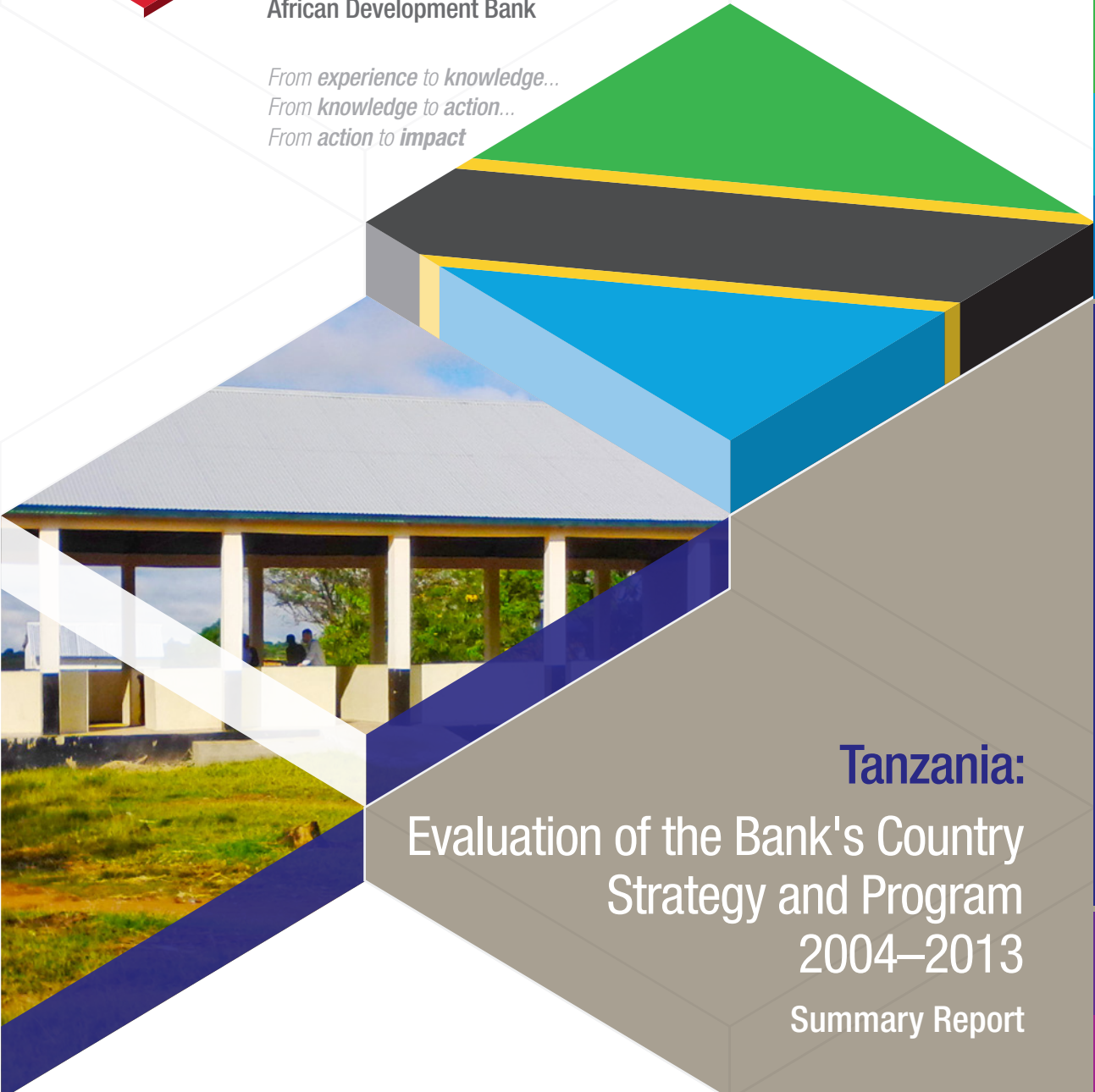


# IDEV

Independent Development Evaluation  
African Development Bank

*From experience to knowledge...*  
*From knowledge to action...*  
*From action to impact*



An IDEV Country Strategy Evaluation

## Tanzania: Evaluation of the Bank's Country Strategy and Program 2004–2013 Summary Report

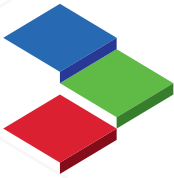


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January 2016

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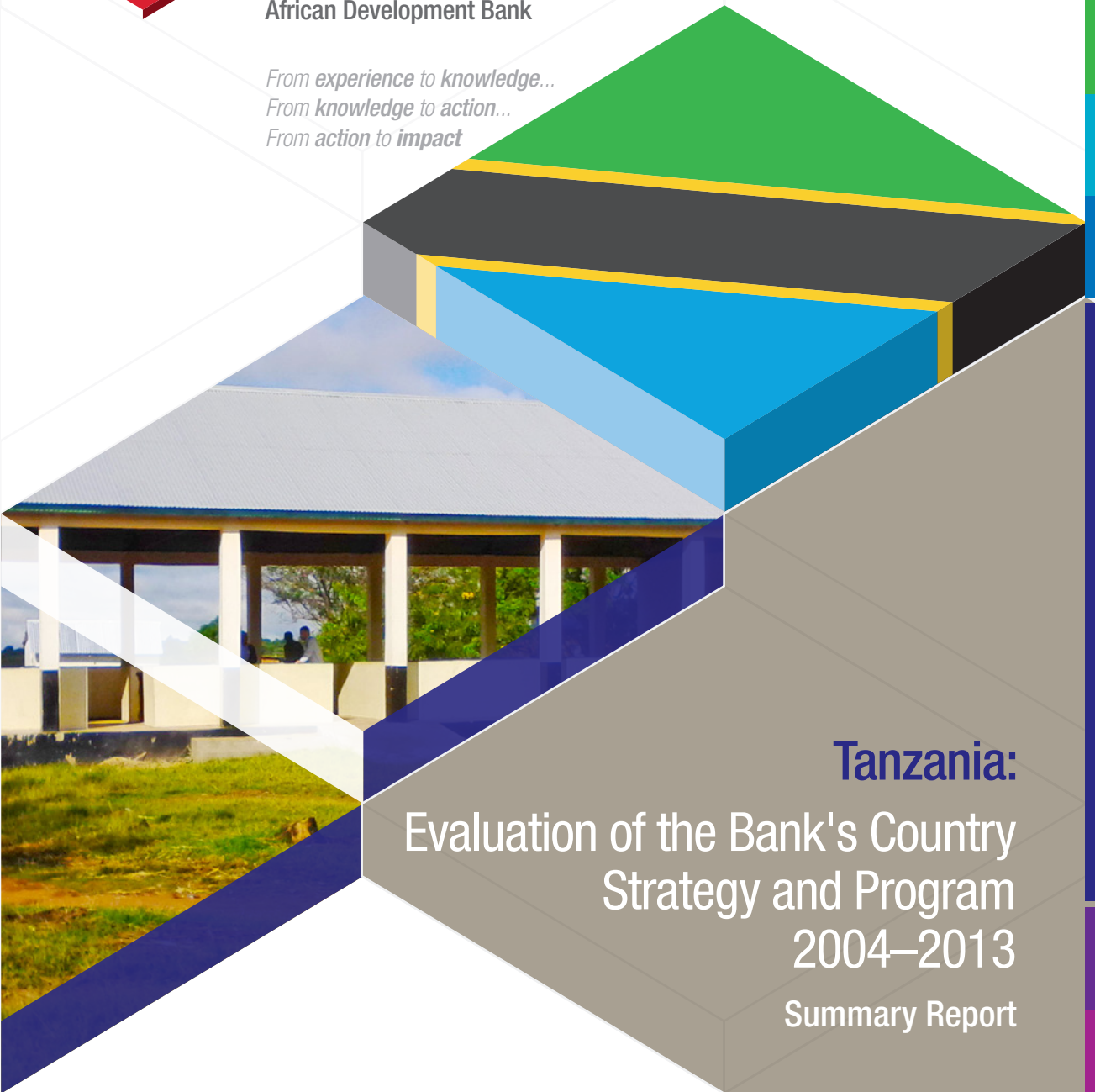




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An IDEV Country Strategy Evaluation



AFRICAN DEVELOPMENT BANK GROUP

January 2016

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IDEV Country Strategy Evaluation, January 2016

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## Abbreviations and Acronyms

<b>ACFA</b>	Accelerated Cofinancing Facility for Africa	<b>GDP</b>	Gross Domestic Product
<b>ADF</b>	African Development Fund	<b>GoT</b>	Government of Tanzania
<b>AfDB</b>	African Development Bank	<b>HBS</b>	Household Budget Survey
<b>BoT</b>	Bank of Tanzania	<b>IFAD</b>	International Fund for Agricultural Development
<b>BRN</b>	Big Results Now	<b>IDEV</b>	Independent Development Evaluation
<b>CPA</b>	ADF Country Performance Assessment	<b>IMF</b>	International Monetary Fund
<b>CPIA</b>	Country Policy and Institution Assessments	<b>IPP</b>	Independent Power Producer
<b>CPIP</b>	Country Portfolio Improvement Plan	<b>ISP</b>	Institutional Support Project
<b>CPPR</b>	Country Portfolio Performance Review	<b>JAST</b>	Joint Assistance Strategy for Tanzania
<b>CRDB</b>	Cooperative & Rural Development Bank	<b>JBIC</b>	Japan Bank for International Cooperation
<b>CSP</b>	Country Strategy Paper	<b>JICA</b>	Japan International Cooperation Agency
<b>CSPE</b>	Country Strategy and Program Evaluation	<b>LGA</b>	Local Government Authority
<b>DFID</b>	UK's Department for International Development	<b>LTPP</b>	Long-Term Perspective Plan
<b>DP</b>	Development Partner	<b>MoAFC</b>	Ministry of Agriculture, Food Security and Cooperation
<b>DPG</b>	Development Partners Group	<b>M&amp;E</b>	Monitoring and Evaluation
<b>EAC</b>	East Africa Community	<b>M&amp;O</b>	Management and Operation
<b>EARC</b>	East Africa Resource Centre	<b>MAIR</b>	MKUKUTA Annual Implementation Report
<b>EC</b>	Evaluation Criteria	<b>MDA</b>	Ministries, Departments, Agencies
<b>EIRR</b>	Economic internal rate of return	<b>MDG</b>	Millennium Development Goals
<b>EQ</b>	Evaluation Questions	<b>MFI</b>	Microfinance Institutions
<b>ESW</b>	Economic and Sector Work	<b>MKUZA</b>	Zanzibar Strategy for Growth and Reduction of Poverty (Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Zanzibar)
<b>EU</b>	European Union	<b>MoF</b>	Ministry of Finance
<b>FAO</b>	Food and Agriculture Organization	<b>MSMEs</b>	Micro, Small and Medium-Sized Enterprises
<b>FAPA</b>	Fund for African Private Sector Assistance	<b>NBS</b>	National Bureau of Statistics
<b>FFS</b>	Farmers Field School	<b>ODA</b>	Official Development Assistance
<b>FYDP</b>	Five-Years Development Plans		
<b>GBS</b>	General Budget Support		

<b>OECD</b>	Organization for Economic Co-operation and Development	<b>RISP</b>	Regional Integration Strategy Paper
<b>OPEV</b>	Operations Evaluation Department	<b>RMF</b>	Result Measurement Framework
<b>QAE</b>	Quality-at-Entry	<b>SACCO</b>	Savings And Credit Cooperative
<b>PAs</b>	Public Authorities	<b>SAP</b>	Strategic Action Plan
<b>PAF</b>	Performance Assessment Framework	<b>SBS</b>	Sectoral Budget Support
<b>PAR</b>	Project Appraisal Report	<b>SMEs</b>	Small and Medium-Sized Enterprises
<b>PBO</b>	Policy-Based Operations	<b>SWAP</b>	Sector Wide Approach
<b>PCR</b>	Project Completion Report	<b>TA</b>	Technical Assistance
<b>PCRN</b>	Project Completion Report Evaluation Note	<b>TANESCO</b>	Tanzania Electric Supply Company
<b>PCU/PMU</b>	Project Coordination Unit / Project Management Unit	<b>TANROADS</b>	Tanzania National Roads Agency
<b>PEFA</b>	Public Expenditure and Financial Accountability	<b>TAS</b>	Tanzania Assistance Strategy
<b>PER</b>	Public Expenditure Review	<b>TDV</b>	Tanzania Development Vision
<b>PFG</b>	Participatory Farmers Group	<b>ToC</b>	Theory of Change
<b>PFM</b>	Public Finance Management	<b>ToR</b>	Terms of Reference
<b>PFMRP</b>	Public Finance Management Reform Programme	<b>TZFO</b>	Tanzania Field Office (AfDB)
<b>PMG</b>	Poverty Monitoring Group	<b>TZS</b>	Tanzanian Shilling
<b>PPP</b>	Public-Private Partnership	<b>UA</b>	Units of Account
<b>PSD</b>	Private Sector Development	<b>UNDP</b>	United Nations Development Programme
<b>PSRGSP</b>	Power Sector Reform and Governance Support Program	<b>VET</b>	Vocational Education and Training
<b>RGoZ</b>	Revolutionary Government of Zanzibar	<b>VETA</b>	Vocational Education and Training Authority
		<b>ZAWA</b>	Zanzibar Water Authority
		<b>WBG</b>	World Bank Group
		<b>WG</b>	Working Groups



# Executive Summary

## Background

This evaluation assessed the Bank's development assistance to Tanzania during the period 2004-2013. It covered three Country Strategy Papers (CSPs): 2002-2004/5, 2006-2010 and 2011-2015. The evaluation will inform the new CSP2016-2020 and provide inputs to the Comprehensive Evaluation of the Bank's Development Results (CEDR). The purpose of the Evaluation is to i) assess the development results of the Bank's assistance to Tanzania, and in particular the extent to which the Bank's interventions have made a difference in the country and ii) suggest lessons and potential improvements to support the design and implementation of the new Country Strategy Paper (CSP) 2016-2020.

This evaluation used a broad range of data collection including document reviews, semi-structured interviews, focus group discussions, and visits to selected projects sites. Methodological details are presented in annex A.

## The Bank's contribution to development results in Tanzania

***The relevance and selectivity of the Bank's strategies and programs were rated satisfactory.*** The Bank country strategy papers (CSPs) reviewed and the interventions undertaken in the portfolio were broadly coherent with Tanzania's national and sectoral strategic framework and needs. The CSPs and operations were also well-aligned with the Bank's multiannual strategy applicable in the respective periods,

although not so explicitly with Bank's sectoral strategies and policies.

Despite the reorganization of activities in overarching 'pillars', the Bank continued to be engaged in too many different sectors. Internal coordination of interventions was poorly achieved – except for General Budget Support (GBS).

***Overall, the effectiveness and sustainability of the Bank's intervention were both rated moderately satisfactory.*** The evidence collected showed that the Bank's outputs, such as piped water supply systems, trunk roads, irrigations schemes and so forth have to some extent improved the lives of direct beneficiaries. In many instances, the projects also triggered cascading benefits of a social and economic nature for the entire community (for example, access to market, employment, access to school and healthcare, land value and so on). On the other hand, the aggregated contribution to overall sector objectives and to development outcomes was mixed.

In the transport sector, outcomes are tangible: improved road conditions, more affordable transportation, increased connection among country's economic centers, and facilitated trade across the Kenyan border. With respect to governance, the overall General Budget Support (GBS) helped the Government maintain and possibly expand development expenditure in key areas. The direct assistance to Public Finance Management (PFM) led to convincing improvements in the public procurement system and the internal and external audit function. In other sectors, like Micro, Small and Medium Enterprises (MSME) finance or

education some promising results were obtained, but the scale of projects was too small to make a tangible difference. Finally, the level of investment in agriculture, energy and water and sanitation was high but due to delays and inefficiencies, the outcomes are smaller than expected.

The overall economic growth of Tanzania only partially translated into direct benefits for the poor. Poverty remains widespread, especially in rural areas, but positive signs in the reduction of inequalities are reported. Using the Household Budget Survey, the World Bank (2015) estimated that the Gini coefficient decreased from 39 in 2007 to 36 in 2012, which was also better than the average for Sub-Saharan countries (45.1). Bank support to infrastructure development was certainly conducive to economic development. Interventions in the field of water supply and rural development contributed locally to non-income poverty alleviation.

***The sustainability of results after the end of Bank's support is not always ensured.*** Given the prevalence of projects on infrastructure development, the main concern is technical maintenance (and operation), and financial self-sustainability of the facilities constructed. Key challenges include the road maintenance financing gap, the low technical capacity available at local level to maintain rural infrastructures (especially irrigation schemes), the return on investment on rural markets (some of which are underused) and on electricity networks, and the financial viability of some MSME finance operations that registered weak performance.

***The Bank's contribution to knowledge generation and policy advice was rated as moderately unsatisfactory.*** Despite initial weaknesses, mostly due to the limited manpower of the field office, the Bank's role in policy dialogue has grown, especially in areas where the Bank has a distinct added value (such as the energy

sector). The Bank established a close collaboration with the Government of Tanzania (GoT), but the other Development Partners (DPs) view the Bank as too soft in its policy dialogue. The production of economic and sector work (ESW) has recently scaled up after many years of very marginal effort. However, the overall visibility of ESW products and their use in strategy-making remains limited.

## **The Bank's management of its interventions in Tanzania**

***The efficiency of the Bank operations was rated moderately satisfactory.*** The implementation of projects often encountered significant delays and operational constraints, which prevented the full delivery of expected outputs. In infrastructure sectors, and particularly roads and water supply, the original estimated costs of works were often overrun, requiring resources from other components (often 'soft' components) and/or to reduce the scope of interventions. In other sectors, the delays hindered the completion of works before the end of the projects, as in the case of various irrigation schemes, electricity networks, strategic markets, and vocational education and training centers.

***On the positive side, the efficiency has notably improved over time.*** The age of the portfolio decreased from 4.8 years in 2005 to 3.9 years in 2014; the time to first disbursement of recent projects is in line with efficiency targets (11 months against 24 months for projects under the first CSP considered); the portfolio has been cleared of problem cases and the number of projects at-risk dropped significantly. Public sector counterparts expressed positive appreciation for the operational efficiency of the Bank while some private sector counterparts are less satisfied.

***The quality of the strategy and the operations design was assessed as moderately satisfactory.*** There was a clear improvement

of CSPs over time along most of the 'quality-at-entry' (QAE) dimensions. The preparation process has become more participatory, and the analysis of context more thorough. On the other hand, the instrument mix and strategic focus were fairly conservative, and technical assistance was not always sufficient. At intervention level, the quality of design was not always appropriate, for example, the analysis of risks and their potential mitigating measures as well as project readiness. Furthermore, the majority of the Bank's interventions reviewed did not satisfactorily address cross-cutting issues: gender equality, regional disparities, environmental sustainability and transition to 'green growth'.

***The Bank was rated moderately satisfactory on partnership and leverage aspects.*** The Bank actively participated in the design and functioning of the DP/GoT structures and processes for co-ordination and harmonization of assistance, and supported the country's progress on Paris Declaration Principles with respect to Aid Effectiveness indicators (and the subsequent Global Partnership's initiative). At the operational level, the division of labor with other DPs generally worked well, although potential synergies across interventions were seldom exploited. On the leveraging side, the Bank managed to mobilize a relative modest amount of resources from other partners (and marginally from the private sector).

***In terms of designing and applying management for results, the Bank was considered moderately satisfactory.*** Unlike its predecessors, the CSP 2011-15 almost fully adopted the Management for Results (MfR) approach, consisting of appropriate logframes, an appropriate M&E system, and the use of lessons for strategic orientation and design. The Bank's projects generally included a result-based logframe, but there were frequent issues with the quality of indicators and the logical chains. Supervision has become more frequent and results-oriented and the Bank has improved

its ability to take the right actions to redress non-performing projects. However, poor monitoring of readiness and lack of baselines still affect some of the Bank's interventions.

## Recommendations

- 1. Concentrate on fewer key areas of proven expertise but with more emphasis on inclusiveness and integration.** The Bank's focus on infrastructure and governance sector, although relevant, may reduce its direct impact on poverty, especially non-income poverty and rural poverty. It is therefore important that the future strategy embeds solid pro-poor strategic orientations, possibly through integrating interventions around a few key outcomes related to job creation and an increase of revenue in targeted areas. In doing so, the Bank should ensure that cross-cutting issues such as gender, regional disparity, environmental sustainability are not only generically mentioned in project appraisal documents, but are fully analyzed, mainstreamed in the implementation, and duly supervised and assessed.
- 2. Improve the Bank's profile as a 'knowledge-partner' in the country assistance framework, its influence on the reform agenda and its catalytic potential.** In recent years the Bank has increased its responsibility and visibility in some specific areas of policy dialogue (for example, energy sector reform). The same process should be followed in other key areas of the Bank's interest – such as transport infrastructure and governance - and it should be more ambitious in the reform targets agreed with the Government. This goal can also be supported by ensuring the influence and visibility of the ESW in informing the Bank's operational design along with its policy dialogue with the Government and development partners.

**3. Further enhance QAE at both strategic and operational levels with a view to strengthening the analytical basis and integration effect of the CSP, and avoid readiness issues and unrealistic designs that continue to affect the performance of the Bank's interventions.**

In this context, the Bank's country experience can be leveraged to increase firsthand context analysis. The next CSP should include a more solid result-based framework and ensure an appropriate integration of the various instruments and channels of Bank assistance in a coherent framework (for example, lending and non-lending, public and private sector interventions). The implementation of a 'readiness filter' or similar mechanism, which ensures that only projects ready for implementation are taken to the Board for approval can help further mitigate efficiency issues. This should be reinforced by strengthening the project design, especially with respect to realism, the consistency of logframe (that is, inputs are conducive to outcomes), as well as the analysis of risk and mitigation measures.

**4. Consider adopting a more innovative approach to the portfolio selection, management and delivery mechanisms.**

The Bank should explore the opportunities to enhance its private sector operations, both reinforcing its current engagement in MSME finance, but possibly venturing in other sectors with potential complementarity through mainstream lending to reduce inequalities. Internal co-ordination mechanisms and procedures, both at CSP and operational level, should be strengthened to allow reaping the benefits of synergies across different projects. Capacity building can also be prioritized in the design of the Bank's future operations, including an increased use of the country system.

**5. Further strengthen supervision with a close involvement of the Bank's institutional counterparts.**

Supervision requirements need to be taken more into account at the design stage (notably frequency, resources needed, 'risk' profile of the intervention), and joint supervision should be used where applicable. Supervision recommendations should be followed, with flexibility to address potentially problematic situations. The sustainability section of progress reports in particular should be accurately compiled and reliable. In support of more effective supervision, project appraisals should include detailed follow-up and risk mitigation plans. ■

# Management Response

Management welcomes the Independent Development Evaluation (IDEV)'s report on the Bank's development assistance to Tanzania during the period 2004-2013, covering three Country Strategy Papers (CSPs): 2002-2004/5, 2006-2010, and 2011-2015. The Evaluation provides a timely assessment of the CSPs' relevance, effectiveness and sustainability in the key areas of infrastructure, economic and financial governance, social sectors, water and sanitation, and agriculture. It has also assessed the performance of CSPs in light of the cross-cutting themes, including: regional integration, inclusive growth, gender mainstreaming, and environmental issues and green growth. Overall, Management agrees with the findings and recommendations of the evaluation, particularly the need for innovation in CSPs, to explore less traditional interventions both in terms of instruments and focus, as well as enhanced selectivity and internal coordination of the Bank's interventions in Tanzania. Several issues raised by the evaluation have either been addressed or are in the process of being addressed. The evaluation provides a unique opportunity for the Bank to improve its operations in Tanzania, both in terms of formulation and implementation. Management welcomes the recommendations of the IDEV report, which have informed the Bank's new CSP for Tanzania for 2016-20.

## Relevance

Management agrees with IDEV that all three CSPs were fully aligned with Tanzania's strategic framework, and that the Bank interventions approved and implemented under the strategies were relevant to Tanzania's development needs and challenges. Management also agrees that the delivery of interventions was supported by the Bank's full participation and engagement in the national development processes, thus assuring the maximum coherence with the needs of the country and good coordination and division of labour among development partners. The new CSP (2016 – 2020) will preserve alignment with the country's National Development Vision 2015 and the second Five Year Development Plan (FYDP II – Economic Transformation and Industrialization for Human Development).

## Effectiveness

Management is encouraged by IDEV's findings that the Bank's road transport projects have yielded high returns and have contributed to improving the reliability and efficiency of Tanzania's transport infrastructure system, thereby promoting economic growth, socioeconomic development and regional integration. Considering the significance of transport infrastructure needs in the country, Management is particularly encouraged by the fact that the Bank was responsible for about 23% of trunk road upgrading (to bitumen standard) in Tanzania between 2004 and 2013.

Management agrees with IDEV's finding that, the Bank's investments in the power sector have not yet brought about the beneficial effects of making access to reliable and affordable electricity more widespread,

since they are still ongoing. Also, Management appreciates IDEV's observation that the Bank's intervention in energy sector is regaining momentum after a long period of marginal involvement – both in terms of investment and policy dialogue. Management is encouraged by IDEV's finding that the Bank's intervention through Policy Based Operations has yielded results in terms of institutional and financial capacity, as well as progress toward the energy sector reforms. Management agrees with the evaluation findings that a number of challenges have affected the implementation of power projects, thus contributing to slow pace in registering results. The Electricity V project, in particular, was beset by several challenges, including start-up and procurement delays, and Management appreciates IDEV's approach to take into consideration the major implementation difficulties encountered at the start of the project in the evaluation of its performance.

Management appreciates IDEV's finding that the Bank's interventions in water and sanitation have contributed to improvements in access to water sources and sanitation facilities – accounting for about 25% - 30% of the results in the sector, equivalent to an estimated 2 to 2.4 million of individual beneficiaries. Management concurs with the evaluation findings that results in water and sanitation sector were affected by challenges stemming from issues related to design of operations, and measures are already underway to improve the situation, as evidenced in the recently approved Arusha Urban Water and Sanitation Service Delivery Improvement Project – whose design has been significantly sharpened by drawing on lessons learnt. Management is also encouraged by the finding that the Bank paid attention to sustainability aspects in the design and implementation of its recent operations in water and sanitation sector. Apart from financial sustainability, other aspects include: the improved capacity of competent authorities and ultimate beneficiary ownership and involvement in operation and maintenance.

Management concurs with IDEV's findings that results from Bank's interventions in the agriculture sector in Tanzania have been suboptimal due to various challenges including deficiencies in design and implementation delays. It agrees with IDEV's observation that, despite several successes recorded at local level, generally, considering the size of the country and scale of people's engagement in the sector, Bank's interventions in the agriculture sector were too scattered and small to make a change in the country's agriculture sector and farmers' conditions and livelihoods in general. The Bank recognizes that agriculture remains the mainstay of Tanzania's economy because it employs the majority of workforce, is important for food security, and supports the livelihoods of the largest section of the country's population. While remaining focused and selective, the new country strategy will encourage integrated approach to maximize development outcomes, and the livelihood-supporting sectors including agriculture will be accorded high priority in the design of Bank operations.

Management welcomes IDEV's evaluation findings that the Bank's governance and multi-sector interventions in Tanzania have contributed positively to the reform agenda and in supporting macroeconomic stability. General Budget Support (GBS) has helped the Government in maintaining macroeconomic stability through increased fiscal space, and maintenance of healthy foreign exchange reserve position. Also, Management is encouraged by the evaluation observations that the interventions have contributed positively in reforming the country's Public Financial Management (PFM) systems. A particularly noteworthy development has been, strengthening, and increased independence, of oversight institutions – including the National Audit Office (NAO) and Public Procurement Regulatory Authority (PPRA). Going forward, the Bank is sharpening the focus of its institutional support operations in Tanzania to maximize the impact and contribution to reforms.



Management concurs with IDEV's remarks that, the Bank's interventions in social sectors were generally worthwhile to the beneficiaries, but that operations were fragmented, hindering learning and operational efficiency. Management agrees with the evaluation findings that, soft measures to accompany the civil works were lacking, leading to implementation difficulties in education and health interventions.

## Sustainability

Management agrees with the evaluation findings that the Bank has not been directly involved in road maintenance like other development partners (DPs), which is a major sustainability issue for its projects. Management concurs with IDEV that for sustainability of road projects, it is important to support the authorities to gradually reduce the financing gap in road maintenance, and complement the efforts of the Government and other DPs in this area. This will help to consolidate achievements in infrastructure development in the country, and strengthen the Bank's position as a key player in Tanzania's road sector.

Management agrees with IDEV that inadequate capacity of competent authorities as well as underfunding of road maintenance constitute major threats to the long term sustainability of the Bank's road sector operations in Tanzania. Measures to address this challenge are already underway, as evidenced in the recently approved Road Sector Support Program which encompasses a requisite capacity building component as part of inbuilt measures for sustainability. The Bank continues to maintain positive dialogue with the Government, including on allocation and release of funds for road maintenance. Other measures include sharpening the focus of program assistance and institutional support operations for fiscal space and enhanced institutional capacity.

Management concurs with IDEV observation that sustainability of energy sector interventions will depend on the efficiency of the power utility – Tanzania Electric Supply Company (TANESCO). To this end, the Bank is already supporting reforms in the energy sector, including gradual restoration of the financial health of TANESCO as well as restructuring of the utility. As pointed out correctly in the evaluation, this support is a continuation following a Technical Assistance programme under the Bank's supplementary financing on Governance and Economic Competitiveness Support Program (GECSP), which resulted in the formulation of Electricity Supply Industry Reform Strategy and Roadmap.

Management welcomes IDEV's remarks about the importance of ensuring quality dialogue on energy sector reforms, and the position of the Bank in ensuring smooth coordination and synergy in the actions of the various development partners. The Bank is already taking measures in the context of the ongoing Power Sector Reform and Governance Support Program. The energy sector is one of the core areas of intervention under the proposed infrastructure pillar in the new CSP (2016-2020), and the focus will be sharpened with targeted technical assistance, advisory services, and institutional capacity strengthening to support the much needed restructuring of the sector.

## Cross cutting issues

Gender, Environment, and Regional Integration. Management appreciates IDEV's findings that issues of gender equality have recently been given adequate consideration both at the level of CSP and operations. Management agrees that issues of gender equality at project level have not been dealt with in most of the Policy Based Operations – both in terms of analysis and possible impacts. This issue will be addressed in the new CSP, which has placed much stronger

emphasis on the need for gender mainstreaming as an integral element in the design and implementation of operations. The new CSP (2016-2020) proposes a knowledge product on Enablers of Youth and Women Entrepreneurship in Tanzania: focus on Micro, Small and Medium Enterprises to inform the preparation of gender-focused interventions, with emphasis on economic empowerment.

Environmental Sustainability and Green Growth. Management is encouraged by the evaluation findings that issues of environmental sustainability and green growth have been treated systematically in the previous strategy and mid-term review, and mainstreaming of environmental issues has recently been accorded the priority in the design of Bank operations. Management concurs with IDEV's observation that issues of environmental and social safeguards have not featured adequately in implementation for most of operations, mainly due to capacity constraints. Going forward, the new CSP places stronger emphasis on environmental sustainability and green growth issues, identifying these as key elements in the design and implementation of operations.

Regional Integration. Management appreciates IDEV's findings that regional/multinational interventions were broadly relevant and in line with the infrastructure pillar priorities of the East Africa Regional Integration Strategy Paper (RISP 2011-15). Management is particularly encouraged by IDEV's remarks that, despite several difficulties and complexities in design and challenges in the implementation of regional operations, the Bank should not be discouraged in pursuing multinational operations. The indicative pipeline of operations for the new CSP has retained a substantial share of regional operations particularly in transport and energy sectors. For the new CSP (2016-2020), one of the key objectives of the Bank's support under Infrastructure Pillar is to improve connectivity to unlock Tanzania's potential as a regional transport and logistics hub. To this end, several regional/

multinational operations are planned including Bagamoyo – Lungalunga – Malindi (Kenya/Tanzania) and RN3 Manyovu-Kasulu-Kigoma Road (Burundi/Tanzania); Mtwara port project and proposed investments in the central corridor railway. Also, under the same pillar, the Bank will continue to support the efforts to connect Tanzania to the regional power pools, notably through the already approved Kenya-Tanzania power interconnection, as well as the Tanzania-Zambia interconnection project.

## Managing Bank's Assistance

Managing for Results, internal coordination and Selectivity. Management concurs with evaluation findings that Managing-for-results approach was not used in the first two CSPs, and only the recent CSP 2011-15 adopted appropriate results-based framework, monitoring and evaluation systems, and the use of lessons for strategic orientation and design. Also, it agrees with the findings that, while that there was progressive uptake of selectivity principles in the three CSPs, the strategies were not adequately selective, and the Bank was engaged in too many sectors in Tanzania. This shortcoming has been addressed in the new CSP, which has identified a few areas of Bank engagement based on clearly defined set of selectivity criteria. Also, Management agrees with evaluation findings that limited internal coordination coupled with selectivity issues resulted in large number of operations in the portfolio. This issue has been addressed in the new CSP which places emphasis on selectivity, and adopts an integrated approach to ensure coherence of Bank support and maximize development impact.

Portfolio monitoring and supervision. Management is encouraged by IDEV's findings that, both frequency and quality of supervision of Bank operations in Tanzania have improved as a result of the ongoing decentralization efforts. With the expansion of Tanzania Field Office (TZFO) and establishment of East Africa Resource Center (EARC), more expertise



and resources have been made available for supervision missions. Management concurs with the evaluation findings that implementation problems for some projects (including Lake Tanganyika Integrated Regional Development Project (PRODAP) and Electricity V Project) went undetected partly because of lack of Mid-Term Reviews (MTR) for the operations.

TZFO will flag the issue of Mid-Term Reviews for operations with Tanzanian Country Teams as an integral part of portfolio monitoring. Also, Tanzania Field Office will continue to rigorously follow-up on supervision and sustain the quarterly portfolio review meetings with the Ministry of Finance and executing agencies. ■

## MANAGEMENT ACTION RECORD

The Bank's new CSP 2016-2020 for Tanzania has been finalized and scheduled for Board consideration in February 2016. Timing of the evaluation has meant that this CSP has benefitted from IDEV's analysis and recommendations. As a result, key lessons have been fully integrated into the final draft of the CSP. Specific actions and lessons taken by TZFO are flagged in this Management Action Record.

Recommendation	Management's response
<p><i>Concentrate on fewer key areas of proven expertise but with more emphasis on inclusiveness and integration</i></p>	<p><b>Agreed.</b> The new CSP is more selective and fully responds to IDEV's recommendation. The Bank's support under CSP 2016-20 will focus on the areas of its comparative advantage.</p> <ul style="list-style-type: none"> <li>■ The new CSP focuses on two strategic pillars:               <ol style="list-style-type: none"> <li>i. Infrastructure development for inclusive growth – with energy and transport as anchors for transformation ; and</li> <li>ii. Strengthening Governance for improved competitiveness</li> </ol> </li> <li>■ The new CSP has ensured mainstreaming of the key priorities such as green and inclusive growth as well as gender equality and empowerment</li> <li>■ The Bank's proposed support to transport and energy sectors seeks to provide integrated development solutions to transform the regions in which Bank projects will be located into centers of local economic development</li> <li>■ Selectivity criteria that has informed the CSP strategic choices include:               <ul style="list-style-type: none"> <li>- Tanzania's most pressing developmental issues/challenges</li> <li>- Alignment with Tanzania's strategic framework</li> <li>- Alignment with the Bank's corporate strategic framework and priorities, notably the Bank's TYS 2013-22 with its dual objectives of inclusive and green growth and the High 5's (Light Up and Power Africa, Integrate Africa, Improve the Quality of Life, Industrialize Africa, and Feed Africa</li> <li>- Outcome of stakeholder consultations</li> <li>- Sectoral focus of DP interventions</li> <li>- Building on the Bank's past achievements, comparative advantage and aid effectiveness.</li> <li>- Lessons learned from previous engagement.</li> <li>- Drawing on knowledge work</li> </ul> </li> </ul>

Recommendation	Management's response
<p><i>Improve the Bank's profile as a 'knowledge-partner' in the country assistance framework, its influence on the reform agenda and its catalytic potential</i></p>	<p><b>Agreed.</b> This aspect has been comprehensively addressed in the new CSP (2016-2020).</p> <ul style="list-style-type: none"> <li>■ Tanzania's economic performance remains heavily dependent on natural resources and climate sensitive sectors, the Bank will work with the Government and other stakeholders to bridge the existing knowledge gap in the areas of green growth and sustainable development</li> <li>■ As an innovation, two major diagnostic studies will be conducted in 2017 and 2019 to inform the CSP mid-term review (MTR) and the next CSP, respectively. This will ensure that the strategic orientation of the Bank's support to Tanzania is grounded in knowledge work</li> <li>■ The Bank will underpin its lending operations with pertinent analytical work to ensure that Tanzania is firmly placed on an inclusive and green growth pathway.</li> <li>■ Targeted Technical Assistance (TA) and policy advisory services will continue to be provided in the natural gas sector notably in the area of governance to allow the country to sustainably harness the resource.</li> <li>■ The following Economic and Sector Works (ESWs) are planned in the new CSP: <ul style="list-style-type: none"> <li>- Maritime Transport Safety Study</li> <li>- Enablers of Youth and Women Entrepreneurship in Tanzania: focus on Micro, Small and Medium Enterprises</li> <li>- A comparative assessment of the rail/ road transport investment needs for Tanzania's Economy</li> <li>- Leveraging natural resources for sustainable and inclusive growth in Tanzania: Implications for infrastructure development and governance and accountability</li> </ul> </li> </ul>
<p><i>Enhance quality-at-entry at both strategic and operational levels with a view to strengthen the analytical basis and integration effect of the CSP, and avoid readiness issues and unrealistic designs that continue affecting the performance of Bank's interventions</i></p>	<p><b>Agreed.</b> Quality-at-Entry (QaE) is currently addressed at two levels:</p> <ul style="list-style-type: none"> <li>■ Strategic level: Bank has refined CSP processing to improve CSP quality at entry. For instance, a CODE presentation of the proposed pillars facilitates early engagement with the Board both on the strategic focus of the CSP and its quality/ readiness. This is in addition to the Readiness Reviews and lessons and experiences from the Country Strategy and Program Evaluation.</li> <li>■ Operational level: CSP 2016-20 proposes a Readiness Filter to improve project QaE. Also, all Bank operations will be underpinned by relevant studies – feasibility, design. In addition, all studies and designs will be subjected to review before commencement of project implementation.</li> </ul>
<p><i>Consider adopting a more innovative approach to the portfolio selection, management and delivery mechanisms</i></p>	<p><b>Agreed.</b> The new CSP addresses this recommendation as follows:</p> <ul style="list-style-type: none"> <li>■ Innovative financing instruments (PCGs, PRGs, and local currency bonds), including support from Bank's Private Sector Window (LoCs, equity/ guarantees) will be deployed for onward lending to MSMEs. Support to the Public-Private Partnership (PPP) framework will also be provided</li> <li>■ By adopting integrated development solutions approach, the Bank will ensure synergy in its interventions and maximize development impact.</li> <li>■ Development corridor approach will provide regional and cross-sectoral support (to harness geographic linkages &amp; synergies)</li> <li>■ The proposed more focused institutional support programs (ISPs) will help will contribute to the required institutional and capacity strengthening</li> </ul>
<p><i>Further strengthen supervision with a close involvement of Bank's institutional counterparts</i></p>	<p><b>Agreed.</b> The new CSP envisages improvements in the supervision of operations on various fronts, including:</p> <ul style="list-style-type: none"> <li>- Stronger emphasis on skill mix in supervision missions</li> <li>- Improved focus of regular meetings on operations at TZFO to diagnose issues in the implementation of operations, and suggest possible ways to resolve</li> <li>- Improved backstopping by EARC to ensure adequate resources in the supervision of interventions.</li> </ul>

# Introduction

This Summary Report (the 'Report') presents the key findings and recommendations of the evaluation of the African Development Bank Group's (the Bank's) country strategies and programs (CSPE) in Tanzania. The complete account of findings is available in a Technical Report that has been used as background for this document.

This introductory section presents briefly the evaluation questions, methodological approach, country development context and the Bank's portfolio. Next, the Report presents the findings of the evaluation and underlying evidence in two main parts: first, the Bank's contribution to Development results in Tanzania and, second, the management of the Bank's intervention in Tanzania. Finally, the report makes conclusions and recommendations for the way forward.

## Evaluation Rationale, Purpose, and Scope

This evaluation was conducted to inform the design of the new CSP (2016-2020) and provide inputs to the Comprehensive Evaluation of the Bank's Development Results (CEDR). The purpose of the evaluation is to: i) assess the development results of the Bank's assistance to Tanzania, and in particular the extent to which the Bank's interventions have made a difference in the country and ii) suggest lessons and potential improvements to support the design and implementation of the new Country Strategy Paper (CSP) 2016-2020. The reference period for the evaluation was from 2004 to 2013 corresponding to the three CSPs: 2002-2004/5, 2006-2010 and 2011-2015.

## Evaluation Questions and Methodology<sup>1</sup>

The evaluation assessed two overarching questions that were further broken down into 21 specific evaluation questions connected to the main standard evaluation criteria. This evaluation used a broad range of data collection including document reviews, semi-structured interviews, focus group discussions, and field visits to projects. In order to provide a summary assessment for the various evaluation questions and underlying evaluation criteria, a six-level scale rating system - ranging from 'highly satisfactory' to 'highly unsatisfactory' - was used.

## Limitations

The key methodological limitation of the evaluation is that it cannot quantify the attribution of the country development results to the Bank's support. A specific challenge was found in gaps in the country's statistical data-sets especially the lack of complete historical series covering the past 10 years and the lack of systematic regional / district level data. In addition, weaknesses were observed in the Bank's project documents such as the absence of baseline data, and an overemphasis on outcomes reported in Project Completion Reports (PCRs). To address these limitations, the evaluation has attempted to illustrate the Bank's contribution 'stories', which are mostly based on qualitative evidence collected with appropriate triangulation applied. ■





# Background

## Country Context and Development Challenges

A relatively large country, Tanzania is located in East Africa and covers a land area of 887,000 kilometers<sup>2</sup>. Based on the 2012 Population and Housing census, it has a population of 44.9 million, with women representing 51.3 percent of the population. More than 50 percent of the population is under 17. Tanzania is a peaceful and politically stable country where the Chama Cha Mapinduzi (CCM) party has dominated the political landscape since independence in 1961.

Tanzania's economy has performed strongly over the period of the evaluation with an average growth rate of 6.7 percent between 2004 and 2014, above the East African Community (6 percent), as well as the global averages (4 percent)<sup>2</sup>. Agriculture remains the mainstay of the Tanzanian economy, contributing approximately 31.5 percent of the GDP (2014), although its growth was slower than other sectors. In the past few years, the country faced a significant expansion in industrial and construction activities as well as a boom in mining, especially gold. The contribution of industry to GDP has grown from 21 percent in 2007 to around 25 percent in 2014. The current average per capita income is US\$ 948, based on the recently rebased<sup>3</sup> GDP. This makes the country close to Lower Middle Income Countries.

Despite steady and sound economic growth, Tanzania remains a poor country. Although the poverty level decreased from 34.4 percent in 2007 to 28.2 percent in 2012<sup>4</sup>, the incidence of poverty remains high. Economic growth over

the past years occurred in sectors that have a limited impact on the income and livelihoods of most citizens. Poverty has also continued to be predominantly rural (due largely to low agricultural growth). Ensuring that economic growth is inclusive and contributes to poverty reduction remains a significant challenge in Tanzania.

## The Bank Strategies and Programs in Tanzania 2004-2013

During the evaluation period (2004-2013), the Bank's interventions in Tanzania were guided by three CSPs. The goal and the operational focus on these CSPs are summarized in figure 1.

During the period of this evaluation (2004-2013), the Bank has approved **a total of 42 operations worth around UA 1.52 billion**, mostly delivered through concessional loans and to a small extent (4 percent) through grants. The majority of operations consisted of investment lending but a significant share (38 percent) was also extended through nine Policy Based Operations (PBOs), including both general and sectoral budget support; two Institutional Support Projects (ISPs) were also financed. Private sector operations accounted for less than 1 percent of the total assistance and essentially concerned MSME finance. The Bank's instruments used in private sector operations include Lines of Credit, Partial Credit Guarantee Schemes, Equity Participation, and Technical Assistance (TA).

The **sectoral focus** evolved overtime: initially there was much emphasis on agriculture and rural development, then 'human development' priorities

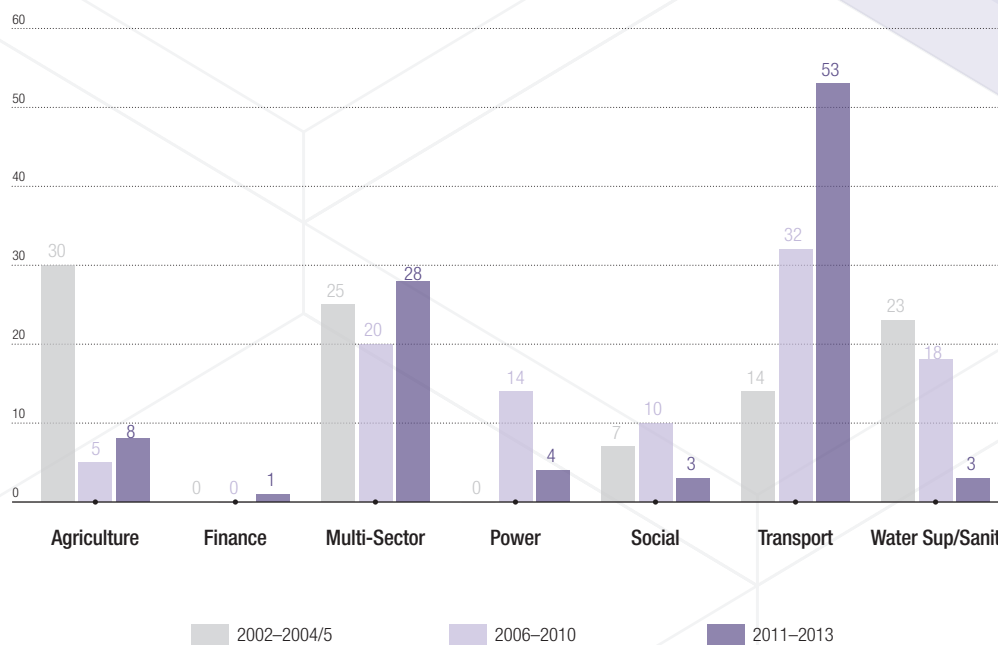


**Figure 1:** Goals and priorities of the Bank's CSPs for Tanzania

CSP 2002-2004 (ext. to 2005-06)	CSP 2006-2010	CSP 2011-2015
Goals and priorities	Goals and priorities	Goals and priorities
<p><b>Rural Development</b></p> <ul style="list-style-type: none"> <li>i. (Raise agricultural productivity</li> <li>ii. Improve rural infrastructure <ul style="list-style-type: none"> <li>■ Rural roads</li> <li>■ Rural WatSan</li> </ul> </li> </ul> <p><b>Human Capital Development</b></p> <ul style="list-style-type: none"> <li>iii. Expand Vocational Education and Training (VET)</li> </ul> <hr/> <p><b>Support for the Reform Program/ National Capacity Building</b></p> <ul style="list-style-type: none"> <li>iv. Support for Poverty Reduction Strategy implementation</li> <li>v. Capacity building in the area of governance</li> </ul>	<p><b>Cluster I – Growth and reduction of Income Poverty</b></p> <ol style="list-style-type: none"> <li>1. Promoting sustainable and broad-based growth <ul style="list-style-type: none"> <li>■ Road infrastructure</li> <li>■ Agricultural productivity</li> </ul> </li> <li>2. Provision of reliable and affordable energy to consumers</li> </ol> <hr/> <p><b>Cluster II – Improvement of the Quality of Life and Social Well-being</b></p> <ol style="list-style-type: none"> <li>3. Equitable access to quality education, universal literacy, expansion of higher education and VET</li> <li>4. Improved health and well-being (esp. of children and women)</li> <li>5. Increased access to safe and affordable water and sanitation services</li> </ol>	<p><b>Pillar 1 – Infrastructure Development</b></p> <ul style="list-style-type: none"> <li>a. Transport</li> <li>b. Agriculture</li> <li>c. Water Supply and Sanitation</li> <li>d. Energy</li> </ul> <hr/> <p><b>Pillar 2 – Building an Enabling Institutional and Business Environment</b></p> <ul style="list-style-type: none"> <li>e. Development of Human Resources (HR)</li> <li>f. Economic and financial governance</li> </ul>

emerged (water and sanitation, education, health), and finally there was a shift towards energy and the private sector. In parallel, the Bank maintained a constant focus on its two main areas of operations that is, transport (34 percent of portfolio value) and governance/multi-sectoral assistance (26 percent)

(see Figure 2). In addition to investments, the Bank's support also included *non-lending operations*, namely economic and sector work (studies, sector reviews, bulletins, factsheets and so forth), and policy dialogue with competent authorities on development strategies and reforms. ■

**Figure 2:** Percentage share of each sector over the CSP period





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# Evaluation Findings – The Bank’s Contribution to Development Results in Tanzania

## Relevance and Selectivity

The Bank’s strategic relevance to the development needs and priorities of the country and selectivity were rated **satisfactory** (see table 1). The Bank actively and fully participated in the national processes which ensured maximum coherence between its strategies and the country’s strategic priorities. However, the Bank needs to be more selective in its interventions.

**Table 1:** Relevance and Selectivity Rating

Judgment Criteria	Rating
Alignment with the key national and sectoral priorities*	Highly Satisfactory
Alignment with beneficiary needs	Moderately Satisfactory
Coherence with Bank’s strategies and priorities*	Satisfactory
Selectivity and internal co-ordination of assistance*	Moderately Unsatisfactory
Portfolio relevance and alignment with CSP	Highly Satisfactory
<b>Relevance and Selectivity</b>	<b>Satisfactory</b>

(\*) For aggregated rating purposes, these criteria have double weight due to their importance for the overall judgment.

### **Alignment with National and Corporate Strategies**

The Bank CSPs were broadly aligned with Tanzania’s overall strategies. The active engagement of the Bank in the national framework for the co-ordination of development assistance further strengthened the coherence with the country’s priorities and ensured a harmonized approach across development partners. The CSPs examined were broadly informed by the national strategic documents in force, namely the Tanzania Development Vision 2025 (TDV 2025) and its underpinning plans. In particular, the *CSP 2002-2004 ‘Update’* made

explicit reference to the Poverty Reduction Strategy Paper, the antecedent of MKUKUTA<sup>5</sup>, as the source of the Bank’s priorities, as well as to the Tanzania Assistance Strategy (TAS) as the framework for co-ordination and harmonization of interventions with the other donors. The *CSP 2006-2010* was largely informed by two main processes: (i) the adoption of the new medium-term poverty reduction strategies (MKUKUTA and MKUZA for Zanzibar); and (ii) the adoption of the Joint Assistance Strategy for Tanzania (JAST) framework for cooperation between GoT and DPs. The *CSP 2011-2015* was organized in two main pillars, broadly aligned to specific MKUKUTA clusters, namely: (i) an

infrastructure development pillar (including energy, roads and water) – consistent with MKUKUTA Cluster I on growth and reduction of income poverty, and (ii) enabling institutional and business environment – corresponding to MKUKUTA Cluster III on governance and accountability.

The Bank's interventions were generally aligned with the country's sectoral priorities despite light reference in CSPs. Such alignment was more explicit in some sectors than in others. The Bank's CSPs typically made reference to the main sectoral documents in the reviews of intervention areas, showing a general alignment with the country's sectoral orientations. However, the analysis of sectoral strategies in CSPs was generally concise as compared to project documents. In comparative terms, while the alignment was clear in the field of water and sanitation<sup>6</sup>, it was not so straightforward in the field of agriculture, where priorities like rural finance, the mobilization of private investments and the development of agro-industry were only partly addressed.

### ***Alignment with beneficiaries' needs***

The alignment with beneficiaries' needs was generally ensured by the broader reference to the established strategic framework. The CSPs proposals, identification and analysis of the target groups' needs were undertaken in a rather generic way with less emphasis on the specific needs of the target groups. At project level, nearly half of the 40 projects reviewed presented a sufficiently clear identification of the target population. The identification of the target beneficiary population was often done by geographic area and its salient feature; in contrast, the identification by socio-anthropological factors such as age, gender, profession was uncommon. The analysis of beneficiaries' needs was generally succinct and, indeed often absent in the Project Appraisal Reports (PARs) examined. Only one-fourth of PAR reviewed provides an articulated analysis of needs specific to the target group.

### ***Coherence with the Bank's strategies and priorities***

The CSPs were coherent with the Bank's corporate multiannual strategy applicable in their period, that is, the current *AfDB Strategy for 2013-2022*, the *Medium Term Strategy (MTS), 2008-2012*, and the *Strategic Plan of the AfDB Group for the 2003-2007*. The three CSPs aligned with the strategic directions and operational priorities of the corporate level medium and long term strategies. With respect to the Bank's sectoral and cross cutting strategies, however, the analysis revealed CSPs did not make any reference to these corporate sources. In project appraisal reports applicable sectoral strategies are sometimes mentioned, although not systematically. References were found in only eight PARs, suggesting a limited use of these sources in project design. On the other hand, the Eastern Africa Regional Integration Strategy Paper for *2011 – 2015 (RISP)*<sup>7</sup> is cited as a strategic reference in the CSP 2011-15. The revamped emphasis on regional integration – further confirmed in the *Strategy 2013-2022* - gave new impetus to multinational orientation and new projects were approved.

### ***Selectivity and internal coordination of assistance***

The Bank's interventions were fragmented<sup>8</sup> in seven main sectors and 13 different sub-sectors. The need for more selectivity was acknowledged in the CSP 2011-15, but not really elaborated upon. On the positive side, the average size of the Bank's operations has continued to increase - although at a slow pace. The intention to address the selectivity issue was also confirmed in the CSP 2011-2015 completion report.

Internal coordination among operations was modest, except for synergetic effects between GBS and sectoral assistance. These consisted of: (i) stimulating the advancement of sectoral reforms and the GoT

efforts towards agreed developments through the Performance Assistance Framework (PAF) and the conditions for GBS disbursement; and (ii) improvements to overall governance, and specifically public finance management (PFM) capacity and the fiduciary framework for better efficiency. Yet other types of synergy across projects were only marginal: potential synergies remain untapped between projects operating in the same geographic areas and/or addressing common constraints.

due, firstly, to the typical scarcity of details about private sector interventions in the CSP. Secondly, the private sector operations selected had limited size and complexity and therefore had a shorter origination and design timeframe. Overall, the relevance ratings for individual operations are positive. The portfolio was coherent with the strategic orientations of CSPs; consequently they were well-aligned with the main national strategies (MKUKUTA, TDV 2025 and FYDP) as well as with the Bank’s multiannual strategies.

### ***Portfolio relevance and alignment with the Country Strategy Paper***

The relevance of operations is generally satisfactory. There has been limited deviation between the strategic areas or pillars of CSP intervention and the actual pipeline. In practice, the CSPs did not elaborate in detail how the project pipeline stemmed from the strategic analysis. In this sense, the alignment of operations with the strategy was facilitated by the fact that preparatory work for certain interventions took place prior to CSP finalization, and there was evidently some cross-feedback in the CSP and pipeline development process. The few cases of deviation detected mostly concerned private sector operations, where the actual operations financed were generally not anticipated in the CSP. This was

### **Effectiveness and Sustainability**

Overall, the effectiveness of the Bank’s intervention in Tanzania was rated moderately satisfactory. The effectiveness of the transport sector was rated better than others. The overall sustainability of the results achieved by the Bank was found to be **moderately satisfactory** (see Table 2).

#### ***Transport Sector***

Road transport was the largest sector of the Bank’s assistance in the evaluation period with eight projects in total amounting to UA558.9 million. The main focus of the Bank’s role in the sector has been the rehabilitation/upgrading of the country’s trunk roads

**Table 2:** Effectiveness and Sustainability Rating

Judgment Criteria	Transport*	Energy	WatSan*	Agriculture*	Governance*	Education	Private sector
Delivery of expected results	MS	MS	MS	MS	MS	MS	MS
Benefits for target groups	S	n.r.	S	MS	n.r.	MS	S
Achievement of Sectoral Goals and Development Outcomes	S	n.r.	MU	MU	MS	MU	MS
Effectiveness (sector)	S	MS	MS	MS	MS	MS	MS
<b>Overall Effectiveness</b>	<b>Moderately Satisfactory</b>						
Sustainability	MS	MS	MS	MU	MS	U	MU
<b>Overall Sustainability</b>	<b>Moderately Satisfactory</b>						

Legend: MS= Moderately Satisfactory; S= Satisfactory; MU= Moderately Unsatisfactory; U= Unsatisfactory; n.r.: not rated (insufficient evidence available)

(\*) For aggregated rating purposes, these criteria have double weight due to the higher level of investment.

to bitumen standard - particularly roads serving regional corridors.<sup>9</sup> To a smaller extent, some of the Bank's projects addressed the regional road network together with district/rural roads. Otherwise, the only involvement outside the road subsector related to the completion of a study for a multinational railways project connecting Dar Es Salaam-Isaka-Kigali/Keza-Musongati. It is worth emphasizing that the Bank has been the major development partner by level of investment in the transport sector (taking into account also the funds mobilized through the ACFA Facility).<sup>10</sup>

The Bank successfully upgraded 72.8 percent of the 567.9 kilometers trunk road covered under four road completed projects. Meanwhile, other roads projects are still ongoing to provide the result apart from Roads Sector Support project I. Overall, the paved network increased from 5,400 kilometers in 2005 to 7,402 kilometers in 2014.<sup>11</sup> The Bank contributed to this expansion through upgrading approximately 464 kilometers of roads to bitumen standard, which corresponds to around 23 percent of the total trunk network upgraded in the period considered.<sup>12</sup> It also contributed to regional roads by constructing 923 kilometers of roads via the Roads Rehabilitation/ Upgrading Project, which accounts for about 4 percent of the regional road network. An estimated 2,360 kilometers of district / rural roads were also rehabilitated under the Bank's agriculture intervention,<sup>13</sup> accounting for less than 4 percent of the country's total district /rural road network.

Despite these achievements, the frequent cost overruns in the implementation of the infrastructural component implied the cancellation / reduction of capacity building components (for example, roads rehabilitation/ upgrading project and Zanzibar roads upgrading project).

The completed road projects contributed to improvements in development outcomes such as a reduction in travel time, increase in traffic, improved

road conditions, and increased connections among the country's economic centers, and better regional integration. Overall, the percentage of network in a good or fair condition increased from 82 percent to 88 percent between 2005 and 2014. Specifically, the Bank contributed to the share of paved trunk roads in good condition which increased from 63 percent (2005) to 74 percent (2012). Given the significant level of Bank's investment, a large part of this result can certainly be attributed to the Bank's intervention. A precise estimation is nonetheless impossible since Tanzania's network condition is also affected by the level of maintenance, which had not always been optimal.

Interviews and project reports also indicate improvements in other outcome level indicators including: (i) a reduction of 'vehicle operating costs' for drivers (between 25 percent and 70 percent); (ii) travel time savings (between 40 percent and 60 percent); (iii) an increase in vehicle circulation (three to six fold); (iv) more and cheaper transport services (bus routes and rides frequency increased four to five times; ticket fares decreased by 15-40 percent); (v) economic activities development (agriculture production and marketing, tourism development, bank services, 'road-side' businesses and so on; and (vi) demographic and social service growth (hospitals, schools and so forth).<sup>14</sup> The direct benefits for the users of upgraded roads are remarkable, as shown in the example in Box 1 below.

On the other hand, statistics show the number of road accidents has increased by one-third between 2004 and 2012 in Tanzania, with fatalities growing even faster (+75 percent). As verified during the fieldwork, the Bank-financed roads embed the standard safety features required, that is, signs, bumpers and so on. Some projects (for example, Singida-Babati-Minjingu) also included a safety awareness component but this was of limited coverage.

**Box 1:** Evidence from field visit to the Singida-Babati-Minjingu Road project

The evaluation team conducted a site visit to this project and held discussions with local authorities, business, transport associations, and NGOs at Babat and Singida. The local transport service has dramatically improved with the rehabilitation of the road. Before the project, there were only three bus rides per day between Singida and Arusha whereas there are 12 today. Furthermore, new routes have opened connecting the north-west (Geita, Kahama, Mwanza) and the center (Dodoma, Musona, Iringa) with the north-east (Arusha, Moshi, Tanga), via Singida, which has become a major road hub. Buses mostly run at full capacity, and bus companies are planning further improvements to the service. The number of drivers and agents employed in Singida has grown from 80 to 254. Ticket fares have dropped: Singida-Arusha costs today TZS 13,000, TZS 2,000 less than in 2009; Babati-Katesh costs now TZS 3,000 against TZS 5,000 before upgrading.

Agriculture has significantly developed in the areas directly covered by the project. In Babati district, access to agriculture inputs has increased as follows: (i) fertilizers distribution increased by +23 percent; (ii) quality crop seeds have increased by 60 percent. Production of maize increased by 54 percent and paddy by 30 percent. In Singida, food crops production has more than doubled from 442,180 to 905,658 tons. Cash crops have also expanded (+86 percent in Babati and +111 percent in Singida region). Prior to 2010, the Singida region used to suffer from food self-insufficiency, but according to local authorities, this is no longer the case. The development in agriculture brought with it a development of the value-chain. In particular: (i) agricultural produce markets have grown from one to six in Babati district; (ii) storage facilities have increased from 28 to 36; (iii) sunflower processing industries (small/medium) have increased from 53 to 105 in Singida.

Other economic activities developed in the project areas after the completion of the project. In Babati, for instance, the number of registered trades has increased nearly fourfold from 560 to 3,246, and the markets for non-agriculture products increased from two to 13. Small industries expanded from 33 to 51 and medium-size industries from one to three. Significantly, the number of banks in Babati increased from one to six.

Overall, the effectiveness of the transport sector was rated satisfactory. Most of the planned truck roads were completed, except for a few cancellations due to cost overruns. All planned regional and district roads were likewise completed. The results at outcome level were also satisfactory in terms of achieving a reduction in vehicle operating cost, travel time saving, reduction in transport cost, increasing traffic, growth in social services and an improvement in road conditions.

The main sustainability challenge is related to road maintenance financial gaps. Since the Bank’s projects were either completed recently or are still ongoing, this issue may only crystallize in future years. Maintenance underfunding is especially acute for regional / district roads. Despite a reduction of financing gaps from 40 percent in 2010 to 20 percent in 2014, the sustainability of the above outcomes appears to be challenged by

shortages in the road maintenance budget. Data from the Road Fund Board shows that the average gap was about TZS 205 billion over the period 2011/12-2014/15. Due to a significant backlog to clear, the Road Fund resources are able to cover only 50 percent of the total financing needs.<sup>15</sup> The sustainability of the Bank’s intervention in support of regional and district unpaved roads (gravel roads) appears to be problematic because they are not prioritized in the allocation of the maintenance resources. Hence, sustainability was rated only **moderately satisfactory**.

**Energy Sector**

Over the period covered by the last three CSPs, the Bank approved four interventions amounting to UA 136.2 million<sup>16</sup> in the sector. The operations focused on the transmission and distribution of electricity in selected rural towns and peri-urban areas (Electricity

V), the upgrading of the power backbone lines serving the central and northern regions of Tanzania (the Iringa-Shinyanga transmission project), and the recently approved multinational Rusumo Hydropower power project which involves Rwanda and Burundi for promoting regional power systems integration. The Bank also provided for sector budget support to improve the energy sector's governance.

The overall connectivity rate in the country in 2013 was as low as 24 percent. The Bank-financed Electricity V project was expected to contribute to improving this outcome but, due to severe and repeated delays, it has established less than 600 new connections (against the initially planned 37,803 customers as of June 2015). The Bank's other major intervention, the multi-donor Iringa-Shinyanga Transmission project - initially set to end in December 2013 – has now been extended to 2016. Consequently, there are no results to report.

In November 2013, the Bank approved a supplementary budget to the 2011 Governance

& Economic Competitiveness Support Program (GECSP), a PBO which de facto aimed at addressing the major financial constraints of TANESCO, whose situation was rated as 'unsustainable' and urgent. The main tangible result of the operation was the preparation of the Electricity Supply Industry Reform Strategy and Roadmap 2014-2025 (the 'Roadmap'), which has informed the ongoing energy reform process. The Bank's GECSP supplement financing, amidst the 2013 IPTL scandal case, was considered to be too risky by some DPs who suspended GBS disbursement. But the Bank successfully laid the ground for the take-off of governance reform in the energy sector.

All the Bank's investment in the energy sector is still ongoing. Nonetheless, taking into account the limited results obtained so far by the Electricity V project and the positive achievement towards the policy reform, the effectiveness at sector level was rated **moderately satisfactory**.

In past years, Tanzania has experienced a severe energy crisis. Power generation has remained

### Box 2: The IPTL fraud case

In 1995, TANESCO signed a 20-year Power Purchasing Agreement (PPA) with IPTL, a joint venture between Mechmar Corporation (Malaysian-owned, 70 percent stake) and VIP Engineering and Marketing (Tanzanian-owned, 30 percent stake). Under the PPA, IPTL agreed to build and operate a 100-megawatt, slow-speed diesel power plant in Tegeta, Dar Es Salaam, at a cost of US\$ 163.5 million. From the early stages of the project's implementation, high-level corruption was alleged, as IPTL negotiated with a Finnish company, Wärtsilä, to build a cheaper medium-speed diesel plant instead of the agreed slow-speed plant, while the project cost remained the same. Thereafter, various disputes including a legal action between the shareholders of IPTL and TANESCO hampered the implementation of the project. Arising from these developments, as an interim measure, an Escrow Account was opened at the Bank of Tanzania to receive regular payments until the dispute between IPTL and TANESCO was resolved. As at December, 2013, according to the Bank of Tanzania, the amount that had accrued in the Tegeta Escrow Account was 161.4 billion Tanzanian shillings (approximately US\$ 100 million), in addition to US\$ 22.2 million that was invested in Treasury Bills. The most recent case involves fraud and corruption allegations relating to the release of about US\$ 124 million, in December 2013, to Pan African Power Solutions Tanzania Limited (PAP), purported owner of IPTL, from an Escrow account that was opened in 2006 at the Bank of Tanzania. The Control and Auditor General report revealed that the funds from the Escrow Account, after being withdrawn from the Bank of Tanzania, were channeled mainly through two local commercial banks: Stanbic Bank and Mkombozi Commercial Bank; and that payments were made to individuals: senior government officials, politicians, businessmen and religious leaders.

Source: Board Information note on the Independent Power Tanzania LTD. (IPTL) case



structurally below the country’s needs, due to underdeveloped and inefficient infrastructures, issues related to management capacity, and fast-growing demand. In this context, the sustainability of sector outcomes hinges on the expected level of progress with respect to governance reform within the sector.

The Bank’s efforts, in this regard, are expected to significantly improve the situation in the coming years. These include a major GBS multilateral intervention approved in 2015 (*Power Sector Reform and Governance Support Program – PSRGSP*), which is expected to secure the implementation of the energy sector reform.<sup>17</sup> The program aimed to improve the operational efficiency, competitiveness and sustainability of the energy sector. The reform will also help GoT to harness the potential of new natural gas discoveries. Meanwhile, the financial sustainability of TANESCO has improved as compared to the energy crisis, although it is still problematic. The economic projections for return to profitability turned out to be excessively optimistic and TANESCO’s accounts posted mounting losses in 2011 (TZS 43 billion), in 2012 (TZS 177 billion) and in 2013 (TZS 468 billion). One of the principal reasons for the financial loss was a low tariff. The government has therefore started tariff revision, with an increase by 40 percent in 2012 and 39 percent in 2014. Another contributory factor is the level of payouts to Independent Power Producers (IPP). This arrangement led to an increase over three years from 10 cents per KWH in 2010 to 20 cents per KWH in 2013. The total energy loss<sup>18</sup> also remained high, averaging over 20 percent a year over the past

five years (see table 3). Clearly, this trend exacerbates moves to secure sustainable power.

Taken together, sustainability is assessed as likely and rated **moderately satisfactory**.

### **Water and Sanitation Sector**

Development Partners and the GoT have adopted a sector-wide approach (SWAP) in the field of water supply and sanitation assistance. The first Water Sector Development Program (WSDP I (2006-2013) – a multiannual comprehensive program - consisted of four components: (1) water resources management; (2) rural water supply and sanitation; (3) urban water supply and sewerage service improvement; and (4) institutional strengthening. The Bank is primarily engaged in Component 2, through the financing of two phases of the rural water supply and sanitation program (RWSSP) as a sectoral budget support (SBS). The Bank also provided support through other lending projects such as Dar Es Salaam water supply & sanitation, Monduli district water supply & sanitation, and two water supply & sanitation projects in Zanzibar. As a whole, the Bank’s investment in the water and sanitation sector was substantial, amounting to about UA 211.5 million, and channeled mainly (57 percent) through the WSDP with the onus on rural water supply development.

As to the results at output level, the Bank’s interventions significantly helped upgrading water supply infrastructures and services though all

**Table 3:** Percentage of Energy Loss

	2010	2011	2012	2013	2014*
Distribution loss (percent)	17.8	15.3	15.8	12.8	15.1
Transmission loss (percent)	5.6	6.1	6.1	6.2	5.5
<b>Total energy loss (percent)</b>	<b>23.4</b>	<b>21.4</b>	<b>21.9</b>	<b>19</b>	<b>20.6</b>

\* forecasted data

Source: TANESCO, Annual Financial Statements;

projects were affected by operational and financial constraints that, in turn, reduced or delayed the delivery of expected outputs. Between 2007 and 2014 a total of 32,846 water points (78 percent of target) were built/rehabilitated under WSDP I, thereby securing a safe and reliable water supply to around 8.2 million people living in rural areas. Nevertheless, the evaluation conducted by the Ministry of Water on WSDP I demonstrated that the output delivery was mixed and, consequently, the results achieved were below targets set. Among the main challenges faced were: (i) delays in procurement, (ii) irregular and somewhat unpredictable fund releases from the GoT to the Local Government Authorities (LGA); and (iii) weak co-ordination among implementing agencies and a limited absorptive capacity at the LGA level.

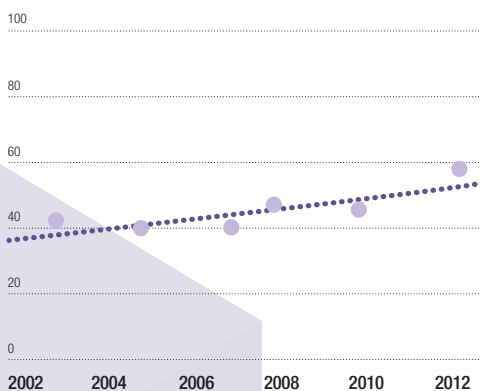
Other individual projects successfully delivered most of the planned outputs, the Dar Es Salaam project, for instance, restored production capacity of 270 m<sup>3</sup> / day at the three treatment plants in

the city, while the Monduli district water supply project constructed 22 boreholes, 17 new dams and eight gravity schemes. However, these projects also faced operational challenges, which included (i) an underestimation of project costs which affected both the Monduli District project and the Zanzibar water and sanitation project; and (ii) a re-structuring of the Dar Es Salaam water and sanitation project in 2006 following the termination of the lease agreement signed by the Government with a private international joint venture.

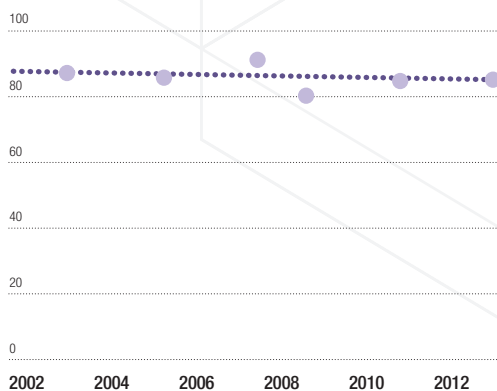
The aggregated results at outcome level in the sector budget support in rural water supply appear below expectations, due to slow progress in the construction of water points. Rural water supply has been slightly increasing while access to latrines in rural areas remained stable (Figure 3). Nonetheless, as the Zanzibar water and sanitation project case show, localized positive effects on the beneficiary population did materialize but the

**Figure 3:** Trends in water supply and sanitation in rural areas (2003-2012)

**A. Improved water supply in rural areas (mixed sources)**



**B. Use of any latrine in rural areas (mixed sources)**



Source: WSDP Phase I Evaluation. Based on NBS Surveys: Demographic and Health survey 2005 and 2010; Household Budget Survey 2007 and 2012; HIV/AIDS Indicator survey 2003 and 2008.



sanitation component was modest and had limited effects. Although the nature of WSDP makes it impossible to precisely distinguish the Bank's outcomes from the overall results, it is reasonable to attribute to the Bank a share of some 25 percent – 30 percent of the program's outcomes – based on the Bank's financial contribution. This translates into an improved access to water for approximately 2.0 - 2.4 million individual beneficiaries.

The preliminary results from IDEV's impact evaluation of the WSDP showed generally positive results except for a limited impact on girls' education. The four key benefits were:

- A reduction in the incidence of diarrhoea for children aged under five;
- Increased access to improved water;
- A reduction in the time taken for fetching water;
- Increased women's participation in productive activities.

The outcomes of other water and sanitation projects were also found to be mixed. In Dar Es Salaam, only 25 percent of customers enjoyed 24-hour water supply service under adequate pressure compared to an initial target of 70 percent of customers, and 94 percent of the water sample analyzed met the quality standards set. The water schemes constructed in the Monduli district served a population of 97,371 (out of a planned total of 109,000) and 165,110 livestock (a higher figure than the planned total of 143,000) with clean and safe water. In Zanzibar, interviews with the primary beneficiaries and local authorities confirmed the benefits of the Bank's support which included: (i) a reduced burden for fetching water, with the time saved as much as three to four hours, which liberated time for women to engage in economic activities, and reduced the absenteeism of children at school; (ii) no need to compromise on the amount

of water consumed (which was also attributable to more affordable costs); and (iii) improved health and safety. Furthermore, the assistance improved the capacity of the local water agency, ZAWA, and boosted its revenue collection capacity. The interventions for sanitation in schools were more limited with no tangible effects on school attendance registered to date.

The overall rating for the Bank's effectiveness in the water supply and sanitation sector is **moderately satisfactory**. The Bank achieved some promising results although the water and sanitation outcomes were found to be below expectation with respect to providing safe water and sanitation services. Expected outputs were not fully delivered.

The sustainability of the outcomes of Bank supported projects and programs in this sector were rated **satisfactory**. The Bank's interventions have generally taken into account improving capacity and 'ownership' by the ultimate beneficiaries for Operation & Maintenance. However, the available evidence from the Water Point Mapping tool of the MoW suggests the persistence of technical issues affecting the functionality of water points that pose challenges to sustainability. In some regions, such as Mtwara or Lindi, the functionality rate is below 35 percent. The currently ongoing WSDP II pledged continuous support and a consolidation of results to ensure sustainability in this direction.

Financial sustainability is also not assured although there are indications that it is on the right track. The Bank did pay attention to this crucial aspect in the design and implementation of its recent operations in the sector. In Zanzibar, the Bank indirectly promoted a major policy reform of the water sector with respect to improving the authority's revenue collection capacity; it also ensured widespread sensitization on the part of beneficiaries of the need to pay for water in exchange for an improved reliable service. Country-wide data indicated that the share of expenditure for water supply covered by tariff collection increased

by 42 percent against a baseline of 38 percent.<sup>19</sup> In the case of the Bank's direct interventions (such as in Monduli and Zanzibar) the projects included support to building the capacity of local users' group to operate and maintain water schemes.

### ***Agriculture Sector***

The Bank's portfolio in agriculture is quite sizeable, including six operations totaling UA 145 million. Five of them were approved before 2007 and have been completed. Only one new project was approved in the past five years, reflecting the diminishing importance of this sector in the Bank's strategy. While the instruments used were different (sectoral budget support, programs jointly implemented with other DPs and standalone projects), the concrete activities financed by the Bank were similar and typically focused on hard infrastructure – such as marketing and storage facilities, rural roads, irrigation schemes and so forth; technologies and tools for agriculture production and/or processing; and capacity building both for farmers (and fishermen) and for local institutions.

The delivery of outputs in the agriculture sector fell below expectation due to operational constraints and delays which are further discussed in the efficiency section of this report. In general, training programs the delivery of light equipment and the provision of small-scale infrastructure proved more successful than large irrigation infrastructures and rural finance interventions. The Bank's assistance under the District Agriculture Sector Investment Project (DASIP) constructed a total of 162 storage facilities, 150 marketing sheds and 205 cattle dips. Moreover, the same project contributed to capacity building by providing training to 11,375 Participatory Farmers Group (PFG) and 252,836 farmers (no less than 47 percent were female). Around 34 small-scale irrigation schemes were constructed while only

five out of 23 large scale irrigation schemes were completed. In addition, the Bank's assistance in the agricultural sector combined to deliver 2,360 kilometers of feeder roads (as discussed above). Outputs from other Bank financed projects, such as PRODAP and AMSDP did not meet expectations. For instance, PRODAP rehabilitated only 62 percent of the planned feeder roads and delivered only 10 water points (against a target of 365), five health facilities (compared with a target of 70) and 22 educational facilities (the target was 85). Meanwhile, AMSDP constructed 45 percent of planned storage facilities, 17 planned market places and 90 percent of planned feeder roads.

The sector budget support through the Agricultural Sector Development Program (ASDP) also produced some outputs, although it is difficult to separate the Bank's share. Around 15,495 farmers and livestock keepers were trained about good agricultural husbandry and different technologies in 41 established demonstration plots and 16,330 Farmers Field School (FFS) throughout the country. The program also financed the construction and rehabilitation of 1,325 irrigation schemes, slightly less than the program target of 1,520. The irrigation area for new and rehabilitated schemes increased from 249,992 hectares to 386,907 hectares at the completion of the program. In order to improve agricultural marketing systems and infrastructure, the program constructed and rehabilitated 450 warehouses nationwide (180 percent above target), and 382 community markets. In addition, the program was responsible for the construction of 137 livestock markets and 2,364 dip tanks – almost four times the program target of 640 dip tanks.

Regrettably, most agriculture interventions registered significant implementation delays, thereby affecting the level and the quality of results. In various instances (for example, PRODAP, DASIP), some of the planned interventions<sup>20</sup> could not be completed within the lifespan of the project.

**Box 3:** Evidence of Impact from Field Visit to DASIP project

The evaluation team visited project sites in the villages of Nyampande (village market, slaughterhouse, cattle dip, and rural road), Nyambogo (storage facility, Farmers Field School (FFS), and Lwenge (irrigation scheme, storage facility, and milling machine) in the Geita District of the Mwanza Region. Nyampande used to have a quite developed animal farming tradition and an established market point for meats, but suffered from limited and outdated facilities. Before the project, the cattle dip was in bad conditions, poorly maintained, and could not support more than 1,500 livestock. After its rehabilitation, the number of livestock has doubled. Furthermore, the health of animals has improved, which means they have a higher value on the market. The slaughterhouse was built by DASIP; previously, animals were slaughtered in the countryside. The slaughterhouse is operational: about two bovines are slaughtered per week. However, the market place is not finished yet. The main problem is that there is no water pipeline in the village to serve these facilities.

Farmer groups in Nyambogo have received training that has noticeably improved their paddy yields. Before training, their productivity was around four to five bags per hectare while today it is as much as 15-18. The FFS worked well: the only constraint was that a single trainer was insufficient to meet total demand. The increased production triggered by this initiative required the construction of the storage facility. It was completed in 2009 and is now working at 100 percent of its capacity, accommodating some 4,021 paddy bags in 2014. Under this scheme every user agrees to contribute 5 percent of sales revenue for the O&M of the facility. Certainly, the storage facility has allowed farmers to negotiate enhanced selling terms for their produce. This has been implemented through a negotiation committee that meets buyers in the main markets throughout the region.

The Lungwe irrigation system is served by an artificial reservoir that was built in the 1960s. Doubts about the quality of the civil works and its future solidity were cast by supervisors, but villagers are so far satisfied with the intervention and its effectiveness. The system irrigates a total of 130 hectares (50 during the dry season) cultivated as paddy or other crops depending on the season. Prior to the intervention only three hectares around the dam could be cultivated during the dry season and the yield was scarce. However, following this intervention productivity has reportedly doubled. Since cultivation methods remain unchanged, this improvement can be attributed entirely to the more abundant irrigation provided by this initiative. Besides economic benefits there are social ones: agriculture that works help to keep young people at the village.

The storage facility is not yet finished, so crops are still stored in villagers' houses.

In addition, access-to-finance components based on the strengthening of rural credit cooperatives could not be fully implemented. These constraints were invariably due to poor project readiness at the time of approval and overoptimistic designs.

But the Bank’s support, thanks to an effective demand-driven approach, was able to contribute to commendable outcomes in the target areas and was generally appreciated by beneficiaries (see Box 3 below).

According to the study conducted by the Ministry of Agriculture, Food Security and Cooperation (MOAFC) to assess the outcomes of the DASIP study, some 35-40 percent of trained farmers actually adopted

the new knowledge acquired and the difference in total incomes of farmers who benefited from the technologies reported was found to be significant (That is, member of FFS earned TZS 469,000 compared with TZS 735,649 for members of the Non-FFS group). The same study estimated a significant difference was achieved between PFG member households and non-PFG in terms of maize productivity and food security status. Other benefits linked to rural income stem from various activities supported by ASDP include: (i) reduced mortality and better health of livestock; and (ii) an increase in the farm gate price thanks to storage facilities (allowing smallholders to sell when price levels are good);and (iii) the collective negotiations to agree better prices; and (iv) improved access to markets.

Examples that illustrate these benefits include the doubling of selling price after construction of a storage facility (Bukombe); an increase of 40 percent on coffee prices after the introduction of hulling machines and a substantial reduction by 75 percent of transport costs (Kagera); and finally an increase in the prices received for bananas following the rehabilitation of a road connecting the Kirushya village in Ngara to a trading center. What is more, there has been increase in productivity with respect to rice cultivation because of improved irrigation schemes. Previously, yields amounted to 4.5 MT/ha at baseline but this increased to 5.0 MT/ha at the completion of the program, albeit this was lower than the target value of 6.0 MT/ha.

Despite these various achievements, the Bank's operations in the sector did not have a tangible 'systemic' impact on the agriculture sector and farmers' conditions, as they were too scattered and small to make a change in the country's agriculture sector and farmers' conditions. For example, the direct beneficiaries of Agriculture Sector Development Program (ASDP) – which was the largest sector program – amounted to 228,000<sup>21</sup>, that is, just a small fraction (6 percent) of the farming population. The Bank's other interventions were even smaller and localized. The agriculture sector growth remained generally below the 6 percent target set by the GoT (3.9 percent average growth rate in the 2001-2013 period) and the contribution of agriculture to GDP has remained substantially stable at around 31-32 percent over the past five years. The incidence of poverty in rural areas (mainland) was only moderately reduced, that is, from 38.7 percent in 2000/1 to 37.4 percent in 2006/7 to 33.3 percent in 2011/12<sup>22</sup>. In Zanzibar, rural poverty decreased from 54.6 percent in 2004/5 to 50.7 percent in 2010<sup>23</sup>. The levels of production and export mostly fluctuated, showing some moderately positive trends in main food crops production (maize, rice) as well as with livestock farming products, but a steep growth in the cultivation of export-oriented sunflower seeds.

Nevertheless, production remained stable or even decreased for other crops, notably cassava, banana, coffee, cashew nuts and sugar. Some main obstacles to growth have persisted on account of: (i) the slow expansion of the irrigated area (which doubled in 10 years, but still accounts for only 1.5 percent of the potential irrigable land); (ii) the slow modernization of farming practices; (iii) the limited growth of agro-processing (due inter alia to issues with access to electricity, to finance, and to technologies); and (iv) the limited growth of agriculture marketing.<sup>24</sup>

Overall the effectiveness of the Bank's intervention was rated **moderately satisfactory**. Soft interventions like trainings of farmer groups and the delivery of light infrastructure broadly reached the targets. However, completion of larger infrastructure, such as large scale irrigation schemes and the five strategic markets planned under DASIP, as well as rural finance components, were below expectation. The Bank's operations contributed to outcomes at local level, but had with no tangible systemic effect at country level.

The sustainability of the outcomes of Bank's project was rated **moderately unsatisfactory**. A serious challenge is posed by unfinished infrastructures that require additional financial resources for their completion and rural roads' maintenance gaps. Some completed local market facilities are also underutilized, which entails the problems of financial self-sustainability. The interim evaluation of ASDP noted that the catchment areas of many of irrigation schemes is under threat due to land degradation and unpredictable water flows, which may cause water shortages and sedimentation of canals.

### ***Governance and Multi-Sector***

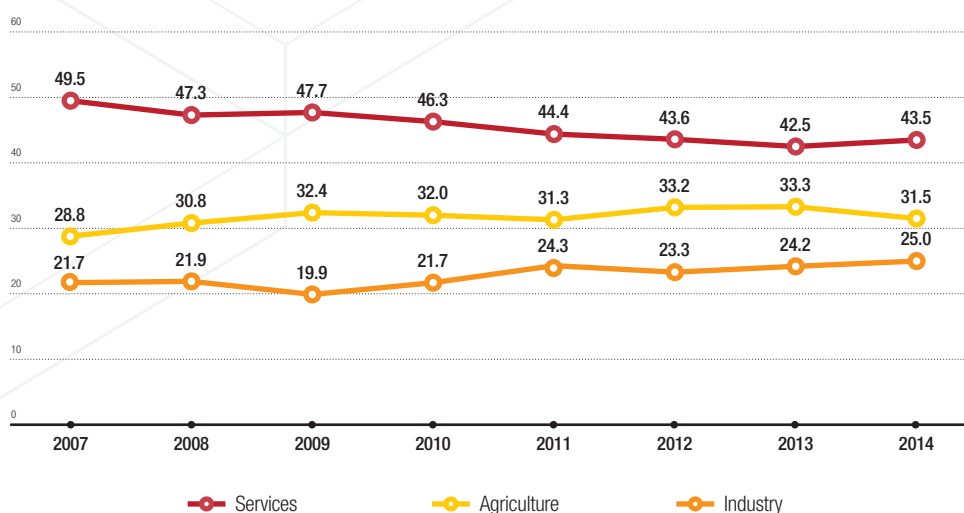
The Bank was among the largest contributors of budgetary support to Tanzania. In the 2005/06 – 2012/13 period, its cumulative GBS and SBS accounted for nearly 7.6 percent of the total external

budgetary assistance to Tanzania (around TZS 578 billion).<sup>25</sup> The Bank’s GBS included the three phases of the Poverty Reduction Support Loans (PRSL) and the Governance & Economic Competitiveness Support Program (GECSP). In Tanzania, budget support is governed by a series of *Partnership Framework Memoranda (the latest signed in 2011)* between DPs and the GoT and its performance has been assessed in accordance with the *Performance Assistance Framework (PAF)*. DPs have also set up the Public Finance Management Reform Program (PFMRP), a dedicated ‘basket fund’ to support PFM reforms. The Bank did not formally contribute to this basket fund but it financed two Institutional Support Projects (ISPs) that fully adhere to the program’s agenda. The primary focuses of the ISPs were public procurement, and to a smaller extent the oversight functions (internal and external audit).

The available evidence indicates that Governance outputs were mostly achieved. IDEV’s evaluation of Policy Based Operations (2011) found that GBS has increased discretionary spending to priority

sectors. This was confirmed by the recent Joint Evaluation of GBS assistance (2013) mentioning that GBS has allowed the GoT “to maintain a high level of development spending, without increasing domestic borrowing”. In particular, the development expenditure (that is, in MKUKUTA priority areas) increased from 8.8 percent of GDP in 2005/06 to 13.9 percent in 2011/12. GBS has clearly contributed to maintaining the focus on priority sectors and to fill financial gaps that could not be covered by domestic revenues. This incremental effect of GBS was visible mainly in the road and education sectors while the contribution was less evident in other areas. The Bank used GBS conditions to both promote progress on the common PAF as well as in key reform areas of interest, such as the Public Audit Act implementing regulations, the Procurement Act amendments and the draft Roads Act. It also encouraged the establishment of a PPP unit at the Ministry of Finance (MoF). However, in other instances – for example, the revised water sector legislation – the reform process was postponed.

**Figure 4:** Sectoral contribution to GDP (percentage)



Source: World Bank

The Bank's support to PFM reform through ISPs largely delivered its outputs as well. The Public Procurement Act entered into force in 2011 and its regulation was approved in December 2013. What is more, the Public Procurement Regulatory Authority (PPRA) and the Public Procurement Appeal Authority (PPAA) are established and operational. The procurement management information system (PMIS) is operational allowing the monitoring of procurement contracts and processes in Procurement Entities (PEs)-currently linking the authorities with 333 PEs out of a total of 458. However, the PFM reform process in Zanzibar has been slower than on the Mainland.

At the outcome level, the Bank contributed to the economic growth and improvement in procurement outcome. Tanzania registered a sustained growth in the period considered, ranging between 5 percent and 8 percent yearly (see Figure 4). According to the newly rebased GDP estimation, the average per capita income is US\$ 948, which made Tanzania closer to the category middle income countries.<sup>26</sup> The fastest-growing sectors in the past few years have been communications, transport, financial intermediation, construction, and manufacturing. The overall economic growth, however, only partly translated into direct benefits for the poor, and this occurred only after 2007. Poverty reduced from 34.4 percent in 2007 to 28.2 percent in 2012 yet in rural areas it remains high.

The direct support to PFM reform through ISPs contributed to a satisfactory level of compliance to the Public Procurement Act (PPA) by procuring entities (PEs) (see table 4). However, in general outcomes remain below the targets set in the PAF (and in ISP II, that is, 80 percent by 2013). On the other hand, the PEFA PI-19 score related to procurement showed no change from the 2010 to 2013 assessment<sup>27</sup>.

In addition, available evidence indicates a more effective functioning of the Public Procurement Appeal mechanism since its establishment in 2013- the number of registered appeals has increased significantly from 14 in 2011/12 to 47 in 2013/14. The support to the internal and external audit function possibly contributed to an increase of the share of unqualified opinions issued by the Controller and Auditor General (from an estimated 60 percent a decade ago, to in excess of 90 percent in 2013/14), with notable improvements at LGA level.

The magnitude of the impact of the support in governance areas was, however, possibly reduced by shortcomings in the quality of policy dialogue. The Joint Evaluation of the General Budget Support indicates that *“there is a perception, shared almost unanimously, that the policy dialogue has fallen short of achieving its objectives.”*<sup>28</sup> Reduced 'ownership' of the GoT, combined with a sometimes complex and cumbersome PAF process, hindered a

**Table 4:** Level of Compliance to the Public Procurement Act (PPA)

	2011/2012	2012/2013	2013/2014
Overall level of compliance	65	64	65
of which			
MDAs	69	66	71
LGAs	57	60	62
Pas	67	67	68
<b># of PEs sampled</b>	<b>121</b>	<b>120</b>	<b>68</b>

Source: PPRA APER reports



more effective dialogue on reforms that could have further accelerated the unleashing of the country's economy. In this respect it is useful to note that:

- Tanzania's score on Transparency International's Corruption Perception Index (CPI) in 2009 was at the same level of 2002, yet in the 2012-2014 period deteriorated from 35/100 to 31/100.
- After being recognized as a top reformer in 2007, the Tanzania's Doing Business ranking has been stagnating, or even decreased. In 2015, Tanzania ranked 131th out of 189 countries, a few positions above the Sub-Saharan regional average (142).
- Tanzania has lost ground in competitiveness, as measured by the Global Competitiveness Index. In 2009/10, it ranked 100th out of 139 countries, while in 2014/15 it had fallen to 121th out of 144.
- The overall country score on the Ibrahim Index of Africa Governance (IIAG) did not significantly change in the 2004-2013 period.

Overall, the effectiveness of the Bank's support to governance reform was rated **moderately satisfactory**. The Bank's successfully helped strengthening the public procurement system and oversight functions. The overall GBS support also helped the GoT maintain and expand expenditure in priority sectors. This has helped Tanzania register a sustained growth in the period considered. However, progress in poverty reduction and improving the business environment has been slow.

The crucial dimensions for the **sustainability** of PFM reform include transparency, accountability and reduced corruption in the public sector. DFID's Fiduciary Risk Assessment of 2008 indicated that the risk of corruption in Tanzania was 'substantial' and various international

ratings were downgraded accordingly. On the other hand, there have been improvements in the regulatory and institutional frameworks: in 2007, the GoT passed the Prevention and Combating of Corruption Act, and the Prevention and Combating of Corruption Bureau (PCCB) scaled up operations, from 218 cases prosecuted in 2005, to 587 in 2010.

The Bank is reportedly planning to increase progressively its recourse to the country system. In fact, the national procurement regulations and procedures have become more consistent with the Bank's own. In the context of the above, sustainability of the Bank's support is rated as **moderately satisfactory**.

### *Social Sector*

The Bank provided financing amounting to UA 90.8 million in the social sector, through three educational projects and one health project. Education projects targeted secondary education; vocational education and training (VET) system; and youth employment support (non-formal 'alternative' training). The focus in health was on maternal mortality reduction. The Bank also provided support (about UA 20 million) to microfinance under social sector, which is discussed below under the umbrella of the private sector since this makes for a more coherent analysis.

The most promising area of the Bank's involvement was via technical training and labor-oriented skills development for youth, both within the formal and informal education system. In the past decade, this sub-sector has been only modestly covered by other DPs, and the Bank is probably the major contributor at present.<sup>29</sup> However, in the period analyzed, concrete achievements have been limited: the number of new enrollments achieved by the Strategic Action Plan (SAP) for VET project - some 3,500 including part-time trainees - is very modest when compared to the overall estimated

needs of 1.4 million TVET learners by 2017/18. The fragmentation of support among different sub-sectors. Evidently hindered the achievement of a 'critical mass' of outcomes that could make a tangible difference in any of the sub-sectors analyzed - this irrespectively of individual projects, which in some cases performed or are expected to perform well.

The projects reviewed present some sustainability challenges. The major threat to education system development remains budgetary constraints. The GoT projections estimated a financing gap ranging between TZS 1,300 and 1,700 billion per year, with TVET being by far the major deficit area, accounting for more than half of the aggregated financial gaps estimated for 2008-17. At the output level, issues with the quality of works and equipment were reported. In the case of the secondary education sector, a major constraint is also the scarcity of teachers to cope with the rapid growth of enrolled pupils.

### **Private Sector**

The Bank's portfolio includes seven financial sector operations, of which six are private sector operations (PSO), and one is a project supporting the GoT's 'Small Enterprise Loan Facility – Phase II' (SELF II). All operations focused on microfinance / SME financing. With the partial exception of SELF II, which is worth some US\$ 30 million, all PSOs were relatively small in size. A mix of instruments was used in this area, including lines of credit, equity financing, partial credit guarantee funds (PCGF), technical assistance grant, and sovereign lending.

The results from these projects are only provisional since most of them are still ongoing, but by virtue of the amount invested (about 2 percent of Bank's portfolio value), the extent of the actual and foreseen outcomes is inevitably moderate. In fact, when compared to the potential needs of the

country - where more than half of the population does not have access to financial services – the outreach figures from these projects are modest.<sup>30</sup>

Overall, the operations reviewed helped meeting the demand of small borrowers and microfinance institutions (MFIs). The reports available suggest operations helped growing businesses and creating employment, as well as supporting the financial empowerment of women.<sup>31</sup> The performance data indicates that impact on access to finance in rural area<sup>32</sup> remains limited, due to the absence of well-customized products and the physical scarcity of financial intermediaries in rural areas. In some instances, the Bank's technical assistance did not perform well.<sup>33</sup>

The main sustainability issue remains the sub-optimal financial performances of the supported schemes: (i) as of 2014/15, the SELF portfolio included 27.6 percent of project-at-risk; (ii) the PCGF of CDRB registered losses amounting to 19 percent of the Bank's investment; (iii) *AccessBank* posted before-tax losses or very marginal profits until 2012 and it was only in 2013 that it started making profits. SELF's recent transition to an autonomous legal entity - the SELF Microfinance Fund - is expected to ensure continuity of this operation after the end of Bank and GoT support.

### **Cross-cutting Issues**

The Bank's efforts to integrate cross-cutting issues were rated as **moderately unsatisfactory** (see table 5). The vast majority of the Bank's interventions reviewed did not satisfactorily address cross-cutting issues such as gender, regional disparities, environmental sustainability and transition to 'green growth'. But the strategic focus on gender equity has improved in recent years.

The quality of the gender analysis in the Bank's interventions used to be shallow but significantly



**Table 5:** Cross-cutting Issues Rating

Judgment Criteria	Rating
Promotion of gender equality	Moderately Unsatisfactory
Regional disparities reduction	Moderately Unsatisfactory
<b>Cross-cutting issues</b>	<b>Moderately Unsatisfactory</b>

improved in recent years. The CSP 2011-15 contained for the first time a specific section on the gender situation in Tanzania and encouraged the mainstreaming of gender issues in other sectors (for example, agriculture and transport), with the adoption of gender-sensitive indicators in the result measurement framework and the inclusion of gender-related themes in policy discussion. At project level, around half of the 42 project appraisal reports contained a gender analysis and envisaged some sort of gender effect. There was also a welcome trend: projects with a tangible gender focus have increased from four out of 10 (2002-04) to seven out of 10 (2011-15). But the Bank approved only one investment lending project explicitly supporting women (that is, on mother mortality reduction). Gender-related results have been limited due to marginal attention during implementation, and they have been poorly measured. Overall, the Human Development Index Report 2014, registered improvements in women empowerment and gender equality, but there is no evidence of a significant contribution by the Bank’s interventions.

Some 60 percent of the Bank’s assistance had a specific geographic target. A theoretical estimation of the comparative distribution of funds shows that while regions with the lowest Human Development Index were indeed allocated a comparatively higher share of resources, it remains the case that the more developed regions such as Arusha, Iringa and Dar es Salaam have been the top targets of geographically-focused assistance. Nonetheless,

the Bank ensured that in its interventions there was an appropriate coverage with respect to Zanzibar. The semi-autonomous archipelago was addressed in full or in part by eight out of 42 interventions, accounting for an estimated 12 percent of total allocations.

The Bank CSPs did not traditionally include an elaborated analysis of Tanzania’s environmental and climate change challenges. The first strategic document to mention ‘green growth’ as an area of opportunity for the Bank was the MTR of the recent CSP. At project level, environmental issues were generally considered only in relation to the required safeguards. In a relatively small number of cases – six out of 28 operations with an environmental risk profile – the project design included environment-related indicators in the logframe. Most of them simply relate to the implementation of the mandatory Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan (ESMP). In just a few cases, indicators refer to capacity building or sensitization activities for beneficiaries and stakeholders, but no real outcome-oriented indicator was ever adopted. The MTR of the CSP 2011-2015 has called for an integrated strategic framework and funding mechanisms to manage effectively a long-run transition to green growth, highlighting the existing opportunities. Concrete interventions were later adopted – for example, in the field of renewable energy. The few concrete interventions in this field are either just initiated or still in the pipeline so consequently no results can be reported.

## Knowledge and Policy Advice

The level of the Bank's engagement in policy dialogue and perceived effect was rated **moderately satisfactory** (see table 6) while the extent of generation and use of analytical work was considered **unsatisfactory**. The Bank's role in policy dialogue has grown, especially in areas where the Bank has a distinct added value and/or key strategic priorities of intervention. There is a sharp rise in the analytical work in the most recent CSP, but its use in informing decision making was low.

The Bank has actively engaged in policy dialogue, both bilaterally and in the framework of the DPG set-up. A previous evaluation<sup>34</sup> indicated the Bank's engagement in policy dialogue was initially constrained by lack of specialist capacity in the field office. However, the importance attributed to policy dialogue has significantly increased over time with the growing capacity at TZFO. The CSP 2011-15 had an unprecedented emphasis on policy dialogue since it recognized lagging reforms were a consequence of the difficulties in GoT and DP dialogue. Unlike previous strategies, it also identified some areas of possible added-value by the Bank, such as in respect of private sector development and with reference to regional integration policies. In the framework of the Dialogue Structure, the Bank has held prominent and co-ordinating roles in its main strategic areas of interventions, namely the infrastructure and governance sectors. The Bank had chaired the GBS Group (2008-09) and had been leader/deputy leader of the Transport/Infrastructure sector WG. More recently, it chaired the Poverty Monitoring

Group (since April 2013) and the energy sector DP Group (2014/15). In some areas, the Bank has established a primus inter pares position among DPs, based on a closer and sometimes preferential relation with GoT officials. In the energy sector reform, for instance, the Bank's role has been often presented as that of a 'trusted and honest broker'. The Bank helped in restoring and normalizing the DP and GoT dialogue after the 2014 IPTL crisis. A major tangible success of the Bank's dialogue with the GoT was the preparation of the Electricity Supply Industry Reform Strategy and Roadmap (2014) which laid a foundation for the energy sector reform. However, some DPs voiced concerns about the limited involvement of the WG in the process that led to the adoption of the Roadmap and perceived the Bank's approach as too 'soft' in dealings with the GoT.

The 'older' CSPs poorly elaborated on ESW needs and priorities and the few documents produced in those years (that is, country thematic profiles on governance and gender) were actually not driven by specific country needs, but were part of continent-wide exercises. But there was a radical change in this respect in the latest CSP 2011-2015. ESW was given more space and was illustrated with greater detail. Some nine ESW products were planned for the 2011-13 period and two more studies for the 2014-15 period.<sup>35</sup> Of these, some six were reportedly completed. The ESW production strictly followed the CSP plan without deviations. As for policy dialogue, the ESW production seems correlated with the expansion in the TZFO capacity. The studies on transport and, more recently, on energy reflected the increased knowledge and experienced acquired

**Table 6:** Knowledge and Policy Advice Rating

Judgment Criteria	Rating
Level of Bank participation in policy dialogue and perceived effects	Moderately Satisfactory
Extent of support from analytical work to Bank's intervention	Unsatisfactory
<b>Knowledge and Policy Advice</b>	<b>Moderately Unsatisfactory</b>

by the Bank in these areas, attributable in part to the growth in sectoral senior staff. However, as emerging from the feedback on two major recent ESW studies – that is, the Transport Sector Review (2013) and the Agricultural Value Chain Financing (AVCF) and Development for Enhanced Export Competitiveness (2011) – the stakeholders' awareness of the Bank's product was found to be low, partly due to insufficient dissemination.<sup>36</sup> Furthermore, the use of ESW for CSP development was modest. Only three out of 30 documents cited in the last CSP 2011-15 are ESW products (against 11 background documents produced by other international organizations) and this is actually common to most of the Bank's CSPs<sup>37</sup>.

### Synthesis at Country Level: Has the Bank Made a Difference?

The aggregated outcomes of the Bank's assistance have been finally reviewed against the ultimate country's goals, with a view to estimate whether the Bank's interventions have made a difference. The analysis focused on three main dimensions: (i) economic growth; (ii) income poverty reduction; and (iii) non-income poverty reduction. The extent to which the Bank's operations have contributed to national trends have been investigated in qualitative terms, that is, developing possible contribution stories, tracing probable links between a country's overall achievements and the Bank-supported major reforms and intermediate outcomes.

Tanzania registered a sustained growth in the period considered, generally ranging yearly between 5 percent and 8 percent. The Bank influenced this outcome especially through the effects of its major intervention in road infrastructure and budgetary support. More marginal effects were registered with regional economic integration. Yet the country's economic growth was partly hampered by slow-downs in the business environment reform process.

The Bank's main contribution to economic growth in the period considered stem from two main areas of intervention: (i) infrastructures, and (ii) budgetary support:

- The majority (64 percent) of the Bank's assistance has concentrated on building/upgrading/rehabilitating infrastructures, from large-scale strategic ones (international road corridors, backbone power transmission lines and so on), to more local, final-user oriented ones (water points, rural roads, district markets and so forth). Especially in the area of road transport, the Bank's financial support was essential to improve a large proportion of the country's network, thereby greatly facilitating the interconnection of the nation's economic centers and the circulation of goods and people. The aggregated impact of other infrastructures is less evident due to implementation delays (electricity networks, irrigation schemes, strategic markets), and a lack of critical mass (for example, agriculture infrastructure).
- As a major contributor to GBS, the Bank also indirectly supported economic development, in particular by means of three mechanisms. First of all, the GBS flow of funds enabled the expansion of domestically-financed development spending; secondly, it reduced the crowding-out effect of GoT's domestic borrowing, thereby boosting lending to the private sector by domestic financial institutions; and thirdly, GBS has helped in stabilizing the fiscal deficit, contributing to overall macroeconomic stability, and in turn this might have facilitated FDI increase (net inflows has grown fourfold between 2006 and 2013).

Tanzania's overall economic growth has only partly translated into direct benefits for the poor, and this was mainly noticeable only after 2007. The results of the Household Budget Surveys showed that the poverty rate in Tanzania has declined from 34 percent in 2007

to 28.2 percent in 2012. This result helps confirm that over recent years the country's economic growth has benefited the poor as well as higher income groups; this is in contrast to the previous period.<sup>39</sup> As discussed above, economic growth was especially driven by certain key sectors, notably finance, transport and communications yet growth in the agricultural sector was markedly slower. It is therefore not surprising the poverty reduction was more noticeable in urban than in rural areas.

The inequality level – as measured by the GINI coefficient - decreased between 2007 and 2012 (from 39 to 36), and Tanzania scored better than the average for Sub-Saharan countries (45.1)<sup>39</sup>. The pro-poor strategies adopted in recent years are largely credited for generating this result. Using the HBS data, the analysis conducted by the WBG (2015) indicates that access to public infrastructure (tarmac roads, piped water, electricity) is inversely correlated with poverty, since they give the poor better access to possible sources of income. Similarly, the overall GBS support to Tanzania (nearly 8 percent of which was financed by the Bank) helped GoT maintain and expand expenditure in key development areas such as education and infrastructures.

Non-income poverty has reduced in Tanzania, but slowly and not in all areas. One of the few global indexes approximating non-income poverty is the UNDP's Human Development Index (HDI).<sup>40</sup> Despite constant (but slow) improvements, Tanzania's

ranking on HDI is only 159<sup>th</sup> out of 187 countries, behind some of its neighbors, that is, Zambia (141), Kenya (147), and Rwanda (151). The Bank's target of achieving a 0.6 score by 2014 (laid down in the GECSP program), has not been achieved. Indeed, over an eight-year span Tanzania's HDI only increased from 0.42 (2005) to 0.49 (2013).

The country's performance against the Millennium Development Goals (MDG) returns a more positive picture, although with some qualifications (see Annex D). Tanzania has achieved its 2015 targets for child mortality reduction and nearly achieved the targets set for the fight against HIV, malaria and other diseases. Positive progress was also registered with universal primary education and gender equality promotion (except for gender parity in tertiary education). Some positive results were achieved with the eradication of hunger and access to improved drinking water, but more should be done to achieve targets. The worst score concerns maternal health, where Tanzania failed to meet all its targets.<sup>41</sup> The Bank's contribution in this area appears weak. While the Bank's investment in the water sector has possibly contributed to achieving the corresponding MDG target, especially on Zanzibar, direct projects in the educational sphere were small in size, and addressed areas, such as TVET and adult learning, that are not core priorities for MDG. Maternal mortality was addressed by a dedicated Bank project but preliminarily feedbacks suggest performances were sub-optimal. ■

# Evaluation Findings – The Bank’s Management of its Interventions in Tanzania

## Efficiency in Delivering the Results

The efficiency of Bank’s support to Tanzania was rated **moderately satisfactory**. The efficiency was in particular compromised by excessive delays in projects’ completion time. However, improving trends have been observed with regard to a reduction in the average age of the portfolio and the number of ageing projects.

**Table 7:** Efficiency Rating

Judgment Criteria	Rating
Timeliness of Bank’s Assistance	Moderately Unsatisfactory
Operational Efficiency	Moderately Satisfactory
Financial and Economic Performance	Moderately Satisfactory
<b>Efficiency</b>	<b>Moderately Satisfactory</b>

### *Timeliness of Bank’s Assistance*

The timeliness analysis shows a significant lag behind project completion time with an average completion delay of 24 months over schedule. One quarter of the 18 completed projects required double or even more the amount of time originally planned (see Figure 5). Delays and substantial revisions in the closing dates were common to virtually all operations in the road, water, agriculture and education sectors. In the power sector both Electricity V and the Transmission backbone projects- which are still ongoing- have already registered significant delays on the original schedule<sup>42</sup>. The number of formally ageing<sup>43</sup> projects has risen from two in 2005 to five in 2012, prior to a substantial fall down to two by the end of 2014, thanks mainly to the formal completion of some much delayed operations. In

some instances, contingency measures were adopted to bring them to a rapid conclusion, some development outputs could not be completed (for example, numerous irrigation schemes and strategic markets under DASIP). On the positive side, it is worth noting that in the period considered, the average age of the Bank’s portfolio in Tanzania steadily fell from 4.8 years in 2005 to 3.9 years in 2014.<sup>44</sup>

The majority of operational difficulties and inefficiencies registered in the implementation of the Bank’s operations occurred in the early stages. Time-to-effectiveness and to first disbursement have often proved excessive, mainly due to constraints in the procurement procedures. However, the trend is improving. The average time elapsing between approval and effectiveness of the projects was 10.5 months,



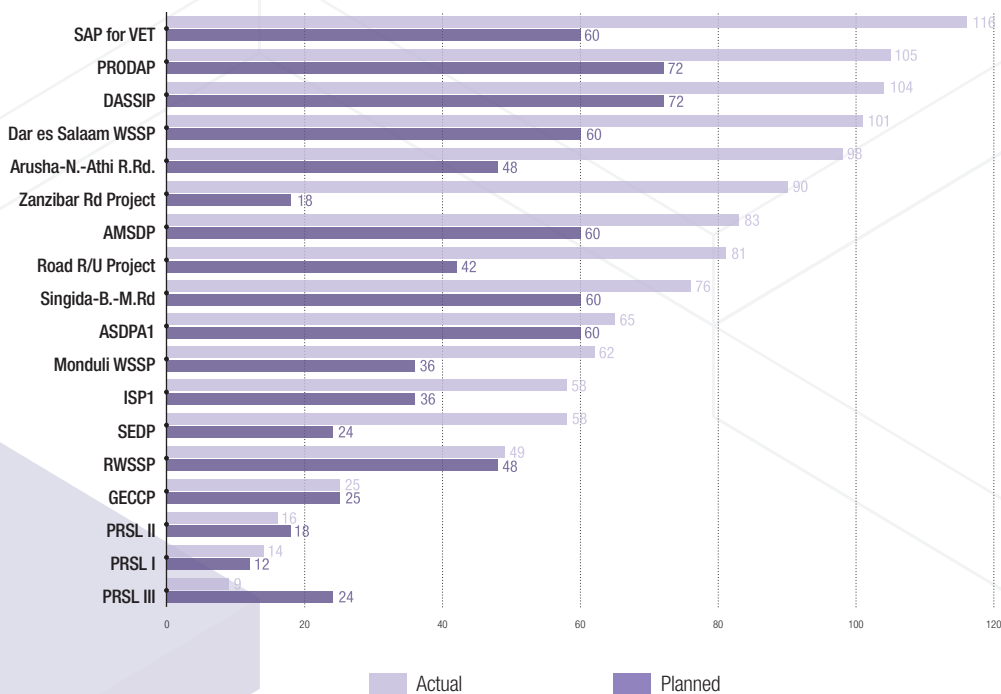
which is not far from the nine-month target proposed in the CPIP 2014/2015<sup>45</sup>. However, the degree of the variance was noticeably high for 15 operations where time-to-effectiveness exceeded 12 months. In most cases, these delays signaled the poor readiness of the project at the time of its approval along with the need to ensure the fulfilment of the conditions laid down in the agreement prior to Board approval. These include inter alia the adoption of proper arrangements for the compensation to project affected persons, which were often a cause of delay for infrastructural interventions. In other cases, loan conditions and covenants seemed too far-reaching (for example, PRODAP). After loan effectiveness, projects often experienced delays in executing the first disbursement. For six of the 10

projects the time-lapse between effectiveness and the actual first disbursement was greater than the two-month target proposed by the Readiness Filter. In particular, eight operations registered delays greater than one year, particularly for infrastructure projects (road and power). One of the main reasons is the low capacity of government counterparts in completing in a timely manner the procurement procedures entailed by these operations.

### Operational Efficiency

Operational efficiency is determined by a series of factors: the design of interventions, the financial and

**Figure 5:** Timeliness of Bank's Operations: Planned vs. actual Duration of Bank's Operations (number of months)



Source: PAR, PCR, PCRN

technical capacity of the actors involved, and the Bank's procedures and management efficiency.

■ **Realism of timeframe.** The observed delays did not only arise from inefficiencies during the implementation process but also from initial over-optimistic expectations. Such design issues were found in water sector programs and agriculture. For the former, the time to build consensus and create implementation capacity among partners involved was largely underrated. For the latter, building the capacity of local counterparts to procure, manage and supervise projects sometimes took more than one year.

■ **Capacity of implementing partners.** Capacity constraints concerned not only Project Implementing Units (PIU), but also local-level institutional counterparts. This often implied inefficiencies in the management of procurement dossiers and the relations with contractors, which in turn led to the low quality of output delivered. Sometimes, PIUs were understaffed or there was an unclear attribution of responsibility within the executing agency.

■ **Performance of contractors.** Some Bank's projects faced problem with contractors' financial capacity (for example, the Transmission backbone project) or technical capacity (for example, building irrigation schemes under DASIP). In two cases, contractors' poor performance led to contract termination.

■ **Consistency of financial allocations.** During implementation there were frequent deviations in the actual costs or expenditure as compared to initial plans. This includes cases of cost overruns, a restructuring of budget and reallocation among components. Deviations originated from a series of other elements too, including poor underlying feasibility analysis, lack of updating of such analysis prior to approval, change to priorities after mid-term review and price fluctuation due to external factors.

The Bank has generally dealt with the above issues in a responsive and effective way. Overall, the performance of the Bank's support to implementation has progressively improved with the decentralization of management responsibilities to the TZFO. Institutional counterparts and DPs confirmed an improvement in terms of the Bank's responsiveness, sectoral and thematic competence, as well as its overall efficiency of administration. The Bank's portfolio management capacity also expanded significantly with the progressive engagement of EARC. However, staff turnover adversely affected delivery especially with respect to the road and social sectors. This led to occasional delays. Institutional counterparts in the public sector generally consider the Bank's procedures as more streamlined and lighter than other DPs' (both for GBS and sectoral interventions), while some private sector beneficiaries found the Bank's processes too cumbersome and not very efficient.<sup>46</sup>

### **Financial and Economic Performance**

The average disbursement rate of the completed portfolio (20 projects) amounts to 88 percent (81 percent). Half of them have fully disbursed their fund allocations - essentially PBOs and studies. The disbursement rate for lending projects ranges from 18 percent [the TA for the Cooperative & Rural Development Bank (CRDB)] to 95 percent (SAP for VET). The limited number of observations does not show any sectoral-related pattern in disbursement efficiency. However, there appears to be some association between lower disbursement rates at completion and the above-mentioned delays in the early stage.<sup>47</sup> Overall, some eight projects were eventually cancelled representing a total commitment of UA 35 million.

The disbursement ratio registered a convincing upward trends, from less than 10 percent in 2005 to nearly 50 percent in 2014, mostly caused by a reduction in the number of problematic and

potentially problematic projects (the aggregated value of project-at-risk declined from 46 percent in 2004 to 7 percent in 2013). In relation to this issue, the annual predictability indicators of the Paris Declaration – and later Busan Partnership – improved from 59 percent in 2007 to 76 percent in 2013.<sup>48</sup>

Out of 11 projects that have conducted an ex-post economic analysis, seven have reportedly met their return targets. In two cases, the original targets were largely surpassed, but uncertainties in the calculation model cast some doubt on the reliability of figures.<sup>49</sup> Unsatisfactory financial performance especially afflicted the private sector operations.

## Quality of the Strategy and Interventions

The evaluation rated the quality of CSP design and operations as **moderately satisfactory** (see table 8). While the CSP design shows improvement over time, the quality of the project design was weak in the areas of project readiness, risk analysis and potential mitigation measures.

The comparative analysis of the three CSPs indicates a clear improvement over time along most of the Quality-at-Entry (QaE) dimensions. The QaE is an 'umbrella' framework that covers all relevant aspects of strategic and program design and is largely responsible for the variability in the level of success of operations.<sup>50</sup> It comprises several dimensions, some of which are discussed in the Relevance section of this Report.<sup>51</sup> As regards CSP design quality, the main findings of the CSPE can be summarized as follows:

- The CSP preparation involved extensive consultations with national counterparts (government, private sector, CSOs, think- tanks) and other DPs. Prior to the establishment of the TZFO, the level of knowledge and the amount of

information collected and managed through ad hoc mission was obviously much smaller. At the same time, the extension of consultations made the process more participatory and eventually enhanced the counterparts' ownership, with beneficial effects on the quality of CSP. Furthermore, the recent mobilization of EARC in the preparatory process gave CSPs a clearer and stronger regional breadth.

- The quality of CSP improved over time as did other components, namely: (i) the inclusion of a satisfactory, Bank-owned, context analysis; (ii) the integration of non-lending operations in the strategy; and (iii) the addition of a full-fledged result monitoring matrix. However, the integration of cross-cutting themes, like gender or climate change and so forth, still struggle to find a proper position in the country strategy, and the private sector dimension generally lacked a proper articulation.
- The importance of capacity building interventions in the public sector was mentioned in all CSPs, but it mostly remained a generic statement, poorly articulated in terms of needs and priorities. As a consequence, the level of investment in this area was modest (less than 5 percent of the portfolio). The evidence from projects reviewed showed that the provision of appropriate TA for capacity building could have made a difference in some instances (for example, in the agriculture sector). The limited priority attributed to 'soft' TA components sometimes led to their cancellation when extra cost appeared on other components (typically infrastructure).
- The major innovation of the CSP approach was the adoption of the Joint Assistance Strategy for Tanzania (JAST 2006-2010) and the associated Joint Program Document (JPD). In that period, the number of PBOs in the portfolio doubled and nearly absorbed half of total allocations. In addition, the Bank introduced several sector-

**Table 8:** Quality of the Strategy and Portfolio

Judgment Criteria	Rating
Overall Quality of CSPs (*)	Satisfactory
Innovativeness of strategic approach and focus (*)	Moderately satisfactory
Quality in the Design of Operations	Moderately Unsatisfactory
<b>Quality of the strategy and Portfolio</b>	<b>Moderately Satisfactory</b>

(\*) For aggregated rating purposes, these criteria have double weight due to their importance for the overall judgment.

wide approach (SWAp) operations financed through SBS (water, education, agriculture) within the framework of JPD. Another innovation was the use of the partial credit guarantee facility (PCGF) extended to CRDB, in partnership with USAID.

- The Bank often had a conservative approach in term of strategic focus. In the agriculture sector, very limited attention was paid to increasing value-added activities and agroindustry; in the transport sector, little was done in railway, airport, and the water transport subsector; in the energy sector, the Bank ventured only recently into the area of renewable energy. Only one public-private partnership (PPP) operation- the Dar Es Salaam water supply- was supported by the Bank in the early 2000s, which in the event unfortunately did not deliver the expected outcome. On a more positive note increased attention has been paid to regional integration: meanwhile, the value of operations increased from less than 5 percent under CSP 2002-04 and 2006-10 to some 23 percent in CSP 2011-15.

The quality of intervention design has not always been appropriate. The need to improve the QaE of interventions is a recommendation that has been repeatedly put forward in all Country Portfolio Performance Reviews (CPPRs). One of the most problematic areas was 'Risk Assessment and Mitigation'. Various projects were challenged by emerging issues which could have been detected earlier and/or addressed more timely and effectively. This generally reflected a weak assessment or an underrating of risks (for example, capacity issues) at the design stage. However, procurement readiness represents a key area of improvement, as demonstrated by the tackling of inefficiencies and delays in various operations.

### Partnership and Leverage

The Bank's performance in partnerships and leverage was rated **moderately satisfactory** (see table 9). The Bank actively participated in the functioning of the DP/GoT dialogue structures. On the other hands, the Bank managed to mobilize a relatively modest amount of resources from other partners (and a marginal one from the private sector).

**Table 9:** Partnership and Leverage Rating

Judgment Criteria	Rating
Involvement in mechanisms for coordinated management among DPs with Government	Satisfactory
Degree of harmonization of approaches, arrangements and procedures with other DPs	Moderately Satisfactory
Degree of Leveraging of Interventions	Moderately Unsatisfactory
<b>Partnership and Leverage</b>	<b>Moderately Satisfactory</b>

When the Development Partners Group (DPG) was formally founded in 2004, the Bank joined and collaborated in designing its functional structure and processes. At the outset, AfDB participated in seven Working Groups (WG). In 2014, the Bank became a member of 13 different groups as its scope of activities expanded over time. It should be added that this was primarily made possible by the expansion of the TZFO and the decentralization of management functions.

The DPG marked a crucial step toward an effective division of labor and co-ordination among DPs. However, it did not always function properly: some WG did not develop while others did not embark on a pro-active approach in steering the agenda. The evidence collected suggests the intra-DP co-ordination used to be largely satisfactory, especially in the field of WatSan and Infrastructure. On the other hand, the consensus has been at times difficult in the energy WG, in the aftermath of the IPTL scandal. Co-ordination mostly prevented the duplication of efforts or the emergence of major gaps, and facilitated the design of joint interventions, but rarely translated into the active search and exploitation of synergies across different partners' initiatives.

On the leveraging side, the Bank managed to mobilize a relatively modest amount of resources- in absolute terms- from other partners (and marginally from the private sector). Overall, the Bank's financing accounted for an estimated 33 percent of the total cost of the 42 operations in the reviewed portfolio. The co-financing sources included other DPs (48 percent), the GoT (18 percent), and beneficiaries (less than 1 percent). The Bank jointly financed around 18 operations with other DPs, covering almost all sectors. The Bank can be credited for 'catalyzing' only a portion of these resources, since in several instances it was not the main initiator of the intervention. This is the case with SWAp programs, in which GoT was mostly responsible for the design and the budgeting, while the DPs were only financial partners.<sup>52</sup> As concerns GBS, the Bank had a non-negligible role in the DP community for the amount of its contributions

(about 8 percent of the total). Nonetheless, its active role in the GBS dialogue – and hence its 'leverage' - has emerged only in recent years. Qualitative evidence confirmed the Bank acquired a leading role in the energy reform process and facilitated the approval of a multi-donor GBS intervention (more than US\$ 0.6 billion) in 2015. The Bank's contribution was approximately 20 percent.<sup>53</sup> With respect to standalone interventions, the Bank had a major catalytic role in the mobilization of resources from the JICA-funded Accelerated Co-financing Facility for Africa (ACFA), which co-financed three infrastructural interventions. Beside these projects, the collaboration with other bilateral or multilateral partners was more on an 'equal footing' (eg. with IFAD in the agriculture sector and with USAID for the CRDB's partial credit guarantee facility). A possible catalytic effect was registered also with the Zanzibar Water supply project (UN Habitat). Private sector resources were only marginally leveraged in the period considered.

## Managing for Results

The Bank's management for development results was rated **moderately satisfactory** (see table 10). The Bank has fully adopted an MfR approach over time, which consists of appropriate logframes and the use of lessons for strategic orientation and design. The projects generally include result-based logframes though frequent issues exist with the quality of indicators and an absence of baseline data. The Project appraisal reports included lessons learned, however, there is no clear follow up mechanism.

The MfR principles were explicitly and concretely taken up only in the most recent of the three CSPs considered. The CSP 2011-15 adopted a full-fledged and solid result-based framework while predecessors broadly relied on country's frameworks and presented some logframe inconsistencies. The latest CSP also emphasized



**Table 10:** Managing for Results Rating

Judgment Criteria	Rating
Uptake of Managing-for-results in Tanzania and performance	Satisfactory
Adoption of a result-based design in Bank’s operations	Moderately Satisfactory
Quality of Monitoring and Supervision	Moderately Satisfactory
<b>Managing for Results</b>	<b>Moderately Satisfactory</b>

the need to have an own M&E system in place for the Bank’s strategy, which mostly aligns to the national MKUKUTA M & E system and the PAF process. Lessons from past experiences have been satisfactorily incorporated in the two CSPs except for the CSP 2006-10, where lessons were discussed quite superficially. Interestingly, some of the lessons put forward in CSP 2002-04 are still valid for the latest CSP. The same applies with some of the recommendations of the previous Country Assistance Evaluation.

The design of the operations analyzed generally included a results-based logical framework (RLF), featuring the customary logframe components. The quality of RLF matrices have been reviewed along three dimensions, with the following results:

- Nearly all operations embed a standard RLF with an appropriate underlying logic. However, in a few cases the respective status of outputs, outcomes and impacts of the interventions were confused. Furthermore, the targets sometimes overstated the outreach of interventions.
- Some RLFs were affected by measurability issues due to weaknesses in the underlying indicators, for example, the “Reduction in the level of GoT expenditures on procurement that is lost through corruption from the current level of 20 percent to 10 percent in 2008”.

■ The risk and assumptions were not properly identified, with few exceptions, in most RFL. Factors under the Bank’s control which were considered as risks included : (i) potential project inefficiencies presented as ‘external’ risks; (ii) institutional counterparts’ capacity was generically assumed (whereas capacity of counterparts should be subject of readiness assessment); (iii) generic ‘socio-cultural factors’ were among the risks; and (iv) sustainability and maintenance generically listed among the risks. With some exceptions, the statement of risks was generally not accompanied by a review of mitigation measures.

Overall, 25 projects were reported to have actively integrated lessons learnt in the design. However, in several cases these were very generic lessons such as “avoid delay in procurement” or “need a participatory approach”. More consistently, some projects (especially in the electricity sector) made reference to sector weaknesses to be considered in the design.

The documentary reviews showed that the vast majority of operations benefited from an appropriate supervision by both the Bank and the institutional counterparts. In the past low frequency of supervisory missions and a lack of thematic experts on supervision missions were the main problems. Over time, however, these issues have been mitigated with the progressive transfer of

competence to TZFO and the set-up of the EARC. In addition, previous supervision reports were not always informative and were often too succinct to allow a proper understanding of progress achieved and possible constraints. Furthermore, as the Bank has adopted at a corporate level a monitoring and reporting template more attuned to results (e.g Implementation Progress and Results Reporting (IPR)) this has contributed to a noticeable improvement in supervision reports over the period under review. The efficacy of supervision has increased, particularly in respect of the CSP2011-2015. Some poorly performing

projects were restructured and/or brought to completion. The value of projects-at-risk dropped from 46 percent in 2004 to 35 percent in 2009 with a further dramatic fall to less than 7 percent in 2013. Monitoring readiness has sometimes been a problem for past projects, with no M&E system in place or one that was poorly designed. Yet more limiting in this sense was the paucity of monitoring data, including baselines and performance measurement data. The review of PARs suggests that about three-quarters of projects lacked appropriate monitoring baselines. ■

# Conclusions and Recommendations

The relevance and selectivity of the Bank's interventions is rated as **satisfactory** overall. The CSPs reviewed and the interventions in the portfolio were broadly coherent with Tanzania's national and sectoral strategic framework and needs. However, despite the reorganization of activities in overarching 'pillars', the Bank has continued to be engaged in too many different sectors and not much attention has been given to exploring synergies across the portfolio, especially as concerns geographical strategic co-ordination.

Overall, the effectiveness and sustainability of the Bank's intervention are both rated as **moderately satisfactory**. All in all, the planned results were to some extent achieved by the majority of operations considered. In many instances, the projects also triggered cascading benefits of a social and economic nature for the entire community (for example, access to market, employment, access to school and healthcare, land value and so forth. With regard to the development outcomes at the country level, Tanzania registered impressive economic growth but this was only partly translated into direct benefits for the poor. Especially in rural areas, poverty remains widespread. Nonetheless, encouraging signs in the reduction of inequalities are reported. The Bank's support to infrastructure development was certainly conducive to economic development. Interventions in the field of water supply and rural development on a local basis alleviated non-income poverty.

The sustainability of results after the end of Bank's support is not always ensured. Given the prevalent orientation of projects on infrastructure development, the main concern is technical

maintenance (and operation), and financial self-sustainability of the facilities constructed.

The Bank's contribution to knowledge generation and policy advice is rated as **moderately unsatisfactory**. Despite initial weaknesses, mostly due to the limited capacity of the field office, the Bank's role in policy dialogue has grown, especially in areas where the Bank has a distinct added value and/or key strategic priorities of intervention. However, the overall visibility of ESW products and their use in strategy-making has remained limited, so far.

The efficiency of the Bank operations was rated **moderately satisfactory**. The implementation of projects often encountered delays and operational constraints that in many instances prevented the delivery of expected outputs. The efficiency has, however, improved notably over time.

The quality of the strategy and the operations design was assessed as **moderately satisfactory**. There was a clear improvement over time of CSPs along most of the 'quality-at-entry' (QAE) dimensions. The preparation process has become more participatory, and the analysis of context more thorough. On the other hand, the instrument mix and strategic focus were fairly conservative, and technical assistance was not always sufficient. At intervention level, the quality of design was not always appropriate as concerns the analysis of risks and their potential mitigating measures, as well as project readiness.

The Bank was rated moderately **satisfactory** on partnership and leverage aspects. The Bank actively

participated in the design and the functioning of the DP/GoT structures. At the operational level, the division of labor with other DPs generally worked well, although potential synergies across interventions were seldom exploited. On the leveraging side, the Bank managed to mobilize a relatively modest amount of resources from other partners (and marginally from the private sector).

Finally, in terms of designing and applying MfR, the Bank's performance was considered **moderately satisfactory**. Unlike its predecessors, the CSP 2011-15 almost fully adopted a MfR approach, consisting of appropriate logframes, an appropriate M&E system, and the use of lessons for strategic orientation and design. The Bank's projects generally included a result-based logframe, but there were frequent issues with the quality of indicators and the logical chains. Supervision has become more frequent and results-oriented and the Bank has improved its ability to take the right actions to redress non-performing projects. However, poor monitoring of readiness and lack of baselines still affect some of the Bank's interventions

Based on the findings above, the evaluation proposes the following five recommendations in the shaping of future strategy.

**I Concentrate on fewer key areas of proven expertise but with more emphasis on inclusiveness and integration.** The Bank's focus on the infrastructure and governance sectors, although relevant, may reduce the Bank's direct impact on poverty, especially non-income poverty and rural poverty. It is therefore important that the future strategy embeds solid pro-poor strategic orientations, possibly through integrating interventions around a few key outcomes related to job creation and an increase of revenue in targeted areas. In doing so, the Bank should ensure that cross-cutting issues such as gender, regional disparity and environmental sustainability are not only generically mentioned

in project appraisals documents, but are fully analyzed, mainstreamed in the implementation and duly supervised and assessed.

**I Improve the Bank's profile as a 'knowledge-partner' in the country assistance framework, its influence on the reform agenda and its catalytic potential.** The Bank has in recent years acquired more responsibility and visibility in some specific areas of policy dialogue (for example, energy sector reform). The same process should be followed in other key areas of the Bank's interest – such as transport infrastructure and governance, being more ambitious in the reforms targets agreed with the Government. This can also be supported by ensuring the influence and visibility of the Economic and Sector Works in informing Bank's operational design and policy dialogue with the government and development partners.

**I Enhance quality-at-entry at both strategic and operational levels with a view to strengthening the analytical basis and integration effect of the CSP, and avoid readiness issues and unrealistic designs that continue affecting the performance of the Bank's interventions.** The Bank's country experience can be leveraged to increase firsthand context analysis. The CSP should include a more solid result-based framework and ensure an appropriate integration of the various instruments and channels of Bank assistance in a coherent framework (that is, lending and non-lending, public and private sector interventions). The adoption of a 'readiness filter' or similar mechanism, which ensures that only projects ready for implementation are taken to the Board for approval, can help further mitigate efficiency issues. This should be reinforced by strengthening the project design, especially as concerns the realism, along with the consistency of logframe (that is, inputs are conducive to outcomes), as well as the analysis of risk and mitigation measures.

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- I Consider adopting a more innovative approach to the portfolio selection, management and delivery mechanisms.** The Bank should explore the opportunities to enhance its private sector operations, both reinforcing its current engagement in MSME finance, but possibly venturing into other sectors with potential complementarity with mainstream lending in order to reduce inequalities. Internal coordination mechanisms and procedures both at CSP and operation level should be strengthened to allow reaping the benefits of synergies across different projects. Capacity building can also be prioritized in the design of the Bank's future operations, including an increased use of the country system.
- I Further strengthen supervision with a close involvement of the Bank's institutional counterparts.** Supervision requirements need to be taken more into account at the design stage (frequency, resources needed, 'risk' profile of the intervention), and joint supervision should be used where applicable. Supervision recommendations should be followed, with flexibility to address potentially problematic situations. In particular, the sustainability section of progress reports should be accurately compiled and reliable. In support of more effective supervision, project appraisals should include detailed follow-up and risk mitigation plans. ■









# Annex A: Evaluation Methodology

## Data Collection

### A.1 Desk Research

Desk research included, first and foremost, the project documents (including background studies), and then procedural and governance documents, official statistical datasets, international scoring schemes, reports produced by executive agencies, other donors' evaluations and studies, and the like. This enabled the team to exploit all the information available from secondary sources (thus reducing gaps or duplications) and to triangulate among various sources, that is, cross-checking the information provided by interviewees with hard, factual evidence and vice versa.

In general terms, the consulted desk sources can be classified in four main groups, based on their evaluative usefulness:

- Sources that **describe the context** to understand the background of interventions, such as country policies, the Bank's general strategies, other DP's plans and the like. Together they represented the reference for the assessment of the intervention's relevance, coherence, design and respect for aid co-ordination principles.
- Sources that **set the intervention logic** at all levels, from activities to ultimate goals. These were the Bank's project-level documents (for example, PAR), sectoral level and country level strategies (CSP), as well as external development plans articulating targets and indicators (MTEF, FYDP, and so on). This group includes also process documents setting the stage for the interaction with partners and the policy dialogue. These represented the 'baselines' for the measurement of effectiveness, efficiency and cross-cutting issues.
- Sources of **verification of results achieved**, that is, supervision and monitoring reports (from project level to country level), evaluations, reviews and any other evidence of implementation and results obtained (or lack thereof). These documents are the main secondary source for the objective measurement of all Evaluation Questions (EQs) related to Development Results, as well as efficiency, and the Management for Result aspects.
- **Structural indicators and international indexes**, such as poverty measurement, MDG scores, Doing Business ranking, and so on, which provided a synthetic measurement of general trends that the Bank's intervention might have contributed to. The Evaluation used them to estimate to what extent certain trends were influenced by the Bank's intervention and what might have happened in the absence of it. These measures in turn contributed to framing a response to EQ on the effectiveness and sustainability of the intervention.

All in all, the bibliography reviewed includes no less than 260 titles (not including project documents). The full list of the documents consulted is provided in the technical report.

## A.2 Interviews and Stakeholders Consultation

The direct consultation of key informants and stakeholders represented the main source of original evidence of the CSPE. **In-depth interviews** lead to a deeper understanding of the main issues at hand and were useful to explore individual differences between stakeholders' expectations, perceptions and experiences. Overall, some 160 qualitative and semi-structured in-depth interviews were undertaken.

Moreover, eight **focus groups** added an interactive dimension to the appraisal, especially when conducted in the field with representatives of the ultimate target groups. The participants to the focus groups have been identified with the support of PCU staff and included: local authorities, community-based entities involved in the management of local infrastructure, sector representatives (farmers, traders, transporters, schools, tourist services, and so on), NGOs (for example, environment protection, women empowerment and so forth) and other key local institutions, experts and media.

Below is a list of the focus groups conducted during field missions.

Area	Project /Meeting subject	No of participants
SINGIDA REGION (3 FG)	Minjingu - Babati - Singida project (Transport)	44 participants (for 3 FG on field)
ZANZIBAR (2 FG)	Water sector in Zanzibar (Water and Sanitation)	40 participants (for 2 FG on field)
MWANZA REGION (3 FG)	Electricity V (Power and Energy)	18 participants (for 1 FG on field)
	DASIP project (Agriculture)	55 participants (for 3 FG on field)

Consulted informants included a broad and heterogeneous array of stakeholders, ranging from staff directly involved in the execution of project activities (called project co-ordination or implementation unit – PCU/ PIU), to ultimate recipients of the possible benefits of the intervention, such as the communities living in the project areas. The table below provides a summary analysis of stakeholders consulted, classified by typology. Details about counterparts consulted are available in the technical report.

Stakeholders consulted:

Type	Entities	Description
<b>Institutional counterpart</b>	<ul style="list-style-type: none"> <li>■ Executing agencies</li> <li>■ Project Management/Co-ordination Team/Unit</li> <li>■ Local team (for example, District Management Team) and competent LGAs</li> <li>■ Other relevant MDAs and institutions involved on mainland and Zanzibar (NBS, PMO-RALG, PO Delivery Bureau, and so forth)</li> </ul>	Overall, <b>124 interviews</b> were conducted with institutional counterparts in the Bank's projects. This group of actors involves dedicated staff gathered in executive 'units' (PMU, PCU and so forth), responsible for the day-to-day management of planned activities and reporting. These units are functionally supervised by the Executive Agency of the project, and sometimes include other staff, especially in the case of projects involving more than one MDAs and/or with substantial implementation at the regional and district levels. Other local-level or line MDA participated in the implementation without being formally part of the executive unit.

Type	Entities	Description
Bank's Staff	<ul style="list-style-type: none"> <li>   TZFO staff</li> <li>   HQ staff</li> </ul>	The Bank's concerned staff was evidently a major source of information not only on projects, but also on wider sectoral and general strategy as well as on administrative and management aspects. <b>14 interviews</b> were conducted either face-to-face or via teleconference (HQ).
End beneficiaries and stakeholders	<ul style="list-style-type: none"> <li>   Farmers groups</li> <li>   SACCO and Microfinance organisations</li> <li>   Business organisations and representatives</li> <li>   NGOs</li> </ul>	These stakeholders were the primary source of feedback about the perceived benefits and the relevance of the Bank's interventions for target groups such as economic operators, farmers, and vulnerable groups. Overall, <b>eight focus groups</b> were carried involving local communities representatives, farmer groups, businesses, NGOs and microfinance institutions. These were complemented by <b>eight interviews</b> with representatives of private sector organizations and associations. Direct feedback (although qualitative) from the ultimate beneficiaries of the assistance at the territorial level, that is, in the communities where interventions took place, has been fundamental to evaluate a project's impact.
Other Donors /DPs	<ul style="list-style-type: none"> <li>   Multilateral and bilateral donors and IFIs involved in the DPG</li> </ul>	<b>Nine interviews</b> involved other donors, including co-financing partners of the Bank's operations, as well as main DPG members active in the same sectors of a Bank intervention, and involved with AfDB in the policy dialogue with the GoT. These included: the WBG, EU, DFID, JICA, KFW, UNDP (DPG).

### A.3 Project selection

The evaluation involved a sampling of the projects in the portfolio, since it was not feasible – and irrelevant for the purpose of the study – to carry out an original review of all 42 operations in the portfolio. The proposed sampling is three-staged. At the core stands the in-depth evaluation of 10 lending projects, that is, the '**case-studies**'. For these projects an extensive data collection was foreseen, including fieldwork missions, consultations of various stakeholders, reviews of relevant documents (in addition to the Bank's project documents). At a broader level, a **portfolio sample** was selected, on the basis of considerations with respect to size, relevance and maturity. For this sample the analysis was based not only on the review of the Bank's project documents, but involved the additional collection of evidence through stakeholders' consultation and/or additional review of documents. The rest of the operations in the portfolio have been **desk-reviewed**, that is, based on project documents only. As compared to the inception stage, some minor changes in the status of some projects occurred, based on IDEV indications and/or the actual availability of information. The result of sampling is provided in Exhibit A.4 below. In particular:

- || The 10 **Case-studies** include champions from all sectors of the Bank's intervention, namely: road transport, energy, water and sanitation, agriculture, finance, education and governance. In the case of governance, three

projects were 'clustered' and analyzed jointly with a view to develop a case study on public procurement. Similarly, the case study on water supply for Zanzibar has also considered the recently approved new project (obviously not for impact but for strategic relevance purposes). Note: as agreed with the Client during implementation 'case-study' did not require a dedicated case-study report.

- The **Sampled Projects** include 17 operations that represent the core of Bank's assistance in Tanzania. The selection is made based on two main criteria (i) the relevance of the sector / theme in the overall Bank's, that is, the existence of a 'clusters' interventions where the Bank might have deployed significant added value, and (ii) the period of implementation, that is, projects that were neither too old or too recent have been included in the sample. In the case of the multinational project included in the sample, the evaluation obviously focused on the Tanzanian component, but with a view to assess the broader regional effects of the intervention. The sample included also two ESW products, namely on agriculture value-chain financing and the transport sector review.
- The **Desk-Reviewed Projects** group includes the remaining 15 operations. These have only been analyzed based on a desk review of the relevant documents produced. It is a mixed group encompassing initiatives of comparatively lower relevance for the CSPE for various reasons, namely: (i) operations in 'marginal' sectors (for example, isolated projects in the fields of health, regional railways or food emergency); (ii) very recent operations with marginal or zero disbursement rates; (iii) closed projects from previous CSPs – in these cases the analysis of results and performance will be entirely based on the reports and evaluations previously produced; and (iv) relevant projects that are currently undergoing a parallel evaluation process, as in the case of the two RWSSP operations (in order to avoid duplication of efforts).

## Data Analysis and limitation

The methodological approach set up for the CSPE is presented in detail in the technical report while the key features are summarized below:

- Three interrelated levels were considered in the evaluation design: (i) **project level** (individual operations); (ii) **sector level** (clusters of operations, sectoral aggregated effects); (iii) **country level** (overall aggregated effects, cross-cutting and horizontal aspects). A proper differentiation between these levels underlies the approach to data collection, while the specific interactions between levels were taken into account in the analysis (that is, not always aggregated effects correspond to the 'sum' of individual projects' outputs). See Exhibit A.5 below.
- The assessment of performance along the different evaluation criteria needed to consider duly the **overtime evolution** of both strategic priorities for assistance and implementation capacities (in connection with the growth of the Tanzania Field Office – TZFO). Where applicable, a **comparative approach** was adopted to show similarities and differences across CSPs.
- In the same vein, the **distribution of assistance across sectors** entailed adopting in various instances the 'sectors' as the units of analysis, with sectoral goals as the reference targets. In fact, very often, same-

sector operations had similar objectives (some projects were explicit follow-ups of previous interventions). The comparative dimension was also explored as regards sectoral-level performance.

- A main methodological challenge was the fact the objectives of national development strategies and the Bank's CSPs changed over time, and therefore achievements inevitably had to be assessed against 'moving targets'. This required a substantial 'rationalization' of the underlying '**theory of change' (ToC) of intervention**, which was reconstructed ex-post on the basis of the actual 'building blocks' of the Bank's intervention. The evaluative value of the ToC consisted in its ability to trace logical connections from the immediate outputs of the Bank's intervention up to its contribution to ultimate impact, thus facilitating the identification of enabling and hindering factors, as well as the theory's flaws. The detail of the TOC is presented in the technical report.
- In connection with the above – and coherently with the strategic nature of the exercise – the focus of the CSPE was not to replicate the portfolio performance assessment but to investigate the **aggregated contribution of the Bank to a country's key development outcomes**, in other words what would have happened without Bank's assistance? Numerous methodological obstacles encountered in performing this analysis, in particular (i) gaps and solidity issues with Tanzania's statistical datasets (especially the lack of complete historical series covering the past 10 years and the lack of systematic regional / district level data), as well as (ii) gaps and weaknesses in project documents (absence of baseline data, overemphasized outcomes reported, and so forth.). Therefore, the contribution 'stories' provided are mostly based on qualitative evidence and/or 'case-studies'.
- For each evaluation question, an adequate **triangulation of sources** has been used, to ensure the right mix between qualitative information (the views and experiences of relevant partners and stakeholders), cross-checking of factual evidence in documentary sources, and relevant quantitative indicators (for example, statistical data from national and international sources). Furthermore, **two workshops were organized** in Tanzania to discuss and validate - with the help of stakeholders - the research, design and findings.

#### **A.4. Rating Scale**

In order to provide a summary assessment for the various evaluation questions and underlying evaluation criteria, a rating system was developed, broadly inspired by the system currently used by the Bank. The rating system adopted is based on a six-level scale, ranging from 'highly satisfactory' to 'highly unsatisfactory', as described in Exhibit A.7 below. It is worth noting that the summary rating used in the CSPE is intended to provide an overall assessment for each judgment / evaluation criterion, taking into account all the available evidence across the whole set of projects analyzed. However, since the information available varies in detail across themes and projects (in some cases precise data is available, in others only a positive/negative assessment is possible), **the summary assessment was not based on a formal 'weighting' system**. Therefore, while every effort was made to ensure consistency in the assessment, the rating exercise remains inevitably exposed to an element of subjectivity.



## Rating scale

Rating Level	Rationale for Rating
Highly Satisfactory (6)	Overwhelming prevalence of positive aspects, with virtually no flaws
Satisfactory (5)	Marked prevalence of positive aspects, clearly outweighing negative aspects
Moderately Satisfactory (4)	Prevalence of positive aspects, albeit with some negative aspects
Moderately Unsatisfactory (3)	Prevalence of negative aspects, only partly compensated by positive aspects
Unsatisfactory (2)	Marked prevalence of negative aspects, clearly outweighing whatever positive aspects
Highly Unsatisfactory (1)	Overwhelming prevalence of negative aspects

## Annex B: Evaluation Matrix

The evaluation questions, judgment criteria and indicators were combined into a set evaluation matrices, one for each evaluation criteria, providing a comprehensive framework for the Assignment. The proposed matrices – as reviewed ex-post after the completion of data gathering activities - are presented in the following pages. For brevity, only the title of the indicator is listed in the matrices rather than the full description. Evidently, in some cases the proposed indicators encompass more than one metric – for example, ‘crop output per hectare’ involves separate measurement for the various major crops. Overall, **301 different indicators** were used.

The matrices also includes a reference to the possible source(s) of information used to measure the proposed indicators, and the method to approach such source(s), for example, interviews with donors, or desk review of project documents and so forth. Sources and methods have been coded as described below.

- i. **Interv. w/ PMU:** Interviews with Project Manager and/or other PMU/PCU responsible person;
- ii. **Interv. w/ MDA:** Interviews with representatives of the Executive Agency and/or other relevant MDA representative(s);
- iii. **Interv. w/ AfDB staff:** Interview with AfDB staff (TZFO, HQ, or EARC);
- iv. **Interv. w/ DPs:** Interviews with DP's relevant staff;
- v. **Interv. w/ stakeholders:** Interviews with ultimate beneficiaries, stakeholders / NGOs and/or Bank's client (in the case of private sector operations);
- vi. **Rev. of Project Docs:** Desk review of project documents (PAR, PCR, Supervision report / IPR, Mid-term reviews and so forth.);
- vii. **Rev. of CSPs:** Analysis of CSP and related document (Mid-term review, completion reports...);
- viii. **Rev. of AfDB Docs:** Desk review of other AfDB's strategic and operational framework documents, as well as CPPRs, CPIP and so forth;
- ix. **Rev. of Country Docs:** Desk review of country general and sectoral documents (strategies, cooperation framework, sectoral reviews, annual reports...);
- x. **M&E docs & reports:** Desk review of previous/parallel evaluations and other reports and relevant studies published by non-Bank sources;
- xi. **Datasets & Indexes:** Datasets and statistics published by the NBS and/or other national agencies, as well as main international indexes and rankings.

## Relevance and Selectivity

Evaluation Questions			
<p>EQ 1 - To what extent are the country strategy and Bank operations aligned with:</p> <ul style="list-style-type: none"> <li>Tanzania development needs;</li> <li>Tanzania development strategies and priorities; and</li> <li>the needs of beneficiaries?</li> </ul> <p>EQ 2 - To what extent are the interventions in the country aligned with the Bank's strategy and priorities?</p> <p>EQ 13 - To what extent has the Bank applied selectivity in designing its country portfolio and focused on areas where it brings added value?</p> <p>EQ 15 - To what extent are the Bank's interventions coherent and well-coordinated internally?</p>			
Judgment Criteria	Indicators	Sources	Key findings and Ratings
Alignment with the key national and sectoral priorities	<ol style="list-style-type: none"> <li>Alignment of CSP with country's strategic framework for development – requirements and priorities (TDV2025, MKUKUTA, MKUZA).</li> <li>Alignment of CSP with country's sectoral strategies, action plans and programs.</li> </ol>	<p>Interv. w/ PMU: Interv. w/ MDA: 1, 2, 11 Interv. w/ AfDB: 6, 7, 11 Interv.w/ DPs: Interv. w/ stakeholders: Rev. of Project docs: 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16 Rev. of CSPs: 1, 2, 3, 4, 6, 7, 8, 13, 14 Rev. of AfDB docs: 6, 7, 8, 14, 15 Rev. of Country docs: 1, 2 M&amp;E docs &amp; reports: Datasets &amp; Indexes:</p>	<p>Satisfactory. The Bank CSPs were broadly aligned with Tanzania's overall strategies. The active engagement of the Bank in the national framework for the coordination of development assistance further strengthened the coherence with the country's priorities and ensured a harmonized approach across development partners. Despite limited reference in CSPs to sectoral policies and programming documents, the Bank's interventions were generally aligned with sectoral priorities. In some sectors, such alignment was more explicit than in others.</p>
Alignment with beneficiary needs	<ol style="list-style-type: none"> <li>Degree of elaboration of target group needs and priorities in CSPs.</li> <li>Share of the Bank's interventions with a proper identification of beneficiaries.</li> <li>Share of the Bank's interventions with an articulated analysis of needs of the target population.</li> </ol>		<p>Moderately Satisfactory. The alignment with beneficiaries' need was generally ensured by the broader reference to the established strategic framework. In project appraisal reports (PAR), target groups are often appropriately identified but a fully-fledged analysis of their needs is infrequent.</p>
Coherence with Bank's strategies and priorities	<ol style="list-style-type: none"> <li>Coherence of CSPs with the relevant multiannual strategies of the Bank.</li> <li>Degree of strategic focus on regional integration (overtime).</li> <li>Extent of reference to the Bank's sectoral and thematic strategies and policies in CSP and project documents.</li> </ol>		<p>Satisfactory. CSPs aligned with the Bank's general multiannual strategy applicable in the period, not only in terms of explicit reference, but also in terms of operation pipeline. An exception is the CSP 2006-10 that was mostly informed by the JAST framework and the MKUKUTA process. Regional integration priorities were duly considered. Reference to Bank's sectoral strategies and policies are instead absent in CSPs and sparse in PARs.</p>

Selectivity and Internal Coordination of Assistance	<p>9. Average project size.</p> <p>10. Overall intervention values.</p> <p>11. Degree of sectoral concentration.</p> <p>12. Number and size of projects in areas where the Bank is perceived as bringing significant added value.</p> <p>13. Number of interventions with explicit linkages and synergies (cross-sector and cross-instrument).</p> <p>14. Number of interventions with geographical linkages and synergies.</p>		Moderately Unsatisfactory. Despite the reorganization of activities in overarching 'pillars', the Bank has continued to be engaged in too many different sectors. The average size of operations increased but slowly. Internal coordination of interventions was poorly achieved – except for GBS.
Portfolio Alignment with CSP	<p>15. Deviation between planned and actual portfolio.</p> <p>16. Portfolio relevance ratings.</p>		Highly Satisfactory. Minimal deviations were registered between planned and the actual interventions. This was facilitated by the fact that the pipeline was partly developed prior to CSP design. Deviations were mostly concerned with private sector operations that were often poorly identified at the CSP stage.

## Effectiveness and Sustainability

Evaluation Questions			
EQ 3 - To what extent have the Bank's interventions achieved their expected results?			
EQ 4 - To what extent have the Bank's interventions benefited target group members?			
EQ 5 - To what extent have the Bank's interventions contributed to the achievement of development objectives and expected development results of the country, including impacts (both intended and unintended)?			
EQ 6 - To what extent have achieved benefits continued or will be likely to continue once the Bank's interventions are completed?			
Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Transport</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Share of projects completing planned activities (degree of completion).</li> <li>2. Amount and share of road network upgraded, broken down by trunk / regional / local.</li> <li>3. Increased road density (trunks and regional).</li> <li>4. Share of projects with adequate social safeguard for involuntary resettlement land acquisition, population displacement and compensation.</li> <li>5. Executing Agencies' staff trained.</li> <li>6. Road safety policy and programs (no. of people sensitized).</li> </ol>	<p>Interv. w/ PMU: 1, 11, 15, 22, 23  Interv. w/ MDA: 4, 5, 6, 7, 9, 6, 20, 21, 24, 25  Interv. w/ AfDB: 20, 21, 24, 25  Interv. w/ DPs: 1, 5, 8, 20, 22  Interv. w/ stakeholders: 4, 6, 7, 8, 9, 11, 12, 13, 15, 17, 22  Rev. of Project docs: 1, 2, 4, 8, 11, 12, 13, 14, 15  Rev. of CSPs:  Rev. of AfDB docs: 11, 15, 18, 19  Rev. of Country docs: 3, 8, 25  M&amp;E docs &amp; reports: 2, 3, 20  Datasets &amp; Indexes: 10, 16, 18, 19.</p>	<p>Moderately Satisfactory.  The Bank's operations contributed to upgrading (bitumen standard) approximately 464 kilometers of roads, that is, some 23 percent of the total trunk network upgraded in the period considered. The level and the quality of output is largely in line with initial plans, but 'soft' components of projects were often penalized by frequent cost overruns in the 'hard' components.</p>
Benefits for Target Groups	<ol style="list-style-type: none"> <li>7. Increased economic activities in connected areas.</li> <li>8. Extent of population with improved access to transport.</li> <li>9. People with improved access to medical service and schools.</li> </ol>		<p>Satisfactory.  The direct benefits for the users of rehabilitated road are remarkable, only mitigated by some issues reported with the implementation of environment and social management plans (EMSP).</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Transport</b>			
Achievement of Sectoral Goals and Development Outcomes	<ul style="list-style-type: none"> <li>10.Share of network in good / fair conditions.</li> <li>11.Annual Average Daily Traffic (AADT) - cross-border and domestic routes.</li> <li>12.Average velocity increase (for major routes).</li> <li>13.Reduced road users travel time (for major routes).</li> <li>14.Reduction in transit time at the border (for multinational projects).</li> <li>15.Savings in Vehicle Operating Costs.</li> <li>16.Number and frequency of traffic accidents.</li> <li>17.Transport cost reduction.</li> <li>18.Increased vehicle fleet.</li> <li>19.Increased licenses for passengers and good vehicles.</li> </ul>		<p>Satisfactory.</p> <p>The Bank's completed road projects contributed to achieve broad sectoral goals, such as improved road conditions, increased connections among country's economic centers, and better regional integration.</p>
Sustainability	<ul style="list-style-type: none"> <li>20.Adequacy of revenues for road maintenance needs.</li> <li>21.Improved road system management capacity.</li> <li>22.Technical quality of interventions.</li> <li>23.Road safety follow-up initiatives.</li> <li>24.Completion of trunks and corridors (by GoT and/or other donors).</li> <li>25.Transport investment program implemented.</li> </ul>		<p>Moderately Satisfactory.</p> <p>The main sustainability challenge concerns road maintenance financial gaps. The Bank's interventions are very recent, so the issue may become apparent in the future. Maintenance underfunding is especially acute for regional / district roads.</p>



Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Energy</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Share of projects completing planned activities (degree of completion).</li> <li>2. Electrification rate (percent of new connections).</li> <li>3. Reduction of percent of electrical losses in energy supplied to the network.</li> <li>4. Improved electricity system management capacity.</li> <li>5. Finalization and adoption of the Electricity Supply Roadmap.</li> </ol>	<p>Interv. w/ PMU: 1, 2, 3, 16  Interv. w/ MDA: 4, 5, 6, 15, 18  Interv. w/ AfDB: 4, 5, 15, 18  Interv..w/ DPs: 4, 5, 15, 18  Interv. w/ stakeholders: 6, 7, 8, 9, 10,16, 17, 19  Rev. of Project docs: 1, 2, 3, 11  Rev. of CSPs:  Rev. of AfDB docs: 5, 19  Rev. of Country docs: 11, 12, 13, 18  M&amp;E docs &amp; reports: 15  Datasets &amp; Indexes: 14</p>	<p>Moderately Satisfactory.  Due to important delays and obstacles met during implementation, the infrastructural interventions were not completed at the time of evaluation, so very limited results can be reported. The main results obtained by the Bank to date relate to the improvement of the institutional and financial capacity of Tanzania's competent authorities and the progress toward the energy sector reform.</p>
Benefits for Target Groups	<ol style="list-style-type: none"> <li>6. Reduced electricity bill for businesses and households.</li> <li>7. Increased productivity due to electricity.</li> <li>8. Increased entrepreneurship / employment.</li> <li>9. Improved household welfare.</li> <li>10. Number of hours devoted to study by children.</li> </ol>		Not Rated.
Achievement of Sectoral Goals and Development Outcomes	<ol style="list-style-type: none"> <li>11. Reduced share of electricity supplied by EPPs.</li> <li>12. Expanded power capacity installed.</li> <li>13. Increased net electricity production.</li> <li>14. Electrification level (overall percent of household with electricity).</li> </ol>		Not rated.
Sustainability	<ol style="list-style-type: none"> <li>15. Financial sustainability of TANESCO.</li> <li>16. Availability of technical competence for M&amp;O at local level.</li> <li>17. Affordability of connections for ultimate target groups.</li> <li>18. GoT's ownership of the reform process.</li> <li>19. Fiduciary System reviews.</li> </ol>		<p>Moderately satisfactory  The main results obtained by the Bank to date relate to the improvement of the institutional and financial capacity of Tanzania's competent authorities and the progress toward the energy sector reform.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Water and Sanitation</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Share of projects completing planned activities (degree of completion).</li> <li>2. Number of additional water points built.</li> <li>3. Number of water supply infrastructure built/restored.</li> <li>4. Average distance from the nearest water source used.</li> <li>5. Reduced share of non-revenue water.</li> <li>6. LGAs with improved watsan plans / capacity.</li> <li>7. Number of sanitation facilities built.</li> <li>8. Integrated Water Management Plan completed.</li> </ol>	<p>Interv. w/ PMU: 1,3, 4, 7, 8, 19, 20  Interv. w/ MDA: 3, 5, 12, 16, 17, 18, 19, 20  Interv. w/ AfDB: 1, 6, 7, 13, 14, 15, 16, 19, 20  Interv..w/ DPs: 1, 6, 7, 16  Interv. w/ stakeholders: 4, 9, 10, 11, 12, 16, 17, 19, 20  Rev. of Project docs: 1, 2, 3, 4, 5, 6, 7, 8, 10, 14, 15, 16, 18  Rev. of CSPs:  Rev. of AfDB docs:  Rev. of Country docs: 2, 13, 17, 18  M&amp;E docs &amp; reports: 2, 4, 6, 7, 9, 10, 14, 15, 19  Datasets &amp; Indexes: 14, 15,</p>	<p>Moderately Satisfactory.  The Bank's interventions helped upgrade significantly water supply infrastructures and services, but nearly all projects were affected by operational and financial constraints that led to a reduction or delay in the delivery of expected outputs.</p>
Benefits for Target Groups	<ol style="list-style-type: none"> <li>9. Average water consumption per person.</li> <li>10.Reduced drudgery of carrying water (time to fetch).</li> <li>11.Affordability of water.</li> <li>12.Improved girls attendance to school, thanks to improved toilets.</li> </ol>		<p>Satisfactory.  At local level, the improved water supply infrastructures brought neat benefits to the served population, in terms of economic activities, social welfare and health.</p>
Achievement of Sectoral Goals and Development Outcomes	<ol style="list-style-type: none"> <li>13.Reduced incidence of water and sanitation related diseases.</li> <li>14.People with access to improved water sources.</li> <li>15.Share of population using sanitation facilities.</li> <li>16.Improved service delivery (including maintenance) and collection efficiency.</li> </ol>		<p>Moderately Unsatisfactory.  In connection with the smaller output delivered; also the aggregated development outcomes appear below expectations. The sanitation component was modest and had limited effects. Nonetheless, recent trends are positive (both WSDP and in Zanzibar) and substantial developments are expected in the near future.</p>
Sustainability	<ol style="list-style-type: none"> <li>17.Share of water supply schemes properly functioning.</li> <li>18.Financial self-sustainability of water schemes.</li> <li>19.Increased management capacity at local level.</li> <li>20.Availability of technical competence for M&amp;O at local level.</li> </ol>		<p>Moderately Satisfactory.  The evidence from fieldwork showed the preconditions for sustainability have been generally taken into account: (i) improved capacity of competent authorities; and (ii) ultimate beneficiary 'ownership' and involvement in O&amp;M. Financial sustainability is not yet assured but is on the right track.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Agriculture</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Share of projects completing planned activities (degree of completion).</li> <li>2. Number of villages with improved agriculture infrastructure (roads, irrigation facilities, market/storage).</li> <li>3. Farmers with access to extension services.</li> <li>4. Farmers receiving equipment and tools.</li> <li>5. Overall participants and resources of SACCOs.</li> <li>6. Share of villages and district having developed an agriculture development plan.</li> <li>7. Women participation in farmers' group.</li> </ol>	<p>Interv. w/ PMU: 1, 7, 16, 17, 18, 20  Interv. w/ MDA: 12, 13, 15, 16, 17, 18, 19  Interv. w/ AfDB: 1, 5, 13, 16, 17, 19, 20  Interv..w/ DPs: 1, 7, 13, 16  Interv. w/ stakeholders: 3, 4, 5, 7, 8, 9, 10, 11, 12, 14, 16, 17, 18, 19, 20  Rev. of Project docs: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 15, 16, 18, 20  Rev. of CSPs:  Rev. of AfDB docs:  Rev. of Country docs: 2, 14, 18  M&amp;E docs &amp; reports: 2, 9, 10, 11, 12, 13, 14, 17  Datasets &amp; Indexes: 11, 14, 15:</p>	<p>Moderately Satisfactory.  The Bank's interventions in agriculture has not always delivered the expected results, often due to operational constraints and delays. Trainings, the delivery of light equipment, and small-scale infrastructures proved generally more successful than large infrastructures and rural finance interventions.</p>
Benefits for Target Groups	<ol style="list-style-type: none"> <li>8. Access of smallholder producers and traders to agricultural markets (time and transport charges).</li> <li>9. Reduced post-harvest losses.</li> <li>10. Farmers using improved technology.</li> </ol>		<p>Moderately Satisfactory.  When a genuine demand-driven approach, based on a thorough beneficiaries' need assessment was applied, the benefits for the local farmer groups was evident. However, in various instances, the interventions at local level were ill-conceived and led to non- or underutilization of the infrastructures build. Delays in completion also reduced the extent of benefits accrued at the cut-off-date.</p>
Achievement of Sectoral Goals and Development Outcomes	<ol style="list-style-type: none"> <li>11. Major food crop output per hectare.</li> <li>12. Average agricultural value-added per agricultural worker.</li> <li>13. Flow of private investment into agriculture sector.</li> <li>14. Proportion of rural population below the basic/food poverty line.</li> <li>15. Agriculture GDP growth rate.</li> </ol>		<p>Moderately Unsatisfactory.  The Bank's operations triggered various successes at local level, but on the whole, they were too scattered and small to have a tangible impact on the overall agriculture sector and farmers' welfares. Poverty rates in rural areas improved but are still high. Productivity and export rates fluctuated, and added-value productions did not take off.</p>
Sustainability	<ol style="list-style-type: none"> <li>16. Extent of infrastructure properly utilized.</li> <li>17. Extent of rural roads properly maintained (availability of funds).</li> <li>18. Extent of agriculture infrastructures operational and properly maintained (irrigation schemes, market/storage facilities, training centers, and so forth.).</li> <li>19. Agricultural sector reforms implemented.</li> <li>20. Village and District Development Plans being funded and implemented.</li> </ol>		<p>Moderately Unsatisfactory.  In some instances, the infrastructures built (for example, local markets) turned out non- or underutilized assets, with ensuing problems of financial self-sustainability. A serious challenge to sustainability was also posed by unfinished infrastructures that require additional financial resources for their completion, as well as by rural roads' maintenance gaps.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Governance / Multisector</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Share of projects completing planned activities (degree of completion).</li> <li>2. Level of Bank's GBS contribution (allocation / disbursements).</li> <li>3. Public procurement framework reforms adopted.</li> <li>4. Internal and external audit reforms adopted.</li> <li>5. No. of internal auditors trained.</li> <li>6. No. of MDA / LGA with an internal audit unit.</li> <li>7. 'Good governance' reforms adopted in Zanzibar.</li> <li>8. Degree of achievement of PAF indicators for GBS support.</li> <li>9. Extent of potential GBS contribution to financing gap in key areas.</li> <li>10. Beneficiaries' satisfaction with the quality of assistance.</li> </ol>	<p>Interv. w/ PMU: 1, 3, 4, 7, 10</p> <p>Interv. w/ MDA: 3, 4, 7, 10, 14, 25, 26, 27</p> <p>Interv. w/ AfDB: 3, 4, 7, 14, 24, 25, 26, 27</p> <p>Interv. w/ DPs: 3, 4, 24, 25, 26, 27</p> <p>Interv. w/ stakeholders: Rev. of Project docs: 1, 2, 3, 4, 5, 6, 7, 8, 27</p> <p>Rev. of CSPs: Rev. of AfDB docs: 21</p> <p>Rev. of Country docs: 2, 3, 4, 6, 8, 11, 12, 13, 14, 15, 25, 27</p> <p>M&amp;E docs &amp; reports: 2, 8, 9, 14, 18, 23, 25, 26, 27</p> <p>Datasets &amp; Indexes: 16, 17, 19, 20, 22</p>	<p>Moderately Satisfactory.</p> <p>The Bank has successfully helped strengthen Tanzania's public procurement system and oversight functions. The achievements of GBS on the PAF target were moderate in the period considered, which is coherent with a GBS process that was not always smooth and effective.</p>
Benefits for Target Groups	Not applicable.		<p>Not applicable.</p> <p>The (indirect) impact of GBS support on specific target groups is discussed below in the aggregated analysis of development outcomes. No specific indicators apply.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Governance / Multisector</b>			
Achievement of Sectoral Goals and Development Outcomes	<ul style="list-style-type: none"> <li>11. Average level of compliance of public expenditure to public procurement regulation.</li> <li>12. Number of appeals registered at PPAA.</li> <li>13. Share of unqualified opinions from CAG.</li> <li>14. Implementation of audit recommendations made by CAG.</li> <li>15. Ratio of tax and non-tax revenues as a percent of GDP.</li> <li>16. Business competitiveness index.</li> <li>17. Corruption Perception Index.</li> <li>18. Extent of budget 'deviation' on plan.</li> <li>19. PEFA ratings on budget credibility.</li> <li>20. World Bank CPIA Rating.</li> <li>21. AfDB Governance Rating.</li> <li>22. IIAG Indexes for governance.</li> <li>23. Variation in GoT's development spending (by areas).</li> <li>24. DPs satisfaction with the fiduciary environment.</li> </ul>		<p>Moderately Satisfactory.</p> <p>The overall GBS support helped GoT maintain and possibly expand expenditure in key areas, such as education and infrastructures. However, the main governance indicators and ratings registered only a modest improvement, and there remain unresolved issues in areas such as budget credibility, revenue mobilization and transparency ratings.</p>
Sustainability	<ul style="list-style-type: none"> <li>25. Adoption of measures to improve the fiduciary environment.</li> <li>26. Degree of adoption of country system.</li> <li>27. GoT commitment to planned reforms.</li> </ul>		<p>Moderately Satisfactory.</p> <p>In recent years, Tanzania has taken steps to improve the fiduciary environment and tackle the negative effects of past corruption scandals. The sustainability of the achievements in PFM would benefit from a complete switch to the country system. Instead, more efforts are needed in the case of Zanzibar to ensure a full materialization and consolidation of expected benefits.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Education</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Share of projects completing planned activities (degree of completion).</li> <li>2. Number of education infrastructure built/ rehabilitated.</li> <li>3. Number of poor household children attending schools through scholarships.</li> <li>4. Number of teachers and school managers with improved capacity.</li> <li>5. Increased access to better equipped VET institutions.</li> </ol>	<p>Interv. w/ PMU: 1, 2, 4, 5, 9, 11, 13, 14  Interv. w/ MDA: 1, 4, 5, 6, 7, 11, 12, 14, 15, 16  Interv. w/ AfDB: 1, 6, 7, 12, 14, 15  Interv. w/ DPs:  Interv. w/ stakeholders: 1, 2, 5, 9, 11, 12, 13  Rev. of Project docs: 1, 2, 3, 4, 5, 9, 10, 13  Rev. of CSPs:  Rev. of AfDB docs:  Rev. of Country docs: 2, 5, 6, 7, 12, 14, 15, 16  M&amp;E docs &amp; reports: 6, 8, 9, 10, 12, 16  Datasets &amp; Indexes:</p>	<p>Moderately Satisfactory.  The Bank's contribution to SEDP helped bridge the program's financial gaps, and supported the construction / rehabilitation of a larger number of classrooms r than anticipated. The VET projects faced some implementation constraints, that is, the Arusha NHTTC could not be completed within the scope of the project, and there was an unsatisfactory quality of work in other assisted VET centres. The 'soft' components of the intervention were generally satisfactory.</p>
Benefits for Target Groups	<ol style="list-style-type: none"> <li>6. Absorption capacity of the education system.</li> <li>7. Trends in teacher availability.</li> <li>8. Gender Parity Index.</li> </ol>		<p>Moderately Satisfactory.  The increased capacity of secondary education system allowed enrollment to triple in five years. However, the quality of teaching fell due to a twofold growth of the pupil/teacher ratio.  Enrollment in the assisted VET centers also increased, but at a pace slower than planned. Where the quality of facilities and equipment was appropriate, the benefits for student learning appear significant. The gender parity target of 100 percent was not met.</p>
Achievement of Sectoral Goals and Development Outcomes	<ol style="list-style-type: none"> <li>9. Enrollment ratio.</li> <li>10. Increased pass rates at the Certificate of Secondary Education Examination and Trade Certificate Examination.</li> <li>11. Increased skills availability for the labor market.</li> <li>12. Reduced unemployment amongst youth.</li> </ol>		<p>Moderately Unsatisfactory.  The systemic goals of secondary education are still largely unmet. Weaknesses, like persisting teacher shortage, caused a deterioration rather than an improvement in the exam pass rates.  In the VET system outcomes are more promising, but still too small to have a tangible impact on the availability of skilled workforce and youth employment.</p>
Sustainability	<ol style="list-style-type: none"> <li>13. Share of improved TVET center properly functioning and maintained.</li> <li>14. Absorption capacity of labor market.</li> <li>15. Active employment policies enacted.</li> <li>16. Funding of education system in line with needs.</li> </ol>		<p>Unsatisfactory.  The financial constraints of the education system are remarkable. The increase in the secondary school population enhanced the pressure on the GoT budget and during the life of SEDP the actual expenditure for pupil decreased by 10 percent.  The VET sub-sector accounts for more than half of the overall financial gap expected for the 2007/08 – 2016/17 period.  Some VET sub-projects also face sustainability issues due to sub-optimal facilities, inadequate equipment, or lack of O&amp;M capacity.  (This judgment can be mitigated if the estimated contribution to education spending of GBS is considered).</p>



Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Finance</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Share of projects completing planned activities (degree of completion).</li> <li>2. Increased capitalization of MFIs and SME lending schemes.</li> <li>3. Improved capacity of FI to deal with MSME financing.</li> <li>4. Increased staff of MFIs.</li> <li>5. Increased financial inclusion.</li> </ol>	<p>Interv. w/ PMU: 1, 3, 4, 6, 7, 8, 10, 13, 14, 16, 17</p> <p>Interv. w/ MDA: Interv. w/ AfDB: 1, 3, 9, 14</p> <p>Interv..w/ DPs: Interv. w/ stakeholders: 1, 3, 4, 6, 7, 8, 10, 13, 14, 16</p> <p>Rev. of Project docs: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17</p> <p>Rev. of CSPs: Rev. of AfDB docs: 8, 9, 12, 13, 14, 15</p> <p>Rev. of Country docs: 5, 12, 14</p> <p>M&amp;E docs &amp; reports: 1, 2, 4, 5, 6, 8, 9, 10, 15</p> <p>Datasets &amp; Indexes: 11, 12</p>	<p>Moderately Satisfactory.</p> <p>The projects analyzed generally delivered the expected results, although not to the extent planned (SELF beneficiaries reduced from 800,000 to 100,000). The private sector operations advanced relatively smoothly, while SELF was slowed down by insufficient staffing to reach out to the target regions.</p> <p>TA support proved useful for the establishment of ABT. However, it was not finalized in the case of PCGF since this was judged not in line with the client's needs.</p>
Benefits for Target Groups	<ol style="list-style-type: none"> <li>6. Job creation/maintenance.</li> <li>7. Gender parity in access to finance.</li> </ol>		<p>Satisfactory.</p> <p>The operations considered helped meet the demand of small borrowers and MFIs. The data available from SELF II and AccessBank suggest a large share of funds contributed to business growth and creating employment opportunities.</p> <p>Financial empowerment of women improved.</p>
Achievement of Sectoral Goals and Development Outcomes	<ol style="list-style-type: none"> <li>8. Increased lending / loan guarantees to SMEs and/or rural smallholders.</li> <li>9. Increased availability of SME and/or rural finance targeted products.</li> <li>10. Improved performance of MSME finance portfolios.</li> <li>11. Credit to private sector / GDP ratio.</li> </ol>		<p>Moderately Satisfactory.</p> <p>While operations were very coherent with the need to expand access to finance for MSME and an expansion of the instruments available (for example, the PCGF), the overall volume of intervention seems too small to have had a tangible effect on financial inclusion statistics. The access to finance in rural area remains low (also due to the sub-optimal performance of the finance component of projects in the agriculture sector). The credit to private sector / GDP ratio is stable and well below the Sub-Saharan Africa average.</p>
Sustainability	<ol style="list-style-type: none"> <li>12. Flow of private investment into the financial sector.</li> <li>13. Financial 'illiteracy' among MSME and the rural population.</li> <li>14. Implementation of reforms in the financial sector.</li> <li>15. Financial returns of funded schemes (portfolio-at-risk; profitability).</li> <li>16. Retention rate of trained staff.</li> <li>17. Phase-out strategy for SELF intervention.</li> </ol>		<p>Moderately Unsatisfactory.</p> <p>The main sustainability issue remains the sub-optimal financial performances of the supported schemes (with the partial exception of AccessBank). With respect to the SELF project transition to an autonomous legal entity, the SELF Microfinance Fund (SELF-MF), will ensure continuity of operations after the end of Bank and GoT support.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
<b>Estimated Overall Impact</b>			
Delivery of Expected Results	<ol style="list-style-type: none"> <li>1. Real GDP growth (by sector).</li> <li>2. GDP per capita.</li> <li>3. GoT spending on development.</li> <li>4. Reduced GoT domestic borrowing.</li> <li>5. Business environment reforms.</li> <li>6. Doing Business ratings.</li> <li>7. Global Competitiveness Index.</li> <li>8. Regional economic integration.</li> </ol>	<p>Interv. w/ PMU: Interv. w/ MDA: Interv. w/ AfDB: Interv. w/ DPs: Interv. w/ stakeholders: Rev. of Project docs: Rev. of CSPs: 5 Rev. of AfDB docs: 5, 8 Rev. of Country docs: 1, 2, 3, 5, 8, 9, 14 M&amp;E docs &amp; reports: 3, 4, 5, 9, 10, 11 Datasets &amp; Indexes: 1, 2, 6, 7, 8, 12, 13, 14</p>	<p>Satisfactory. Tanzania registered a sustained growth in the period considered, ranging from between 5 percent and 8 percent a year. The Bank's influence on this outcome focused on the beneficial impact of its major intervention in road infrastructure and budgetary support. Marginal effects occurred with regional economic integration. The country's economic growth was partly hampered by slow-downs in the business environment reform process.</p>
Income Poverty Reduction	<ol style="list-style-type: none"> <li>9. Income poverty rate.</li> <li>10. Extreme poverty rate.</li> <li>11. Rural poverty incidence.</li> <li>12. GINI coefficient.</li> </ol>		<p>Moderately Satisfactory. Overall economic growth only partly translated into direct benefits for the poor and this occurred only after 2007. Poverty levels reduced from 34.4 percent to 28.2 percent but in rural areas this still affects 10 million people. The variation of the GINI coefficient (from 39 to 36 between 2007 and 2012) indicates a small but encouraging reduction of inequalities.</p>
Non-Income Poverty Reduction	<ol style="list-style-type: none"> <li>13. Human Development Index.</li> <li>14. MDG achievements.</li> </ol>		<p>Moderately Unsatisfactory. Non-income poverty has reduced in Tanzania, albeit slowly and not in all areas. HDI is still lower than in various neighboring countries; MDG targets were partly achieved but weaknesses persist, especially on the Mainland. The Bank's contribution in this area was modest and mostly related to access to safe water.</p>

## Crosscutting Issues

Evaluation Questions			
EQ 7 - To what extent are the Bank's interventions inclusive (that is., generating prosperity by expanding the economic base across the barriers of age, gender and geography) in terms of gender equality and regional disparity?			
EQ 8 - To what extent are the Bank's interventions environmentally sustainable and how do they support the transition to green growth?			
Judgment Criteria	Indicators	Sources	Key findings and Ratings
Promotion of gender equality	<ol style="list-style-type: none"> <li>1. Degree and depth of gender analysis in CSP and project documents.</li> <li>2. Share of the Bank's interventions specifically dedicated or including components tackling gender inequality.</li> <li>3. New projects with gender-informed design.</li> <li>4. Extent of the use of the Bank's gender mainstreaming sectoral checklists?</li> <li>5. Project with satisfactory gender equality outcomes.</li> <li>6. Satisfaction with Bank's activities addressing gender issues.</li> <li>7. Impact on gender indicators of the HDI.</li> </ol>	<p>Interv. w/ PMU: 2, 6, 17  Interv. w/ MDA: 2, 11  Interv. w/ AfDB: 6, 10  Interv..w/ DPs: 6  Interv. w/ stakeholders: 6  Rev. of Project docs: 1, 2, 3, 5, 7, 8, 9, 10, 11, 13, 14, 15, 17  Rev. of CSPs: 1, 10, 10, 12, 16  Rev. of AfDB docs: 1, 4, 16  Rev. of Country docs: M&amp;E docs &amp; reports: Datasets &amp; Indexes: 7,9</p>	<p>Moderately Unsatisfactory.  As compared to previous experience recent interventions display a fairly positive quality with respect to the analysis and design of gender inclusivity, yet this does not necessarily translate into activities and achievements. The only project primarily focusing on women health is not performing well. The aggregated effect of the Bank's limited effort in this area are marginal.  Overall, the Human Development Index Report 2014, registered improvements in women empowerment and gender equality, but the Bank's interventions only made a modest contribution.</p>
Regional disparities reduction	<ol style="list-style-type: none"> <li>8. Degree of balance in the geographical distribution of interventions.</li> <li>9. Share of the Bank's initiatives covering more disadvantaged regions (for example, areas with higher incidence of poverty and unemployment).</li> <li>10. Share of the Bank's interventions specifically aimed at reducing regional economic disparities.</li> <li>11. Share and amount of assistance focusing on Zanzibar.</li> </ol>		<p>Moderately Unsatisfactory.  The Bank assistance only modestly focused on the more disadvantaged regions. The estimated distribution of funds suggests that while regions with the lowest HDI were indeed allocated a comparatively higher share of resources, the most developed regions such as Arusha, Iringa and Dar es Salaam were the major recipient of geographically-focused assistance. However, sufficient attention was paid to ensuring an appropriate focus on Zanzibar.</p>
Sustainable development and environmental protection aspects	<ol style="list-style-type: none"> <li>12. Degree and depth of environmental analysis, and green growth focus in CSP and project documents.</li> <li>13. Share of projects embedding a prior environmental assessment.</li> <li>14. Distribution of projects by environmental category.</li> <li>15. Compliance with environmental risk assessment requirements.</li> <li>16. Existence of mechanisms for monitoring progress in mainstreaming environmental sustainability in the Bank's interventions.</li> <li>17. Projects with a positive assessment on environmental and climate change sustainability.</li> </ol>		<p>Unsatisfactory.  The Bank started considering environmental and climate change issues, as well as green growth, as potentially strategic areas of work relatively recently while the few concrete interventions in this field have either only just started or are still in the pipeline. In the past, environmental issues were considered in operations only to comply with the required safeguards; there has been no active engagement, so consequently no results to report.</p>

## Efficiency

<b>Evaluation Questions</b>			
EQ 10 - To what extent are the Bank's interventions delivered in an efficient manner (that is., whether resources and inputs are economically converted to results)?			
EQ 11 - To what extent are the Bank's interventions implemented in a timely manner and in compliance with operational standards?			
<b>Judgment Criteria</b>	<b>Indicators</b>	<b>Sources</b>	<b>Key findings and Ratings</b>
Timeliness of the Bank's assistance	<ol style="list-style-type: none"> <li>1. Project duration, actual vs. planned.</li> <li>2. Share of projects with revised end-date.</li> <li>3. Distribution of delays by sector.</li> <li>4. Portfolio average age trend (by sector).</li> <li>5. Number of ageing and quasi-ageing projects.</li> <li>6. Average time-to-effectiveness.</li> <li>7. Average time to first disbursement.</li> <li>8. Distribution of causes associated with delays.</li> <li>9. Satisfaction of stakeholders with the Bank's timeliness.</li> <li>10. Bank's disbursement time.</li> </ol>	<p>Interv. w/ PMU: 2, 8, 9, 13, 14, 15, 16, 17, 18, 21, 22, 23, 24</p> <p>Interv. w/ MDA: 22, 23, 24</p> <p>Interv. w/ AfDB: 2, 8, 10, 11, 12, 15, 16, 17, 19, 20, 21, 25</p> <p>Interv..w/ DPs: 9, 16, 17, 18, 22, 23, 24</p> <p>Interv. w/ stakeholders: 22, 23, 24, 32</p> <p>Rev. of Project docs: 1, 2, 3, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 19, 26, 27, 28, 29, 30, 31, 32, 33</p> <p>Rev. of CSPs: 13</p> <p>Rev. of AfDB docs: 1, 4, 5, 6, 7, 10, 11, 25, 26, 29</p> <p>Rev. of Country docs: M&amp;E docs &amp; reports: 32</p> <p>Datasets &amp; Indexes:</p>	<p>Moderately Unsatisfactory.</p> <p>The overall duration of projects tended to regularly exceed the initial plans. In various instances the delays were significant, thus jeopardizing the overall effectiveness of the intervention. However, the average age of the portfolio has improved over time and the number of ageing projects has reduced.</p> <p>The time-to-effectiveness and to the first disbursement have often been excessive, invariably due to constraints in the procurement procedures, however, a clear improving trend is visible.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
Operational Efficiency	<ul style="list-style-type: none"> <li>11 Degree of compliance of interventions with Bank's procurement of goods and works rules and procedures.</li> <li>12 Extent of issues raised on eligibility of expenditure.</li> <li>13 Extent of terminated contracts.</li> <li>14 Extent and value of project cost savings.</li> <li>15.5. Extent of projects experiencing cost overrun issues.</li> <li>16 Extent of projects with management capacity issues.</li> <li>17 Extent of projects with procurement issues.</li> <li>18 Extent of projects with unrealistic implementation timeframe.</li> <li>19 Share portfolio managed in a decentralized manner.</li> <li>20 Bank's TZFO overall staff.</li> <li>21 Bank's staff turnover.</li> <li>22 Stakeholders' satisfaction with the Bank's staff responsiveness.</li> <li>23 Stakeholders' satisfaction with the expediency and clarity of procedures.</li> <li>24 Stakeholders' satisfaction with the clarity of TZFO's organizational matrix.</li> <li>25 Extent of support from EARC.</li> </ul>		<p>Moderately Satisfactory.</p> <p>A number of factors played a role in implementation efficiency, thereby affecting the achievement of planned results. The major issues detected include institutional counterparts' and contractors' capacity, cost overruns, and unrealistic designs.</p> <p>The Bank's frequently dealt with these issues in a responsive and effective way. Operational efficiency has improved over time thanks to decentralization and the support from EARC. In contrast, stakeholders' feedback on its procedural efficiency is more mixed.</p>
Financial and Economic Performance	<ul style="list-style-type: none"> <li>26 Average disbursement rate for completed projects.</li> <li>27 Correlation between delays and disbursement efficiency.</li> <li>28 Value of cancelled interventions.</li> <li>29 Disbursement ratio of ongoing portfolio.</li> <li>30 EIRR of completed projects (planned vs. actual).</li> <li>31 Net Present Value of completed projects (planned vs. actual).</li> <li>32 Return on Equity planned vs. actual (equity investments).</li> <li>33 Share of non-performing loans in the credit guarantees portfolio.</li> </ul>		<p>Moderately Satisfactory.</p> <p>The generally positive trends in disbursement efficiency indicators confirm the solid improvements achieved in recent years. The Bank's assistance has also become more predictability over the years. The basic indicators of economic return are positive and in line with expectations for the majority of the projects analyzed. However, in various instances, the ex-post calculation of EIRR was insufficiently robust.</p>

## Design

<b>Evaluation Questions</b>			
EQ 12 - To what extent is the quality of the CSP satisfactory?			
EQ 14 - To what extent has the Bank been innovative in adapting its approach to the country's context and development challenges/needs?			
<b>Judgment Criteria</b>	<b>Indicators</b>	<b>Sources</b>	<b>Key findings and Ratings</b>
Overall Quality of CSPs	<ol style="list-style-type: none"> <li>1. Overall degree of compliance with Quality-at-Entry principles for CSP.</li> <li>2. Inclusiveness of CSP preparation process.</li> <li>3. Degree of message integration from ESW, policy dialogue, and previous evaluations in the CSP.</li> <li>4. Clarity and consistency of CSP intervention logic (outcomes, outputs, indicators, risks and assumptions).</li> <li>5. Completeness of CSP.</li> <li>6. Distribution of operations by type and instruments over time.</li> </ol>	<p>Interv. w/ PMU: Interv. w/ MDA: 2 Interv. w/ AfDB: 2, 8, 9 Interv. w/ DPs: 2 Interv. w/ stakeholders: Rev. of Project docs: 6, 7, 8, 9, 10, 11, 12, 13 Rev. of CSPs: 1, 2, 3, 4, 5, 8, 9 Rev. of AfDB docs: 1, 2, 3, 6, 11 Rev. of Country docs:</p>	<p>Satisfactory.</p> <p>The comparative analysis of the three CSPs indicate a clear improvement over time along most of the Quality-at-Entry dimensions. The preparation process has become more participatory and the analysis of context more thorough.</p>
Innovativeness of strategic approach and focus	<ol style="list-style-type: none"> <li>7. Extent of TA accompanying interventions.</li> <li>8. Extent of the Bank's initiatives using innovative approaches and instruments.</li> <li>9. Extent of the Bank's initiatives addressing new, emerging themes.</li> </ol>		<p>Moderately Unsatisfactory.</p> <p>The Bank was innovative in taking up the JAST approach and was inspired by its principles of aid effectiveness. Yet the instrument mix and strategic focus were fairly conservative and Technical Assistance was not always sufficient.</p>
Quality in the Design of Operations	<ol style="list-style-type: none"> <li>10. Quality of risk assessment and mitigation in the design.</li> <li>11. Project readiness ratings.</li> <li>12. Project realism ratings.</li> <li>13. Clarity of design.</li> </ol>		<p>Moderately Unsatisfactory.</p> <p>The quality of intervention design was not always appropriate with respect to the analysis of risks and of potential mitigating measures. Furthermore, there were concerns about project readiness, reflected in the frequent inefficiencies that occurred at an early stage in the CSP.</p>



## Knowledge and Policy Advice

<b>Evaluation Questions</b>			
EQ 16 - To what extent has the Bank actively engaged in and influenced policy dialogue through relevant advice?			
EQ 17 - To what extent has the Bank delivered adequate analytical work in support of its interventions, positioning and policy advice?			
<b>Judgment Criteria</b>	<b>Indicators</b>	<b>Sources</b>	<b>Key findings and Ratings</b>
Level of the Bank's participation in policy dialogue and perceived effects	<ol style="list-style-type: none"> <li>1. Degree of importance of policy dialogue in CSPs.</li> <li>2. Number of policy dialogue working groups (technical and strategic) and events participated in by the Bank.</li> <li>3. Degree of partners' satisfaction with the Bank's contribution to policy dialogue and multilateralism (by sector).</li> <li>4. Evidence of GoT follow up to Bank's identified institutional / policy needs.</li> <li>5. Degree of turnover in staff conducting policy dialogue with GoT.</li> <li>6. Overall efficiency of country's dialogue structure.</li> </ol>	<p>Interv. w/ PMU: Interv. w/ MDA: 3, 4, 5, 10, 11, 13 Interv. w/ AfDB: 2, 4, 5, 8 Interv..w/ DPs: 2, 3, 5, 10, 11 Interv. w/ stakeholders: 2, 10, 11 Rev. of Project docs: Rev. of CSPs: 1, 7, 8, 9, 12 Rev. of AfDB docs: 2, 4, 6, 8, 9, 14 Rev. of Country docs: 4, 6 M&amp;E docs &amp; reports: 2, 6 Datasets &amp; Indexes:</p>	<p>Moderately Satisfactory. Despite initial weaknesses, mostly due to the limited capacity of the field office, the Bank's role in policy dialogue has grown, especially in areas where the Bank has a distinct added value and/or key strategic priorities of intervention. In some areas, the Bank played a special role in the interaction between GoT and the DP community but this was not always viewed positively by other donors.</p>
Extent of support from analytical work to the Bank's interventions	<ol style="list-style-type: none"> <li>7. Degree of focus on ESW in CSP.</li> <li>8. Number of ESW planned / actually produced.</li> <li>9. Extent of deviation of ESW products from CSP planning.</li> <li>10. Degree of awareness of relevant ESW by potential stakeholders.</li> <li>11. Perceived quality of ESW products by stakeholders.</li> <li>12. Evidence of use of the Bank's analytical work in CSP making.</li> <li>13. Evidence of use of the Bank's analytical work in the policy-making process.</li> <li>14. Comparative analysis of ESW citations in Tanzania CSP against other country's CSPs.</li> </ol>		<p>Unsatisfactory. The production of economic and sector work (ESW) was recently scaled up after many years of very marginal efforts. However, the overall visibility of ESW products and their use in strategy-making has so far remained limited.</p>

## Partnership and Leverage

<b>Evaluation Questions</b>			
<p>EQ 18 - To what extent are the Bank's interventions harmonized with those of other donors (avoiding duplication, simplifying procedures, and so forth.)?</p> <p>EQ 19 – To what extent are the Bank's interventions and resources bringing in other players and being leveraged for maximizing development effectiveness at the country level?</p>			
<b>Judgment Criteria</b>	<b>Indicators</b>	<b>Sources</b>	<b>Key findings and Ratings</b>
Bank's involvement and role in mechanisms for coordinated management among DPs and with government	<ol style="list-style-type: none"> <li>1. Appropriateness and effective functioning of DP co-ordination mechanism and the role played by the Bank.</li> <li>2. Number of DPG WG actively attended by Bank's staff (over time).</li> <li>3. Position of the Bank within the relevant WGs (as compared to added-value areas).</li> <li>4. Perceived contribution by the Bank's to DPG co-ordination mechanisms.</li> </ol>	<p>Interv. w/ PMU: 12, 17, 25</p> <p>Interv. w/ MDA: 1, 4, 9, 14, 15, 17</p> <p>Interv. w/ AfDB: 1, 2, 3, 9, 13, 14, 15, 17, 18, 24, 25</p> <p>Interv..w/ DPs: 1, 2, 3, 4, 12, 13, 15, 17, 18, 23, 25</p> <p>Interv. w/ stakeholders: 24</p> <p>Rev. of Project docs: 11, 16, 17, 20, 21, 22, 23, 24, 25</p> <p>Rev. of CSPs: 1, 13, 14, 18</p> <p>Rev. of AfDB docs: 1, 2, 3, 5, 7, 9, 11, 13, 14, 15, 19, 21, 22, 23, 24</p> <p>Rev. of Country docs: 1, 5</p> <p>M&amp;E docs &amp; reports: 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 23</p> <p>Datasets &amp; Indexes: 5, 6, 7, 8, 9, 10, 12, 19</p>	<p>Moderately satisfactory.</p> <p>The Bank has actively participated in the design and the functioning of the DP/GoT structures and processes for co-ordination and harmonization of assistance. In recent years, it expanded its involvement and acquired leadership roles in its main areas of interest (infrastructure and energy).</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
Degree of harmonization of approaches, arrangements and procedures with other DPs	<ol style="list-style-type: none"> <li>5. Overall trends according to Paris Principle / Global Partnership.</li> <li>6. Share of Bank aid flows aligned to country priorities.</li> <li>7. Actual / planned disbursement ratio.</li> <li>8. Share of co-ordinated TA on the total.</li> <li>9. Bank's use of country system.</li> <li>10. Number of Bank's parallel PIU.</li> <li>11. Share of PBO on the total assistance.</li> <li>12. Share of missions co-ordinated with DPs.</li> <li>13. Amount of analytical work coordinated with other DPs.</li> <li>14. Extent of support to country's unified statistical system.</li> <li>15. Extent of support to country's overall accountability.</li> <li>16. Share of projects with an analysis of other donors' interventions.</li> <li>17. Number and importance of cases of duplication of interventions or major gaps (sectoral level).</li> <li>18. Extent of involvement and consultation of other DP in the formulation of CSPs and program proposals.</li> </ol>		<p>Moderately Satisfactory.</p> <p>The overall performances of DP/GoT assistance frameworks were mixed but the Bank was nonetheless supportive for Tanzania's progress with respect to the Paris Declaration Principles on Aid Effectiveness (and the subsequent Global Partnership).</p> <p>At the operational level, the division of labor with other DPs generally worked well although potential synergies across interventions were seldom exploited.</p>
Degree of Leveraging of Interventions	<ol style="list-style-type: none"> <li>19. Percentage of Bank's assistance on total ODA (trends).</li> <li>20. Share of the Bank's financing as a proportion of the total value of operations.</li> <li>21. Level of co-financing from other sources.</li> <li>22. Number of the Bank's initiatives co-financed by other DPs.</li> <li>23. Amount of DP co-financing catalyzed by the Bank.</li> <li>24. Amount of private sector co-financing catalyzed by the Bank.</li> <li>25. Extent of actual partner's disbursement over allocations.</li> </ol>		<p>Moderately Unsatisfactory.</p> <p>In terms of absolute value, the Bank managed to mobilize a relatively modest amount of resources from other partners (and marginally from the private sector). Indirectly, there is some anecdotal evidence of an increased ability by the Bank to catalyze resources for GBS and SPS operations.</p>

## Managing for Result

Evaluation Questions			
EQ 20 - To what extent has the Bank successfully implemented management systems that focus on results and allow learning from past experience?			
EQ 21 - To what extent has the Bank supported the development of national capacities and management systems that focus on results?			
Judgment Criteria	Indicators	Sources	Key findings and Ratings
Uptake of Managing-for-results in Tanzania and performance	<ol style="list-style-type: none"> <li>1. Degree of adoption of MfR concept in the country strategic assistance framework.</li> <li>2. Country MfR rating (OECD).</li> <li>3. Number of initiatives to train staff of local counterparts on MfR and/or results-based management.</li> <li>4. Satisfaction with the extent and quality of MfR assistance extended to local counterparts.</li> <li>5. Extent of support provided to country's statistical system.</li> </ol>	<p>Interv. w/ PMU: 13, 16, 18, 23, 25</p> <p>Interv. w/ MDA: 3, 4, 5, 23</p> <p>Interv. w/ AfDB: 3, 13, 16, 18, 19, 25</p> <p>Interv..w/ DPs:</p> <p>Interv. w/ stakeholders:</p> <p>Rev. of Project docs: 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 24, 25</p> <p>Rev. of CSPs:5, 6, 7</p> <p>Rev. of AfDB docs: 5, 16, 24</p> <p>Rev. of Country docs:1</p> <p>M&amp;E docs &amp; reports:1, 2</p> <p>Datasets &amp; Indexes:2</p>	<p>Satisfactory.</p> <p>Tanzania was among the first developing countries to adopt a consistent Managing-for-Results (MfR) approach in its national development strategies, assistance frameworks and processes. The country MfR rating in the Aid Effectiveness Progress Report is positive but there is considerable scope to make processes more effective.</p>
Adoption of a result-based design in Bank's operations	<ol style="list-style-type: none"> <li>6. Evidence of the application of results-based management (RBM) in CSP.</li> <li>7. Evidence of use of lessons and evaluative information in CSP.</li> <li>8. Share of interventions with a proper result-based logframe.</li> <li>9. Share of the Bank's interventions with clearly spelled out, valid and complete indicators of achievements.</li> <li>10. Share of interventions with indicators not measurable due to lack of data.</li> <li>11. Share of interventions with an appropriate risk and assumption analysis.</li> <li>12. Share of interventions with an appropriate review of lessons.</li> <li>13. Share of interventions following up on identified lessons.</li> </ol>		<p>Moderately Satisfactory.</p> <p>Unlike its predecessors, the CSP 2011-15 almost fully adopted a MfR approach, consisting of appropriate logframes, an appropriate M&amp;E system, and the use of lessons for strategic orientation and design.</p> <p>The Bank's projects generally included a result-based logframe but there were frequent issues with the quality of indicators and the logical chains. The lessons from previous operations were generally reported in project appraisals albeit t sometimes in a very generic way; follow up was not always consistently observed.</p>

Judgment Criteria	Indicators	Sources	Key findings and Ratings
Quality of Monitoring and Supervision	<p>14. Share of the Bank's interventions with baseline data available/collected at the design stage.</p> <p>15. Share of the Bank's interventions with detailed monitoring data and agreed plan with Executing Agency before launch (and indicated in the PAR).</p> <p>16. Frequency of project's supervision.</p> <p>17. Quality ratings on supervision.</p> <p>18. Extent of rapidity of follow-up on identified issues.</p> <p>19. Effectiveness of supervision report in clarifying the progress in results achievement, potential issues and countermeasures envisaged.</p> <p>20. Share of projects that underwent mid-term review.</p> <p>21. Share of Bank's interventions with timely completed PCR.</p> <p>22. Share of PCR positively assessed and confirmation of ratings in PCRN.</p> <p>23. Satisfaction with the pro-activeness in dealing with problematic/slow moving projects.</p> <p>24. Value of operations at risk.</p> <p>25. Number of projects restructured, and variation in performance before/after restructuring.</p>		<p>Moderately Satisfactory.</p> <p>Supervision has become more frequent and results-oriented and the Bank has improved its ability to take the right actions to redress non-performing projects. New and more informative templates have been adopted for supervision and PCR. However, poor monitoring readiness and a lack of baselines still affect some of the Bank's interventions.</p>

## Annex C: Overview of Portfolio

#	Sector	Project	Executing Agency	Approval Year	Status of Project	Geo. coverage	Type	Total Amount - UA,000 (AfDB)	Co-financing UA,000	Amount in US\$ (,000)	Total Distributed	Disb. Rate (Jan. 2015)
1	Agriculture	Agricultural Marketing Systems Development Program	Office of the Prime Minister	2002	CLSD	Main	L+G	16,900	22,340	22,485	13,620	81%
2	Agriculture	District Agricultural Sector Investment Project	Ministry of Agriculture, Food Security and Cooperatives	2004	COMP	Main	L+G	43,000	15,015	63,047	40,059	90%
3	Agriculture	Lake Tanganyika Integrated Regional Dev. Project (Tanzania)	Lake Tanganyika Authority	2004	COMP	Multi	L	4,990	597	7,316	4,237	85%
4	Agriculture	Emergency Assistance 2006 Drought Victim	Office of the Prime Minister	2006	CLSD	CW	G	325	0	500	0	
5	Agriculture	Agricultural Sector Development Program - Phase I	Ministry of Agriculture, Food Security and Cooperatives	2007	CLSD	CW	L (PBO)	40,000	170,813	60,623	40,000	100%
6	Agriculture	Marketing Infrastructure, Value Addition and Rural Finance Support Program	Office of the Prime Minister	2011	OnGo	CW	L	40,000	65,490	64,018	10,362	27%
7	Finance	AccessBank of Tanzania (ABT) Equity I	AccessBank Tanzania Ltd	2007	OnGo **	CW	E	EURO 600	0	820	EURO 600	100%
8	Finance	CRDB Bank Partial Credit Guarantee Facility	CRDB Bank Plc	2008	CLSD	CW	Gu+G	\$ 1,225 \$ 8,000 guar.	\$ 402 \$ 2,000 guar.	\$ 1,225 \$ 8,000 guar.	\$ 220 \$ 1,890 guar.	100%
9	Finance	AccessBank of Tanzania - TA Grant FAPA	AccessBank Tanzania Ltd	2009	COMP	CW	G	430	0	660	660	100%
10	Finance	EFC Tanzania FAPA Grant	Entrepreneur Finance Center	2012	TERM or ABAN or APVD	CW	G	USD 936	\$ 2,531	936	0	0%
11	Finance	AccessBank Tanzania Limited - Equity II	AccessBank Tanzania Ltd	2013	OnGo **	CW	E	EURO 500	0	660	EURO 500	100%
12	Finance	DCB Commercial Bank	DCB	2013	TERM or ABAN or APVD	CW	L	USD 5,000	0	5,000	0	0%
13	Multi-Sector	Poverty Reduction Support Loan I (PRSL I)	Ministry of Finance	2004	CLSD	Main	L (PBO)	50,000	267,600	73,311	50,000	100%
14	Multi-Sector	ISP For Good Governance I	Ministry of Finance	2004	CLSD	CW	G	4,797	250	7,033	3,990	83%
15	Multi-Sector	Poverty Reduction Support Loan II (PRSL II)	Ministry of Finance	2006	COMP	Main	L (PBO)	50,000	385,000	73,969	50,000	100%
16	Multi-Sector	Poverty Reduction Support Loan III (PRSL III)	Ministry of Finance	2008	CLSD	Main	L (PBO)	100,000	315,200	163,362	100,000	100%
17	Multi-Sector	ISP For Good Governance II	Ministry of Finance	2010	OnGo	CW	G	5,200	260	7,690	4,701	90%
18	Multi-Sector	Governance & Economic Competitiveness Support Program – GECSF	Ministry of Finance	2011	COMP	Main	L (PBO)	100,000	0	160,045	60,034	100%
19	Multi-Sector	Governance & Economic Competitiveness Support Program – GECSF II Supplement	Ministry of Finance	2013	COMP	Main	L+G (PBO)	38,400	0	57,752	0	100%
20	Energy	Electricity V	TANESCO	2007	OnGo	Main	L+G	30,000	3,570	45,467	14,270	48%
21	Energy	Iringa -Shinyanga Transmission Project	TANESCO	2010	OnGo	Main	L	45,360	271,820	67,083	8,206	15%
22	Energy	Rusumo Hydropower - Tanzania	TANESCO	2013	APVD	Multi	L	22,408	1,000	33,701	0	0%



#	Sector	Project	Executing Agency	Approval Year	Status of Project	Geo. coverage	Type	Total Amount - UA,000 (AfDB)	Co-financing UA,000	Amount in US\$ (,000)	Total Distributed	Disb. Rate (Jan. 2015)
23	Social (Education)	Support to the Strategic Action Plan for Vocational Education and Training	Vocational Education Training Authority - VETA (Under Min of Educ. And V.T.)	2003	CLSD	Main (7 reg.)	L+G	15,820	1,780	22,162	15,071	97%
24	Social (Health)	Support to Maternal Mortality Reduction	Ministry of Health	2006	OnGo	CW (3 reg. + NZ)	L	40,000	4,440	59,175	35,040	88%
25	Social (Education)	Program in Support of Secondary Education Dev. Plan	Ministry of Education and Vocational Training	2007	CLSD	Main	L (PBO)	20,000	734,000	30,311	20,000	100%
26	Social (Micro-finance)	Small Entrepreneurs Loan Facility II (SELF II)	Ministry of Finance	2010	OnGo	CW	L	20,000	2,000	29,578	17,550	88%
27	Social (Education)	Alternative Learning and Skills Development Project - Phase II	Ministry of Education Culture and Sports	2011	OnGo	ZNZ	L	15,000	6,020	24,007	1,210	8%
28	Transport	Roads Rehabilitation/ Upgrading Project	TANROADS	2001	CLSD	Main	L	38,650	4,290	19,392	15,568	40%
29	Transport	Zanzibar Roads Upgrading Project	Ministry of Communications & Transport - Zanzibar	2004	CLSD	ZNZ	L+G	16,930	1,880	24,823	15,291	93%
30	Transport	Arusha-Namanga-Athi River Road Development Project	TANROADS (Loan) // East African Community (EAC) (Grant)	2006	OnGo	Multi	L+G	4,038	46,083	5,974	3,227	45%
31	Transport	Singida-Babati-Minjingu Upgrading Road Project	TANROADS	2007	OnGo	Main	L	60,000	23,170	90,934	55,340	92%
32	Transport	Phase 2 – Etude de projet de Chemin Fer Dar es Salaam -Isaka-Kigoli/ Keza – Musongati	Min. of Infrastructure Development (TZ)	2009	OnGo	Multi	L	1,660	250	2,577	990	60%
33	Transport	Road Sector Support Project I	TANROADS	2009	OnGo	CW	L	152,000	78,610	235,939	84,130	55%
34	Transport	Road Sector Support Project Phase II	TANROADS / MIC (Zanzibar) / Roads Fund Board	2012	OnGo	CW	L	140,000	72,780	212,457	32,518	23%
35	Transport	Arusha-Holili/Taveta-Voi Road Project	TANROADS	2013	APVD	Multi	L	79,900	8,150	120,166	0	0%
36	Water Sup/Sanit	Dar es Salaam Water Supply & Sanitation Project	Dar Es Salaam Water and Sewerage Authority	2001	CLSD	Main	L+G	38,250	76,620	42,336	33,987	89%
37	Water Sup/Sanit	Monduli District Water Supply & Sanitation Project	District Council of Monduli	2003	CLSD	Main (1 reg.)	G	15,511	1,723	21,729	14,620	94%
38	Water Sup/Sanit	Rural Water Supply & Sanitation Program	Ministry of Water	2006	CLSD	Main	L + G (PBO)	55,000	168,000	81,365	55,000	100%
39	Water Sup/Sanit	Arusha Strategic Sanitation Plan Preparation	Arusha Municipal Council	2007	COMP	Main	G	578	0	876	578	100%
40	Water Sup/Sanit	Zanzibar Water And Sanitation Project	Zanzibar Water Authority	2008	OnGo	ZNZ	L+G	27,780	5,520	45,382	24,850	89%
41	Water Sup/Sanit	Rural Water Supply And Sanitation II	Ministry of Water	2010	OnGo	Main	L+G (PBO)	64,799	135,201	95,831	59,389	91%
42	Water Sup/Sanit	Zanzibar Urban Water Supply & Sanitation	Zanzibar Water Authority	2012	OnGo	ZNZ	L	14,000	1,600	21,246	260	2%

## Annex D: Country Socio-Economic Indicators and MDG Achievements

### Exhibit D.1 Macro-economic Indicators

Indicators	Unit	2007	2008	2009	2010	2011	2012	2013	2014
GDP growth rate	percent	8.6	5.7	5.4	6.3	7.9	5.1	7.3	7
GNI per capita	US \$	330	570	630	690	720	760	840	930
Inflation (CPI)	percent	7	10.3	12.1	6.2	12.7	16	7.9	6.1
Exchange rate (annual average)	Local currency/ US\$	800.4	1963.3	1320.3	1409.3	1572.1	1583	1600.4	
Export Volume Growth (goods and services)	percent	18.9	18.6	17.4	18.7	20.7	21.3	17.6	19.5
Imports Volume Growth (goods and services)	percent	31.7	30.8	26.3	29.1	36	33.1	31.1	29.9
Current account balance	percent GDP	-8	-9	-6	-6	-12	-10	-11	-
External debt	percent GNI	30.3	29.4	36.1	39.7	42.1	42	36.7	-
Net ODA received	Million US \$	2821	2331	2933	2958	2445	2381	3430	-
	percent	10.5	8.9	10.7	9.9	7.6	7.6	8	-
Net FDI	Million US \$	581	806	1382	9526	1840	1229	1799	1872

Source: World Bank Database, URT (2013)

### Exhibit D.2 Comparative Socio-economic Indicators

Basic Indicator	Year	Tanzania	Africa	Developing Countries
Human Development Index	2014	159 <sup>th</sup> /187	-	-
Gender-Related Development Index Value	2007-2011	0.527	0.502	0.694
Population Living Below \$1.25 a Day (percent)	2008-2011	67.9	40	20.6
Population Growth Rate – Total (percent)	2013	3	2.5	1.3
Population Growth Rate – Urban (percent)	2013	4.7	3.4	2.5
Infant Mortality Rate (per 1,000)	2013	48	61.9	39.8
Maternal Mortality Rate (per 100,000)	2010	460	415.3	240
Birth attended by Trained Health Personnel (percent)	2006-2011	48.9	52.6	66.3
Access to safe water (percent of population)	2012	53.2	68.8	87.2
Percentage of Adults (aged 15-49) living with HIV/AIDS	2012	5.1	3.9	1.2
Gross Enrolment Ratio: Secondary School – Total (percent)	2012	35	47.4	69.1
Gross Enrolment Ratio: Secondary School – Female (percent)	2012	32.6	44	67.8
Land use (Arable Land as percent of Tot. Land Area)	2011	13.1	7.6	10.7
Annual Rate of Deforestation (percent)	2000-2009	0.2	0.6	0.4

Source: AfDB Statistics department database (2014), World Bank database, UN World Population Prospects: 2012 revision; UNDP, UNICEF, WHO, UNAIDS, UNSD.  
Note: for given interval, the value refers to the most recent year available during the period.

## Exhibit D.3 MDG Indicators

MDG	Indicators for Monitoring Progress	Baseline 1990	Current Status	2015 Target	Progress at a Glance
1. Eradicate extreme poverty and hunger	1.1a Proportion of population below national basic needs poverty line (%)	39	28.2 (2012)	19.5	
	1.1b Proportion of population below national food poverty line (%)	21.6	9.7 (2012)	10.8	
	1.8 a Under -5 underweight (%) (weight - for age below - 2SD)	28.8	16 (2010)	14.4	
	1.8 b Under -5 stunted (%) height-for age below 2SD	46.6	42 (2010)	23.3	
2. Achieve universal primary education	2.1 Net enrolment ratio in primary education (%)	54.2	89.71 (2013)	100	
	2.2 Proportion of pupils starting grade 1 who reach last grade of primary (%)	85 (2010)	87.2 (2013)	100	
3. Promote gender equality and empower women	3.1a Ratio of girls to boys in primary school (%)	98 (2010)	102	100 (2005)	
	3.1b Ratio of girls to boys in secondary school (%)	98 (2010)	105 (2013)	100 (2005)	
	3.1c Ratio of females to males in tertiary education (%)	22 (2006)	30 (2012)	100	
	3.3 Proportion of Seats held by women in National Parliament (%)	22.8 (2004)	35.6 (2013/14)	30	
4. Reduce child mortality	4.1 Under - five mortality rate (per 1,000 live birth)	191	81 (2010)	64	
	4.2 Infant mortality rate (per 1,000 live births)	115	45 (2012)	38	
	4.3 Proportion of children vaccinated against measles (%)	81.2	95 (2011)	90	
5. Improve maternal health	5.1 Maternal mortality ratio (per 100,000 live births)	529	432 (2012)	133	
	5.2 Proportion of births attended by skilled health personnel (%)	43.9	50.5 (2010)	90	
6. Combat HIV/AIDS malaria and other disease	6.1 HIV prevalence 15-24 years (%)	6	2 (2012)	<6	
	6.1 HIV prevalence 15-49 years (%)	6	5.1 (2012)	<5.5	
	6.7 Proportion of children under 5 sleeping under insecticide-treated bed nets (%)	16 (2005)	64 (2010)	100	
7. Ensure environmental sustainability	7.8 Proportion of population using an improved drinking water source (%)	51 (rural)	47 (rural) (2012)	74	
	7.8 Proportion of population using an improved drinking water source (%)	68 (Urban)	89 (Urban)	84	

Key to colors: ■ achieved/achievable ■ achievement probable ■ not achievable

n.a: not available

Source: HBS 2011/12; TDHS 2009/10

## Progress in MDGs at a Glance: Zanzibar

MDG	Indicators for Monitoring Progress	Baseline 1990	Current Status	2015 Target	Progress at a Glance
1. Eradicate extreme poverty and hunger	1.1a Proportion of population below national basic needs poverty line (%)	61	44.41 (2010)	30.5	
	1.1b Proportion of population below national food poverty line (%)	25	13.04 (2010)	12.5	
	1.8 a Under -5 underweight (%) (weight - for age below 2SD)	39.9	19.19 (2010)	14.4	
	1.8 b Under -5 stunted (%) height -for age below - 2SD	47.9	30.2 (2010)	23.8	
2. Achieve universal primary education	2.1 Net enrolment ratio in primary education (%)	50.9	83.7	100	
	2.2 Proportion of pupils starting grade 1 who reach last grade of primary (%)	84 (2019/10)	80 (2013)	100	
3. Promote gender equality and empower women	3.1a Ratio of girls to boys in primary school (%)	98	102 (2012)	100 (2005)	
	3.1b Ratio of girls to boys in secondary school (%)	n.a	115 (2012)	100 (2005)	
	3.1c Ratio of females to males in tertiary education (%)	50	122 (2013)	100	
	3.3 Proportion of Seats held by women in National Parliament (%)	24.0 (2005)	33.8 (2013/14)	30	
4. Reduce child mortality	4.1 Under - five mortality rate (per 1,000 live birth)	202	79 (2008)	67	
	4.2 Infant mortality rate (per 1,000 live births)	120	54 (2008)	40	
	4.3 Proportion of children vaccinated against measles (%)	91	95.8 (2009)	90	
5. Improve maternal health	5.1 Maternal mortality ratio (per 100,000 live births)	377 (1998)	279 (2010)	94	
	5.2 Proportion of births attended by skilled health personnel (%)	-	44.7 (2008)	90	
6. Combat HIV/AIDS malaria and other disease	6.1 HIV prevalence among population aged 15-24 years	0.7	0.6 (2012)	<0.7	
7. Ensure environmental sustainability	7.8 Proportion of population using an improved drinking water source (%)	68	97 (2012)	84	

Key to colors:  achieved/achievable  achievement probable  not achievable  
n.a: not available

## Endnotes

1. Full detail on methodology is provided in Annex A.
2. Source: World Bank Database.
3. The rebasing of the GDP (from base year 2001 to 2007) takes into account new transformations in the economy, such as fast-growing mobile phone communications and ongoing hydrocarbon exploration activities.
4. Tanzania Poverty Assessment, World Bank Report (2015).
5. It referred also to the equivalent Zanzibar's strategic document, that is, the Zanzibar Poverty Reduction Strategy.
6. Bank's interventions were clearly and explicitly focusing on the guiding principles of the Water Policy and the National Rural Water Supply and Sanitation Program.
7. Regional infrastructure and capacity building were identified as the two main pillars of the RISP.
8. The level of Bank assistance's fragmentation was even modest when compared to other DPs. The Bank was active in seven JAST areas, while the World Bank was active in 19, UNDP in 14, Japan in 12 and Belgium in 11 JAST areas.
9. For example, the border-crossing multinational Arusha-Namanga-Athi River and Arusha-Holili/Taveta-Voi projects, and the Lake Corridor component (Kagoma-Lusahunga) under the Roads Rehabilitation/ Upgrading Project.
10. The Accelerated Co-financing Facility for Africa (ACFA) provided joint project financing from JICA on concessional terms. AfDB is responsible for project appraisal and loan administration services.
11. TANROADS (2015), Good Roads for National Development - 2nd Quarter Progress Report for FY 2014/2015, Dar es Salaam.
12. The figure includes the Singida-Babati-Minjingu road, the Tanzanian component of the Arusha-Namanga-Athi River, and a pro- quota share of the RSSP1, based on the 55 percent completion rate reported at end 2014. It does not include the Roads Rehabilitation/ Upgrading Project, since its trunk component was cancelled and later completed by the GoT, as well as previous interventions by the Bank's which are outside of the scope of this CSPE, and two recent ones (RSSP2 and Arusha-Holili)
13. In particular in the districts covered by the AMSDP, ASDP I, and DASIP programs
14. More details on socio-economic impacts registered at project level are available in the CSPE Technical Report.
15. In 2011, the pending backlog was estimated at TZS 1,555 billion for the trunk and regional road network, and TZS 181 billion for the local road network.
16. The counting includes also the GECSP Supplement, which was formally a GBS (multisector) operation, but this de facto targeted TANESCO financial constraints and their fiscal implications.
17. Two of the three components of PSRGSP address energy sector reforms, namely: (i) Strengthening the institutional framework and operational efficiency of the power sector; and (ii) Enhancing competition and private sector participation in the power sector.
18. Energy loss is the difference between the quantity of energy dispatched from the power stations and the quantity sold to the various customers at the end of the value chain. It can be a technical or non-technical loss.
19. Big Results Now! 2013-14 Annual Report.
20. The recently concluded DASIP project has not yet completed many of its most important activities, such as the construction of five 'strategic' markets along with numerous irrigation projects still in preparation.
21. Source: World Bank final report.
22. Based on HBS data. The figure from 2011/12 is drawn from the recent World Bank's report "Tanzania Mainland Poverty Assessment", 2015. This report recalculated the HBS 2007 figure to make it comparable to the 2011/12 figure, due to some methodological differences. The review adjusted the 2007 figure to 34.4 percent.
23. Revolutionary Government of Zanzibar (2011), Household Budget Survey 2009/10, Office of Chief Government Statistician, Zanzibar.
24. These weaknesses added up to more determinant factors related to weather and drought, which affected agriculture in some of the years considered.

25. That is, some TZS 578 billion, out of a total of TZS 7,618 billion (author's calculation based on data from Aid Platform Management, the Joint Evaluation of Budget Support to Tanzania, and relevant operations' PAR). The Bank was the third-largest contributor after the World Bank and DfID, and in line with the EU and SIDA.
26. Source: The World Bank, World Development Indicators, 2014.
27. If scored under the current situation in procurement, however, it is expected the same indicator would record significant improvements.
28. ITAD, ADE, COWI (2013), Joint Evaluation., Vol. 1, p.32.
29. The Bank possibly accounts for about 30 percent of the total assistance in this sub-sector. An overview of the DPs supporting VET in Tanzania is published on VETA website: <http://www.veta.go.tz/index.php/en/others?sid=7>
30. SELF had to reduce its target dramatically (from 800,000 to 100,000 beneficiaries); the total outstanding loans of AccessBank in 2012 were about 15,000; some 275 SMEs took advantage of the Partial Credit Guarantee Fund of CRDB.
31. SELF loans reportedly contributed to creating/maintaining some 228,000 full-time jobs (including borrowers') and 403,000 temporary or part-time jobs, while ABT operations have contributed to an estimated 60,000 jobs. Some 56.5 percent of SELF ultimate borrowers are women, and the share of women-client of ABT increased more than threefold in the period covered by the Bank's intervention.
32. Rural finance is also a component of agriculture projects (such as MIVARF), under the responsibility of IFAD. However, to date there is no evidence of significant activities and results from these components.
33. For instance, the TA assistance to CDRB was not finalized since it was judged not entirely in line with client's needs.
34. AfDB (2011), Evaluation of Policy Based Operations in the African Development Bank, 1999-2009 - Country Case Study: Tanzania, High Level Evaluations Division (OPEV.2), Tunis.
35. Support for Tanzania's transition to green growth (2) A maritime safety study, which has already been requested by the authorities in light of several recent maritime accidents in the Indian Ocean.
36. This finding does not apply to the energy sector Roadmap, which does not qualify as economic and sector work.
37. See: AfDB Operational Evaluation Department, "Review of the African Development Bank's Economic and Sector Work (2005-2010)", 2013.
38. An in-depth analysis of the HBS data is provided in the Tanzania Mainland Poverty Assessment of the WBG (2015).
39. The World Bank (2015). Tanzania Mainland Poverty Assessment
40. It should be noted that HDI also encompasses some income-related dimensions.
41. Zanzibar ratings on MDG are comparatively better than the Mainland's ratings, especially as concerns gender equality, drinking water, and combating diseases.
42. The initial completion dates were December 2011 (Electricity V) and December 2013 (Transmission backbone).
43. The Bank considers a project to be ageing eight years after approval.
44. The analysis comprised the multinational operations relevant for the CSPE analysis. Private sector operations were not considered to avoid distorting the comparability of the indicator over time.
45. AfDB (2015), CSP 2011-15 Completion Report, Dar es Salaam.
46. See: AfDB (2014), Evaluation of Bank Assistance to Small and Medium Enterprises (2006 – 2013) - Evaluation Summary Report, Independent Development Evaluation (IDEV), Tunis.
47. In fact, the sub-sample of projects with disbursement rates below 80 percent had higher than average time-lapse between approval and first disbursement (some 29 months on average).
48. Source: the Global Partnership database.
49. For instance the PCR Note of the AMSDP project reads: "The recalculated EIRR, though relatively high, is overrated because of the unrealistic nature of some of its assumptions. (...)" The PCR rating was consistently lowered from four to three.
50. A study conducted of more than one thousand World Bank's projects showed that some 80 percent of interventions with adequate QaE successfully delivered the desired outcome, while poor QaE was associated with 65 percent of unsuccessful projects. Morra L.G., Thumm U.R.W. (cited in AfDB), 1997, Independent Evaluation of Quality at Entry for ADF-11 Operations and Strategies Information, Background paper for ADF-11 Mid-Term Review, Helsinki.



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51. "Alignment and ownership" as well as "selectivity" aspects are addressed in depth under relevance. "Monitoring and risk assessment" are dealt with in MfR below.
  52. Especially in the cases of SEDP and ASDP, the Bank acted more as follower than initiator. With respect to WSDP, the situation is more nuanced, since the rural WatSan program was already ongoing when the sectoral basket was created, and the Bank was among its main contributors. Therefore, although not an imitator of the program in the strict sense, it is likely to have had a role in shaping the rural component of the program and in attracting other co-financers who may well have been potentially reassured by the Bank's significant involvement. That said, the Bank did not chair any of the corresponding WGs and in this sense, its catalytic role (if any) was possibly informal and not quantifiable.
  53. Power Sector Reform and Governance Support Program (PSRGSP), 2015.



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## About this Evaluation

This summary report presents the results of an independent evaluation of the Bank's development assistance to Tanzania during the period 2004 – 2013. It covered three Country Strategy Papers: 2002 – 2004/5, 2006-2010 and 2011-2015. The evaluation will inform the new Country Strategy Paper 2016-2020 and provide inputs to the Comprehensive Evaluation of the Bank's Development Results (CEDR). The purpose of the Evaluation is to i) assess the development results of the Bank's assistance to Tanzania, and in particular the extent to which the Bank's interventions have made a difference in the country and ii) suggest lessons and potential improvements to support the design and implementation of the new Country Strategy Paper (CSP) 2016-2020.



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