United Nations Development Programme

UNDP

United Nations Development Programme

Tanzania Country Office

Project Document

Award Title:	ID 61972	
UNDAP Outcome:	2: GoT leads more effective aid management and aid coordination	
UNDAP Output:	2.1.1: Technical consultation with stakeholders and FA to MoF to draft and implement and action plan for TA. 2.2.1: TA to MDAs and MoF to maximize the use of the AMP and links to the MYEF. 2.2.2: Provide secretarial services to the DP group, establish a regular aid dialogue structure for Zanzibar, facilitate UN support to GoT leadership in Dialogue Structure, support alignment of donor assistance with MKUKUTA/MKUZA II objectives.	
Key Results Area (UNDP Strategic Plan):	Strategic Plan results area B (Principles and approaches for development effectiveness: national ownership, effective aid management, and South-South cooperation. Key results area: 63 (Effective aid management).	
Project Titles: *Linked to the UNDAP key actions*	**Project ID/ Title:**	**Project ID/ Title:**
	00079142 - Enhancing Aid Management Capacity in Tanzania	00079143 - Enhancing Aid Management Capacity in Zanzibar
Project Output(s): *Those that will result from the project and extracted from the activities under key actions in the UNDAP*	1) JAST II approved and implemented with Mutual Accountability framework and coherence of GoT engagement in international AE fora strengthened. 2) Budgeting cycle, aid management systems and aid policy dialogue enhanced for stronger Government leadership of the national development framework. 3) Institutional capacity of Ministry of Finance to lead project implementation enhanced.	1) Analytical and aid coordination capacity strengthened for stronger RGoZ aid management leadership. 2) RGoZ leadership in aid coordination and strategic dialogue with key stakeholders over Zanzibar development priorities enhanced.
Implementing Partner: *This refers to the key IP(s) indicated in the UNDAP*	Ministry of Finance URT (MoF)	President's Office Finance, Economy and Development Planning (POFEDP)
Responsible Parties: *Other partners responsible for project activities under agreement with the IP*	N/A	N/A

Brief Description

The project is part of a two-pronged approach towards enhancing aid effectiveness in Tanzania together with the DPG Secretariat project (NEX). The project focuses on capacity development support to Government of Tanzania and the Revolutionary Government of Zanzibar in aid management in order to enhance the effectiveness of aid delivery in Tanzania through i) improving DP alignment to national priorities; ii) improve aid management systems; iii) strengthen Government leadership in Dialogue Structure.

Programme Period:	2011-2015	Total resources required:	4,200,000
		Total allocated resources:	2,900,000
UNAP Action ID:	470	Regular	2,100,000
Atlas Award ID:	61972	• Other:	
		○ One UN Fund	800,000
Start date:	01-11-2011	○ Donor	
		○ Donor	_____
End Date :	30-06-2015	○ Government	_____
		To be mobilised:	1,300,000
PAC Meeting Date:	14-11-2011		
Implementation Modality:	NEX Modality		

Funding Agreement

UNDP and the Implementing Partner (IP) have mutually agreed to implement the Project as part of the UNDAP in accordance with UNDP's rules and regulation as well as the Government of Tanzania's norms and procedures for nationally executed projects. UNDP and the IP hereby understand that the project will be implemented on the basis of an estimated budget as per the cover page over 2011-2015 conditional to the mobilization of resources up to the said amount in the budget. Thus, in the event that resources mobilized do not meet the estimated budget, UNDP and IP will review project activities with the view to prioritise activities that could maximise delivery of outcomes.

Signature:

MoF, POFEDP and mutually agree to the terms above in pursuing effective implementation of the project

MINISTRY OF FINANCE
P. O. Box 9111
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25/11/2011

Dr. Servacius B. Likwelile, Acting Permanent Secretary,
Ministry of Finance, GoT.

Date

Mr. Khamis M. Omar, Principal Secretary,
President's Office Finance Economy and Development Planning, Zanzibar
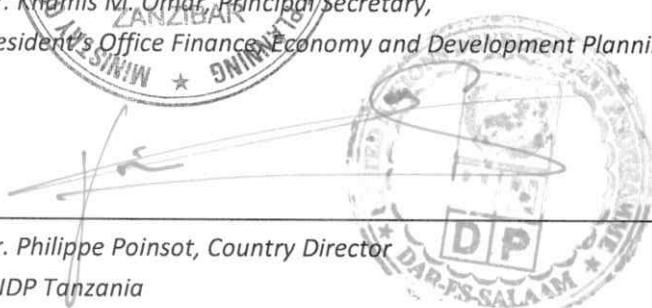
25/11/2011

Date

Mr. Philippe Poinsot, Country Director
UNDP Tanzania

2/12/2011

Date

1. Project Rationale

Introduction

One of the key indicators of development effectiveness is the alignment of aid flows with national priorities and strategies. UNDP is committed to supporting partner countries in enhancing effective aid management, in line with resolution 62/208 which calls on United Nations organizations to further strengthen the capacity of developing countries to make better use of the various aid modalities. Specifically, UNDP's role in supporting the strengthening of aid management systems is founded on a number of key areas of intervention: alignment with national policies and plans; greater harmonization within the UN and among development partners; coordinated support for national capacity development strategies; enhancing the utilization of national systems of accountability and results management; and facilitating peer review mechanisms and mutual accountability. UNDP's support furthermore builds on a global network for capacity development in aid effectiveness in more than 160 countries through Headquarter specialists, Regional advisors and country level specialists and implementers.

Aid Effectiveness initiatives in Tanzania and emerging trends

Tanzania has made great strides towards enhancing aid effectiveness and harmonization and alignment of aid. Since the production of the Helleiner Report in 1995, there has been an increased focus on the identification of measures that can be taken to make development assistance more effective and efficient. This has been prompted by the realization that, despite significant progress in improving the Government-donor cooperation, the transaction costs of aid – in terms of Government time devoted to managing aid cooperation – are still unacceptably high with challenges existing around further deepening the aid effectiveness reform through a stronger results-oriented engagement and improvement in the quality of dialogue with other development stakeholders. This focus is underpinned by the results of the 2011 Paris Declaration Survey noting that although significant progress has been made towards some of the key principles of Paris, further efforts are needed in strengthening the consolidation of the harmonization and alignment agenda.

Similarly, the 2010 Independent Monitoring Group report noted growing concerns by Government as well as Development Partners and other stakeholders about challenges in the development cooperation related to mutual trust, quality of dialogue, and pace of reforms of development management systems. These concerns – supported by the findings of the 2010 Tanzania Independent Monitoring Group and to some extend also backed by the 2011 Paris Declaration Survey - have been translated into a Roadmap which seeks to improve the development cooperation in Tanzania. The following areas are seen as pertinent:

1. Improving ODA management and aid on budget (incl. operationalisation of the Aid Management Platform and the budget planning process);
2. Improving the effectiveness of aid modalities (incl. revision of the Joint Assistance Strategy for Tanzania together with a strengthening of the GBS, basket and project modality instruments);
3. Strengthening the quality of dialogue, mutual trust and aid architecture (improve operationalisation of the Dialogue Structure and the level of engagement of GoT and DPs).

Similarly and in addition to some of the challenges faced by the union Government, the Revolutionary Government of Zanzibar has raised a number of concerns over the manner in which aid is provided, negotiated and coordinated in Zanzibar. In particular the following areas have emerged:

*   Capturing aid flow data remains a significantly challenge for the President's Office Finance, Economy and Development Planning Zanzibar (POFEDP).
*   Linkages between central government and MDAs are weak which reduces aid coordination and management capacity of RGoZ as a whole.
*   ODA flows to Zanzibar are mainly channeled through off-budget project financing arrangements.

Justification and motivation

UNDP has since the mid 1990'ies played a central role in supporting Government and Development Partners' efforts to enhance the effectiveness of aid delivery and cooperation through high-level advisory

services on improving aid harmonization and coordination among DPs, and strengthening aid management capacity in Government. From 2008, two UNDP projects have been implemented by Government under the National Execution Modality: 1) The Support to the Development Partners Group Secretariat – *DPG Secretariat;* and 2) Support to Capacity Building for External Resources and Development Management – *CB-ERDM project.*

In 2010, UNDP commissioned an independent assessment of the support of the two UNDP projects supporting the aid effectiveness agenda in Tanzania (DPG Secretariat and the *CB-ERDM* project supporting MoF/POFEDP). The assessment found that although both interventions had successfully supported an improved DP coordination and Government aid management capacity, further and a broader scope of interventions would be needed to harvest greater achievements in reduced transaction costs, improved quality of dialogue and delivery of tangible results.

Recognising the shift needed in the efforts to enhance the effectiveness of aid while reducing transaction costs in the long run, accelerated steps are essential for stronger and more efficient Government leadership in both driving national reforms but also nurturing the momentum needed among Development Partners to efficiently change *business as usual* in ODA delivery.

With the conclusion of the Paris Declaration process 2005-2010 as underpinned by the Paris Declaration Survey 2011 as well as the Paris Declaration Evaluation 2011, it is clear that much progress has been made, particularly in partner countries, while DP HQ reformation of aid delivery modes are trailing behind. As such UNDP will in tandem with other initiatives under the UNDAP, comprehensively support Government's efforts to broaden and deepen the aid reform in Tanzania.

2. Project Description

The intervention builds on two projects with concrete activities and outputs planned for both Ministry of Finance URT and the President's Office Finance, Economy and Development Planning, which collectively aim to enhance Government's capacity to lead a more effective aid management and aid cooperation. Under the United Nations Development Assistance Plan these efforts derive from: a) Formulation and implementation of a strategy for aid effectiveness (*UNDAP Output 2.1*); and b) enhancing the national aid management system (*UNDAP Output 2.2*). The expectation is that Government after a four-year period will have significantly strengthened its capacity to managing ODA flows, AMP roll-out, and enhance the effectiveness of the Dialogue Structure.

Given the cumulative results of the current and previous interventions, emphasis has been placed on sustainability of actions and a gradual transfer of ownership towards Government financing. To this end, the four-year support outlined in the below is expected to stimulate a transformational change for some of the central instruments in the aid cooperation to provide firmer Government leadership and national ownership in the medium-term in line with MKUKUTA II and Vision 2025.

The support to Ministry of Finance URT (*Project ID 00079142*) incorporates three output areas implemented through 5 clusters of activities:

1. Formulation and implementation of a revised Joint Assistance Strategy for Tanzania II, which aims at strategically enhancing the operationalisation of the aid reform in Tanzania through a gradual stronger involvement of MDAs in promoting an driving the aid effectiveness agenda in consultation with DPs.

2. Strengthen Ministry of Finance URT's involvement in and policy coherence of inputs made to the international Aid Effectiveness debate as part of the wider UNDCF, OECD/DAC and AU fora. As such, Tanzania will claim a significantly more central position as a centre of learning tapping into other country experiences/best practices through exposure visits, building ODA analysis and assessment capacity in MoF and supporting the production of position papers, country messages and publications.

3. Deepen and broaden roll-out and operationalisation of the Aid Management Platform in order to strengthen Government budget cycle, ODA management and predictability of ODA through MDA-wide accessibility and reporting in the AMP, linking AMP closer to GoT budget cycle, IFMS and expenditure reporting. Institutionalisation of continuous capacity building support from MoF to all key stakeholders (DPs and MDAs) will further ensure that data quality is improved and sustained.

4. Further strengthening of GoT leadership capacity to facilitate an improved operationalisation of the Dialogue Structure, which aim to incorporate dialogue around MKUKUTA II implementation, public expenditure reviews and specific activities linked to the General Budget Support instrument will be supported.

5. Lastly, efforts building on MoF wider capacity to manage aid cooperation will be supported in order to ensure effectiveness and quality in project cycle management, drawing on most recent international trends/solutions, actively promoting learning and knowledge sharing among peer countries.

In parallel to the activities undertaken by Ministry of Finance URT, a number of specific interventions will be carried out by the President's Office Finance, Economy and Development Planning (*Project ID 00079143*) aiming at addressing capacity building around areas where challenges of aid management in Zanzibar have been identified. The support incorporates two output areas that are implemented through:

1. Strengthen capacity and skills in POFEDP to effectively analyse aid flow information, basket financing management and coordinate DP engagement in Zanzibar. This will include widening POFEDP capacity to manage aid data in order to strengthen MTEF and budget cycle processes as well as overall aid predictability and accountability:

2. Support POFEDP engagement with DPs in order to strengthen coordination efforts as well as to facilitate greater alignment to RGoZ priorities as well as strengthening the strategic approach taken by RGoZ to improve the effectiveness of aid cooperation and results through greater alignment to MKUZA II priorities.

Complementary to the support provided to Government, UNDP has been hosting a Secretariat for the Development Partners Group since 2004, which has played a key facilitative and advisory role in advancing the aid effectiveness agenda in Tanzania in close cooperation with Ministry of Finance/External Finance Department, the DPG Main and the JAST working group. A new phase of support to the Development Partners Group is being carried out under the UNDAP outcome area 2/activity 2.3. Specifically and building on the experiences gained during the past 7 years, the support aims at improving aid coordination and harmonization within the DPG in order to strengthen the engagement of the DPG in the implementation of the JAST and wider aid reform agenda while simultaneously providing advisory services to key Government institutions, most notably Ministry of Finance URT as well as Ministry of Finance and Economic Affairs of the Revolutionary Government of Zanzibar.

The support to the DPG Secretariat and the wider capacity support to MoF and POFEDP will be implemented in full coordination to ensure that complementarities and synergies are appropriately incorporated.

United Nations Development Programme

3. Multi Year Results and Resources Framework

Enhancing Aid Management Capacity in Tanzania (ID 79142)

UNDAP Outcome: (2) GoT leads more effective aid management and aid coordination

Expected UNDAP Output:

2.1 National strategy and action plan for aid effectiveness adopted and implemented for Government and DPs.

2.2 Aid management system improved to better incorporate reporting and dissemination of relevant ODA data.

Key Results (UNDP Strategic Plan 2008-2012):

Results area B/63 – effective aid management)

UNDAP Key Action

2.1.1: Technical consultations with stakeholders and financial assistance to MoF to draft and implement action plan.

2.2.1: Technical assistance to MoF and MDAs to maximize the use of the AMP and strengthen links to the Multi-Year Expenditure Framework.

Project Title, Project ID:

Enhancing Aid Management Capacity in Tanzania (ID 79142)

Intended Outputs	Indicative Activities	Output Targets (Years)	Responsible Party	Inputs and Budget
Output 1: JAST II approved and implemented with Mutual Accountability framework and coherence of GoT engagement in international AE fora strengthened. **Baseline:** Implementation of JAST I only partially achievement. **Indicators:** -MDA leadership in aid reform through appointment and training of AE Focal	(i) Develop JAST II incl. monitoring and reporting framework: - Prepare and finalize JAST Implementation Report 2006-2011. -JAST II development through consultative process with DPs, MPs, CSOs and other non-state actors. - Roll out of JAST II to MDA development effectiveness focal points and Directors of Policy and Planning. - Prepare Annual JAST II implementation reports. - Independent Monitoring Group assessment. - Undertake studies facilitating the aid reform such as assessing the project modality alignment to national priorities.	Targets (year1): -Assessment of and recommendation for improving project modality alignment to national priorities. -JAST Implementation Report Targets (year 2): -All MDA Development Effectiveness focal points trained. -JAST II Annual Report and mutual accountability assessment. Targets (year 3): -Midterm review of JAST II and IMG assessment of the development cooperation. -JAST II Annual Report and MA assessment.	MoF	Consultants, printing/publishing, trainings, conference facilities. USD 400,000

		Targets (year 4): -Midterm review recommendations implemented. -JAST II Annual Report and MA assessment.		
Points. -Number of annual JAST II targets reached. -Tanzania actively leading Mutual Accountability dialogue in OECD/DAC, UN and AU.	(ii) GoT pro-actively leads international and regional dialogue on Mutual Accountability: -Facilitate joint Partner Country MA statement for Busan. -Strengthen analytical capacity in EFD to produce regional messages on Mutual Accountability for UN, and OECD/DAC fora. -Facilitate coherence between UNDCF, OECD/DAC and AU. -Undertake annual exposure visits to learn from regional players in strengthening development effectiveness and mutual accountability.	Targets (year1): -GoT leads MA discussions in Busan HLF. -GoT participates actively in post-Busan fora. Targets (year 2): -Exposure visit and key actions developed. -GoT contributes to global MA process through lessons learnt in Tanzania. Targets (year 3): -Exposure visit and key actions developed. -GoT contributes to global MA process through lessons learnt in Tanzania. Targets (year 4): -Exposure visit and key actions developed. -GoT contributes to global MA process through lessons learnt in Tanzania.	MoF	Consultants, publications, communication, travel costs and per diem. USD 200,000
Output 2: Budgeting cycle, aid management systems and aid policy dialogue enhanced for stronger Government leadership of the national development framework. Baseline: -Centralized AMP system and weak MTEF dialogue at sector level. -Dialogue Structure only partially implemented. Indicators: -Volume of ODA disbursed through Exchequer. -Number of DPs updating AMP on a	(i) Strengthen roll-out and operationalisation of AMP to inform budgeting process and ODA management: -Development Gateway Foundation Service Contract and implementation of AMP upgrade version. -Roll out of AMP to MDAs. -Bi-annual AMP training sessions for DP AMP Focal Points and MDA officials. -Expand the number of AMP administrators in MoF/EFD. -Monthly AMP flash reports with aid data analysis. -Assess and pursue options for automated disbursement information feeds from IFMS to AMP. -MoF and MDAs facilitate sector MTEF dialogue based on AMP data with DPs bi-annually. -Assessments of predictability of aid, MTEF and budget cycle management to inform budgeting and DP MTEF process.	Targets (Year 1): -6 MDAs equipped and trained in AMP management. -1 annual AMP report published and 4 monthly flash reports. - 5 MoF AMP administrators trained. Targets (Year 2): -6 MDAs equipped and trained in AMP management. -1 annual AMP report and 8 monthly flash reports published. -1 assessment of AMP roll-out compliance. -5 MoF AMP administrators and 1 MoF IT super-user trained. Targets (Year 3): -4 MDAs equipped and trained in AMP management. -Implementation of AMP roll-out assessment report recommendations. -1 annual AMP report and 10 monthly flash reports published.	MoF	Service fee for Development Gateway Foundation, consultants, trainings, conference facilities, travel. USD 800,000

quarterly basis. -Number of MKUKUTA/PER meetings per year.	-Assess and implement key actions to strengthen AMP system efficiency. -Peer learning exposure visit. Targets (Year 4): - AMP sustainability management plan and strategy for financing AMP developed by MoF/EFD. -Peer learning exposure visit. -Evaluation report of AMP roll-out. -1 annual AMP report, 12 monthly flash reports published.	MoF	TA/Consultants, printing/dissemination, conference facilities, travel. USD 420,000
	(ii) Strengthen GoT leadership capacity to facilitate full operationalisation of the Dialogue Structure: -Re-align Dialogue Structure to national development framework and assess appropriateness of existing structures and groups. -Train MDAs and DPs to engage more efficiently in Dialogue Structure (timeliness of meetings, sharing information, Code of Conduct for good behaviour, coordinating functions of GoT Chairs and DP leads). -Arrange annual refresher seminar for GoT Chairs and DP Leads to discuss dialogue priorities and mutual expectations. -Assessment of GoT capacity constraints in operationalization of Dialogue Structure. -Analytical and TA support to GoT MKUKUTA/PER and Cluster Chairs and secretariats. -Monitor operationalization of Dialogue Structure. -Arrange annual introduction courses for GoT DPPs and DP newcomers.	Targets (Year 1): -Capacity support to GoT MKUKUTA/PER Main leadership. -Assessment of GoT capacity constraints. -ToRs for all WGs -1 JCG meetings and 6 MKUKUTA/PER Main meetings. Targets (Year 2): -PER process revamped. -Capacity assessment of GoT CWG Leads and support provided. -2 JCG meetings including final agreement on Annual National Policy Dialogue event. Targets (Year 3): -Assessment of TA to MKUKUTA/PER and CWG leads and formulation of sustainability plan. -Independent assessment of Dialogue Structure operationalization. Targets (Year 4): -Capacity support to GoT MKUKUTA/PER and CWG leads fully integrated in respective MDA organisational structures. -Adjustment of Dialogue Structure operationalization as per independent assessment.		
Output 3: Institutional capacity of Ministry of Finance to lead project implementation enhanced. *Baseline:* Uncoordinated use of exposure visits,	(i) Institutional support and capacity building of External Finance Department. - Training in project cycle management. - Exposure visits and preparatory work for international conferences. -Strengthen culture of South-South Cooperation. -Institutional support and knowledge building. -Project monitoring.	Targets (year1): -GoT consultation on preparatory work for UN and other high-level meetings conducted. - Exchequer system disbursements of UNDP funding facilitated. Targets (year2): -Peer learning exposure visit.	MoF	Travel, equipment, conference facilities. USD 560,000

Enhancing Aid Management Capacity in Zanzibar (Project ID 79143)

UNDAP Outcome: (2) GoT leads more effective aid management and aid coordination.

Expected UNDAP Output:

2.1 National strategy and action plan for aid effectiveness adopted and implemented for Government and DPs.

2.2 Aid management system improved to better Incorporate reporting and dissemination of relevant ODA data.

Key Results (UNDP Strategic Plan 2008-2012):

Results area B/63 – effective aid management)

UNDAP Key Action

2.1.1: Technical consultations with stakeholders and financial assistance to MoF to draft and implement action plan.

2.2.1: Technical assistance to MoF and MDAs to maximize the use of the AMP and strengthen links to the Multi-Year Expenditure Framework.

Project Title , Project ID:

Enhancing Aid Management Capacity in Zanzibar (Project ID 79143)

Intended Outputs	Indicative Activities	Output Targets (Years)	Responsible Party	Inputs and Budget
Output 1: Analytical and aid coordination capacity strengthened for stronger RGoZ aid management leadership. **Baseline:** Low RGoZ capacity to effectively implement reform of aid management. **Indicators:** - Completion rate of Capacity Building Plan. - Number of basket financing agreements established. - Number of DPs updating AMP on a quarterly basis.	(i) Build analytical and data management capacity in Department of External Finance through advisory support: -Undertake capacity assessment and develop CB program. -Train DEF officials in aid flow analysis, aid management and coordination tools, DP engagement, report writing, finance management. -Strengthen division of labour in DEF with specialised focal points for DPs, AMP, MTEFs, and MDA support. -Support and draw lessons from basket management capacity building, incl managing MoU, basket financing setup, coordination with relevant MDAs, reporting, audit standards and DP fundraising.	Targets (year1) -Capacity Assessment of DEF finalised and action plan developed. - Preparatory work and institutional setup for health basket completed. Targets (year 2) -Efficient implementation of Health Basket and lessons learnt developed. -Capacity building program developed for DEF staff. Targets (year 3) -2 basket funded programs under implementation. -DEF staff operates AMP without advisory support. -Zanzibar Aid Policy assessed and action plan developed. Targets (year 4) -Aid analysis reports conducted by DEF. -Assessment of Zanzibar basket support modality and action plan for recommendations developed.	POFEDP UNDP	Advisory support, consultancies, conference facilities, travel. USD 1,000,000
	(ii) Strengthen RGOZ Aid Management Platform and capacity for aid data analysis.	Targets (year1) - 2 MDAs equipped and trained in AMP management. -1 annual AMP report published.	POFEDP	Procurement of goods, services and equipment.

Description	Targets	Responsible	Inputs	Budget
- AMP gradual roll-out to MDAs incl. installation, equipment and AMP training and troubleshooting. - Train MDAs in aid analysis, data management, aid report writing and publishing of sector annual AMP report. -Produce Annual AMP reports and quarterly AMP Flash Reports. -Develop AMP sustainability plan.	**Targets (year 2)** -8 MDAs (cumulative) equipped and trained in AMP management. -1 annual AMP report and 4 monthly flash reports published. -Assessment of AMP roll-out compliance. **Targets (year 3)** -16 MDAs (cumulative) equipped and trained in AMP management. -Implementation of AMP roll-out assessment report recommendations. -1 annual AMP report, 6 monthly flash reports published. **Targets (year 4)** -RGoZ AMP sustainability management plan and strategy for financing AMP developed. -Evaluation report of AMP roll out. -1 annual AMP report, 4 annual flash reports published.			USD 180,000
Output 2: RGoZ leadership in aid coordination and strategic dialogue with key stakeholders over Zanzibar development priorities enhanced. **Baseline:** No comprehensive strategy for enhancing RGoZ aid effectiveness. Uncoordinated and infrequent engagement with and coordination of DPs. **Indicators:** Number of technical sector meetings with DP focal points. Completion rate of RGoZ Aid Policy and Action Plan. (i) Strengthen dialogue between RGoZ and DPs: -Arrange Quarterly technical sector coordination meetings for MDAs and relevant DPs; -Support MDAs' coordination of and engagement with sector DPs through aid flow analysis, AMP reports, preparatory RGoZ consultations and results-oriented report writing. -Support RGoZ involvement in existing structures for coordination and dialogue.	**Targets (year1)** -Framework for URT-RGoZ-DP technical and high-level dialogue clarified. -4 technical meetings with DP focal points annually. -Participation in and dissemination of key lessons to MDAs, CSOs from HLF Busan. **Targets (year 2)** -Implement agreement for technical and high-level interaction with DPs. -4 technical meetings with DP focal points annually. **Targets (year 3)** -4 technical meetings with DP focal points annually in Zanzibar. -Assessment of quality of dialogue RGoZ-DPs and action plan for improving engagement. **Targets (year 4)** -4 technical meetings with DP focal points annually in Zanzibar. -Sustainability plan for engagement with DPs developed.	POFEDP	Travel, consultants, publications, conference facilities.	USD 120,000
(ii) Develop and implement RGoZ Aid Policy and Strategy.	**Targets (year1)** -RGoZ Aid Policy and Strategy developed and approved.	POFEDP	Consultants, publishing,	

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-Support implementation of Aid Policy - Facilitate MDA policy coherence and alignment of project aid to RGoZ priorities through sector coordination and policy guidance to DPs. -Results-oriented monitoring of Aid Policy implementation.	-Action plan for greater project modality alignment developed. Targets (year 2) -MDAs capacity to implement RGoZ Aid Policy enhanced. Targets (year 3) -Implementation review of RGoZ Aid Policy and Strategy Targets (year 4) -Evaluation of RGoZ Aid Policy and Strategy		conference facilities. USD 120,000
Program Management Support		POFEDP UNDP	USD 100,000

4. Project Annual Work Plan (Enhancing Aid Management Capacity in Tanzania - ID 00079142)

EXPECTED OUTPUTS (And baseline, associated indicators and annual targets)	PLANNED ACTIVITIES (List activity results and associated actions)	Q1	Q2	Q3	Q4	RESPONSIBLE PARTY	Funding Source	Budget Description	Amount
Output 1 JAST II approved and implemented with Mutual Accountability framework and coherence of GoT engagement in international AE fora strengthened.	1. Progress in Tanzania aid reform assessed - Drafting and consultation of JAST implementation report and printing/publishing		X	X		MoF	Core One Fund	Consultant, conference facilities, printer, DSA.	45,000
Baseline: Implementation of JAST I only partially achievement. *Indicators:* -Number of MDAs appointing Development Effectiveness Focal Points. -Number of annual JAST II targets reached. -Tanzania actively leading Mutual Accountability dialogue in OECD/DAC, UN and AU.	2. National priorities for aid reform revised and formulated with inbuilt mutual accountability framework. - JAST II developed in consultation with all key national and international stakeholders and printed and circulated. - Assessment of project modality alignment to national priorities.		X X	X	X	MoF	Core One Fund	Consultant, venue, DSA, conference facilities, printing/publishing,	75,000
Targets 2011/12: -Assessment of and recommendation for improving project modality alignment to national priorities. -JAST Implementation Report. -GoT leads MA discussions in Busan HLF. -GoT participates actively in post-Busan fora. *Related CP outcome:* 2.1 National strategy and action plan for aid effectiveness is adopted and implemented by Government and DPs.	3. Busan HLF outcome statement influenced by GoT active participation: -Preparatory analysis and formulation of GoT messages for Busan key sessions on MA, incl. printing/publication and facilitation.		X	X		MoF	Core One Fund	Consultant, venue, DSA, conference facilities, printing/publishing,	80,000

Output 2						
Budgeting cycle, aid management systems and aid policy dialogue enhanced for stronger Government leadership of the national development framework.						
1. AMP operational - Service fee to Development Gateway Foundation.		X	MoF	Core One Fund	Service fee	110,000
Baseline: -Centralized AMP system, weak MTEF dialogue at sector level and disbursement delays. -Dialogue Structure only partially implemented.						
2. Selected MDAs have access to and actively use the AMP in budgeting cycle: - AMP roll-out to and training of 5 MDAs. -Train DP focal points.	X	X	MoF	Core One Fund	Conference facilities, equipment, DSA.	50,000
Indicators: -Volume of ODA disbursed through Exchequer. -Number of DPs updating AMP on a quarterly basis. -Number of MKUKUTA/PER meetings per year.						
3. Sustainability of AMP improved. - Train 5 MoF/EFD as Super-users - Produce 1 annual AMP/ODA report and 4 monthly flash reports.	X	X	MoF	Core One Fund	Travel, printing, DSA.	30,000
Targets 2011/12: -6 MDAs equipped and trained in AMP management; 5 MoF Super-users trained. -1 annual AMP report published and 4 monthly flash reports. -Assessment of GoT capacity constraints. -ToRs for all WGs -Increased participation of RGoZ in sector-led dialogue. -1 JCG meetings and 6 MKUKUTA/PER Main meetings.						
4. GoT leadership in Dialogue Structure enhanced. - Mapping of GoT capacity constraints in Dialogue Structure. - Analytical support to strengthen PER dialogue.	X		MoF	Core One Fund	Consultants	50,000
Related CP outcome: 2.2 Aid management system improved to better incorporate reporting and dissemination of relevant ODA data.						

Output 3						Core One Fund		
Institutional capacity of Ministry of Finance to lead project implementation enhanced.		X			MoF			
Baseline: Uncoordinated use of exposure visits, peer-learning and institutional capacity building activities for external finance management.								
Indicators: Evidence of effective institutional innovation and learning from exposure visits, peer learning and trainings.								
1. Capacity strengthened of MoF External Finance Department to active engage internationally in aid fora. -Support key MoF staff transformational leadership training. - South-South Cooperation, peer learning and exposure trips. - Preparation of position papers. - Facilitation of Exchequer System disbursements. - Project cycle management support for MoF External Finance Department.							Travel, printing, DSA.	120,000
Targets 2011/12: - GoT consultation on preparatory work for UN and other high-level meetings conducted. - Exchequer system disbursements of UNDP funding facilitated.								
Related CP outcome: 2.1 National strategy and action plan for aid effectiveness adopted and implemented for Government and DPs.								
Program Management Support M&E Travel Equipment Maintenance	X	X	X	X	MoF UNDP	Core One Fund	Salary, maintenance, equipment, consultants.	80,000
TOTAL								640,000

5. Project Annual Work Plan (Enhancing Aid Management Capacity in Zanzibar - ID 00079143)

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
And baseline, associated indicators and annual targets	List activity results and associated actions	Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
Output 1 Analytical and aid coordination capacity strengthened for stronger RGoZ aid management leadership. *Baseline:* Low RGoZ capacity to effectively implement reform of aid management. *Indicators:* - Completion rate of Capacity Building Plan. - Number of basket financing agreements established. - Number of DPs updating AMP on a quarterly basis. *Targets:* - Capacity assessment of DEF finalised and action plan developed for DEF and advisory support needed. - 2 MDAs equipped and trained in AMP	1. Capacity Development assessment and action plan for strengthening aid management in POFEDP developed together with work plan for aid advisor. - Assessment of capacity constraints in POFEDP based on review and detailed analysis of aid management constraints in Department of External Finance (Multilateral, Bilateral, Aid Coordination Divisions). - Develop Action Plan for 4-year capacity support to DEF and an action plan for advisory support to capacity building.		X	X		POFEDP	Core One Fund	Consultant	25,000

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Description					Funding party	Fund source	Inputs	Budget (US$)
management. - 1 annual AMP report published. - Preparatory work and institutional setup for health basket completed.								
2. DEF staff capacity for aid flow analysis, aid management and coordination tools, engaging with DPs, report writing and finance reporting enhanced. - Series of 4 workshops for relevant DEF arranged with tests. - Follow up and tailor-made training module for each key staff as per revised job descriptions.	X	X	X		POFEDP	Core One Fund	Consultant/Trainer, conference facilities, transport.	20,000
Related CP outcome: (2.1) - National strategy and action plan for aid effectives is adopted and implemented by GoT and DPs. (2.2) - Aid management system improved to better incorporate reporting and dissemination of relevant data.								
3. Institutional capacity in POFEDP strengthened. - Aid Effectiveness Advisor. - Basket Coordinator		X	X	X	UNDP	Core	Advisor	95,000
	X	X	X					50,000

Activity	Q	Q	Q	Responsible	Funding source	Inputs	Amount
4. RGoZ Aid Management Platform strengthened. - VPN connection POFEDP 12 months - Connection infrastructure to Ministry of Health and Ministry of Communication and Infrastructure. - Train Ministry of Health and Ministry of Communication and Infrastructure AMP focal points and DPPs.	X	X	X	POFEDP	Core One Fund	Connection fee Equipment Conference facilities	45,000
Output 2 RGoZ leadership in aid coordination and strategic dialogue with key stakeholders over Zanzibar development priorities enhanced. *Baseline:* No comprehensive strategy for enhancing RGoZ aid effectiveness. Uncoordinated and infrequent engagement with DPs. **1. Dialogue between RGoZ and DPs strengthened.** - POFEDP participation in HLF Busan. - Dissemination of key lessons from HLF Busan to MDAs and CSOs. -Quarterly technical meetings between MDAs and DPs.	X	X	X	POFEDP	Core One Fund	Conference facilities, travel, printing/ materials.	30,000

	2. Aid Policy developed and implemented.					POFEDP	Core One Fund	Consultant, conference facilities, publishing.	40,000
Indicators: - Regularity of RGoZ participation in Dialogue Structure meetings. - Number of coordination meetings conducted with DP participation. *Targets:* - Framework for RGoZ-DP dialogue developed. - Increased participation of RGoZ in sector-led dialogue. - RGoZ Aid Policy and Strategy developed and approved. -Participation in and dissemination of key lessons to MDAs, CSOs from HLF Busan. *Related CP outcome:* (2.1) - National strategy and action plan for aid effectives is adopted and implemented by GoT and DPs.	- Drafting, consultation (RGoZ, DPs, CSOs, NSAs) and finalization of Aid Policy incl. M&E framework. - Sensitization of DPPs and training of Aid Coordination Focal Points.	X	X	X	X				
Program Management Support	M&E Travel Equipment	X	X	X	X	POFEDP UNDP	Core One Fund	Travel, equipment, travel.	25,000
TOTAL									330,000

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6.   Management Arrangement

National Implementation Modality:

National Implementation will be the modality for these two projects. The Ministry of Finance URT and the President's Office Finance, Economy and Development Planning (POFEDP), as the executing agencies, will play the leading roles in terms of overall oversight and coordination of the two projects. The MoF and POFEDP as implementing agencies will implement the activities in accordance to agreed annual workplans, manage and account the resources received in accordance to the agreed HACT procedures. Resources required to carry out agreed activities will be transferred as Direct Cash Transfer through the Government Exchequer system, unless requested and approved otherwise (predominantly for the use of reimbursement, direct payments, etc). As such, the project will utilize the Government's procurement procedures, as defined in the Public Procurement Act of 2007, unless requested otherwise in writing.

Management and Oversight:

The projects are overseen and managed by the Joint Assistance Strategy for Tanzania (JAST) Working Group as the Project Board thereby ensuring wide GoT and DP involvement in the overseeing the implementation of the projects. As Executives for the Project Board, the Commissioner for External Finance MoF URT and the Commissioner for External Finance POFEDP, will ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher-level outcomes. The Project Board is responsible for making management decisions for a project when guidance is required by the Project, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. Project Board decisions should ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. The Project Board is consulted by the Project Manager for decisions beyond the Project Manager's tolerances (normally in terms of time and budget). Senior beneficiaries from key GoT members of the JAST WG will ensure GoT representation from central ministries such as the wider MoF/EFD, MoF/Policy and Development, Statehouse, MAFS, MoHSW, TASAF and AcGen. UNDP Senior Management will represent the supplier side together with DP JAST WG members.

The project board will be supported by two appointed Project Coordinators from MoF and POFEDP respectively and as agreed with UNDP. The Project Coordinator (Project Manager function as per UNDP guidelines) has the authority to run the project on a day-to-day basis on behalf of the respective Implementing Partner (MoF and POFEDP) within the constraints laid down by the Board. The Project Coordinator's prime responsibility is to ensure that the project produces the results (outputs) specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The Implementing Partner appoints the Project Coordinator. The Project Coordinators will ensure coordination, implementation, reporting and financial accountability of all activities in cooperation with the UNDP programme Advisor and with support from key from the External Finance Department /Ministry of Finance and the Department of External Finance/President's Office Finance, Economy and Development Planning (Zanzibar). In order to provide strategic guidance and review progress and challenges of the project implementation, a biannual Project Board meeting is undertaken to steer the implementation of these two projects to be strategic and catalytic to make the maximum impacts on the outcomes.

Project Organisation Structure

Project Board (JAST WG)

Senior Beneficiary	Executive	Senior Supplier
Representatives from MoF, POFEDP, PO.	Commissioners External Finance, MoF and POFEDP.	UNDP Senior Managers and DP members

Project Assurance

UNDP

Project Coordinator

MoF URT

Project Coordinator

POFEDP

Project Implementation and Support

MoF

Project Implementation and Support

POFEDP
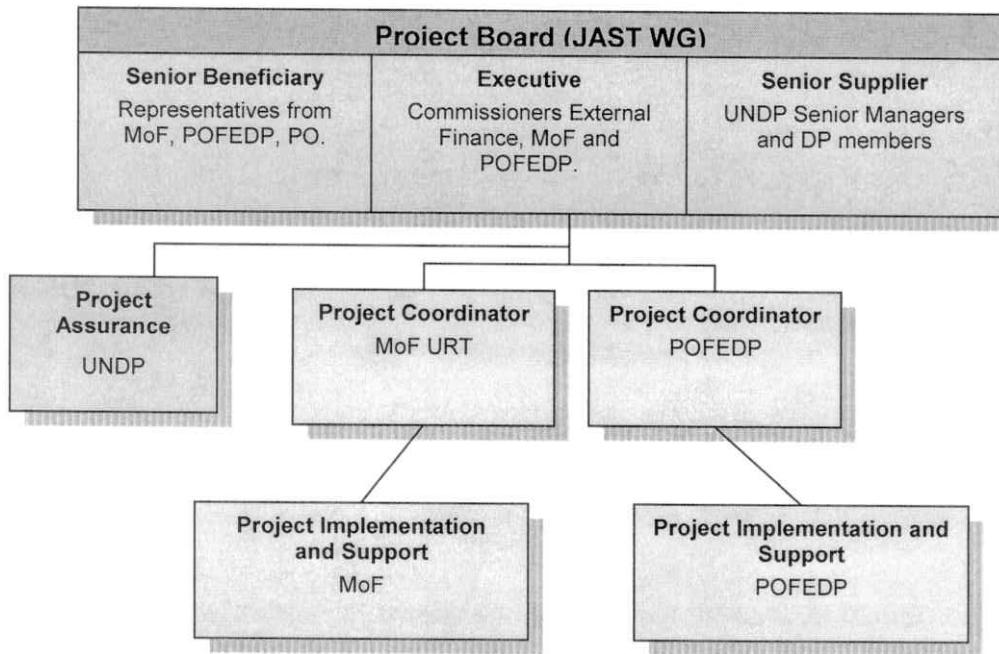
<u>UNDP Support Services and collaborative arrangements with related projects:</u>

UNDP given its global mandate on aid management and effectiveness is best positioned to provide strategic, catalytic and substantive technical and advisory support to this project. As such, a biannual project management meeting discusses not only the project management matters but also substantive challenges and issues arising from evolving, complex, and challenging aid environment in Tanzania. UNDP through the DPG Secretariat thus engages regularly in providing technical and advisory support to this project, covering the issues ranging from aid management procedures, aid management information system, implementation of the JAST, and dialogue structure.

7.   Monitoring Framework and Evaluation

6.1 Risk Analysis and Monitoring

No.	Risk/Issue *(Describe)*	Type	Impact/ probability scale 1-5	Mitigating Measures
1	**Government Ownership** Government ownership does not provide the necessary leadership of the aid reform process.	*Strategic*	*4*	Continued engagement both within MoF, among key Government institutions and with DPs is being continuously pursued through various avenues (Project Board, JAST WG, DPG Main, DPG Co-Chair engagement with high-level GoT officials) to ensure that this will not be an impediment to the success of the project.
2	**Resources and implementation** The funding gap of the UNDAP/ONE UN Fund will not be closed and/or implementation of project activities will be delayed.	Financial	2	The activities financed form part of a greater intervention by Government in strengthening the aid reform. Government therefore has the option of co-financing unfunded activiites, if needed. The financing of the project activities is a combined contribution from the One UN Fund and UNDP core resources. UNDP does therefore have the flexibility of adjusting the financing ratio between these two sources, if needed.

6.2 Project Monitoring

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results and these will be recorded in the UNDAP Resource Monitoring System (RMS) tool.

- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change. For consistency, the risk and issues log will be harmonized with the data input into the UNDAP RMS.

- Based on the above information recorded in Atlas and in the UNDAP RMS tool, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.

- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project. The lessons learned report will also form a critical input during a terminal evaluation of the project.

- Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.

<u>Annually</u>

- **Annual Review Report**. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

- **Annual Project Review**. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. In addition, there will normally be an annual review of progress at the sectoral working group level of which the project contributes within the UNDAP framework. This will take place at the UNDAP outcome level. The annual review report will therefore be used as the specific input into the sectoral working group review to which the project award contributes.

Note: In case a project evaluation is required, please indicate the justification and proposed timing for the evaluation. A project evaluation is required only when mandated by partnership protocols such as GEF. However, a project evaluation may be required due to the complexity or innovative aspects of the project.

8. Legal Context

This document together with the CCPD and UNDAP signed by the Government and UNDP 30th day of May 1978 which is incorporated by reference constitute together a Project Document as referred to in the SBAA and all UNDAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

ANNEXES

Agreements: Any additional agreements, such as cost sharing agreements, project cooperation agreements signed with NGOs[1] (where the NGO is designated as the "executing entity") should be attached.

Terms of Reference: TOR for key project personnel should be developed and attached.

Capacity Assessment: Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

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[1] For GEF projects, the agreement with any NGO pre-selected to be the main contractor should include the rationale for having pre-selected that NGO.