

UNITED REPUBLIC OF TANZANIA

MINISTRY OF FINANCE AND ECONOMIC AFFAIRS



TERMS OF REFERENCE UNDER MKUKUTA-PER CWG III

July 8, 2009

Terms of Reference on the study to assess the extent to which various government institutional reforms and process are aligned and contribute to implementation of MKUKUTA.

Lead:-State House

1. Background

MKUKUTA implementation has introduced and strengthened several institutional structures through reform programs such as the Public Service Reform Program (PSRP), the Institutional and Human Resource Reform, Local Government Reform Program (LGRP), Public Financial Management Reform Program (PFMRP), Financial Sector Reform Program and the Legal Sector Reform Program (LSRP), etc. These reforms were established to enhance performance results and accountability in the public service delivery. Most of these reform programmes are in phase two of their implementation. Several lessons can be learned from experience and challenges that emerged during the implementation of these reform programmes and these needs to be addressed in the successor reform programmes. With the observed challenges and in order to achieve the intended long term objectives, efforts are underway to ensure that there is a strengthened ownership of the reform programmes and that these reform programmes are mainstreamed and integrated in national planning and budgeting process. In the same endeavour, several other processes such as the Public Expenditure Review (PER) which is a critical processes for an effective implementation of MKUKUTA has been introduced.

2. General Objective and Scope

The general objective is to assess progress made in core reforms' (PFMRP, LGRP, LSRP, PSRP, NACSAP, and BEST) implementation and determine their impact on attainment of MKUKUTA Objectives. The scope of this study will be to assess the leadership and capacity to manage a large number of reforms currently in place.

3. Specific objectives

- i. Review the institutional arrangements for implementing core reforms (PFMRP, LGRP, LSRP, PSRP, NACSAP, and BEST);
- ii. Assess the design and practice (e.g. current pace) of core reforms implementation and identify bottlenecks or impediments;

- iii. Review if (i) and (ii) above are in line with attainment of MKUKUTA objectives by looking at effectiveness of these reforms in facilitating achieving intended MKUKUTA objectives and hence contribute to providing better governance;
- iv. Compare the monitoring and evaluation framework on each core reforms and assess if results are well identified and documented;
- v. Identify overlaps, conflicts, synergic opportunities and crosscutting issues of core reforms and suggest appropriate actions;
- vi. Identify and study the cross-cutting issues in the core reforms (PFMRP, LGRP, LSRP, PSRP, NACSAP, and BEST) and the extent to which these issues have significantly been integrated and addressed;
- vii. Assess whether the current core reform objectives are in line with the goals of attainment of equity in accessing service-delivery;
- viii. Study the findings of the value for money audit of LSRP and compare recommendations for the benefit of other core reforms.

4. Methodology

- i. The study will involve desk review & consultations with key stakeholders. The review will make use of various reports (mid-term reviews, annual implementation reports, quarterly reports, special studies e.g. value-for-money audits etc) from the reform programs as well as other national reports such as MAIRs and reports from other countries on reform;
- ii. Interviews will be held with reform coordinators as well as management of those MDAs implementing core reforms, and domestic stakeholders informed on core reforms;
- iii. Possibilities to consult other core reform reports from other countries will be looked at.

6. Expected Outputs

It is expected that the report will comprehensively cover, although not limited to the following demands

- i. Provide best practices, recommendations and suggestions for possible way forward in institutional approach and/or administrative arrangements;
- ii. Provide recommendations for Reform Coordination Unit on how best to support MDAs who are implementing reforms

- iii. Provide recommendations on how these reforms can contribute towards timely achievement of MKUKUTA goals;
- iv. Make recommendations how core reform M & E frameworks can be firmed up and better integrated to MKUKUTA M & E systems.

6. Process and timeframe:

First, the consultant will submit a brief inception note describing his reflections on the study topic and ToRs and how best will be the approach to achieve the set outputs to the Lead Actor Reform Coordination Unit (RCU) State House. The lead Actor through CWG 3 will discuss the inception note and agree with the consultant on the aspects of the cross-cutting reforms (already mentioned) that would be the focus of the main report. The deadline for the process is proposed to be one week after signing the contract.

Second, the consultant will submit a draft report and all the relevant background information. Deadline: four weeks after signing the contract. Finally, the consultant will submit the final report, after revisions on the basis of the comments from consultations. Deadline: one week after receiving comments of draft report from stakeholders and Lead Actor.

The assignment will be supervised by Reform Coordination Unit (RCU) as Lead Actor. These activities should take approximately 30 workdays. Payments will be made as follows: 20% upon submission of the inception note, 50% upon submission of draft report, and 30% upon submission of final report satisfactory to the Lead Actor and CWG3.

8. Consultant Requirements

Since the study is very broad, it is expected to involve a team of three experts (one being an international consultant) and one assistant.

- (i) The main consultants are expected to have a postgraduate Degree, preferably a PhD, in Economics or Law;
- (ii) Experience in stakeholder consultations and a track record of achievement in developing reform programme and policy initiatives of national government in some countries is also required, especially for the international consultant;

- (iii) An understanding of the political and social systems and institutions is an added advantage;
- (iv) The assistant is expected to have education of not less than a Master level in Economics or Law

9. Budget:

Budget Estimates				
<i>s/n</i>	<i>Item</i>	<i>Unit Price (TZS)</i>	<i>Days</i>	<i>Total Cost (TZS)</i>
1	Consultant fee*			
	1 Lead International Consultant (Fee and DSA)	1,500,000	30	45,000,000
	2 Local Consultant	500,000	30	30,000,000
	1 Assistant Consultant-MA	300,000	15	4,500,000
2	Transport Costs(Air Ticket and Inland)	Lump sum		5,000,000
4	Photocopy and Stationeries	Lump sum		500,000
5	Administration Costs (logistics)	Lump sum		200,000
	TOTAL			85,200,000

* Assumption here is that the study will deploy 4 people three with a PhD status and assistant with Master Degree

Code B5.6 Assessment of participation of local stakeholders in planning, implementation and monitoring of MKUKUTA¹.

Lead: PMO-LARG

1. Background

Tanzania's National Strategy for Growth and Reduction of Poverty (MKUKUTA) has been the guiding framework for growth and poverty reduction since 2005. These second generation PRSs generated a strong agenda, aiming at sustaining broad-based growth whilst improving quality of life, social wellbeing and governance. Achievement of MKUKUTA goals requires effective participation of local stakeholders at the stage of planning, implementation, and monitoring and evaluating the policy interventions.

Participation is one of the mechanisms that enable strengthened governance, broader country ownership and legitimacy. Effective mechanisms for citizen participation in decisions that affect their lives are critical to an enhanced accountability culture. Government is first and foremost accountable to its citizens, and citizens' representatives including NGOs, media, faith based groups, business associations, trade unions etc. Effective participation is built on the premise that these groups have rights to demand and hold government to account and that government respects and listens to those views. Domestic stakeholders should feel that they have a say, can challenge (in a constructive manner) decisions being made, offer alternative suggestions and are given an opportunity to set the agenda.

The MKUKUTA provides a framework for the participation of local stakeholders in planning, implementation and monitoring of national growth / poverty reduction strategies, policies and processes. Chapter 6 of MKUKUTA 2005 outlines the actors responsible for implementation of the strategy including, **central government ministries**

¹ A parallel study of MKUZA will be required. We have therefore omitted reference to MKUZA. A comparison between participatory processes under MKUKUTA and MKUZA would be interesting, if possible.

and LGAs, independent departments and agencies (MDAs), private sector, Civil Society Organizations (CSO), parliament and Communities². Local participation is envisaged in implementation within the following sectors: macro sectors, productive sectors, Social service sectors, Economic services sectors, Public administration sectors. It for the same understandings that MKUKUTA outlines the roles and responsibilities of local stakeholders in **implementation, monitoring and evaluation as:**

- ✓ At the district level, LGAs (district/town/municipal/city councils, village/ *mtaa*) will plan and implement programmes within their areas of jurisdiction, in collaboration with other actors, including **communities and households through participatory process;**
- ✓ **Communities** will participate in planning, implementation and monitoring community activities supported by government and other actors. Communities will also monitor quantity and quality of services delivered to them. Mechanisms will be developed to enable communities to make leaders, local authorities and central government accountable to the people they serve;
- ✓ The **private sector** has an important role to play in achieving poverty reduction outcomes because of its central role as the engine for economic growth. The factors that hinder the active private sector participation in the economy will be addressed through friendly trade and investment policies;
- ✓ **Civil Society Organizations** are key actors in poverty reduction. Their roles and responsibilities will include:
 - building local capacity and empowering communities; participating in monitoring and evaluation at national and community level;
 - mobilizing and enhancing community participation; and
 - mobilizing community resources for poverty reduction.
- ✓ The Parliament will maintain its oversight role over government ministries based on the current structure of Parliamentary select committees, which is by sector. Members may be included in special working groups where appropriate.

² URT: NSGRP 2005 – Chapter 6 Implementation Arrangements

MKUKUTA Evaluation³ was due to be done at three levels – each one envisaging a key role for domestic consultation. First, internal evaluation through the production of the Poverty and Human Development Reports (PHDR) and **the PER process**. Second, additional space will be created for on-going evaluation mechanisms through **Participatory Poverty Assessments** and other methodologies such as **service delivery reports and other qualitative assessments**. Third, a comprehensive review, informed by **annual progress reports produced under national consultative processes**, will take place at the end of the MKUKUTA period in 2010.

In practice, MKUKUTA has opened up the space for domestic participation in a variety of ways; from collection of views and complaints of the general public to community contributions to local development (financial, labor, and materials) and local participatory planning processes. The government has made efforts to improve the capacity of representative bodies, capacity of people in decision making, and increase the participation of the most vulnerable groups in decision making.

However, there are concerns that even though participation has increased, its effectiveness has continued to remain relatively low. Subsequently, many CSOs have chosen not to engage in MKUKUTA structures (from the sub groups under the MKUKUTA Monitoring System to the PER Cluster Working Groups) for a variety of reasons. However, there is very little documentation on these issues, thus lack of recommendations for improving the situation.

2. General Objective

The general objective of this study is to assess the quality and effectiveness of the participation of local stakeholders - civil society, citizen, parliament and private sector association - in the planning, implementation and monitoring of MKUKUTA and **draw out practical lessons for improvement under MKUKUTA II**.

³ URT: NSGRP 2005 - Chapter 7.4.3

3. Specific Objectives

In support of the general objective and scope of the assignment, the specific objectives of this study are to:

- (i) Assess whether or not the engagement of citizens and other non-state actors in poverty policy and programming has improved over the duration of the Mkukuta Phase I, including defining and determining the improvement⁴
- (ii) Determine the difference between the level of engagement in the different stages – planning, implementation and monitoring, and the lessons from one stage that can be applied to others.
- (iii) Identify and assess the spectrum of local stakeholders currently engaged, and identify the gaps (Faith based organisations, trade unions, media bodies, NGOs, professional associations, parliament etc.)
- (iv) Assess the extent to which the space for engagement of vulnerable groups has opened up
- (v) Assess the level of engagement of Parliament/MPs and Councils as citizen representatives; stage and through which mechanisms their views are taken on board.
- (vi) Determine whether the current level of engagement allow for local actors to effectively enhance accountability as envisaged in MKUKUTA
- (vii) Identify the principal bottlenecks to effective domestic participation from the different perspectives of government, parliament, private sector and CSOs.
- (viii) Assess the effectiveness of the MKUKUTA consultative structures / forums / platforms.
- (ix) Assess the progress made in citizen / community participation as an important aspect of D by D.
- (x) Determine whether the necessary legal and policy frameworks are in place to enable effective local participation;

⁴ A suggestion is for the researcher to use known tools to assess the level of participation. e.g. **Hart's Ladder of Participation** has 8 levels/stages of participation ranging from no participation at all to a shared decision making where participation is highest. It would be very useful to get a sense of which level of participation is currently practiced in Tanzania so that this can be measured again in the future.

- (xi) Determine the influence of freedom of expression and access to information on citizen participation and CSO engagement.
- (xii) Undertake a comparative analysis of two sectors groups (e.g. water and health) which highlights the best practices of stakeholders engagement, bottlenecks to participation (with particular reference to vulnerable groups), and the effectiveness of stakeholder contributions.
- (xiii) Provide practical recommendations on how to improve the effectiveness of participation of local stakeholders in planning, implementation, and monitoring of the next MKUKUTA.

4. Scope

In order to achieve the above objective, the scope of this study shall include but not limited to the following issues:

- (i) A comprehensive assessment to cover all stages of MKUKUTA, **at local and national levels**, namely; **Planning** (including both the formulation of the MKUKUTA itself and whether local stakeholder's views were taken in to account; as well as planning of policies, programmes and activities within all clusters); **Implementation** (including service delivery); and **Monitoring** (from the MKUKUTA monitoring structure, Sector reviews, GBS Annual Review Cycle, monitoring delivery of services and public expenditure at the local level)⁵;
- (ii) **Factors that influence participation in all stages** – this should include formal and informal factors. Integral to this is an assessment of the different view points from different actors (national and local government, development partners, NSAs);
- (iii) **Success and failure stories / case studies**, and drawing lessons for the future;
- (iv) **Clear recommendations** of what can be done to improve participation under the next phase of MKUKUTA.

5. Methodology

⁵ Note that monitoring should also take account of mid-cycle evaluation activities

The study will combine a review of existing documentation (desk research) with supplementary qualitative investigation through stakeholder consultations.

The work will take into consideration the wide body of information sources readily available such as, but not limited to; annualized government reports and strategies, domestic stakeholder, development partner and academic sources.

The study will conduct a number of detailed consultations with stakeholders. They will in principal be in-depth interviews and focus groups with the option for the consultant to vary the data collection type as necessary. This data collection will seek to extract opinions, experiences and proposed areas of improvement.

6. Time frame

The study inputs are estimated at 30 working days to be completed over a timeline of one and half months. The study will take place between July and beginning of September, 2009.

7. Expected outputs and Timeline

- (i) Inception Report, including, preliminary desk study plan, methodology, qualitative and quantitative data collection work plan and outline (table of contents) of the final report within one week of commencement
- (ii) Draft report submitted by August 20th
- (iii) Presentation of draft report by August 25th
- (iv) Final report with incorporated comments by September 01st.

8. Consultant Requirements

- (v) A postgraduate Degree, preferably a PhD, in Governance, International Development or Political Science
- (vi) Experience in stakeholder consultations and a track record of achievement in research on governance, accountability, and/or policy initiatives of national government

- (vii) Proficient analyst, with a sound understanding of governance, civic engagement, political issues and the political culture in Tanzania
- (viii) An understanding of the political and social systems and institutions, which allow for full participation of all citizens including the poor and vulnerable groups.
- (ix) The consultant should be independent – i.e. not currently working within government, a development partner agency, or a CSO active in MKUKUTA fora.

The consultant will be required to recruit an assistant to support the consultancy.

ANNEX

Key documentation to be referenced and Stakeholders

- URT 2005: National Strategy for Growth and Reduction of Poverty
- Mkukuta Annual Implementation Reports (MAIR) / Poverty & Human Development Reports
- General Budget Support Annual Review Reports and Key issue papers
- Views of the People (2005-2008)
- Poverty Policy Week Annual Reports
- REPOA report on CSO engagement in MKUKUTA; local government reform papers;
- Africa Research Institute, ‘A Parliament with Teeth’
- Mmuya / Lemoyan 2008 ‘Strategic Responses Towards Good Governance with specific attention to the local level’ commissioned by SNV/REN
- Approved documentation on new dialogue structure and TOR for CWGs
- MKUKUTA M&E study
- Cluster Working Group Co-Chairs and Cluster Secretariats
- Good Governance Coordination Unit
- MoFEA / Poverty Eradication Unit
- Chairs of MKUKUTA Monitoring System Technical Committee and Working Groups (RAWG, Routine data and surveys working group)
- Sector Ministries (to be identified)
- PMORALG Governance Manager
- Representatives of a sample of LGA (to be identified)
- Speaker’s Office
- Chairs of oversight committees including PAC, LAAC, PCAC and Community Development

- Trustees of Bunge Foundation for Democracy
- Cluster Working Group Co-Chairs (all 4 CWGs)
- DPG secretariat
- AfDB / PRBS secretariat
- Chairs Accountable Governance Sub Group (EC and Irl)
- GWG secretariat
- Sample of Development Partner Sector Leads / those active in accountability (e.g. Zabdiel @ DFID, JICA, USAID, Finland, Netherlands, GTZ, UNFPA, UNDP, World Bank)
- HAFOTA National Secretariat
- Action Aid Tanzania
- Human Development Trust
- Health Equity Group (includes TGNP, YAV, Women's Dignity Project & Care)
- Agenda Participation 2000
- Legal and Human Rights Center
- Policy Forum
- FORDIA
- Other:
- TANGO
- TACOSODE
- Hakikazi
- TenMeT
- Twaweza
- Foundation for Civil Society
- SNV
- Concern
- Water Aid
- PACT
- CCT Dodoma, Shinyanga foundation, Imara ministry- Arusha, MUNGONET –Iriinga, KIKANGONET-Kigoma etc
- REDET
- REPOA
- Tanzania Social Industrial Workers Union
- Tanzania Plantation Workers Union

- Tanzania National Business Council (TNBC)
- Tanzania Private Sector Foundation (TPSF)
- Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)
- Confederation of Tanzanian Industries (CTI)
- VIBINDO

Budget Estimates				
<i>s/n</i>	<i>Item</i>	<i>Unit Price (TZS)</i>	<i>Days</i>	<i>Total Cost (TZS)</i>
1	Consultant fee*			
	2 Lead Consultant	500,000*2	30	15,000,000
	1 Assistant Consultant-MA	300,000	30	9,000,000
2	Transport Costs	Lump sum		1,000,000
4	Photocopy and Stationeries	Lump sum		500,000
5	Administration Costs (consultations and other logistics)	Lump sum		50,000,000
				75,700,000
	TOTAL			

* Assumption here is that the study will deploy 2 people one with a PhD status and other with Master Degree

Issue Code B3.1: The extent to which institutional factors facilitated or inhibited poverty reduction efforts.

Lead Actor: Government (PMO)

1. Background

The role of government in the economy and that of institutions in promoting rapid economic growth and poverty reduction can not be overemphasized. Indeed, sustained economic development requires not only vibrant markets, entrepreneurs with business acumen, and policy rules but also it requires sound institutional factors (e.g., property right, contracts, rules of law, etc) that are well established with the requisite managerial skills and competencies. Typically, such institutions play an important role of distributing resources more efficiently and thus foster rapid economic growth. In the absence of appropriate institutional framework, the gains accrued from utilization of scarce resources would tend to accumulate to the few individuals and in many cases, rarely reach the poor.

In Tanzania, the most relevant to this discussion are institutions that have an organizational structure like farmers' cooperatives and government ministries. For instance, to what extent does the public procurement regulations (PPRA) have facilitated public service delivery? To what extent has this impacted on the incidence and severity of poverty? Or promoted growth? Why is it sometimes so difficult to provide public service even when institutions do exist and what should be done to remove those inefficiencies? On the other hand, for the private sector to function properly there must be well functioning public institutions as this will ensure a health business government partnership. In essence, this will create conducive economic environment that will accelerate economic growth and alleviate poverty. Thus an understanding of how institutions and related institutional factors contributed towards attaining MKUKUTA goals and targets is vital. Likewise, knowledge of whether such factors derailed the success of the same is paramount.

2. Objective

The objective is to improve the contribution of institutions and institutional factors in facilitating economic growth and enhancing impacts of other poverty reduction initiatives

3. Scope

Given the importance of this issue, the assessment is expected to cover the following aspects:

- (i) The role of institutions in promoting economic growth and thus enhance poverty reduction initiatives. This will include the assessment of the performance (i.e., effectiveness, efficiency, etc) of institutions involved in poverty reduction. A number of case studies could be drawn from different sectors and sub-sectors. The analysis should be extended to the rural areas.
- (ii) the extent to which institutional factors(such as, contract, property right, rule of law etc) affected the attainment of the goals and targets as stipulated in MKUKUTA
- (iii) an assessment of the extent to which enforcement of regulations and rules takes place
- (iv) provide a review of procurement rules vis-à-vis public service delivery
- (v) asses the extent to which state-business relationship has contributed to economic growth and poverty reduction
- (vi) To provide a set of recommendations and suggest the way forward.

4. Methodology

There will be a preliminary assessment of the available information to cover the scope above. However, in case there is no adequate information, the issue could be approached using an analytic study to cover policy literature on the role of institutions and institutional factors in promoting economic growth, thereby showing vividly the links that exist between institutions, growth and poverty reductions.

5. Expected Output

At the end of this exercise, the review is expected to come up with a report covering all the aspects outlined in part 3 and clear policy recommendations to be addressed in the next strategy.

Issue Code B4.1: Analysis of the effectiveness of Decentralization by Devolution: financial resources versus absorption capacity at LGAs

Lead Actor: PMO-RALG

1. Background

In order to ensure effective public service delivery, the government is implementing various strategies to institutionalize the D by D process. The Government is also implementing reforms in LGAs. By end 2007/8 about 14 Ministries were assessed to evaluate the extent to which they are D by D compliant. Through MKUKUTA, D by D process has resulted into increased efficiency in usage of the LGAs received funds. The reform also enhanced transparency in financial allocation as well as accuracy of allocation to functions that have been identified for devolution.

However, despite the increased resources allocated to LGAs, allocative efficiency still remains low. It has been noted that progress in rural areas especially when reconciling with the funds allocated remains below expectations. Thus, there is a need to strengthen further the transmission mechanism of resources from central government to the local government (lower level) so as to realize the targets of MKUKUTA. The government plans to continue with implementation of the *D by D policy* so as to reach the 25% objective of LGA transfers by 2010.

2. Objective

This review assignment sets out to provide a critical analysis of the effectiveness of Decentralization by Devolution and an assessment of whether deployed financial resources matches with the absorption capacity at LGAs

3. Scope

This assignment is expected to cover the following key aspects:

- (i) assessment of the effectiveness of D by D

- (ii) assessment of the existing gap between financial resources and absorption capacity at LGAs
- (iii) Existing links between human resource capacity and D by D effectiveness
- (iv) An analysis of public service delivery at the lower levels of LGAs. Service delivery in sectors like education and health takes place at service center levels while resources are held at district level. Is there no further decentralization to service center level?
- (v) To provide an assessment of the effectiveness of formula based allocation of resources. Are the variables still relevant?
- (vi) To provide a set of recommendations and propose way forward

4. Methodology

Being a desk review, this assignment is expected to benefit from MMS output as well as output from other stakeholders like DPs, Academic and Research institutions, and CSO. A Series of REPOA studies on these issues provides an invaluable starting point.

5. Expected Output

The assignment is expected to come with a report showing the effectiveness of D by D in enhancing public service delivery. It will also show existing gaps and links between financial resources and absorption capacity at LGAs and suggest policy intervention to enhance D-by-D.