³⁰ In the words of Sean Hall, Democracy and Governance Team Leader, USAID: “Everyone wants a success story”.

¹²² Interview Prof. Brain Van Arkadie; Van Arkadie 2001:10-11; Cf. Naschold & Fozzard 2002:47

¹²³ See e.g. Van Arakadie 2001:7

¹²⁴ Kelsall 2001:7; See also e.g. EIU 4th Quarter 1998; EIU 3rd Quarter 1999

¹²⁵ Cf. Kahler 1992:89; World Bank 1998a ct in Selbervik 1992:12

¹²⁶ See e.g. interview Ali I Abdi, Senior Resident representative, IMF; Campbell & Stein 1992:14-15

¹²⁷ See e.g. interview Alison Evans ODI Associate; Naschold & Fozzard 2002:10-11

¹²⁸ Interviewee [#14]

¹²⁹ See e.g. Interview Bertil Odén, Counsellor – Economists, SIDA

¹³⁰ Cf. Selbervik 1999:53; interviewee [#20]

2. Sector Case Studies

Although the main focus of the research was upon the PRSP, the research proceeded from the proposition that the PRSP could only be understood if it were placed within context. In particular, most of the content of the sectoral policies is delegated to sector development plans (SDPs)¹³¹, and the principles of partnership underpinning the PRSP will mean little if they do not also extend to the sectors.

Three case studies were selected to explore links between the PRSP and the sectors, and to further examine the roles of the four key actors: government, donors, NGOs and the university involved in the co-production of policy. The Health, Education and Agriculture sectors were selected, as they are all 'priority' sectors, and illustrate (SWAPs) at varying levels of development.

2.1. 'Partnership'

As Arne Bigstein, Deogratias Mutalemwa, Yvonne Tsikata and Samuel Wangwe¹³² put it in their contribution to the Bank's 'assessing aid' programme¹³³:

"An important test for the new relationships [of partnership] has been the introduction of sector wide programmes in education, health and a refurbished roads sector. This calls for a significant change from the traditional approach based on directly controlled projects. It also requires the timely provision of complete information, increased emphasis on sector wide policies (and the capacity and willingness for frank dialogue on them) and turning over some budgetary control and procurement functions to local authority, and above all, the competence of government leadership and ultimate responsibility for the sector program."

The 1999 Helleiner update¹³⁴, as noted in the discussion of the PRSP, celebrated the "remarkable progress" made in improving aid relationships after 1995¹³⁵. But having discussed the striking changes in relation to macroeconomic management, qualifies this somewhat with regards to the sectors: "At the sectoral level, the record is unfortunately not yet so positive, or indeed so clear."¹³⁶ In part this is attributed to the need to iterate with the ongoing LGRP and concerns over local level capacity¹³⁷, but while acknowledging: "There is absolutely no doubt that aid donor attitudes have changed in the past two years....there now seems to be much more genuine donor dialogue with Government based on mutual respect."¹³⁸ It (also) notes the "profound implications for traditional donor practices", that the new aid modalities, most notably SWAPs (Sector Wide Approaches) have.¹³⁹ This then, was the focus of research.

¹³¹ In particular, the PRSP despite the often grandiose claims remains a somewhat empty document, with little new (bar the decision on education user fees) and delegates most policy content to sectoral strategies; see also KK Consulting Associates 2001:v

¹³² Bigstein et al 2001:312

¹³³ Devarajan et al 2001 a product of the Development Research Group of the World Bank's research project: "Aid and Reform in Africa".

¹³⁴ Helleiner 1999

¹³⁵ Helleiner 1999:4

¹³⁶ Helleiner 1999:7

¹³⁷ Helleiner 1999:7

¹³⁸ underlining omitted, Helleiner 1999:8

¹³⁹ Helleiner 1999:8

2.2. Owning the PRSP

As a starting point, despite the rhetoric (mostly it should be added, from donors), about the centrality of the PRSP conscious articulation of the PRSP with sectoral strategies remains weak. However as Phillip Courtnadge, Development Management Unit, UNDP, put it:

“Some of them [sector people] aren’t too aware of the PRSP and exactly what it is, but they know what the fall out of the PRSP is for them, there; more aware of that. In the first instance that’s probably enough. Of course in the first instance we’d like to get them quoting the PRSP chapter and verse”

This lack of ownership appears principally attributable to the initial perception that the PRSP had little relevance to the sectors.¹⁴⁰ Moreover, there is a sense that sectoral ministries were (understandably) reluctant to cede power to an increasingly powerful co-ordinating role for the MoF.¹⁴¹ However the President’s strong backing of the PRSP, coupled to donor commitment to the PRSP, and increasing use of direct budgetary support (predicated upon the PRSP), have forced (donor dependent) sectors (like health, education and agriculture) to engage more with the PRSP, and ownership appears to be improving.¹⁴² The general trend is well summed up by Paul Smithson (Health and Population Advisor, DFID Tanzania) commenting upon the health sector¹⁴³:

“There was something of a mismatch between sector objectives set out in the PRSP and sector objectives already extant in the policy framework for the health sector SWAP and that surprisingly, well I suppose it’s not very surprising, it didn’t seem to bother many people. I think primarily because the whole PRSP drafting process from Finance, Vice President’s Office, the Bank and so forth was seen initially by sector folk as something they were doing for their own purposes, and yes of courses it was something they needed to end their support to, but it wasn’t really, I don’t think it was seen initially, as something that would really drive policy across the board.”

Given this limited articulation, the discussion is more focused upon the roles of the different institutional actors, though reference is made to the PRSP, where relevant.

¹⁴⁰ Naschold & Fozzard 2002:11, 36-37, 51; see e.g. Interviews John Zayumba, Director Policy & Planning, Ministry of Community Development Women and Children, Margaret Ndaba, Acting director, Policy and Planning, Ministry of Agriculture and Food Security, Paul Smithson Health and Population Advisor, DFID Tanzania, B.N.V. Buretta, Director of Secondary Education, Ministry of Education and Culture;

¹⁴¹ See e.g. interviews Paul Smithson, Health and Population Advisor, DFID, Wolfgang Ahrens, District Health Support Project (DHSP), GTZ Max Mapunda, Senior Economist (Policy and Planning Department), Ministry of Health

¹⁴² See e.g. interviews Max Mapunda, Senior Economist (Policy and Planning Department), Ministry of Health, KK Consulting 2001

¹⁴³ See also KK Consulting Associates 2001:22 for an early assessment of the lack of sectoral iteration with the PRSP

2. 3. Education: ‘Must do better’

The government’s proposals for responding to the education sector “crisis”¹⁴⁴ in the early 1990s, had run into the ground, as donors “more or less tried to hijack it, to run it” bringing in 50 *Mzungu* [European] consultants.¹⁴⁵ In the wake of the Helleiner report, the Stockholm meeting on partnerships, and the new World Bank rhetoric on partnership, things started to change.¹⁴⁶ 1997 is widely considered to be the turning point, with major decisions taken.¹⁴⁷ Progress was further reinforced by the Bank’s push for education sector reform as part of HIPC.¹⁴⁸ Following the donor sponsored appraisal, the Basic Education Master Plan (BEMP), became the Primary Education Master Plan (PEMP) (in 1998/99), and work began on developing a SWAp. Policy making structures within the Ministry of Education and Culture were reformed, with donors taking a purely “advisory” role through the Sector Management Team, NGOs invited to join the education task forces, and partnership enhanced.¹⁴⁹

2.3.1. Partnership: from Projects to SWAPs

The perceived change in the sector is eloquently illustrated, by firstly B.N.V. Buretta, Director of Secondary Education, Ministry of Education and Culture, and secondly by Jonny Baxter, Education Advisor, DFID:

“[W]ell those years, I think most of the aid came in the form of project aid and project aid has it’s own conditions, you have to follow what is written...then it was seen as of things were being directed, and I think this was a logical flow of thinking because, ‘this how to do it! If otherwise, no money!, but now the programme approach and the participation has changed a lot of that because we plan together and then we agree, this is how it is going to be...so the question of pushing from one side does no exist.”

“[P]reviously I think inadvertently, but we had previously established sort of teacher-pupil relationship, essays sent for marking and then sent back ‘must do better’ and we deliberately wanted to move away from that”

Certainly the evaluation of the donor support to the ESDP, conducted in 2000 was critical:

“The MOEC has not really owned the ESDP preparation processes, partly because many of its staff have not been involved in the process and do not understand its meaning or novelty, Initially the process was dominated by international consultants and after completion of their work the MOEC has been unable to carry the process significantly forward”¹⁵⁰

¹⁴⁴ Interviewee [#10]

¹⁴⁵ Interview Rakesh Rajan, Director Haki Elimu, see also interview Dr. Justinian C. J. Galabawa, Professor and Dean, Faculty of Education, University of Dar es Salaam

¹⁴⁶ Interview Rakesh Rajan, Director Haki Elimu

¹⁴⁷ Interview Victoria Mushi, Education Advisor, CIDA-PSU

¹⁴⁸ See also interview Dr. Justinian C. J. Galabawa, Professor and Dean, Faculty of Education, University of Dar es Salaam

¹⁴⁹ Interview B.N.V. Buretta, Director of Secondary Education, Ministry of Education and Culture

¹⁵⁰ Mercer et al 2000:34

Although the research (in 2001/2002) indicated a broad consensus that things are moving forward¹⁵¹, the reasons for this remains more disputed. As Rakesh Rajan, Director of Haki Elimu [Right to Education] put it:

“The situation is much better than it was a few years ago, for instance the civil society organisations have a space both in the PRSP committees and well as in the education sector programme...but if you go further and ask about the quality and consistency of that participation and even the integrity of those decision making processes...are discussions made by those processes always respected? Followed through? Then I think you run into a major wall if problems.”

Care must be taken, spaces have been opened up to NGOs¹⁵², but part of the problem is acknowledged to be the lack of capacity on the part of NGOs themselves.¹⁵³ The role of donors has proved more controversial, but the responses from parts of the NGO sector, particularly to the Bank’s dominant role¹⁵⁴ have not been as hostile as might have been feared¹⁵⁵ (given the acrimonious debates over the impact of SAPs on education in the 1980s and 1990s¹⁵⁶). The reasons (and frustration) are well articulated by Rakesh Rajan:

“If there was very strong leadership on the part of the Ministry of Education that would have helped, if the government had put donors in their place. Unfortunately the Ministry of Education has not been able to do that...in the absence of that sort of leadership the donors have usurped some leadership roles. I used to be very critical of that, now I’m still critical of that, but with less vehemence as I can see at times when there’s a vacuum, one feels the urge to step in. But I think the donors...they already recognises the contradictions between the rhetoric and what happens, but they haven’t taken the next step to take a ahead look at themselves to ask what do we really need to do?...I Think they haven’t done that in part because they are busy doing their own thing, but because *some* donors do not have an appreciation of the process and so will seek to get what they think is right even if it means undermining the process.”

The Bank in particular is singled out for criticism in this respect.¹⁵⁷ Perhaps the most decisive, and controversial, example of this concerned the decision to abolish user fees for primary education. The decision to include it within the PRSP (and as noted, it is in effect the only ‘new’ policy in the PRSP) was made at a very late stage, with the policy inserted between drafts, “out of a planning void”¹⁵⁸, causing considerable confusion in the process. The Prime Minister publicly declared that there was no change of policy (on user fees) only for the president to confirm it a few days later. The Reason for the change? As Rakesh Rajan Director of Haki Elimu explained:

“One structural problem that they [the Bank] have access to the highest offices of the land so when certain decisions at one level that they don’t like that, then they can move

¹⁵¹ See e.g. interviews Victoria Mushi, Education Advisor, CIDA-PSU; Rakesh Rajan, Director of Haki Elimu; Jonny Baxter, Education Advisor, DFID; B.N.V. Buretta, Director of Secondary Education, Ministry of Education and Culture

¹⁵² See also e.g. Interviewee [#5]

¹⁵³ See e.g. interview Rakesh Rajan, Director of Haki Elimu

¹⁵⁴ See e.g. Interviews Dr. Justinian C. J. Galabawa (Professor and Dean, Faculty of Education, University of Dar es Salaam); Rakesh Rajan, Director of Haki Elimu

¹⁵⁵ See e.g. interviews Rakesh Rajan, Director of Haki Elimu; Interviewee [#5], some however e.g. Kate Dayer of Marrifa ni mfungu [Education is the key] remains implacably hostile,

¹⁵⁶ See e.g. Cooksey et al 1994

¹⁵⁷ See e.g. interview Rakesh Rajan, Director of Haki Elimu

¹⁵⁸ Interview Jonny Baxter Education Advisor, DFID, Tanzania

up to they next level. In a few instances that has been useful in getting the right thing done, even though it has in a sense passed democratic processes, like the question of abolishing user fees, one we supported. If you follow that process carefully, you will note that much of the cabinet was against this and the penultimate draft of the PRS[P] had nothing on school fees. It's a really that some of us convinced the Bank that this is the right thing to do, and at the last stage, when the PRSP was with the president, it got put in there."

The Bank then is criticised by both NGOs and donors¹⁵⁹ for it's unilateralism, but this criticism is tempered: first Rakesh Rajan (Director of Haki Kazi Elimu), and secondly Jonny Baxter (Education Advisor DFID Tanzania):

"I'm very critical of the way the Bank has played its game, but they've brought a certain level of momentum that I frankly didn't see coming from the bilaterals."

The "World Bank has enormous human resources and sort of intellectual resources that basically can crack difficult nuts fairly quickly...in a way one of us could ever do...I Think...they started off in a fairly directive and controlling fashion and they freed a dramatic log jam. That was something DFID tried to do and failed two or three years ago...Had the Bank failed on that they would have been quite rightly heavily criticised. The fact that they succeeded, in my view vindicates that decision".

There appear to have been two crucial factors that cemented Bank leadership, despite DFID's nominal lead role in the sector. The first was its willingness to put money on the table, while donors hesitated.¹⁶⁰ As Jonny Baxter put it is:

"at the moment they [the Bank] *are* the lender of last resort, as no one else came up with any funds...so it's very hard to knock them on that line"

The second is its capacity (as Jonny Baxter outlines in the first quote).¹⁶¹ This dominance has seen the Bank play a major part in determining the content of the Primary Education Development Plan (PEDP)¹⁶² (allegedly using its Mozambique strategy as a template)¹⁶³, and then led the Bank to successfully substitute the PEDP's budget, even after it had been approved by the Prime Minister.¹⁶⁴ The one player seemingly missing from these tussles between the bilaterals and the Bank, is the government, as one donor put it¹⁶⁵:

The problem is "it is dialogue between the Bank and bilaterals and the government is sort of somewhere else".

This is echoed by Dr. Justinian C. J. Galabawa, Professor and Dean, Faculty of Education, University of Dar es Salaam :

"The World Bank – is taking data from Tanzania and making policies for us to accept, that's the danger that I'm seeing; that the policies, that the analysis; most of the

¹⁵⁹ See e.g. interviewee [#16]

¹⁶⁰ See e.g. Interviews Jonny Baxter Education Advisor, DFID; Interviewee [#5]

¹⁶¹ See e.g. Interviews Jonny Baxter Education Advisor, DFID; see also Cooksey et al 194:226

¹⁶² Interview Rakesh Rajan, Director Haki Elimu, Kobayashi Tomoki, Assistant Resident Representative JICA

¹⁶³ Interview: Dr. Justinian C. J. Galabawa, Professor and Dean, Faculty of Education, University of Dar es Salaam

¹⁶⁴ Interviews Rakesh Rajan, Director Haki Elimu; Jonny Baxter Education Advisor, DFID

¹⁶⁵ Interviewee [#22]

analytical work, *the analytical thinking* [is] done by the World Bank, and we're being handed analytical thinking. Analytical thinking should be done by Tanzanians"

2.3.2. Ownership?

The impact of all this on ownership is perhaps predictable. As one donor put it¹⁶⁶:

Donors has [sic] allocated too much funds to the Ministry of Education, [this] is the reason of lack of ownership. You know PEDP was formulated mainly by donors and according to the donor programme and donors have allocated their resources. So how can the Ministry of education be involved in the process with 'their' ownership? Actually they cannot! And of course they cannot deny to accept aid form donors because, yeah, something is better than nothing."

Ownership of the Education Sector Development Programme (ESDP), the donors' – and governments' - pivotal document, is understandably weak.¹⁶⁷ Jonny Baxter (Education Advisor DFID Tanzania), commented staff from the Ministry of Education and Culture had complained "“well this [the ESDP] is additional to my normal work' and that is, that's a bit of a question!".¹⁶⁸ What 'ownership' there is, among some staff appears, at times, more instrumental, than internalised. As one donor¹⁶⁹ put it:

"I think at the moment they [the MoEC] are very good at taking the resources of donors, but [nervous laugh] I think they're concentrating how to get the aid from donors, so still they are lacking ownership of the development programme."

Ally S.M. Mwaimu, Head, Policy & Planning Department, Ministry of Education and Culture succinctly summed it up:

"Donors have their interests, but it's a two way process, they need us, we need them".

This is hardly revelatory. Incentivising participation in donor favoured programmes has a long, if not always productive history in Tanzania.¹⁷⁰ Indeed the 2000 evaluation of the ESDP noted:

"There is no single agreed policy among donors and with MOEC on the payments of incentives to civil servants involved in the ESDP process. The attitude among civil servants to demand and receive extra payments through extra regular activities (local cost compensation) is strongly rooted within the MOEC, the ESDP preparation currently does not generate any extra payments though topping up allowance or local a consultancies, making it a second ranking priority among staff."¹⁷¹

It reflects the widely acknowledged problem of poor pay within the civil service,¹⁷² (and slow progress on the government's medium term pay policy¹⁷³), that has seen the practice of using allowances, per diems and so on to 'top up' salaries, continue. A

¹⁶⁶ Interviewee [#21]

¹⁶⁷ Interview Kobayashi Tomoki, Assistant Resident Representative JICA

¹⁶⁸ see also Mercer et al 2000:22

¹⁶⁹ Interviewee [#21]

¹⁷⁰ See e.g. Helleiner et al 1995:14; Helleiner 1999:20-21

¹⁷¹ Mercer et al 2000:35

¹⁷² The Helleiner report considered pay reform (Helleiner et al 1995:27-28

¹⁷³ Naschold & Fozzard 2002:26; Van Arkadie et al 2000:38-39

tendency, which remains deleterious¹⁷⁴ in all three sectors studied. More broadly, what has been perceived by some as heavy-handed donor interference in the education sector¹⁷⁵, has had predictably debilitating effects upon ownership. Within this context, moves toward a SWAp, are considered by some to have been premature¹⁷⁶, and despite starting first, progress remains slower than in the health sector. However notwithstanding this troubled history, there are signs of improvement in donor/government and even NGO relations, and perhaps crucially high level political commitment to the sector has increased.¹⁷⁷ The ‘need’ for donor funding is recognised outside the Ministry of Education and Culture. Education, a strong opposition theme in the 1995, has been considerably muted,¹⁷⁸ as donor funds have flowed in.

4. Health: ‘Playing Chicken’

Health Sector reforms were catalysed by the World Bank’s 1993 WDR *Investing in Health*¹⁷⁹, leading to the 1994 *Proposals for Health Sector Reform*, approved by the Cabinet in 1996¹⁸⁰, and followed, in the post-Helleiner spirit of partnership¹⁸¹, by discussions around a SIP (Sector investment Programme). Andrew Cassels Book *Current Issues in Sector Wide Approaches for Health Development* was subsequently passed to the Ministry of Health by DANIDA¹⁸², and in 1997/98, discussions on a SWAp “led very much by government and three bilateral agencies: SDC, DFID and World Bank began.”¹⁸³ The health SWAp has been lauded for the progress made, overtaking the more troubled moves in the education sector.

In addition to the speed of progress, a further notable difference in the health sector has been the extent to which donors were able to get their act together and put money on the table¹⁸⁴ (in contrast to the way the Bank “steamrollered” them in education sector)¹⁸⁵. The Bank, caught in the wake of a “total fiasco” in the health sector (most notably with regards the community health fund and user fees) “meant donors were able to come in with big money, fast enough”¹⁸⁶, restricting the Bank to 1% of the basket funding.¹⁸⁷ The Bank one of the founders of the SWAp, found itself almost frozen out. Comparisons with the Bank lead education sector are tempting, but unfair: education is acknowledged to be a more ‘politicised’ sector.¹⁸⁸ But the challenges facing the bilaterals, most notably building a genuine ‘partnership’ and ‘ownership’ are the same as those facing the Bank, in the education sector.

¹⁷⁴ See e.g. Van Arkadie et al 2000:40

¹⁷⁵ See e.g. Interviewee [#21]; interviews Dr. Justinian C. J. Galabawa, Professor and Dean, Faculty of Education, University of Dar es Salaam Rakesh Rajan, Director Haki Elimu

¹⁷⁶ See e.g. Mercer et al 2000:28; Interviews Kobayashi Tomoki, Assistant Resident Representative JICA; interviewee [#16]

¹⁷⁷ Mercer et al 2000:10

¹⁷⁸ Interview Dr Jan Lindstrom, Socio-Cultural Analyst, SIDA

¹⁷⁹ See e.g. Interviews Max Mapunda, Senior Economist (Policy and Planning Department), Ministry of Health, Emmanuel Malangalila, Senior Health Specialist, World Bank

¹⁸⁰ Burki 2001:12-13

¹⁸¹ Interview Dr. Ahmed Hingora, Project co-ordinator, HSB II, Ministry of Health

¹⁸² Interview Max Mapunda, Senior Economist (Policy and Planning Department), Ministry of Health

¹⁸³ Interview Jacqueline T.F. Mohan, Health Advisor, SDC

¹⁸⁴ Interviewee [#3]

¹⁸⁵ Interviewee [#2]; interviewee [#16]

¹⁸⁶ Interviewee [#5]

¹⁸⁷ Interviewee [#3]

¹⁸⁸ See e.g. Interview Jonny Baxter Education Advisor, DFID

2.4.1. Ownership and Control of the Health SWAP

The consensus among donors interviewed appears to be that health sector reforms have been internalised, albeit with some time lag¹⁸⁹, and with some gaps – most notably over private sector funding.¹⁹⁰ Moreover key reforms are considered to have been driven forward by a relatively small number of people¹⁹¹, most notably the Chief Medical Officer and the Health Sector Reform Secretariat.¹⁹² Considerably greater “trust” has been built¹⁹³ and a greater sense of partnership fostered.

Despite this, there is a sense that the SWAp, far from handing power over to the relevant sector ministries, may actually serve to enhance donor influence as they move ‘upstream’. As one donor¹⁹⁴ put it:

“Donors [are] unwilling to let go...some as [they are] very sceptical of capacity that is there, other where [they] had negative experiences of funds being misappropriated or used ineffectively, others as they would not have anything left to do.”

The SWAp remains in its infancy, and it is understandable that it will take time for confidence to develop. There is also some cause for hope in the way the disputes over basket funding have been handled.¹⁹⁵ The process was described by Paul Smithson (Health and Population Advisor, DFID Tanzania), highlighting both the problems and the degree of donor involvement:

“[I]t [the health sector budget] was late and it was given to us late deliberately because they didn’t want us to meddle in it – for quite good reasons, probably honourable as well as dishonourable, the first one was the very first year of the SWAP...there was a relatively small amount pledged to the basket and I think the Ministry saw this a multi donor project rather than as a major stream of financing which [can] fund anything in the health sector, so they tended to program discretionary [expenditures] capacity building, training, health sector reform type activities with that money...donors took fright and said ‘no, no this won’t do at all, we want you to reprioritise it...I think donors misinterpreted what would be reasonable to expect to be done with ‘free money’, especially relatively small amounts...secondly they hadn’t worked out what their appropriate role was, so ended up really meddling and treating this budget as if it really was a project budget...I think the ministry thought and this is my own interpretation: ‘if they’re going to try to micro-manage us every time we show them a detailed budget. We won’t show them a detailed budget. We’ll just ask them at the last minute’. Which is what they did the following year...they basically just gave us the budget before it was due to go...to [the Ministry of] Finance and said, ‘we’d welcome your comments’. We didn’t really have time to comment... we made a point about this: ‘we would really like an opportunity to comment’. So the following year we had a week and we did provide comments and those were, I believe, taken on board by the ministries of Health and Ministry of Finance...So in year 1 meddling and micro-

¹⁸⁹ See e.g. Interview Paul Smithson, Health and Population Advisor, DFID Tanzania

¹⁹⁰ Interviews Paul Smithson, Health and Population Advisor, DFID Tanzania; Lisbeth Loughran, Health Sector Advisor, USAID

¹⁹¹ Interviews Lisbeth Loughran, Health Sector Advisor, USAID; Interviewee [#3]

¹⁹² Interview Dr. Bergis Schmidt-Ehry, Senior policy Advisor, Sector Co-ordination, GTZ; Interviewee [#3]

¹⁹³ Interview Dr. Ahmed Hingora, Project co-ordinator, HSB II, Ministry of Health

¹⁹⁴ Interviewee [#3]

¹⁹⁵ Although it also serves as a foretaste of the problems that the education and agriculture sectors (with less developed SWAPs) may also have to overcome.

management, year 2 we didn't get a look in, year 3 we got a look in but too late, year four, this year, it's worked as I would certainly like it to work"

The underlying problem – low pay, that lead significant programming of workshops, training etc, and hence per diems and allowances - is acknowledged by both sides¹⁹⁶. The predictable result is succinctly summed up by Max Mapunda, Senior Economist (Policy and Planning Department), Ministry of Health:

“[B]ecause of the incomes of those preparing budgets there is an inclination to prepare a budget with private benefits.”

In light of this, Paul Smithson (Heath and Population Advisor, DFID) concludes:

I “believe that...donors would be mistaken if they got themselves into the aid game, where you know, there is a sort of bargaining between government and donors, you know: ‘what are you guys prepared to give us and how far are we prepared to push the boat out?’ and of courses there is a clear incentive to use travel and per diems to boost what are obviously meagre salaries...I think if donors...put themselves in the position of saying ‘yay’ or ‘nay’ , I think they make a big mistake, you just end up with game of chicken...ultimately I don't think we [donors] have the power to do it and you just end up with a pointless toing and froing. You know of the Ministry needs to, if they feel that we're kind of pulling them down, they will defend every single workshop in there.”

2.4.2. AIDS/HIV: Just Say No

The final part of the picture is HIV/AIDS. Although not a ‘health’ sector issue *per se* (rather a cross-cutting issue), the Bank finding itself with \$20mil signed off, but frozen out of the health basket, was left looking for somewhere to place it.¹⁹⁷ After the Ministry Of Health's proposals were rejected, AIDS/HIV seemed the obvious place. As Emmanuel Malangalila, Senior Health Specialist, World Bank, put it:

“The Bank...is a kind of lead agency in having a national AIDS programme under the MAP [Multi-sectoral AIDS Programme]”

The issue has been controversial, with a some donors arguing the Bank was ‘parachuting’ in it's T-Map, displacing grant money in the process¹⁹⁸. However in an echo of the education sector, it was acknowledged that bilaterals hadn't put money on the table¹⁹⁹ and that government leadership was lacking.²⁰⁰ As one donor²⁰¹ put it:

“When I came here 6 months ago, I felt very strongly that the World Bank was going too fast and moving in parallel and because of the volume of money we were talking about, TAC-AIDS was going to become the T-MAP, now I'm not so sure, because on the other side of the coin, the government is moving much too slowly, this is a national emergency.”

¹⁹⁶ See e.g. interview Paul Smithson, DFID Heath and Population Advisor; interviewee [#3]

¹⁹⁷ Interview Paul Smithson, DFID Heath and Population Advisor

¹⁹⁸ Interviewee [#3]; interviewee [#16]

¹⁹⁹ Interview Paul Smithson, DFID Heath and Population Advisor

²⁰⁰ See e.g. interviews Jacqueline T.F. Mohan, Health Advisor, SDC; Hilde Basstanie, Country Programme Advisor, UNAIDS

²⁰¹ Interviewee [#9]

A re-run it seemed of the education sector where weak government leadership, coupled to hesitation on the part of the bilaterals, had seen the Bank rush into the breach, to be begrudgingly accepted. Of a total budget of US106mil, the Bank would provide the lion's share: \$70mil, the bilaterals \$29mil and the government \$7mil.²⁰² Or so it seemed. In an interview in July 2002 one government source²⁰³ confirmed:

The “government refused that loan, actually [it was] being pushed on us by the World Bank”

2.5. Agriculture: ‘The Hungry Animal’

As in the education sector, the progress made in sector reforms in the early-mid 1990s (funded to a large degree by Bank lending)²⁰⁴ had run into the sand, with little to show for the funding.²⁰⁵ Further problems would arise with the break up of the agricultural ministries into the Ministry of Agriculture and Food Security, the Ministry of Co-operatives and Marketing and the Ministry of Water and Livestock Development (with the former in Dar es Salaam, the latter two in Dodoma). As Ladisy K. Chengula, (Rural Development Specialist, World Bank) put it we were “back to almost square one”.²⁰⁶

2.5.1. ‘Partnership’ in Policy Development

In an attempt to get things moving again, preparation of an agricultural development strategy had been made a HIPC condition. The sector, blighted by “donor planning syndrome”²⁰⁷, began developing a SWAp. A new spirit of partnership? Hardly, as one donor²⁰⁸ put it:

“Donor’s put pressure on government [the President and Ministry of Finance] if you push though, never pass HIPC...the strategy was thrown down their throats...[but] told this is what the donors want...keep quiet as have to pass HIPC.”

The Agricultural Sector Development Strategy (ASDS) would be led by a team of donor funded consultants. Ria Ketting, First secretary (Agriculture Advisor), EU::

“The [preparation of the] ASDS...that was very long story as well and you know before we came to the [final] ASDS many drafts were rejected. The Ministry assured us that now they had learnt the lessons of the ASDS which they *didn’t prepare themselves*, it was original prepared by consultants, they later *refined* the document, with facilitation, but they didn’t do it themselves.”

The resultant document has been praised (by donors) for its “beautiful polices” particularly in terms of facilitating the private sector.²⁰⁹ There were however two further challenges – combating the continuing ‘statists’ agenda in agriculture in

²⁰² World Bank 2002a

²⁰³ Interviewee [#8]

²⁰⁴ See e.g. Interview Dr Brian Cooksey, Director, TADREG

²⁰⁵ Interview Ladisy K. Chen gula, Rural Development Specialist, World Bank

²⁰⁶ See also e.g. interview Sizya Lugeye, Agricultural Sector, Irish Embassy

²⁰⁷ Interview Margaret Ndaba, Acting director, Policy and Planning, Ministry of Agriculture and Food Security

²⁰⁸ Interviewee [#6]

²⁰⁹ Interview Atsushi Hanatani, Special Advisor, JICA

practice,²¹⁰ and the need to draw up an agricultural Sector Development Programme (ASDP) to operationalise the strategy. As interviewee [#7] described it:

“You know it was felt by a number of consultants that the Ministry [of Agriculture and food Security] had the capacity to prepare the ASDP themselves. Originally we thought we have a facilitator, a small ministry team and they can call on consultants...All of a sudden it was like this: the ministry wanted to have a team of Tanzanian experts and do the whole exercise themselves with a facilitator...we had to accept.”

Donor disquiet soon mounted, with a questioning of the lack of clear prioritisation, alternative budget ceilings or a monitoring and evaluation system; and concerns over the proposed budgetary allocation to the Ministry of Water and Livestock Development, proposals for district planning, and the overriding sense that "the Ministry has not recognised that their role is policy making", not service delivery²¹¹.

With regards to the budget As one donor²¹² put it: it was “sort of wish list”, the ministries were like a “hungry animal”, “it’s all about the four ‘C’s’ from donors: Cars Cash, Computers and Cellphones”. In this atmosphere, and given the experience of the health sector, donors were understandably worried about moving toward basket funding of the ministries.²¹³ There was some hope though that the policy differences could be resolved. Atsushi Hanatani, Special Advisor, JICA:

“My thinking is that the government does not have much information on other modes of service delivery...think someone should show some examples, have access to what is happening in other countries.”

Under a tight time schedule, donor/government discussions broke down, a “tense” situation developed²¹⁴ with government pressing for approval²¹⁵, and donors resisting, before agreement of sorts was reached Atsushi Hanatani, (Special Advisor, JICA), again:

“After lots of argument, the government finally accepted ‘quick assessment of ASDP using external professional consultant [Lawrence Smith, of OPM]. [We] expect this study can give the Ministry some objective insights into how the SDP should be and be revised and expect them to respond to that.”

In the event, the appraisal failed to resolve the impasse, with a Ministry, considered by some to be to remain rooted in the past, burdened with a poor skills mix (dominated by agronomists, and hit by retrenchment and recruitment freezes) unable to meet donor demands.²¹⁶ The strategy was rushed to the Ministry of Finance, who took a “hard decision” and rejected it.²¹⁷ As one donor²¹⁸ recounted:

²¹⁰ See e.g. Atsushi Hanatani, Special Advisor, JICA

²¹¹ See e.g. Interviewee [#6]

²¹² Interviewee [#6]

²¹³ Interviewee [#7]

²¹⁴ Interviews Atsushi Hanatani, (Special Advisor, JICA)

²¹⁵ Interviewee [#7]

²¹⁶ Interview Ladisy K. Chengula, (Rural Development Specialist, World Bank); Interviewee [#6]

²¹⁷ Pers. Comm. Dr. Brain Cooksey, Director, TADREG

²¹⁸ Interviewee [#6]

They were “trying to merge the programme with the MTEF...Ministry of Finance, with guidance from the IMF, totally shot it down”.

2.5.2. The future: More Conditions or More Discussions?

It remains unclear where the sector will go from here. Donors appear set to take an even harder line, although there are differences about how best to proceed. When questioned about the reasons for moving for project to sector wide support, one donor²¹⁹, rather than resorting to the usual blandishments about reducing transaction costs, replied:

“Why we are going into sector support [and not budget or project support] is to have discussions with the Ministry of agriculture...to change the agricultural sector, to get them to realise they have to do business not as usual, but in a different way.”

In contrast other donors interviewed were more disillusioned with the agricultural sector ministries. Ladisy K. Chengula, Rural Development Specialist, World Bank argued what was needed was centrally imposed conditionalities as there was still “ a long way to go.” The tension this has created – and that appear set to continue - were voiced by interviewee [#7]:

“In the ASDS there has never been real discussion on policy. On paper the Tanzanian government is going for liberalised marketing and that has never been questioned, there are some issues in the ASDS about crop boards...but policy issues have not been a problem at all. I don’t know what it is, Ownership? I don’t know: they want to be owners?”

²¹⁹ Interviewee [#7]

3. Poverty Monitoring

'A Robust Data Set'

This section briefly addresses the development of a poverty monitoring system. This is both an integral part of the desired shift toward results (or output) oriented management that is intended to underpin both the PRSP and the SWAPs, and an area that offers a further example of the developing partnerships.

3.1. Development of the Poverty Monitoring System

The establishment of a poverty monitoring system marks a considerable step forward, both in terms of filling the vacuum in poverty monitoring²²⁰, but more interestingly in terms of the process though while it was developed. Success of the team that drew up the PMMP (Poverty Monitoring Master Plan)²²¹ remains an exemplary example of inter-agency partnership in practice.²²² Deliberately composed of individuals rather than institutions²²³, the team brought together the Permanent Secretaries at Ministry of Finance and Vice President's Office, Professor Semobja from REPOA, Arthur Van Diesen from UNDP, Valerie Leach from UNICEF and Alana Albee from DFID.²²⁴ An exemplary example of how an inter-agency team can work together – and can resist the sometimes domineering nature of the Bank. In what was considered an “area of critical importance for them” (and reflected in its inclusion as an HIPC condition).²²⁵ As Arthur Van Diesen (Poverty Monitoring Advisor, UNDP) put it there were “suspicions of Bank agenda” namely the “Uganda model” (i.e. responsibility for Poverty Monitoring housed within the Ministry of Finance, and based around annual CWIQ's), but that these were resisted in favour of a more complex, but more authentically ‘Tanzanian’ model²²⁶.

3.2. Early Results: the Household Budget Survey

However the long awaited Household Budget Survey (HBS) update, that it was hoped – or feared – would provide firm evidence of poverty trends over a 10 year cycle, proved more controversial. With the Bank in particular having “enormous” political capital tied up in having results that showed poverty going down.²²⁷ Early results are rumoured to have indicated an increase in poverty,²²⁸ generating considerable concern about the potential public reaction.²²⁹ Oxford Policy Management (OPM), funded by donors, and supporting the NBS (National Bureau of Statistics) to do the analysis were

²²⁰ See e.g. Interviews Dr. Servacius B. Likwelile, Director Poverty Eradication, VPO, Poverty Eradication Division; Geir Sundet Governance Advisor UNDP; Dr Jan Lindstrom, Socio-Cultural Analyst, SIDA; Naschold & Fozzard 2002:40

²²¹ United Republic of Tanzania; *Poverty Monitoring Master Plan*. Dar es Salaam, December 2001.

²²² See Evans & van Diesen (2002) for more details.

²²³ Interview Prof. Joseph Semboja, Executive Director, REPOA

²²⁴ Interview Arthur Van Diesen, Poverty Monitoring Advisor, UNDP

²²⁵ Interview Arthur Van Diesen, Poverty Monitoring Advisor, UNDP

²²⁶ The resultant framework is ambitious, as it is institutionally complex and relies upon the synchronisation of a number of existing survey instruments rather than the adoption of a dedicated CWIQ.

²²⁷ Interviewee [#2]

²²⁸ Naschold & Fozzard 2002:7

²²⁹ Interviewee [#12]

left with two choices: one calculation of poverty showed an increase, the other a slight decrease.²³⁰ The latter was chosen, and the final results, when presented and hailed as a ‘robust data set’ by Prof. Ndulu raised a few wry smiles around the table.²³¹

There is no suggestion that the final data set is not statistically defensible, nor that the Bank exerted undue influence, as one donor²³² put it:

“[T]o be fair to the Bank they didn’t push OPM, they sat back and waited...didn’t steamroller the bilaterals in the way they managed in education...With the HBS the bilaterals sat tight together.”

Despite this very few people interviewed evinced much faith in this ‘robust’ data set. Within government at best there was the refrain that despite personal concerns they had to go with the data they had²³³, at worst they was the open belief that poverty was getting worse.²³⁴ Outside of government in the NGO²³⁵, academic²³⁶ and donor community²³⁷ (bar the Bank and Fund – and even here the Bank is commissioning studies to examine why more wealth has not “trickled down”²³⁸), and indeed in the media²³⁹, there was widespread scepticism.

3.3. Participatory Poverty Assessments: Cause for hope?

Given the scepticism about the HBS results a number of people²⁴⁰ have put their faith in the annual Participatory Poverty Assessments (PPAs), As one NGO source²⁴¹ put it:

“The PPA process as I see it should be an opportunity for the community, for people to come back to the government and say ‘you got it wrong.’”²⁴²

Arthur Van Diesen (Poverty Monitoring Advisor, UNDP), described the inevitable tensions this may bring:

“Poverty monitoring is based on this more general idea that we want to promote evidence based policy making. At least on the surface there’s a lot of commitment to that. It’ll be interesting see how things work out when the poverty monitoring system actually starts generating evidence and I’m sure they’ll be some controversial evidence...which also has policy implications, and to see how policy makers respond to that.”

²³⁰ Interviewee [#13]

²³¹ Interviewee [#13]

²³² Interviewee [#2]

²³³ See e.g. Interview Arthur Mwakapugi, Director Macro Economy Divisions, President Office-Planning Commission

²³⁴ See e.g. interview John Zayumba, Director Policy & Planning, Ministry of Community Development Women and Children; T.P. Msakia, policy Analyst, Ministry of Agriculture and Food Security

²³⁵ See e.g. Interviewee [#4]

²³⁶ See e.g. Interview Dr G.D. Mjema, Director ERB; Professor N.E. Osoro, Faculty of economics

²³⁷ See e.g. interviews Jorma Pauku, Ambassador, Finland; Interviewee [#18]

²³⁸ Interview Dr. Ben Tarimo, Consultant Macroeconomist, World Bank County Office, Tanzania

²³⁹ For example the Tanzanian express carried an extremely sceptical of front page story discussing the issue in (4th-10th June 2002).

²⁴⁰ See also e.g. Interviews Geir Sundet, Specialist in Governance, UNDP; Jacqueline T.F. Mohan, Health Advisor; Martine Billanou, Country Director, Save the Children Fund

²⁴¹ Interviewee [#5]

²⁴² Cf. Naschold & Fozzard 2002:49

Early signs are not completely reassuring. As one NGO source²⁴³ put it:

The “perception is the government is a little bit defensive...[we’re] involved in the PPA, already some doubt if the government is going to publish in the form presented. Lots of issues about corruption thrown up, and doubts in the PPA team if published as it is. It’s government contracting the PPA and publishing, so might not be a lot the consortium²⁴⁴ can do if they decide to doctor it slightly.”

Only time will tell if these fears prove justified, as Prof. Joseph Semboja, Executive Director, REPOA, who is co-ordinating the PPAs argues:

Corruption was on PPA guidelines, “if people feel that they will not come out forcefully, I suspect it’s because they didn’t come out forcefully in the discussion of the research itself, but I think there is a also a tendency that NGOs have certain issues that they push, that if it didn’t come out in the research the mistake is on the part f the researchers or those that sponsored it...I’m not sure why people are worried. It’s too early to worry”

²⁴³ Interviewee [#11]

²⁴⁴ A mixed group of government, donors and NGOs undertaking the PPAs

4. Governance

*‘Some people argue until the big fish are fried, nothing will change’*²⁴⁵

This section briefly discusses a recurring concern among interviewees: the complex challenge of improving of ‘governance’ – or as most respondents less euphemistically put it - corruption.

4.1. Consensus about the problem

The one area non-governmental (donors, academics and NGOs) were united upon was the problem of corruption. There was also uniform agreement that not much progress had been made.²⁴⁶ While the euphemistic ‘Good Governance’²⁴⁷ remains prominent in donors’ rhetoric, as Sean Hall, Democracy and Governance Team Leader, USAID somewhat incredulously pointed out:²⁴⁸

The “word ‘corruption’ or ‘anti-corruption’ appears once [in the PRSP] and the fact no one attributes some link between high level corruption and poverty...?!...Everyone know it’s there, the controller auditor general’s report details “massive misappropriation every year...[but] what’s done? Nothing!”

Transparency International recently ranked Tanzania at 2.2 (out of 10) - just below Russia (2.3), but above Kenya (2.0) – which has fallen from Donor favour, and where the World Bank and IMF are taking a very hard anti-corruption line, suspending aid until the government passes a number of anti-graft laws, and Uganda (1.9) where, like Tanzania (another donor ‘star’) there’s not much pressure.²⁴⁹

4.2. The way forward

Corruption in Tanzania has been attributed to two mutually reinforcing incentives²⁵⁰: the desire for personal enrichment and the need for cash of political patronage.²⁵¹ It appears, the latter concern has seen the corruption issue sidelined. The former Finish President Marti Ahtisaari has argued donors ‘have to look at the bigger picture’, that they can’t expect Mkapa to be able to stem corruption given his political position,²⁵² and the

²⁴⁵ Interview [#1]

²⁴⁶ See e.g. interviews Detlef Mey, Director GTZ; Karl Schmidt, First Counsellor (Economics) EU, Dr. Daraus Bukonya, Country Director, AMREF, Sabas Massawe, Policy & Advocacy Advisor, ActionAid Tanzania, Dr. Rwekaza S. Mukandala, Professor of Political Science and Public Administration, Dean, Faculty of Arts and Social Sciences, University of Dar es Salaam, Dr. Max Mmya, Political science, University of Dar es Salaam, Dr. S.M. Kundelya, Development Officer, TCCIA, DFID 2001:7; Selbervik 1999:25-26; Interviewee [#18]; *pace* Naschold & Fozzard 2002: 45

²⁴⁷ Van Arkadie (2001:2).

²⁴⁸ Cf. Naschold & Fozzard 2002: 11, 55

²⁴⁹ See e.g. interview Detlef Mey, Director GTZ, Tanzania

²⁵⁰ Interview Sean Hall, Democracy and Governance Team Leader, USAID

²⁵¹ See e.g. Kelsall 2001:21-22, Interviews Sean Hall, Democracy and Governance Team Leader, USAID, Dr Brian Cooksey, Director, TADREG

²⁵² Interview Sean Hall Democracy and Governance Team Leader, USAID; see also EIU 3rd Quarter 1999:10

tight-knit elite.²⁵³ After Mkapa's post election (1995) honeymoon ended, corruption had resumed its high position on the donor agenda, fuelled by controversies such as IPTL.²⁵⁴ Indeed up to the 2000 CG (Consultative Group meeting)²⁵⁵ there were debates within donors such as DFID, about whether to go forward with budget support, without progress on anti-corruption.²⁵⁶ At the CG that year Mkapa was reportedly trembling 'get off my back, I'm doing everything I can'.²⁵⁷ The optimistic spin upon the problem was laid out by Jorma Paukku, Ambassador, Finland:

"If you have the accountability from day 1 & you have the transparency and all that; the only country I can think of that would qualify for Finnish development aid is Sweden".

The more cynical by Sean Hall (Democracy and Governance Team Leader, USAID):

It's a "very public thing, goes to politics, survival of the party, party leadership paramount."

As Tim Kelsall points out, as money becomes an increasingly important factor in election campaigns²⁵⁸, "politicians need somehow to acquire it". Some comes from legitimate business, but inevitably "there is also a temptation to make money through straddling the political and economic spheres, in a variety of practices that shade from outright embezzlement through bribe taking to crony capitalism."²⁵⁹ In short - the price of reform: corruption, to sustain the party.²⁶⁰ Besides as one donor²⁶¹ lamented: "the donors, I mean particularly talking about the World Bank, they need a success story, and Tanzania is as good as it gets really". The danger, as one donor²⁶² points out is:

'Some people argue until the big fish are fried, nothing will change.'²⁶³

²⁵³Cf. Bigsten et al. 2001 cit in Naschold & Fozzard 2002:45

²⁵⁴Selbervik 1999:45; see also EIU 4th Quarter 1998:11; EIU 1st Quarter 1999:7

²⁵⁵Chaired (and called) by the Bank, they are usually dominated by government and donor presentations of pre-prepared positions on aid and development (See e.g. Lancaster 1999:192-193).

²⁵⁶Interview Sean Hall Democracy and Governance Team Leader, USAID

²⁵⁷Interview Sean Hall Democracy and Governance Team Leader, USAID; Cf. Naschold & Fozzard 2002:45

²⁵⁸Kelsall 2001:21-22

²⁵⁹Kelsall 2001:22

²⁶⁰See also EIU 1st Quarter 1999:7

²⁶¹Interviewee [#20]; see also interview Sean Hall Democracy and Governance Team Leader, USAID

²⁶²Interviewee [#1]

²⁶³See also e.g. Kelsall 2001:13 *pace* Naschold & Fozzard 2002:45

5. The PRSP and Local Government

*'PRSP – what is PRSP?'*²⁶⁴

The ambitious Local Government Reform Program (LGRP), entails among other things a comprehensive series of seventeen steps through which local policies, are to be drawn up in a participatory way with relevant stakeholders. Crucially these policies are to be drawn up, so that objectives are set, activities (and finance) required to implement them, are identified and outlined, and appropriate monitoring systems put in place. In short, one has, in effect, replication of the PRSP process at a local level. A prime opportunity it appears for aligning local level objectives and activities, so that might more effectively contribute to the achievement of objectives at a national level. At the very least, the LGRP will be the vehicle for implementing the PRSP.²⁶⁵

The research, restricted to one regional authority (Mwanza) and one District Council (Mwanza City) cannot – and does not aim - to offer a representative basis for generalisation. The aim was for an illustrative study, that would allow themes raised at central levels to be explored at a regional and district level. However wherever possible, reference is made to other, more representative studies.²⁶⁶

5.1. Linking the PRSP and LGRP

Government is understandably bullish about the prospects for the LGRP, although even here as government sources acknowledge²⁶⁷, it will take time: “it’s a journey”. In contrast non-governmental (donor/academic/NGO) interviews, while agreeing that the LGRP was probably too ambitious,²⁶⁸ remained almost uniformly pessimistic assessment of capacity at local level in the short term.²⁶⁹

Moreover despite the recently introduced emphasis upon poverty in the LGRP (“the original MTP [Medium Term Plan] for the LGRP didn’t include the word ‘poverty’”).²⁷⁰ It is hoped that this will now be mainstreamed through ‘Poverty Audits’²⁷¹. The consensus appears to be that awareness of the PRSP remains low²⁷² (and echoes the Mwanza research), but as Per Tidemand, Local government advisor, UNDP argued:

“I think the main question is whether operational action in support of service delivery is taking place on the ground and whether people know of the PRSP or not might not be that important. Of course...I think in a broad sense people are aware that the government is changing the allocation to poverty [reduction], whether they know all the

²⁶⁴ Interview J.K. Lutatina, District Extension Officer, Mwanza

²⁶⁵ Interview Alison Evans, ODI; Cf. Naschold & Fozzard 2002:28-29

²⁶⁶ See most notably Watson et al 2001

²⁶⁷ Interviewee [#16]

²⁶⁸ See e.g. interviews Detlef Mey, Director GTZ; Interviewee [#1]

²⁶⁹ See e.g. Interviews Paul Smithson, Health and Population Advisor, DFID; Kobayashi Tomoki, Assistant resident Representative [Education], JICA, Prof. Suleiman Ngarawe, IDS, UDSM; Cf. Naschold & Fozzard 2002:29-30

²⁷⁰ Interviewee [#1]

²⁷¹ Ben J. Kasege, (Component Manager (Governance) LGRP)

²⁷² See e.g. KK Consulting 2001:36

jargon at national level or not, might not be so important. I think the local governments in Tanzania have a reasonable understanding of their roles in service delivery.”

Mwanza was selected as a large metropolitan District Council, which was in the first phase of the reform program; this should mean it is one of the strongest councils. The focus of the research was upon how regional and local authorities were responding to their new roles.

5.2. ‘Power and Money’

The reluctance of central ministries to ‘let go’ is both predictable and well documented;²⁷³ as one donor²⁷⁴ put it: “you’re suggesting Ministry people, government at national level should surrender their power, surrender their money. So it’s not easy.” What is perhaps more interesting is the reaction of regional and local government to their new-found powers. Interviews at a regional level suggested the regional secretariat felt disempowered, shorn of money resources and power. As first N.S. Kulwijilaa, Agricultural Development Advisor, Mwanza Regional Secretariat, and secondly Bartimayo Jiranga Mujaya, Regional education officer, Mwanza put it:²⁷⁵

“Since the institution of these Regional Secretariats, it hasn’t done its work on the full capacity. We have some problems with the regional secretariat, we’re not capacitated in terms of training, logistical support even funds are little and delayed in coming.”

“The advice we give they [local authorities] can accept or not... [the] impact of Regional Secretariat to Local Authorities is still not appreciated very much. I think there should be a mechanism in place so what we recommend is implemented...even the local authority, they don’t know the role of the regional secretariat.”

Indeed, their role – and hence *raison d’etre* remains unclear. As Donald Kasongi, Country Director – Tanzania, ACORD, put it:

“The original assumption was that the regional secretariat would remain there as policy representatives of the central government, but again you have developed all the powers down to the District councils...I’ve been to those regional consultative Committee [meetings] alongside the Regional secretariat...and people are not sure what to do. The Regional Secretariat is not sure how to handle issues.”²⁷⁶

The perspective at a district level was a little more complex, as J.K. Lutatina, District Extension Officer, Mwanza put it when describing policy making²⁷⁷:

“It...depend[s] on the mother ministry, most, almost all our policies are coming from the mother ministry...we are still new here, we need our parent to take care [of us].”

The more common sentiment articulated by Saidi Tofiki, City Community Development officer, Mwanza was that:²⁷⁸

²⁷³ See e.g. Interviewee [#1]

²⁷⁴ Interviewee [#10]

²⁷⁵ See also e.g. Watson et al 2001:5

²⁷⁶ See also e.g. McCourt & Sola 1999:66 on the ‘perverse’ survival.

²⁷⁷ See also e.g. Interviews B.Y.Rashid, City Education Officer and Acting City Director

²⁷⁸ Cf. Watson et al 2001:11

“People have a bit of a hangover of giving orders to the district. But I think...we’re in a transition period, so you can’t change things abruptly.”

5.3. Improving Service Delivery

In applying this new found power, and responding to the recent training from the Council Reform Teams, all governmental respondents evinced a faith in new planning tools (most notably the 17 steps) and new participatory planning tools. Although *district* respondents were rarely fully conversant with the latest policy developments in their sectors (most notably the content of the SDPs²⁷⁹) (in contrast to regional staff). There was a sense, that as Saidi Tofiki, City Community Development Officer put it “people are much more conscious of what they’re supposed to do.”, and we’re no longer just plan[ing] for the purposes of planning.”²⁸⁰ The “key issue”, most were agreed, and as B.Y.Rashid, City Education Officer and Acting City Director affirmed “was improvement of service delivery.”

The two main problems identified in delivering this, revolved around funding. As J.K. Lutatina, District Extension officer; put it: “we budget, but at the end of the day we fail to meet or budget, you see they remain figures in our file, you...fail to attain even 50% of the budget”²⁸¹. While as Saidi Tofiki, City Community Development Officer put it the main problems facing department was that they “don’t have enough facilities especially access to villages we don’t have enough facilities, we don’t have enough transport.”

5.4. The limits of Participation

However despite all the fine talk of ‘participation’ in policy making, Some respondents views on accountability at times verged on the unconventional, as one local government respondent²⁸² put it:

“Every time you have to fight, confront the people...you get too many demands because they know they have paid you this or that [tax]”

The councils’ commitment to participation was also contested by some of the non-governmental respondents interviewed. Dr. S.M. Kundelya, Development Officer, TCCIA, discussing private sector involvement commented “we’re seen as enemies” (in contrast to the strengthening of public/private relations at a central level). While Donald Kasongi, Country Director – Tanzania, ACORD, questioned the responsiveness of local authorities:

After “people elect, even the elected representatives again become masters of the these people. So they want people to listen to their ideas, instead of them going to the people and asking.”

²⁷⁹ See e.g. interviews B.Y.Rashid, City Education Officer and Acting City Director; Saidi Tofiki, City Community Development officer, Mwanza; J.K. Lutatina, District Extension officer; Dr Musumbusi, District Medical Officer, Dr Mugeye, City Health Officer, Mwanza

²⁸⁰ See also e.g. Eriksen 1997:267-68

²⁸¹ See also e.g. interviews Ramadam Lugaila, Plant protection officer, B.Y.Rashid, City Education Officer and Acting City Director; Cf. Naschold & Fozzard 2002: 53

²⁸² Interviewee [#23]

The broader manifestation of this lack of accountability is perhaps the culture of corruption.²⁸³ As one interviewee [#15] put it:

“People here are elected because of your cash and not because you’re very good...so many people are poverty stricken, if you give small money, think you’re god, [you] can buy votes...it’s not only 2mil, 3 mil TSh, can spend 10mil TSh, so you can see they come buying votes at that moment of campaigning.”²⁸⁴

This appears reflective of a wider problem. As one donor²⁸⁵ put it:

If you “look at the training backgrounds [of local staff] you’d be astonished; not that people don’t know what to do, but to make [the] mistakes that are there: less than 10 clean audits out of 240 [District audits]. Not a coincidence.”²⁸⁶

Given the degree of decentralisation being implemented under the LGRP, the successful reform of local government is clearly crucial. The training received by civil servants in Mwanza suggests that reorientation is possible, although it takes time. Changing the nature of local politics²⁸⁷ may well prove more intractable,²⁸⁸ and it is feared by some respondents that this will severely curtail realisation of the PRSP’s and SDPs’ laudable strategies.²⁸⁹

²⁸³ See e.g. interview Juvenal Kabiligi, Senior Project Manger, Tanzania, Catholic Relief Services

²⁸⁴ See also Kelsall 2001:21

²⁸⁵ Interviewee [#1]

²⁸⁶ See also Kelsall 2000

²⁸⁷ See e.g. interviews: Dr. S.M. Kundelya, Development Officer, TCCIA; J.K. Lutatina, District Extension Officer, Mwanza

²⁸⁸ Cf. Taylor 1999:78; Kelsall 2001:27

²⁸⁹ See e.g. Interviewee [#1]

6. Conclusions

'The government does not have the capacity to say 'no'...they need HIPC to sustain the state',²⁹⁰

6.1. 'Partnership' and 'Ownership'

Although Tanzania started the painful process of adjustment later than many,²⁹¹ the problems encountered: popular resistance to reforms imposed upon a unconsolated populace²⁹²; political resistance resulting in slippage and non-implementation²⁹³; and most damagingly the sluggish economic responses²⁹⁴, mirror the global problems of the 1980s and 1990s.²⁹⁵ In response, institutions like the Bank²⁹⁶ and OECD²⁹⁷, pioneered a still nascent 'new' aid regime²⁹⁸. Its central plank, 'partnership' between development agencies, government and civil society, is embodied in the PRSP and SWAPs.²⁹⁹ Tanzania stands at the forefront of these changes.³⁰⁰ An Africa "success story"³⁰¹ amid countless disappointments,³⁰² it has become a testing ground for new ways of 'doing business'.³⁰³

These internationalised processes, have of course flourished within a distinctive national context: Nyerere's legacy³⁰⁴, the personalities involved (most notably President Benjamin Mkapa³⁰⁵, Jim Adams³⁰⁶ and Professor Benno Ndulu³⁰⁷), and the Helleiner process³⁰⁸ stand out in particular. But the overall trend conforms with global trends. Moreover the experience of the Bank: the preeminent development agency in Tanzania,³⁰⁹ eloquently illustrates the central tension facing *all* development partners,

²⁹⁰ Interviewee [#19]

²⁹¹ Gordan 1994:253

²⁹² Ndulu & Mwege 1994:124

²⁹³ Tsikata 2001:6-9, 15; Bigsten *et al* 1999:29-30; Gordan 1994::257

²⁹⁴ Bigsten *et al* 1999:40; Selbervik 1999:33

²⁹⁵ See e.g. Stewart 1995; Demery & Addison 1987; Cornia *et al* 1987

²⁹⁶ See e.g. World Bank 1995; Wolfensohn 1997; Stiglitz 1998

²⁹⁷ OECD 1992, 1995

²⁹⁸ Cf. Harrison 2001

²⁹⁹ See e.g. Bigstein *et al* 2001:312

³⁰⁰ See e.g. Bigstein *et al* 2001:309

³⁰¹ Turner 2000

³⁰² See e.g. Watkins 1995

³⁰³ See e.g. interviews Dr. Bergis Schmidt-Ehry, Senior Policy Advisor, Sector Co-ordination, GTZ; Atsushi Hanatani, Special Advisor JICA; Phillip Courtnadge, Development Management Unit, UNDP

³⁰⁴ See e.g. Interview Asion Evans, ODI Associate; Kiondo 1992

³⁰⁵ See e.g. interviews Dr. Rwekaza S. Mukandala, Professor of Political Science and Public Administration, Dean, Faculty of Arts and Social Sciences, UDSM; Dr. Max Mmya, Political Science, University of Dar es Salaam

³⁰⁶ See e.g. interviews Dr Jan Lindstrom, Socio-Cultural Analyst, SIDA; Geir Sundet, Governance Advisor, UNDP; Interviewee [#1]; Alison Evans, ODI Associate

³⁰⁷ See e.g. interviews Prof. H.K.R. Amani Principal Research Fellow ESRF Alison Evans, ODI Associate; Tonne Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy; Interviewee [#2]

³⁰⁸ See e.g. interview Prof. Benno Ndulu, Sector Lead Specialist, Macroeconomics The World Bank, Tanzania Country Office

³⁰⁹ See e.g. interview Dr Jan Lindstrom, Socio-Cultural Analyst, SIDA; Interviewee [#18]; Gordan 1994:253; Selbervik 1999:15

in trying to respond the often manifest failure of policy based lending at both global³¹⁰ and national (Tanzanian) levels.³¹¹

6.2. The PRSP: Moving from Conditionality to Consensus Building

The initial global response to this failure was to try to tighten control; what Roger Riddell has called “one of the most characteristic features of aid policy in the 1980s and 1990s”: “the introduction, the extension and the widening of conditionality.”³¹² Tanzania was not spared³¹³, an experience likened to some to being put “in custody”.³¹⁴ The scope and depth of conditionality in all probability proportionate to Tanzania’s economic weakness at that time.³¹⁵ However, for all the attempts at control, by the early 1990s, after an initial period of reform, more complex second-generation reforms faltered in Tanzania,³¹⁶ echoing the global problem.³¹⁷

The global failure of policy based lending is well documented by David Dollar and Craig Burnside among others³¹⁸. Attributed to a number of reason including the multiplicity of objectives for aid³¹⁹, national opposition³²⁰ and the lack of “ownership”.³²¹ It remains subject to one important caveat, namely that: “where governments are reform minded and policy conditionality is an agreed type, it can be effective”.³²² Attempts to ‘buy’ or ‘impose’ reform are doomed to failure³²³, but if a country has a proven track record, and there is agreement on appropriate reforms, policy based lending can work. As the former Chief Economist at the Bank, Joseph Stiglitz, put it:

“[C]hanges in ways of thinking cannot be imposed, successful development cannot be based on conditionality.”³²⁴

“Conditionality”, once a term of honour within large parts of the donor community”, has “become more of a swear word within the same donor circles.”³²⁵ Development must be politically robust; participation and ownership of policy-making processes is the new mantra.³²⁶ In responding to this World Bank President, James Wolfensohn, has

³¹⁰ See e.g. Killick 1998; Burnside & Dollar 1997; Mosley et al 1997

³¹¹ See e.g. Bigsten *et al* 1999:29-30; Rugumamu 1997; Cooksey et al 1994:226; Gordon 1994:254-255; Wangwe (Undated, a):1-2, 5

³¹² Riddell 1995 *ct* in Selbervik 1999:15

³¹³ See e.g. Bigsten *et al* 1999:13; Lofchie 1994: 166-7; Wangwe 1997b:2

³¹⁴ Interview Dr Jan Lindstrom, Socio-Cultural Analyst, SIDA

³¹⁵ See e.g. the arguments of Mosley et al 1995:131

³¹⁶ Bigsten *et al* 1999:29-30

³¹⁷ Although actual timings differ the overall trajectory is consistent, see e.g. Killick 1998; Mosley et al 1995

³¹⁸ Burnside, C. & Dollar, D. (2000). ‘Aid, growth, the incentive regime and poverty reduction’ (p210-227) in Gilbert, C.L. & Vines, D (eds). (2000) *The World Bank: Structure and Policies* Cambridge: Cambridge University Press; Burnside, C. and Dollar, D. (1997). *Aid, Policy and Growth*. Working Paper, no. 1777. Policy Research Department, Macroeconomics and Growth Division Washington DC: World Bank.; Collier, P & Dollar, D. (1999). ‘Aid Allocation and Poverty reduction’, *Policy Research Working Paper*2041 Washington D.C.: World Bank

³¹⁹ Collier 2000:301-302

³²⁰ Gilbert & Vines 2000:27

³²¹ Killick 1998

³²² Gilbert & Vines 2000:28 citing Burnside & Dollar 2000

³²³ Gilbert & Vines 2000:28

³²⁴ Stiglitz 2000:3

³²⁵ Selbervik 1999:15

³²⁶ Stiglitz 2000 :2-3; se also e.g. Woods 2000:143

sought to reposition, to rebrand, the Bank. In addition to its traditional role as a 'lending Bank' it now promotes itself as a 'knowledge Bank'.³²⁷ The repositioning is not solely motivated by the policy based aid crisis (the declining importance of Bank lending, in all bar IDA countries³²⁸ undermining the rationale for the very continued existence of the Bank,³²⁹ was presumably a more pressing concern). But the reforms, that have led to increased participation of stakeholders in drawing up CASs, greater "responsiveness to clients",³³⁰ the CDF³³¹, PRSPs, and, SWAPs, evince at least rhetorical conversion to the new regime.

The change demanded of the Bank (and other development agencies) conversant with the 'old' regime of conditionality is considerable. As Ngaire Woods puts it:

"The challenge for the Bank in ensuring greater participation is a deep one. Taken seriously, it involves rethinking the Bank's own 'expertise', so as to place a greater value on local (and less prestigious) knowledge and skills...The new approach suggests a different role for Bank missions. Rather than bringing in brilliant experts and economists to define, plan and monitor projects and policies, Bank officers need to become more adept at facilitating and co-ordinating thinkers, activists and decision-makers in borrowing countries. In the 'Participation model', the Bank's awesome catalogue of research and knowledge spanning over 150 countries can no longer be assumed to offer the Bank unique foundations for a policy blueprint for all countries. Rather than Bank's legitimacy and status as an advisor would come from its ability to work constructively with each borrower".³³²

Prof. Benno Ndulu, Sector Lead Specialist, Macroeconomics at the Bank, proudly discussed the change in the Bank in Tanzania, noting the decision to open up the PER "as a partnership instrument...an ownership enhancing instrument. It's led by the government"; the importance of decentralisation to country offices; opening up the PFP, so that "again became [a] partnership", and the roles played by Jim Adams (Bank Country Director) and Peniel Lyimo (Deputy PS at the Ministry of Finance). Changes called for in the Helleiner Report – and almost universally praised by respondents discussing the issue.³³³ Changes in Tanzania, completed by the global change in the Bank's "corporate stance to CDF, a participatory approach, virtually embracing the Helleiner the principles".³³⁴ This context, Prof. Ndulu argued, meant it was "very easy to make [the] transition to the PRSP as a participatory process lead by the government."

As noted, respondents' replies entirely support the Prof. Ndulu's pride in the change in the Bank, at least in relation to macroeconomic management (the more controversial sector case studies are discussed below). But, the PRSP remains a more complex issue. As noted on the surface, it appears to embody the Helleiner principles. This has helped build a degree of ownership among both government, donors and parts of civil

³²⁷ See e.g. <<http://www.worldbank.org/ks/vision.html>> see also Wilks & Lefrançois 2002: 11; Gilbert & Vines 2000:10; Gilbert et al 2000:40

³²⁸ Gilbert & Vines 2000:16; Gilbert et al 2000:49

³²⁹ Gilbert & Vines 2000:16

³³⁰ World Bank 1998a cited in Woods 2000:143

³³¹ Wood 2000:143; Gilbert et al 2000:76; Stiglitz 2000:6

³³² Wood 2000:144-4

³³³ See e.g. Interviews Tonne Tinnes, Second Secretary, Resident Economist, Royal Norwegian Embassy; B.A. Shallanda, Assistant. Commissioner, Policy Analysis Department, Ministry of Finance; Arthur Mwakapugi, Director Macro Economy Divisions, President Office-Planning Commission; interviewee [#14]

³³⁴ Interview Prof. Benno Ndulu, Sector Lead Specialist, Macroeconomics, World Bank, Tanzania Country Office

society.³³⁵ To a large degree the PRSP *does* embody these principles. It was a government led document drafted by Tanzanians. There was also a degree of World Bank ‘Technical Assistance’, but the PRSP was designed to be drawn up in a participatory way, embracing a range of stakeholders.³³⁶ As a key stakeholder, with considerable technical expertise, the Bank had a legitimate and indeed desirable contribution to make, and some of the outcomes of this, such as the inclusions of agriculture as a priority sector, or the decision to drop user fees were widely praised by respondents.³³⁷

Much has undoubtedly been achieved with the PRSP, there is however the tantalising question of what might have been – and what impact this might have had upon its key objectives (pro-reform) consensus building?³³⁸ There remains a sense that the Bank wanted it both ways: unwilling to let go – but wanting ‘ownership’. That the current agenda is designed “to facilitate the smooth implementation of economic development strategies largely determined by the funding agencies themselves”.³³⁹

Three problems stand out: firstly the TAS, developed on Tanzania’s own initiative has been large sidelined. While donors consistently argued the PRSP was needed – respondents like Peniel Lyimo were more sceptical – a finding reflecting the KK consulting study conducted in 2001.³⁴⁰ However while acknowledging that the PRSP was an external imposition, its value may well be proved through its application. Secondly the link between debt relief and the PRSPs other objectives is widely acknowledged to have been problematic. In particular it introduced a degree of haste that forestalled attempts to have a more participatory drafting process³⁴¹, meaning ownership has been weak within sectoral ministries³⁴², and civil society.³⁴³ However the PRSP is a process,³⁴⁴ the opportunity to rectify this is there. The third and final problem may prove more intractable, as it destroyed goodwill. The Bank, as noted, had a legitimate – and welcome – role to play in preparing the PRSP. Some of this, most notably Prof. Ndulu’s contributions were sensitively handled and drew upon strong pre-existing working relationships and policy networks. Others, most notably the redrafting in Washington and the near farce over access to the PRGF and HIPC documents, were not.

The impact of this upon ‘ownership’ of the Tanzania PRSP are clear. Problems that have tended to beset PRSPs worldwide.³⁴⁵ There is some evidence that the Bank and Fund are beginning to recognise the problem. In their recent responses to the HIPC Finance Ministers during the PRSP/PRGF review, they commented that their comments:

³³⁵ See e.g. Interview Santiago Bernal, Country Director, Plan International

³³⁶ World Bank 2000a

³³⁷ See e.g. Rakesh Rajan, Director of Haki Kazi Elimu on Education and Interviewee [#4] on agriculture.

³³⁸ See e.g. Interviews Prof Benno Ndulu, Sector Lead Specialist, Macroeconomics at the World Bank, Tanzania Country Office; Alison Evans, ODI Associate

³³⁹ Campbell 2001:158; See also e.g. Bush & Mohan 2001:152-3; Helleiner 1996:6

³⁴⁰ KK Consulting 2001

³⁴¹ See e.g. interviews Paschal B. Assey, National Programme Co-ordinator, Poverty Eradication Initiative Programme, Vice Presidents Office; Rebecca Muna, Co-ordinator TCDD; Sabas Massawe, Policy & Advocacy Advisor, ActionAid Tanzania; Interviewee [#5]; KK consulting 2001

³⁴² KK Consulting 2001

³⁴³ See e.g. interviews Rajab Kondo, Programme Officer at TACOSODE; Rebecca Muna, Co-ordinator TCDD

³⁴⁴ ODI 2000:17

³⁴⁵ ODI 2000:8

“underscore the need for a broader and deeper discussion with all stakeholders of macroeconomic frameworks and policies, including on alternative policy choices and trade-offs within the overall poverty reduction strategies.”³⁴⁶

PSIA - Poverty and Social Impact Analysis, is to be the new panacea. The Bank defines it as an “analysis of the distributional impact of policy reform on the well-being or welfare of different stakeholder groups, with particular focus on the poor and vulnerable.”³⁴⁷ An approach that “is supposed to encourage the use of more diverse analytical approaches as well as greater transparency and accountability in the process of making policy recommendations.” Perhaps inevitably given the Bank and Fund’s track records, there is already considerable skepticism.³⁴⁸

6.3. Partnership in Practice: Cause for Hope?

Government/donor relations in Tanzania have clearly improved, a change well documented by the Helleiner reports,³⁴⁹ and eloquently illustrated by the desire on the part of the Ministry of Finance³⁵⁰ and leading donors to push forward with longer-term commitments of budget support.³⁵¹ This reflects the degree of consensus, between donors, government, and the key non-government advisors, most notably ESRF and REPOA, over macro-economic reforms (aside from disagreement about the pace of reforms³⁵² and privatization³⁵³) and social sector priorities. A consensus in effect codified by the PRSP. Relations with civil society have also improved somewhat, with an acknowledged (and welcomed) increase in ‘openness’ on the part of government to participation.³⁵⁴ In addition the PRSP experience had catalysed a degree of self-criticism among civil society³⁵⁵ and is helping spur attempts to enhance their economic literacy. This could increase understanding and hence support for reforms³⁵⁶; although it could create more articulate critics of the proposed reforms.

Despite this what ‘partnership’ there is underlaid by continued aid dependency of the Tanzanian government, and the “invasive” access to economic policy makers this has given donors.³⁵⁷ This appears particularly marked in the sectors, where the ‘partnership’ of the SWAPs, has also served to enhance donor access to policy-making structures. For all the talk of ‘co-ordination’ and reducing ‘transaction costs’ a number of donors were quite blunt, SWAPs are about “keeping a closer grip on sector activities”.³⁵⁸ Despite this, changes in relations are emerging, most notably in the most developed SWAP, the health sector, but change is perhaps inevitably less evident in the

³⁴⁶ Koehler & Wolfensohn, 2002:2 ct in Wilks & Lefrançois 2002:17

³⁴⁷ World Bank, 2002b ct in Wilks & Lefrançois 2002: 9

³⁴⁸ Wilks & Lefrançois 2002: 9

³⁴⁹ Compare Helleiner et al 1995 with Helleiner 1999

³⁵⁰ See e.g. Interview Penneil Lyimo, Deputy Permanent Secretary, Ministry of Finance

³⁵¹ See e.g. interviews with staff at DFID

³⁵² See e.g. interviews Peniel M. Lyimo, Deputy Permanent Secretary, Ministry of Finance; Karl Schmidt, First Counsellor (Economics) EU

³⁵³ See e.g. interviews Dr. Max Mmya, Political Science, UDSM; Prof. Samuel M. Wangwe, Principal Research Associate, ESRF; Giulio Maraini, Deputy head of Mission, Embassy of Italy; Ali I. Abdi, Senior Resident Representative, IMF

³⁵⁴ See e.g. Interviews Martine Billanou, Country Director, Save the Children Fund; Santiago Bernal, Country Director Plan international; Andrew Mushi, Lobbying and Advocacy Officer, TANGO

³⁵⁵ See e.g. interviews Andrew Mushi, Lobbying and Advocacy Officer, TANGO; Agripina Moshia, TGNP; Rakesh Rajan, Director Haki Kazi Elimu

³⁵⁶ See e.g. Helleiner 1994:8

³⁵⁷ Interviewee [#14] see also Gordan 1994:256

³⁵⁸ Interview Karl Schmidt, First Counsellor (Economics) EU

less developed the education sector, and most notably in least developed, the agricultural sector, where relations appear set to remain acrimonious, in the near future at least.

6.4. Vision, Independence and Dependence

The autonomy and “ownership” that budgetary support and SWAPs is presumed to bring appears³⁵⁹ unforthcoming. As Bush and Mohan³⁶⁰ argue, the language of partnership seeks to disguise the fact that countries like Tanzania remain a ‘silent partner’, ‘policy taker[s]’³⁶¹. Blame cannot rest solely at the door of donors though; there is little evidence of Tanzania charting its own political vision, as Professor Issa Shivji, Faculty of Law, University of Dar es Salaam put it, there’s “no intellectual leadership today, no one of Nyerere’s stature”. Tanzanian technocrats may have ‘brought into’ the donor agenda, but there remains a tendency to ‘second-guess’ what IFIs’ want, rather than offering original views.³⁶²

Perhaps the key figure in all this remains the President, Benjamin William Mkapa.³⁶³ It was President Mkapa who helped rebuild bridges with donors.³⁶⁴ It was President Mkapa that reinvigorated the stalled reform movement.³⁶⁵ It was President Mkapa who pushed through the PRSP.³⁶⁶ So is he a genuine visionary? For some, he is a committed ‘reformer’³⁶⁷. Others are more sceptical, arguing it was not his reformist credentials, but his ‘clean’ reputation that was perhaps the decisive factor³⁶⁸ in securing the party nomination (and crucially Nyerere’s support)³⁶⁹. In explaining his subsequent ‘conversion’ to reforms, Dr. Rwekaza S. Mukandala, Professor of Political Science and Public Administration, Dean, Faculty of Arts and Social Sciences, University of Dar es Salaam argues:

“This is a state that cannot sustain the means of administration and coercion without aid...if you are sharp, ok you want it as a temporary measure, while you mobilise your own resources and keep your critical administration and coercion infrastructure going, if you are not, then you just continue.”³⁷⁰

³⁵⁹ See e.g. Helleiner 2000:3; Wangwe 1997b:11

³⁶⁰ Bush & Mohan 2001:152-3

³⁶¹ See e.g. Interviews Prof. Samuel M. Wangwe, Principal Research Associate, ESRF; Phillip Courtndage, Development Management Unit, UNDP; Dr. Max Mmya, Political Science, University of Dar es Salaam; Bigsten et al. 2001:327

³⁶² See e.g. Interviews Prof. Samuel M. Wangwe, Principal Research Associate, ESRF; Phillip Courtndage, Development Management Unit, UNDP; Dr. Max Mmya, Political Science, University of Dar es Salaam; Bigsten et al. 2001:327

³⁶³ See e.g. interviews Dr. Rwekaza S. Mukandala, Professor of Political Science and Public Administration, Dean, Faculty of Arts and Social Sciences, UDSM; Dr. Max Mmya, Political Science, University of Dar es Salaam; Prof. Harob Othman, Institute for Development Studies, University of Dar es Salaam

³⁶⁴ Bigsten *et al* 1999:31

³⁶⁵ Selbervik 1999:44; Bigsten *et al* 1999:31; Naschold & Fozzard 2002:3

³⁶⁶ See e.g. interviews Paschal B. Assey, National programme Co-ordinator, Poverty Eradication Initiative Programme, Vice Presidents Office; Paul Smithson, Health and Population Advisor; Interviewee [#6]

³⁶⁷ See e.g. interviews Dr. Max Mmya, Faculty of Political Science and Public Administration, University of Dar es Salaam; Detlef Mey, Director GTZ; Bigsten *et al* 1999:31

³⁶⁸ Interview Dr. Rwekaza S. Mukandala, Professor of Political Science and Public Administration, Dean, Faculty of Arts and Social Sciences, University of Dar es Salaam

³⁶⁹ Pers. Comm. Prof. Brian van Arkadie; Cf. Maliyaukono 1995:34

³⁷⁰ See also Mukandala 1999:31-33, 62-63

Some are confident that President Mkapa has a long-term ‘exit’ (independence) strategy.³⁷¹ The available evidence is less convincing³⁷²: Increases in tax revenues have been “unsteady” and remain well below the African average of 15%,³⁷³ while the increase itself may be largely driven by donor pressure;³⁷⁴ Economic growth has picked up, it is starting from a very low basis; and although the capacity to manage the economy has also improved (although again from a low base³⁷⁵), much of this remains oriented to trying to ‘second guess’ donors demands, rather than charting Tanzanian visions³⁷⁶ Indeed if anything dependence appears to be increasing, not decreasing.³⁷⁷

President Mkapa is in a difficult position, whatever he might wish,³⁷⁸ he needs aid (and hence the reforms conditioned on it) to sustain the government and economy. Yet while opposition to reforms within government has begun to fade³⁷⁹ there remains little appetite for contentious reforms like privatisation, or revenue mobilisation within sections of the government³⁸⁰, party³⁸¹ or electorate.³⁸² Moreover in the wake of his Patron’s (Nyerere) death³⁸³, President Mkapa has found himself increasingly dependent upon the CCM ‘old guard’, who are regarded as mired in corruption³⁸⁴ and less committed to reform.³⁸⁵

6.5. Aid in the Post-Ujamaa State

As the old socialist ideology of ujamaa decayed, the Mwinyi period saw a “lassize-faire” attitude taken to extremes, as individuals pursued their own common interests.³⁸⁶ At a national level, this ideological vacuum³⁸⁷ saw the emphasis shift from ‘socialism’ and self-reliance’ to the mobilisation of aid (and hence satisfaction of donor demands).³⁸⁸ As Tanzania continues to liberalise its markets and privatise its industries in return for the donor dollar, it’s tempting to re-interpret the Mkapa government’s reform credentials, as a continuation of the ‘neo-compradorism’, that started under Mwinyi³⁸⁹ (or as some argue, Nyerere³⁹⁰). This though tends to obscure the genuine

³⁷¹ See e.g. interviews Dr. Max Mmya, Faculty of Political Science and Public Administration; Arthur Mwakapugi, Director Macro Economy Divisions, President Office-Planning Commission

³⁷² Measured against the criteria suggested by Professor Samuel Wangwe (1997b:13).

³⁷³ Naschold & Fozzard 2002:14 citing Mokoro and OPM 2001; World Bank and GoT 2001; Danielson 2000

³⁷⁴ Naschold & Fozzard 2002:11

³⁷⁵ See e.g. van Arkadie et al 2000:4, 7-8; World Bank 1998b:8

³⁷⁶ See e.g. Interviews Prof. Samuel M. Wangwe, Principal Research Associate, ESRF; Bigsten et al. 2001:327 ct in Naschold & Fozzard 2002:4

Phillip Courtndage, Development Management Unit, UNDP; Dr. Max Mmya, Political Science, University of Dar es Salaam; Bigsten et al. 2001:327 ct in Naschold & Fozzard 2002:5

³⁷⁷ See e.g. interviews Dr. Jan Lindstrom, Socio-Cultural Analyst, SIDA; Mukandala 1999:63

³⁷⁸ Interview Dr. Max Mmya, Faculty of Political Science and Public Administration

³⁷⁹ Naschold & Fozzard 2002:4; Bigsten & Danielson 1999:15; Bigsten *et al* 1999:29; interviews Prof. Samuel M.

Wangwe, Principal Research Associate, ESRF; Peniel M. Lyimo, Deputy Permanent Secretary, Ministry of Finance

³⁸⁰ Interviews Dr. Max Mmya, Faculty of Political Science and Public Administration; Peniel M. Lyimo, Deputy

Permanent Secretary, Ministry of Finance see also e.g. DFID 2001:6; Therildsen, 2000:63

³⁸¹ Mmya 1998:19

³⁸² Chaligha et al 2002:14-15; Mmya 1998:19

³⁸³ EIU 4th Quarter 1999:7

³⁸⁴ Kelsall 2001:13; EIU 1st Quarter 1999:7

³⁸⁵ Kelsall 2001:13-14; see also e.g. EIU Feb 2002:13; EIU February 2001:8;

³⁸⁶ the period was dubbed *Ruksa*, roughly translated as ‘as “do your own thing” Hyden 1999:144; see also Mmya 1998:15-16

³⁸⁷ See e.g. Mmya 1998:17-18

³⁸⁸ See e.g. Wangwe 1997a:11-12

³⁸⁹ Kiondo 1989:138 citing Ali Ali 1982:254; see also e.g. Rugumamu 1997: 185-186, 258, 268.

pro-reform constituency that has developed in parts of government (most notably the Ministry of Finance) and within the academic (economic) community – although it too has profited handsomely from donor consultancies and support.³⁹¹

The picture that emerges then, is not as simple as commentators have often argued where donor's seek to 'buy' as much reform as possible, and governments try to get as much money as possible for as little reform as necessary.³⁹² But it echoes the conclusions of Ole Therkildsen (and endorsed by a number of interviewees³⁹³), who surveying the massive program of on-going reforms in Tanzania³⁹⁴. Argues the central Paradox in Tanzania is why in the absence of sufficient public support (particularly in the context of multipartyism) or a large political constituency favouring reform, have reforms been "so bold"?³⁹⁵

This "reformist", argues Therkildsen, is a product of Ministers pursuing "fund raising strategies"³⁹⁶; a strategy assisted by a Bank, that has yet to shed its "approval and disbursement culture".³⁹⁷ To this we might add the ample evidence that poorly paid lower level staff are more than happy to jump on the aid gravy train, in return for the four C's (cash, cars, Computers and cell-phones). For all the attempts at consensus building' (economic analysis, support for pro-reform NGOs and so on), it has been money has brought political 'commitment', (pro-reform) 'knowledge', while important, has been used instrumentally in achieving political ends (i.e. sustaining the state - and civil service livelihoods - through aid). For the more cynical still, the quid pro quo for this acquiescence on the part of the Tanzanian government, is the continued flow of donor dollars, and the unwillingness of donors to address the "culture of corruption"³⁹⁸ in the country, both of which help sustain CCM's supremacy.³⁹⁹

How long this state of affairs can be maintained unless a genuine political and popular constituency in favour of reforms develops (something the PRSP manifestly failed to build), is less clear. At present Mkapa and CCM are overwhelmingly dominant.⁴⁰⁰ However Mkapa is due to step down in 2005, his succession is still undetermined, and more populist contenders like Iddi Simba⁴⁰¹ stand in the wings.⁴⁰² As noted, the 'second generation' reforms that Tanzania is currently engaged in, are not only longer term in nature, but often offer less immediate benefits while threatening vested interests; they have already stalled reforms once before (the early 1990s), despite a

³⁹⁰ Shivji 1994:18-21; Shivji 1976

³⁹¹ Cf. Interview Dr. Max Mmya, Faculty of Political Science and Public Administration, University of Dar es Salaam

³⁹² See e.g. suggested Gordan 1994:257; Mosley et al 1995

³⁹³ Dr. Rwekaza S. Mukandala, Professor of Political Science and Public Administration, Dean, Faculty of Arts and Social Sciences, UDSM and Geir Sundet, Specialist in Governance, UNDP

³⁹⁴ See also e.g. Due 1993:1981-2

³⁹⁵ Therkildsen 2000:61

³⁹⁶ Therkildsen 2000:66

³⁹⁷ Quote from World Bank 1998a:6 ct in Selbervik 1999:17; see e.g. interviews Rakesh Rajan, Director Haki Elimu; Interviewee [#1]; Interviewee [#5]

³⁹⁸ Pers. Comm. Dr Brian Cooksey, TADREG

³⁹⁹ Interview Dr Jan Lindstrom, Socio-Cultural Advisor, SIDA

⁴⁰⁰ See e.g. EIU 1st Quarter 2000:8

⁴⁰¹ Renowned (and popular) for his critique of privatisation and calls for the 'indigenisation' of the economy EIU May 2001:21; Kelsall 2001:15

⁴⁰² Cf. Kelsall 2001:27

President regarded as a ‘reformer’ (Mwinyi).⁴⁰³ Moreover the implicit bargain struck between donors and African governments in the 1990s, that the proposed reforms, would lead to new international commercial lending and FDI, appears to be breaking down. Commercial lending and investment has not materialised in countries like Tanzania.⁴⁰⁴ Given the continuing structural weaknesses of SSA, history of sluggish growth and political instability, the harsh fact remains that, other parts of the world remain far more attractive investment propositions.⁴⁰⁵ This had retarded growth, and is responsible, in part for the limited impact on poverty in countries like Tanzania. How long can aid sustain the state? As the Economist Intelligence Unit expressed it:

One of Mkapa “most important achievements since 1995 – restoration of relations with the World Bank and IMF culminating on an Enhanced Structural Adjustment Facility (ESAF) with the IMF – is of little significance to large sections of the population. The liquidity squeeze which results from two years of monetary and fiscal austerity measures has spawned widespread resentment...for much of the electorate, the direct connection between the current climate of austerity and the policies of the Mkapa administration cannot be underestimated.”⁴⁰⁶

This remains a live concern with donors, Dr. Ben Tarimo, Consultant Macroeconomist, World Bank:

A “Stable macro [economic environment]...is not *sufficient* – it’s necessary, but not sufficient. It needs to trickle down to translate and reduce poverty...its not just macro stability: inflation is good and interests rates – people don’t read that and the president will not be elected by macroeconomic stability, he wants to see poverty going down because that is the electorate and that is our concern too”.

Again, this needs to be treated with care. As noted CCM increased its share of the votes at the last election, in part on pro-reform platform, notwithstanding the social costs of adjustment.⁴⁰⁷ Tanzania has avoided the degree of popular protest that has blighted other adjustment programmes. The picture is complex though. There are alarming signs of localised religious polarisation, with urban Muslims in particular becoming increasingly vocal, about their perceived exclusion from the fruits of economic reform.⁴⁰⁸ At a national scale, the picture is more reassuring. The recent Afro-barometer survey, while highlighting the extremely high levels of dissatisfaction with the national economy⁴⁰⁹, and blame placed upon the current government,⁴¹⁰ relative to the rest of Africa, also highlighted the “highest overall levels of support for economic reform” in Africa.⁴¹¹ Much may rest upon the presidential succession, and the prospects for the continued fragmentation of the opposition⁴¹² and the patience of the Tanzanian people.

⁴⁰³ See e.g. interview Dr. Max Mmya, Faculty of Political Science and Public Administration, University of Dar es Salaam

⁴⁰⁴ See e.g. interview Ali I. Abdi, Senior Resident representative, IMF, Tanzania

⁴⁰⁵ Callaghy 1995:49-50; see also Bush and Mohan 2001 :151; Nelson 1999:1553

⁴⁰⁶ EIU 1st Quarter 1999:9

⁴⁰⁷ The alternative though, an anti-reform platform, would demand acknowledgement of foreign domination (cf. Mukandala 1994:59).

⁴⁰⁸ EIU May 2002:10; see also Kelsall 2001:23-24

⁴⁰⁹ 68% were “not very” or “not at all satisfied” with the state of the economy (Chaligha et al 2002:15).

⁴¹⁰ 53% blamed the “current government” when asked “in your opinion, who is the most responsible for current economic conditions in Tanzania” (Chaligha et al 2002:16).

⁴¹¹ Chaligha et al 2002:i

⁴¹² See e.g. Mmya 1998:5-6

ANNEX 1: LIST OF INTERVIEWEES

Ali I. Abdi, *Senior Resident Representative, IMF, Tanzania Country Office*
L.P. Accaro, *Senior Chamber development officer, TCCIA*
Wolfgang Ahrens, *District Health Support Project (District Health Support Team), GTZ*
Alana Albee, *Social Development Advisor, DFID Tanzania Country Office*
Prof. H.K.R. Amani, *Principal Research Fellow, ESRF*
Paschal B. Assey, *National Programme Co-ordinator, Poverty Eradication Initiative Programme, Vice Presidents Office*
Mukonon Babili, *Assistant Training Officer, British Council, Tanzania*
Jonny Baxter, *Education Advisor, DFID Tanzania Country Office*
Santiago Bernal, *Country Director, Plan International, Tanzania*
Martine Billanou, *Country Director, Save the Children Fund, Tanzania Country Office*
Dr. Daraus Bukonya, *Country Director, AMREF, Tanzania*
B.N.V. Buretta, *Director of Secondary Education, Ministry of Education and Culture*
Hilde Basstanie, *Country Programme Advisor, UNAIDS, Tanzania*
Joseph W Butiku, *Executive Director, Mwalimu Nyerere Foundation*
Prof. Chachage Seithy L. Chachage, *Department of Sociology, University of Dar es Salaam*
Ladisy K. Chengula, *Rural Development Specialist, World Bank Country Office, Tanzania*
Howard Clegg, *Co-ordinator, Urban Authorities Partnership Programme (PO-RALG/DFID)*
Dr. Brain Cooksey, *Director TADREG*
Ronan Corvin, *Charge d’Affaires, Embassy of Ireland*
Phillip Courtnadge, *Development Management Unit, UNDP, Tanzania*
Dr. Charles Echart, *UNDP Technical Advisor*
Alison Evans, *ODI Associate*
Dr. Justinian C. J. Galabawa, *Professor and Dean, Faculty of Education, University of Dar es Salaam*
Sean Hall, *Democracy and Governance Team Leader, USAID, Tanzania Country Office*
Atsushi Hanatani, *Special Advisor, JICA, Tanzania*
Dr. Ahmed Hingora, *Project co-ordinator, HSB II, Ministry of Health*
Juvenal Kabiligi, *Senior Project Manger, Tanzania, Catholic Relief Services*
Emmanuel Kallonga, *Director of Haki Kazi Catalyst*
Dr Cosmas Kamugisha, *Institute for Development Studies, University of Dar es Salaam*
Evelyne Kapy, *World Bank Public Information Centre*
Ben J. Kasege, *Component Manager (Governance) LGRP, PO-RALG*
Donald Kasongi, *Country Director – Tanzania, ACORD*
Koronel Keema, *Senior Projects Officer, British Council, Tanzania*
Agatha Keenja, *Lobbyists, Kulena*
Ria Ketting, *First secretary (Agriculture Advisor), EU, Tanzania Country Office*
Julius Kingu, *Deputy Education Officer, Aga Khan Education Service, Tanzania*
Joyce Kompeho G. Mapunjo, *Head, Multilaterals External Finance Department, Ministry of Finance*
Rajab Kondo, *Programme Officer at TACOSODE*
N.S. Kulwijilaa, *Agricultural Development Advisor, Mwanza Regional Secretariat*
Dr. S.M. Kundelya, *Development Officer, TCCIA, Dar es Salaam*
Joshua Kyallo, *Deputy Country Programme Director, Save the Children Fund,*
Rest B. Lasway, *Education Specialist, World Bank, Tanzania Country Office*
Silas Likasi, *Oxfam Public Policy Officer, Tanzania Country Office*
Dr. Servacius B. Likwelile, *Director Poverty Eradication, VPO, Poverty Eradication Division*

Dr Jan Lindstrom, *Socio - Cultural Analyst, SIDA, Tanzania*
 Lisbeth Loughran, *Health Sector Advisor, USAID, Tanzania Country Office*
 Ramadam Lugaila, *District Plant Protection Officer, Mwanza*
 Sizya Lugeye, *Agricultural Sector Advisor, Irish Embassy, Tanzania*
 J.K. Lutatina, *District Extension Officer, Mwanza*
 Peniel M. Lyimo, *Deputy Permanent Secretary, Ministry of Finance*
 Rev. C.J. Mabina, *Liaison Officer, NGO Technical AIDS Committee*
 Flora Mahika, *Assistant Projects Officer British Council, Tanzania*
 Godfrey Makoko, *Co-operative Officer, Mwanza District Council*
 Emmanuel Malangalila, *Senior Health Specialist, World Bank, Tanzania Country Office*
 Joseph M. Mapunda, *Principal Communications Consultant, PSRC*
 Josephine Marealle-Ulimwengu, *Dar es Salaam Area Co-ordinator, CARE, Tanzania*
 Jenny Marshall, *Policy Director, Water Aid, Tanzania*
 Amon Manyara, *UNDP Resident Co-ordination Officer, Tanzania*
 Giulio Maraini, *Deputy Head of Mission, Embassy of Italy*
 Sabas Massawe, *Policy & Advocacy Advisor, ActionAid Tanzania*
 Kaori Matsushita, *Assistant Resident Representative, JICA, Tanzania Country Office*
 Prof. Marjorie Mbilyinyi, *Institute for Development Studies, University of Dar es Salaam*
 Nashon B.S, Magambo, *Assistant Commissioner, Budget Division, Ministry of Finance*
 Max Mapunda, *Senior Economist (Policy and Planning Department), Ministry of Health*
 Sabeth Mbuguma, *Programme Area Manager, Dar es Salaam, Plan International, Tanzania*
 Prof. Ruth Meena, *Director, Envirocare*
 Detlef Mey, *Director GTZ, Tanzania*
 Peter C.T. Mayeye, *Co-ordinator, Planning and Resource Mobilisation, TACAIDS*
 Dr G.D. Mjema, *Director Economics Research Bureau, University of Dar es Salaam*
 Dr. Max Mmya, *Faculty of Political Science and Public Administration, University of Dar es Salaam*
 Jacqueline T.F. Mohan, *Health Advisor, SDC, Tanzania Country Office*
 T.P. Msakia, *Policy Analyst, Ministry of Agriculture and Food Security*
 Alphonse Muboyerwa, *Director Kulena,*
 Mohamed Said Muya, *Assistant Director (Financial Services), Ministry of Co-operatives and Marketing*
 Dr Mugeye, *City Health Officer, Mwanza District Council*
 Dr. Rwekaza S. Mukandala, *Professor of Political Science and Public Administration, , University of Dar es Salaam*
 Dr Musumbusi, *District Medical Officer, Mwanza*
 Margaret Ndaba, *Acting director, Policy and Planning, Ministry of Agriculture and Food Security*
 Agripina Mosha, *Tanzania Gender Network Programme*
 Bartimayo Jiranga Mujaya, *Regional Education Officer, Mwanza*
 David M.L. Mulongi, *City Economist, Mwanza City Council*
 Rebecca Muna, *Co-ordinator Tanzania Coalition for Debt and Development*
 Andrew Mushi, *Lobbying and Advocacy Officer, TANGO*
 Christopher A. Mushi, *Programme Officer (Poverty reduction) UNDP, Tanzania*
 Victoria Mushi, *Education Advisor, CIDA-PSU, Tanzania Country Office*
 Ally S.M. Mwaimu, *Head Policy & Planning Department, Ministry of Education and Culture*
 Arthur Mwakapugi, *Director Macro Economy Divisions, President Office-Planning Commission*
 Benno Ndulu, *Sector Lead Specialist, Macroeconomics, World Bank, Tanzania Country Office*
 Prof. Suleiman Ngarawe, *Institute of Development Studies, University of Dar es Salaam*
 Jessica Nightingale, *Assistant Country Director, Concern, Tanzania Country Office*
 Bertil Odén, *Counsellor, Economist, SIDA, Tanzania Country Office*

Professor N.E. Osoro, *Faculty of Economics, University of Dar es Salaam*
Prof. Harob Othman, *Institute for Development Studies, University of Dar es Salaam*
Jorma Paukku, *Ambassador, Finland*
Henning V. Pedersen, *Chief Technical Advisor (ASPS) DANIDA*
Rakesh Rajan, *Director Haki Kazi Elimu*
B.Y.Rashid, *City Education Officer (and Acting City Director) Mwanza*
Julia Sampson, *Consultant*
Karl Schmidt, *First Counsellor (Economics) European Union, Tanzania Country Office*
Dr. Bergis Schmidt-Ehry, *Senior policy Advisor, Sector Co-ordination, GTZ, Tanzania*
Prof. Joseph Semboja, *Executive Director, REPOA*
B.A. Shallanda, *Assistant Commissioner, Policy Analysis Department, Ministry of Finance*
Fiona Shearer, *Economic Advisor, DFID, Tanzania Country Office*
Joseph L. Shija, *Co-ordinator and Deputy Secretary General, UNA, Tanzania*
Prof. Issa Shivji, *Faculty of Law, University of Dar es Salaam*
Dr Lawrence Smith, *Consultant Oxford Policy Management*
Paul Smithson, *Health and Population Advisor, DFID Tanzania*
Geir Sundet, *Specialist in Governance, UNDP, Tanzania*
Dr. Ben Tarimo, *Consultant Macroeconomist, World Bank County Office, Tanzania*
Gertjan Templeman, *Counsellor, Head of Development co-operation, Netherlands*
Per Teiderman, *Local Government Advisor, UNDP, Tanzania*
Tonne Tinnes, *Second Secretary, Resident Economist, Royal Norwegian Embassy*
Saidi Tofiki, *City Community Development Officer, Mwanza*
Kobayashi Tomoki, *Assistant resident Representative (Education), JICA, Tanzania*
Prof. Brain Van Arkadie, *Chairman CDP Consultants, Senior Advisor, ESRF*
Arthur Van Diesen, *Poverty Monitoring Advisor, UNDP, Tanzania*
Oskar von Maltzan, *Director KFW, Dar es Salaam*
Prof. Samuel M. Wangwe, *Principal Research Associate, ESRF*
John Zayumba, *Director Policy & Planning, Ministry of Community Development Women and Children*

ANNEX 2: SELECT BIBLIOGRAPHY

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