



FINAL PROJECT REPORT

SUPPORT TO THE DEVELOPMENT PARTNERS GROUP SECRETARIAT

2012-2017



Scope of the Report

The Development Partners Group (DPG) Secretariat project (00079141) was implemented under the UNDP direct implementation execution modality and builds on a similar 2008-2011 intervention under the National Execution Modality. Since 2008, a number of DPs have been providing financing towards the coordination support of the DPG. Some contributions were earmarked (to a specific support area: PFM, Environment), while others in-kind (Germany). Most contributions have been un-earmarked and managed under the DPG Secretariat as a mini-basket. DP contributors include: DFID, Norway, Denmark, USAID, Canada, Switzerland and Netherlands as well as UNDP (TRAC).

This report presents the final narrative and financial report for the DPG Secretariat project 2012-2017. It provides the background to the DPG Secretariat project and identifies key results achieved from 2012 to 2017, including central processes and events where the DPG Secretariat has played a facilitating role. The report furthermore presents an overview of the pledges, contributions and expenditures under the project. Additional reflections on the way forward and the new phase of the DPG Secretariat project is complemented with an annex on lessons learnt.

| Profile | |
|--|---|
| Project title: | Support to DPG Secretariat TZA 10-00079141 |
| UNDAP Outcome: | Governance/2.3: National leadership in the Dialogue Structure is strengthened and donor coordination improved. |
| Expected CP Outcomes: | Increased capacity of the Government of Tanzania to manage aid effectively and lead and own aid harmonization and alignment process. |
| Expected Outputs (2015-2016), after project revision: | 1. Enhanced results-based aid harmonization within the Development Partners Group for improved JAST implementation and aid effectiveness. |
| | 2. Improved communications related to the Development Partners Group harmonization agenda. |
| | 3. Dedicated support to DPG HIV/AIDS and other DPG working groups. |
| | 4. Dedicated coordination support provided to the DPG Public Financial Management working group. |
| Implementing Partner: | UNDP (<i>Direct Implementation Modality</i>) |
| Responsible Parties: | UNDP Tanzania |
| Project Start date: | 1/1 – 2012 |
| Project End date: | 31/06 - 2017 |
| Scope of report: | The report covers the period of January 1 st 2012 to December 31 th 2017 |

Brief Background

With the creation of the Development Partners Group (DPG) in 2004, concrete steps were taken to expand the scope of work of the Development Partners Group beyond information sharing, previously catered for under the local Development Assistance Committee. In order to strengthen the overall coordination and harmonization capacity of the DPG, a secretariat was established under UNDP.

For the period 2008 to 2011 UNDP implemented the DPG Secretariat Project in line with the UNDAF and under the National Implementation Modality and Ministry of Finance (URT) leadership. In response to requests from GoT and DPs and as approved in the Joint Assistance Strategy Tanzania (JAST) meeting of October 14th 2011, UNDP implemented the DPG Secretariat project phase two. While the initial Project document covered 2012 to the end of the UNDAF implementation period in 2014/15, the project period was extended up to June 30th , 2017.

The extension of the project was based on requests by DPs and as a result of the extension of the UNDAF. In addition to the 2011 approved DPG Secretariat project, two new additional activities have been accommodated under the project: 1) Coordination support to the DPG HIV/AIDS working group through a dedicated secretariat seated with the DPG HIV/AIDS Leads as well as support to other WGs as and if needed; 2) Coordination support to the Public Finance Management DPG and associated reform program housed by DPG PFM members and/or Ministry of Finance reform secretariat.

Both activities have been agreed, following a request from the respective DPG working group leads and will be implemented on the provision of available financing from DPs. Finally, output area 3 (targeted aid effectiveness analysis and communication facilitated) has been reduced and merged with output area 1 due to reduced need for dedicated research with the revamped Public Expenditure Review process.

The intervention is part of a larger three-pillar UNDP support program on aid effectiveness targeting: (1) Development Partners Group; (2) Ministry of Finance URT; (3) Ministry of Finance Zanzibar with the latter two components having being closed in 2015.



Introduction

Tanzania has made great strides towards enhancing aid effectiveness and harmonization and alignment of aid. There has been an increased focus on the identification of measures that can be taken to make development assistance more effective and efficient. Despite significant progress in improving the Government-donor cooperation, the transaction costs of aid – in terms of Government time devoted to donor-related concerns – 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.

UNDP's role in supporting 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

The DPG Secretariat project aimed at continuing the provision of a broad palette of services to Development Partner coordination in a trusted and neutral manner, in support of national ownership and coherence and within the vision for aid coordination and management set out by the Government and DPs in the Joint Assistance Strategy for Tanzania and more recently the Development Cooperation Framework. This includes high-level advisory support the DPG Main and effective facilitation and monitoring of DPG Main annual priorities to improve the positioning of the DPG against the official Dialogue Structure-where stronger DP engagement will call on better harmonization of DP approaches and messages at all levels.

Key Results 2012-2017

With an ambition of strengthening of the DPG Secretariat's capacity to support groups, structures and processes, a number of results were achieved from 2012-2017:

Aid architecture and dialogue review

In 2015, The GoT and Development Partners recognized that the development landscape of Tanzania was changing and that it was time for a maturing of the relationship as Tanzanian moves towards Middle Income Statute and redoubles its ambition to industrialize. The Government of Tanzania requested a team of highly experienced individuals: Donald Kaberuka, Jim Adams, Steve Kayizzi and Mugisha Kamugisha to facilitate high level talks with the aim of re-setting the dialogue structures and relationships to make them fit for purpose. The approach to the talks was intended to build trust, to be innovative in our thinking, and to focus on what will work best for the development of Tanzania. This included reviewing the partners in the development conversation, the instruments used, and the way Government and DPs resolve sensitive issues.

As part of the development facilitation exercise, the DPG Secretariat ensure that a continuous engagement was carried out in the DPG Main meetings and participated in the Reference Group (Denmark, UN, DFID, USAID) meetings. Regular updates were drafted and shared with the DPG Main and DPG sector Secretariats. The DPG Secretariat was tasked with the administration of the DP

survey on perception of the state of aid relationships. The survey was part of the work of the Facilitation Team requested by the Government of Tanzania and the Development Partners to look at ways to improve the dialogue to ensure greater development impact. More substantively, two notes were produced on: a review of the DPG Main effectiveness, and a second on the sector working group performance. A mapping of DPs areas of intervention against the FYDP II was produced to illustrate alignment to countries priorities and present the status of the sector working distribution

- *Contribution to the project outcome: The Kaberuka process is one of the key milestones that will shape the development dialogue for the coming years. The impact is yet to be seen, but the Kaberuka process has opened new avenues for a renewed dialogue (including on the offer to avail a new budget support instrument), triggered discussions on the new dialogue structure and the redrafting of the Development Cooperation Framework. The DPG Secretariat played a facilitation role, advising the DPG co-chairs. As a result, prospects for a renewed strategic dialogue with Government is foreseen.*

Development Cooperation Framework:

Since 1995 there has been an increased focus on improving the effectiveness of development assistance in Tanzania. In 2002, the first Tanzania Assistant Strategy (TAS) was launched guiding this process, running up to 2005. Focus was on ensuring external resources were transparently and effectively delivered, managed and accounted for. In 2006, the Joint Assistance Strategy for Tanzania introduced a much deeper reform of the aid cooperation, essentially localizing the 2005 Paris Declaration on aid effectiveness.

The Joint Assistance Strategy for Tanzania (JAST) expired in 2011 and a new successor strategy labelled the Development Cooperation Framework (DCF) was initiated. The draft DCF builds on the Global Partnership for Effective Development Cooperation agreed in Busan in 2011. The rationale for the DCF was to build on the JAST though keeping the guiding principles of ownership, alignment, use of country systems, transparency and accountability, while also incorporating the new trends from the Busan Agreement and thereby moving from aid effectiveness to development effectiveness.

Whilst efforts were made to approve the DCF and action plan--no formal approval by Cabinet of the final draft had been forthcoming in 2015 as expected. Two reasons explain this delay: the first being a quasi-absence of DPs-Government dialogue following the IPTL high profile corruption case in 2014, which undermined trust between the Government and the Development Partners. The second reason is a general consensus that there was a need to take into account the new aid environment with new solutions being explored to build a fit-for purpose aid architecture.

The Kaberuka process and the finalization of the report provided for space and an opportunity to revamp the DCF process which was re-engaged with the establishment of a joint secretariat composed of Government, Denmark, DFID, and the DPG Secretariat (UN). The DCF was finalized in June 2017 and approved in August 2017.

- *Contribution to the project outcome: The DCF 'defines the overall objectives and principles surrounding the development partnership as well as the undertakings by the various partners supporting Tanzania's Development in the medium term. The DCF will be implemented from 2017/2018 to 2024/25". Provisions of the DCF have clarified the desired format and frequency of the meetings with Government, and proposed ways to resolve potential sensitive issues. A much awaited framework that will reignite a strategic dialogue with all partners. The DPG Secretariat made substantive inputs to the various drafts of the DCF and the gathering of comments from the DPG Members. In addition to this and through*

the work of the DCF Joint Secretariat, an action plan was developed.

High Level Forums (HLF) on Aid Effectiveness:

The DPG Secretariat provided support to both DPG and Ministry of Finance during the 2014 HLF in Mexico and the 2016 HLF in Nairobi and the preparatory processes leading up to these events. The HLF meetings also allow for useful side meetings such as the one organized in December 2016 on the UNDP sponsored Development Finance Assessment (DFA)

- *Contribution to the project outcome: The second High-Level Meeting (HLM2) of the Global Partnership for Effective Development Cooperation (GPEDC) came at a critical juncture: a moment in which to review the evidence and lessons learned from a decade's attempts to implement the aid and development effectiveness agendas, and to look ahead to the role of effectiveness in the new era of sustainable development anchored in Agenda 2030. This is aligned to the SDG 17.16 which is proposing to "enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries". The DPG secretariat played a facilitation role and ensured that the preparations for the forum were achieved and lessons learnt documented.*

Paris Declaration Surveys 2013 and 2015:

The DPG Secretariat as the principle DP focal point for Tanzania under the overall leadership of the Ministry of Finance facilitated the collection and analysis of data for the Paris Declaration Surveys in 2013 and 2015. The results of both surveys examine progress against pre-agreed targets related to: predictability, aid on budget, use of country systems, mutual accountability, gender empowerment, engagement with civil society and private sector. Notes summarizing the outcomes of the surveys were prepared and presented at the DPG Main

- *Contribution to the project outcome: The GPEDC survey results and outcome of the Nairobi HLM II offered an opportunity to review a number of critical issues: the use of country systems with signs of budget support's volume reducing, a strategic dialogue around the country's results framework and use of data generated by National Bureau of Statistics and other institutions. The outcome of the Paris Declaration Surveys in both 2013 and 2015 provided sound insight into the progress and challenges of development cooperation implementation in Tanzania but also used as a useful exercise to provide a good overview of the actual expenditures from DPs (confirmed by DPs). The DPG Secretariat was tasked to administer the DP responses for the survey. The process was initiated in January 2017 and data validated in June 2017.*

High Level Dialogue/Annual Policy dialogue:

Since 2012, the DPG Secretariat has been providing secretariat support and advisory services related to key Government-DP high-level dialogue. In 2011 the Annual National Policy Dialogue event, which took place on 26th to 27th January 2012 brought together the Government of the United Republic of Tanzania, Development Partners, and representatives of the Civil Society Organisations (CSOs) and the Private Sector to engage on policy issues regarding the implementation of key national development and public expenditure frameworks. The event focused on MKUKUTA II Annual Implementation Report (MAIR 2011), the Poverty and Human Development Report (PHDR 2011), the Joint Assistance Strategy for Tanzania (JAST) Implementation Report, Macroeconomic Performance and the Five Year Development Plan. Also deliberated was the outcome of the GBS

Review (2011), particularly the PAF Implementation Report (PAF 2011) and the prospective PAF (2012). The policy dialogue is as an important vehicle for improving planning, implementing, monitoring and evaluating Tanzania development.

In order to enhance closer DPG Main engagement with GoT officials from August 2013 onwards, a DPG Special Session was arranged on financing the Big Results Now Initiative (BRN) with the Chief Executive Officer of the President's Delivery Bureau (PDB).

The DPG Secretariat supported GoT preparations for the 2013 Poverty Policy Week (PPW) event on, facilitating DPG Co-Chair preparatory discussions with PS MoF, coordinated DP plenary engagements and harmonization of messages.

In addition and based on the priorities of either the DPG Main or GoT, *ad hoc* meetings have been facilitated throughout the period with Ministers, Permanent and Deputy Permanent Secretaries.

- *Contribution to the project outcome: The DPG Secretariat as the formal channel of communication between DPG and GoT on aid coordination has contributed significantly to a fully representative and consensus-oriented engagement between Government and all its bilateral and multilateral Development Partners in a consistent, effective and inclusive manner.*

Strengthening the budget process:

Throughout the project period the DPG Secretariat has in collaboration with the Ministry of Finance sought to improve the quality and comprehensiveness of the budget process, in particularly the linkages between MTEF projections and the national budget. This has been supported through a combination of continuous follow-up and support to DP AMP Focal Points, bi-annual trainings increasingly led by Ministry of Finance (MoF), Exchequer trainings and more targeted support by the DPG Secretariat and MoF during peak-MTEF periods. The implementation and roll-out of the Aid Management Platform (AMP) to systematize the MTEF process has been a key component.

During the reporting period the Government, Zanzibar has been able to better streamline the data collection and reporting using the Aid Management Platform (AMP). This is evidenced by the production by the Government of Zanzibar of the first Official Development Assistance (ODA) report which covered 2013-114.

Tanzania was represented at the IATI Regional Workshop on Data Usage held in Accra, Ghana on March 19-20, 2015. Beyond the peer learning exercise offered by such a forum, Tanzania was able to explore and exchange on innovative ways in which IATI published data can be used by different stakeholder's in-country and explore the use of data on development cooperation to strengthen country systems, processes and frameworks.

- *Contribution to the project outcome: Whilst further efforts are needed, the introduction of the AMP has significantly improved the annual budget cycle and quality of MTEF data. Reports confirms the importance of ODA data collection in the budget preparation process – arguably part of the rise in the budget estimates over FY14/15 compared to FY13/14 has been due to the use of AMP commitments data for the first time during FY2014/15 budget preparation. Improving the transparency of data use and reporting (through the use of globally agreed standards in the AMP) is of paramount importance for finance institutions in charge of aid management and coordination as it reinforces public financial management (PFM). The DPG Secretariat has played a critical role in the quality assurance and reconciliation of data from development partners*

Advisory services:

Throughout the project cycle, the DPG Secretariat has provided effective support to the DPG Main co-chairs. Substantive support was extended on a number of topics such as the elaboration of a discussion paper on the new aid architecture, key messages for the new administration and the sensitive post electoral situation in Zanzibar.

The DPG Secretariat provided advisory support on aid management to MoF/Mainland and MoF/Zanzibar. Throughout the period, the DPG Secretariat has provided advisory, technical and coordination support to the Ministry of Finance on both Mainland and Zanzibar related to the implementation of the JAST, AMP and MTEF on a demand-driven basis.

This included support to the MoF for the launch of the GPEDC survey in 2016, the mutual accountability survey including the DCF survey, the implementation of the AMP sustainability support program with Development Gateway, and improvement of the quality of data in AMP through upgrades to the AMP system. In addition, the DPG secretariat, in collaboration with UNDP HQ, contributed to the Guidance Note on “Making Management Information Systems Fit for a Changing External Development Finance Landscape,” applicable to the Tanzania development finance information management context. Tanzania was selected as a case study.

Technical and advisory support has been provided to MoF Zanzibar, where UNDP’s project on enhancing aid management in Zanzibar, amongst others, financed the position of an international aid advisor who has supported Zanzibar’s participation in the DCF, the development of a roadmap to implement the DCF for Zanzibar, resource mobilization guidelines as well as strengthening the data quality in AMP for Zanzibar.

- *Contribution to the project outcome: the DPG secretariat has provided its advisory services to the co-chairs of the DPG Main and the MOFP of both Mainland and Zanzibar, making donor coordination effective with a focus on results. Technical advisory services have ranged from strictly coordination initiatives (DSA guidance, Missions, Strategic reviews), tabling of sector presentation and updates to the initiation of concept notes and contribution to strategic documents (JAST, DCF). This has contributed to the*

Support to PMG/PFM/HIV Aids/Environment Working groups:

The DPG Secretariat furthermore provided secretariat support to the Poverty Monitoring Group (PMG) and the JAST/DCF working groups, with funding from the basket fund used to cover the cost of the PFM and Environment DPG secretariats:

i) Supporting the **Poverty Monitoring Group**, the DPG Secretariat facilitated discussions on the Tanzania poverty update looking at the results coming out of the 2011/12 Household Budget Survey and its comparability with the National Panel Survey; the WB and the AfDB have reviewed their ToRs and discussed possible joint support on the SDGs monitoring.

ii) Supporting the **JAST/DCF working group**, which engaged in discussions on the DCF and the Dialogue Structure on behalf of the DPG Main, the DPG Secretariat facilitated an internal DPG meeting to agree on the DPG response to the proposed DCF by GoT as well as a larger meeting with GoT to agree to present the DPG position and to agree on a way forward. In addition, the JAST/DCF working group facilitated DP feedback on the proposed Dialogue Structure which was presented by GoT at the High Level Dialogue Meeting on Development Cooperation in September 2014.

iii) Supporting the **HIV-aids DPG working group**

Regular DPG HIV/AIDS meeting and Joint management meetings between DPG HIV/AIDS and TACAIDS held to foster the on-going coordination, information and cooperation specifically in the

areas related to Global Fund New Funding Concept Note Development (Mainland & Zanzibar);

In support to partnership expansion, resource mobilization and actively DPs engagement in important HIV/AIDS agenda; the secretariat supported the DPG HIV/AIDS to group to achieve the following: i) enhanced engagement of the DPG HIV/AIDS group with Parliamentarian Committee on HIV/AIDS through the facilitation of quarterly updates and regular meetings responding to a request from the Parliamentary HIV and AIDS committee; ii) facilitated successful joint biennial HIV/AIDS review; iii) the Commemoration of the 2014 World AIDS in Njombe region jointly organized by the DPG HIV/AIDS group and TACAIS; and iv) the improvement of the quality of HIV Estimates and Projections through leading a joint task force to review the previous seen discrepancies.

iv) Supporting the **Public Financial Management DPG**

The main strategic document outlining PFM reforms in Tanzania is the Public Financial Management Reform Program (PFMRP). Phase IV of the reform program expired in June 2017 proceeded by a new PFM reform program phase V launched in 12th September 2017 to be implemented for a duration of five years from FY 2017/18 to 2021/22. The PFM DPG group interacts regularly and has mandatory monthly meetings where donors share, engage and discuss various PFM opportunities and challenges and how coordinated efforts can be made by donors to support government in addressing them. The PFM DPG Secretariat led in drafting of Joint Supervision Mission reports which provides a comprehensive cumulative assessment of programme progress for the whole duration of implementation of PFMRP. The report incorporates results of the most recent PEFA assessment conducted in Tanzania mainland. An independent end of program evaluation of the PFMRP IV is scheduled to be conducted in early 2018. The ToR for the evaluation were produced and submitted to the procuring mission (Norway). The DPG PFM Secretariat worked closely with Government Secretariat and components leads to ensure that M&E framework and Annual Work Plans of the PFMRP are harmonized and updated. Further, the secretariat provided technical support in approval process of ToR for consultancy work and concept notes for trainings under the program. All structure meetings of the program including the Technical Working Groups (TWG), Program Implementation Committee (PMC) and Joint Steering Committee (JSC) meetings were well coordinated and reports approved.

v) Supporting the **Environment DPG**

During the project cycle, DPs have funded the environment DPG and recruited a UNDP staff to manage the secretariat. The Secretariat staff was recruited end 2016. Among the achievements, one can note the regular updating of the DPGE project matrix – a database for various projects/programme supported by member agencies on environment, natural resource and climate change, including mapping out development partners support and future projects that the government can find synergies and support. The Secretariat also supported expansion of the group through extending invitations to non-member strategic partners to join the Group as an effort, to enhance coherence and cross-learning among development partners. The Secretariat has been instrumental in coordinating DPs engagement with the Government in organizing and celebrating key national/international events – such as the [World Wildlife Day](#), [World Environment Day](#), [World Tourism Day](#), etc.

The Secretariat has facilitated DPs engagement with the Government through organizing joint annual natural resource sector reviews and dialogue, pre- and post- COP meetings, but also on policy development through soliciting DPs comments on draft policies on Forest, Wildlife and Environment. The Secretariat facilitated formation of DPs-VPO joint technical teams to advise the Government on development of Environment and Climate Change programme. Finally, concerted efforts were made to stock-take and map DPs ongoing and pipeline programmes on environment to

create synergies and complementarity.

- *Contribution to the project outcome: support to some of the DPG working group has been instrumental in advancing their coordination agenda, harmonization of efforts to support the Government priorities.*

DPG communication:

The DPG Secretariat has continued its efforts to strengthen the communication and linkages between the DPG Main and sector/thematic working groups as well as with the wider public. An extensive revision of the DPG website (www.tzdp.org.tz) together with minor annual revisions furthermore resulted in a more user-friendly site for DPG members and external users.

- *Contribution to the project outcome: the website which contains dedicated pages from all sector working groups has been instrumental as a depository mechanism for active working groups. Focal points have been trained to edit and upload important information on their respective pages. This reinforces the transparency and the outreach of the work of the DPG to researchers, development experts in Tanzania and abroad.*

DPG Field trips :

The annual DPG fieldtrips serve as a good opportunity for Development Partners, Local Government Authorities, and regional officials, to engage in discussions at the local level.

From 2012, the following field trips were organized by the DPG Secretariat in collaboration with the Government and regional authorities

- Kibaha (2016): Social protection , the role of TASAF in implementing the Tanzania Productive Safety Net programme (TASAF III – PSSN) and reaching the poor and vulnerable households
 - Iringa (2015): Turning opportunities in agriculture, agro-processing, energy, and tourism into national development and strengthening the delivery of social services
 - Arusha (2014): Role of regional integration for national development as well as optimizing natural resources management
 - Mwanza (2013): Optimizing the role of mining and local and national economic development
 - Mbeya (2012): Enhancing public-private partnership in agriculture for poverty reduction and economic progress; Southern Agriculture Growth Corridor of Tanzania (SAGCOT)
- *Contribution to the project outcome: The purpose of the DPG field visits is to generate a better understanding of the development opportunities and challenges to inform policy level engagement among DPs with Government officials. Since 2010 the group has been conducting annual field visits to different regions in the country to get a firsthand exposure to issue affecting the citizens at local level. The DPG Secretariat has proposed the themes of the visits, and organized both the logistics and the substantive documents of the visits*

Implementation Issues and Challenges

Advisory support to the Ministries of Finance and Planning proved to be key in supporting ongoing aid management processes in the Mainland and Zanzibar.

Strong Government ownership and leadership is critical in enhancing effectiveness of aid in support of attainment of national development and poverty reduction goals. In this context, strengthened Government capacity for effective external resources and development management is one of the key cornerstones for enhancing aid effectiveness, and in part development effectiveness. In terms of national priorities, it appears that previous decade overreliance on aid is being substituted with an increasing focus on domestic resource mobilization. Notwithstanding these changes, the average USD 3bn per year in aid still represent a very large portion of the national development budget, and aid management as such remains key.

“Unfinished business” from the Paris Declaration (aid on budget, predictability, use of country systems) remain areas of challenge although some progress has been made. Appetite on DP side to pursue these key principles appears reduced despite good progress as seen in Paris and Busan monitoring as well as the roll-out of the national Aid Management Platform (aid information management system financed by UNDP and hosted by MoF). Similarly, as the aid reform has deepened, system challenges are also emerging.

Quality of dialogue therefore remains a key requisite to improve further development cooperation. Within the limitation of the DPG Secretariat project, focus has been kept on supporting a harmonization of DP interventions in policy dialogue with GoT as well as the concrete initiatives fostered under the JAST and more recently the Kaberuka Process and the DCF.

The Government and DP dialogue structure as well as sector working groups has operated under the official Dialogue Structure, approved in 2008, which had initially four levels: i) sector/thematic areas; ii) cluster working groups; iii) PER Main; and iv) Joint Coordination Group. Operationalisation of the dialogue structure and the division of labour has worked well in a range of sectors where space and incentives for in-depth dialogue were provided, under the leadership of relevant government institutions.

Overall, and as expected, the level and quality of dialogue varied across sectors. The complex architecture put forward in 2008 did not live its promise to generate the envisaged genuine engagement among parties. Nevertheless, there is a recognition that dialogue at sector level has produced positive results and increased level of collaboration. The Kaberuka report recommended a comprehensive review of sector groups with a view to determining why some work well and others don't. The suggested review would also look at basket funding, and how to reconcile the Government's wish to expand it with DPs' concerns on how this tool is used.

The dialogue structure needs to be revised to respond to the changes in the development landscape, expanding the agenda to include new partners and new forms of development cooperation.

However, in order to achieve an improved cooperation and quality of dialogue, clearer and more direct traction in the development effectiveness agenda by both GoT and DPs will be necessary. During the project period, it has become increasingly clear that the efficiency of this agenda significantly rests

on the willingness of all DPs to pursue a more harmonized and coordinated approach that is cost effective in terms of transaction costs with Government. On the other hand, clearer Government leadership is also key for the harmonization as well as the wider alignment agenda to achieve greater results. This calls for both parties to focus more on substance and results, ideally generated and monitored through the implementation of the Five Year Development Plan II, but under a nationally owned development cooperation framework in line with the agreed Busan Partnership document.

Other Achievements

Aid Management – focusing on results

While further efforts and improvements are needed, significant progress has been made in terms of the implementation of the Aid Management Platform (AMP). The DPG Secretariat has supported the MoF and Development Gateway Foundation as a sounding board for the implementation of the AMP in further strengthening system and procedures of the system. The Aid Management Platform is expected to continue to increase transparency of aid flows to Tanzania and DPs’ efforts to align to GoT systems through facilitation DP training of the AMP and DP awareness and understanding of the AMP system.

Capacity Development

The effectiveness of the wider harmonization process among DPs is dependent on a functional dialogue with GoT at both technical and policy level. Throughout the project period, the DPG Secretariat has worked closely with the External Finance Department in MoF supporting initiatives to build capacity for GoT to take increasing ownership of the aid management process. This includes analytical and advisory support on ODA management; joint AMP trainings of GoT and DP staff; joint introduction course for DP newcomers; as well as preparatory work and roll-out of the Paris Declaration Surveys in both 2013 and 2015. More work needs to be undertaken to ascertain the scale and scope of capacity development for the Ministry of Finance and planning to match with the new ambition implied in a MIC set-up

During the Kaberuka process, the Government and the DPs agreed that “innovations in capacity development are a high priority for Tanzania and that the country would benefit from the lessons of other middle-income countries with respect to strengthening state capacities”.

New phase: DPG Secretariat Support beyond 2017

The United Nations Development Assistance Plan (UNDAP) II was launched in July 2016 and one of the areas of work of the UN, aid effectiveness, shall remain a component of the UN medium term programming. Emphasis will be put on addressing new needs and international commitments of the GoT, including the SDGs and the Financing for Development Agendas. In this regard, a new approach is being sought to align UNDP’s development effectiveness mandate with the changing environment and context in Tanzania.

A new project under the UNDAP II framework has been signed by the Ministry of Finance and Planning in December 2017 and will be implemented through UNDP National Execution Modality. The new project would serve both the analysis and capacity building gaps of the Ministry of Finance and

Planning (strategic framework, planning, aid statistics and policy dialogue) and the donor coordination function (DPG).

The overall strategic approach is to reinforce institutional capacities by generating data and evidence through studies, innovations to inform institutional designing, planning, implementation and impact monitoring and evaluation. The Project will support institutions that can complement the activities of the MoFP, particularly to foster independent analytical work and monitoring in support of the Ministries of Finance and Planning (Mainland and Zanzibar) work.

As we move forward with the review of the aid architecture, DPs support to a phase whereby the Government and DPs will continue to partner under a new “development dialogue” framework is of critical importance. As anticipated in Kaberuka Report, a new dialogue structure will be put in motion and subsequent processes may require additional medium term support from the DPs.

The forthcoming support to the AMP is expected to endorse a process whereby Government is able to run the system and make upgrades in an autonomous way.

Key intervention areas and expected results for the new “enhancing capacity for results and effectiveness” project 2017-2021

Four areas of support



Expected Results



Financial Summary for 2012-2017

The DPG Secretariat project has been financed through a basket setup administered by UNDP and under national leadership by Ministry of Finance. Financial and in-kind (JPO) contributions to the DPG Secretariat have been provided based on Cost-Sharing Agreements. The expenditure details are under annex 1

| Funds received from Jan 2013 to December 2017 | Committed amounts | Received amounts in USD | Balance |
|---|---|--|----------|
| UNDP (One Fund) | \$ 67,960 | \$ 67,960 | nil |
| UNDP (Core Resources) | \$ 0 | \$ 85,866 | nil |
| USAID (CDC) | \$ 32,809 | \$ 32,809 | nil |
| UNFPA | \$ 11,000 | \$11,000 | nil |
| UNICEF | \$ 25,000 | \$24,348 | nil |
| Canada | \$ CAN 440,000 | \$ CAN 440,000 | \$18 |
| USAID | \$400,000 | \$ 400,000 | \$1,602 |
| UNAIDS | \$25,000 | \$25,000 | nil |
| Switzerland | \$250,000 | \$250,000 | \$358 |
| UK DFID | £ 35,000 PFM Secretariat £ 30,000 +£ 7,188 DPG Environment Secretariat | \$ 53,929 \$40,160 +\$ 9,483 | \$10,043 |
| Denmark | \$ 90,000 | \$ 45,000 in 2017 \$ 45,000 in 2018 | \$17,165 |
| OTHER: Germany | In Kind: JPO | - | - |

ANNEX 1-PROJECT LESSONS – LEARNED REPORT

| | |
|--|--|
| Project Title: | DPG Secretariat Project |
| Country: | Tanzania |
| Related CPD Outcome | Governance/2.3: National leadership in the Dialogue Structure is strengthened and donor coordination improved |
| Project Description and Key Lessons-Learned | |
| Brief description of the context | <p>Tanzania has made great strides towards enhancing aid effectiveness and harmonization and alignment of aid. There has been an increased focus on the identification of measures that can be taken to make development assistance more effective and efficient. Despite significant progress in improving the Government-donor cooperation, the transaction costs of aid – in terms of Government time devoted to donor-related concerns – has remained 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.</p> <p>In order to provide effective support to the development cooperation associated reforms since the early 2000s, principles for DP coordination, harmonization and alignment were established early in the process. From 2004, this process was formalized on the donor-side into the Development Partners Group (DPG) as a concrete country-response to the Rome Declaration (2003). The DPG formally remains the apex body for DP wide dialogue across aid modalities and currently has 17 bilateral and 5 multilateral members (counting UN as one). UNDP provides secretariat support to the DPG Main and the DPG Co-Chairs under a DIM project financed through cost sharing agreements.</p> |
| Brief description of project | <p>The DPG Secretariat project aimed at continuing the provision of a broad palette of services to Development Partner coordination in a trusted and neutral manner, in support of national ownership and coherence and within the vision for aid coordination and management set out by the Government and DPs in the Joint Assistance Strategy for Tanzania and more recently the Development Cooperation Framework. This includes high-level advisory support the DPG Main and effective facilitation and monitoring of DPG Main annual priorities to improve the positioning of the DPG against the official Dialogue Structure where stronger DP engagement will call on better harmonization of DP approaches and messages at all levels.</p> <p>The DPG Secretariat has continued to have a direct supportive function vis-a-vis the Government as the main interlocutor in facilitating high-level dialogue on policy priorities and specifically coordinate DP engagement in consultative processes around national implementation of medium term development strategies, policy dialogue.</p> |
| Key project successes | <p>Advisory services were provided throughout the project cycle with a focus on the below</p> <p>Finalization of the DCF 2017 document and initiation of the action plan outlining key actions to be implemented around financing, capacity development</p> <p>Facilitated the extensive MKUKUTA/MKUZA review and MKUKUTA II/MKUZA II drafting process</p> <p>Successfully facilitated Dialogue Structure and Division of Labour negotiations, peer</p> |

| | |
|--|--|
| | <p>and self-assessments including the aid architecture review (the Kaberuka Report)</p> <p>The development of strategic documents for aid management in Zanzibar and the production of the first ODA report. In Mainland one should note continuous progress in collecting and reporting on ODA and first steps in starting an integration with the budget software (IFMIS). These results largely contribute to making the GoT better lead on aid management and coordination.</p> <p>In Zanzibar, the Ministry of Finance has adopted the ‘Zanzibar Development Cooperation Compact’ 2015-2017 to address the lack of a policy and implementation framework. The Compact proposes a simple dialogue framework that once implemented will facilitate, enhance aid effectiveness and better structure the dialogue and coordination between Zanzibar and its partners.</p> |
| <p>Project shortcomings and solutions</p> | <p>Please describe what have been the main challenges of this project?</p> <p>○ <i>What have been the main challenges/ shortcomings/ unforeseen circumstances of this project?</i></p> <ul style="list-style-type: none"> -decreased interest in aid effectiveness agenda by high level officials from the Ministry of Finance and Planning in the last years of the implementation. This is partially due to a shift of interest in non ODA sources of funding -delays in approving key policy documents such as the development cooperation framework, therefore reducing the scope for an established engagement -at the DPG level, inducing a balance between information sharing and decision making has presented some challenges with DPs having diverse views on the role of the DPG mandate and role- -unpredictable funding. From the onset the initial concept was to build a sustainable source of income for the duration of the project. Ad-hoc commitments were made from individual agencies as gaps were identified <p>○ How were they overcome (if they were)?</p> <ul style="list-style-type: none"> -The Kaberuka facilitation process was instrumental in bringing back GoT and DPs around the table and have a genuine conversation on the future of aid. - The Development Cooperation Framework (DCF) is advising that DPs find ways to have representation mechanisms with the aim of reducing further the transactions costs on the central Ministries and in particular the MOFP. -initiation of an internal DPG reform. One of the areas that will reduce transaction costs is the establishment of a 6 member DP liaison group <p>○ Were the project results attained? If not, what changes need to be made to achieve these results in the future?</p> <p>The project managed to achieve a number of notable outputs despite the challenging new aid environment. Most of the milestones were dependant on an environment of trust and confidence in the GoT/DP relations, which in some years were eroded. In the future, emphasis should be placed in better forecasting possible risks, better inducing demand from the GoT and take into account new needs in terms of capacity.</p> |

| | |
|-------------------------------|---|
| <p>Lessons learned</p> | <p>Please think about and describe the key lesson(s) learned from this project.</p> <ul style="list-style-type: none"> ○ <i>What could have been done differently/ better?</i> As per the survey undertaken by the DPG Secretariat on possible reforms of the DPG, the following could be explored: <ul style="list-style-type: none"> - Use the DPG Main in more strategic way: joint analysis, and focus on burning issues, cross cutting and multi sectoral responses (i.e gender, climate change) - More consultation with the key stakeholders on relevant topics to encourage ownership and active engagement (<i>“reach beyond GoT and have more structured dialogues with private sector, civil society and even parliamentarians”</i>) -At project level, and given the relatively small size of the project, ensure stronger synergies with capacity, planning related UNDP projects ○ <i>What mistakes should be avoided if the initiative were to be replicated?</i> N/A ○ <i>How easy would it be to replicate the successes in a different context/ country?</i> |
|-------------------------------|---|



United Nations Development Programme

Annex 2-Financial Report-Expenditure by year and component

| Donor Description | Output | Activity Description | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------|-----------|-------------------------------------|-----------|-----------|----------|----------|--------|------------|
| UNDP TRAC | ACTIVITY1 | Support DPG Secretariat | 80,785.77 | (413.48) | | | | 113,372.25 |
| | ACTIVITY2 | Improve Communication for DPG | 5,080.00 | 4,759.65 | | | | |
| | ACTIVITY3 | Analysis - Aid Effectiveness | | | | | | 876.15 |
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | | | | 2,089.95 |
| | ACTIVITY5 | PFM Secretariat | | | | | | 3,317.24 |
| | ACTIVITY6 | DPG Environment Secretariat | | | | | | 896.69 |
| | | | | | | | | |
| UNFPA | ACTIVITY1 | Support DPG Secretariat | | 11,760.87 | (814.13) | (814.13) | | 836.41 |
| | | | | | | | | |
| UNICEF | ACTIVITY1 | Support DPG Secretariat | | | 3,781.50 | | | |
| | ACTIVITY2 | Improve Communication for DPG | | | | | 163.06 | |
| | ACTIVITY3 | Analysis - Aid Effectiveness | | | 243.41 | | | |

| | | | | | | | | |
|-----------------------|-----------|-------------------------------------|----------|-----------|------------|------------|-----------|------------|
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | 19,494.85 | 589.83 | | |
| | | | | | | | | |
| Government of Canada | ACTIVITY1 | Support DPG Secretariat | | 97,357.84 | 109,913.50 | 70,021.97 | 54,782.93 | 1,853.17 |
| | ACTIVITY2 | Improve Communication for DPG | | 4,770.00 | 103.15 | | | |
| | ACTIVITY3 | Analysis - Aid Effectiveness | | 7,408.63 | 36,255.39 | | 615.43 | |
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | 15,637.33 | | | |
| | | | | | | | | |
| Government of Denmark | ACTIVITY1 | Support DPG Secretariat | | | | | | 1,920.1 |
| | ACTIVITY5 | PFM Secretariat | | | | | | 22,494.43 |
| | | | | | | | | |
| Government of Germany | ACTIVITY1 | Support DPG Secretariat | 4,526.42 | (1.07) | | | | |
| | ACTIVITY2 | Improve Communication for DPG | 67.58 | | | | | |
| | | | | | | | | |
| UNAIDS | ACTIVITY3 | Analysis - Aid Effectiveness | | | | | | 13.12 |
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | 912.85 | 425.49 | | (2,187.78) |
| | | | | | | | | |
| Government of Norway | ACTIVITY1 | Support DPG Secretariat | | 64,331.84 | 42,991.13 | (7,120.66) | 780.15 | 81.36 |
| | ACTIVITY2 | Improve Communication for DPG | | 1,500.00 | 746.57 | 207.05 | | 972.00 |
| | ACTIVITY3 | Analysis - Aid Effectiveness | | | | 32.87 | 423.46 | |

| | | | | | | | | |
|--|-----------|-------------------------------------|-----------|-----------|-----------|-----------|------------|------------|
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | | 338.12 | | |
| | ACTIVITY5 | PFM Secretariat | | | | | | 861.87 |
| | | | | | | | | |
| Government of Netherlands | ACTIVITY1 | Support DPG Secretariat | 49,243.79 | 0.11 | 0.12 | | | |
| | | | | | | | | |
| Government of The United States | ACTIVITY1 | Support DPG Secretariat | 32,808.34 | | | | | |
| | | | | | | | | |
| USAID | ACTIVITY1 | Support DPG Secretariat | | 63,617.11 | 34,375.33 | 88,184.45 | 120,424.47 | 95,764.16 |
| | ACTIVITY2 | Improve Communication for DPG | | | 1,898.55 | 11,003.23 | (972.00) | |
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | 0.12 | 296.39 | | |
| | ACTIVITY5 | PFM Secretariat | | | | 108.91 | | |
| | | | | | | | | |
| Department for International Development | ACTIVITY1 | Support DPG Secretariat | | | | | 1,029.19 | (2.19) |
| | ACTIVITY3 | Analysis - Aid Effectiveness | | | | | 946.24 | (946.24) |
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | | | | (1,153.10) |
| | ACTIVITY5 | PFM Secretariat | | | | 22,488.66 | 28,205.81 | (3,582.62) |
| | ACTIVITY6 | Environment DPG | | | | | 13,209.05 | 21,194.50 |
| | | | | | | | | |

| | | | | | | | | |
|------------------------------------|-----------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Canadian International Development | ACTIVITY1 | Support DPG Secretariat | (12,650.81) | 10,834.57 | | | | |
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | 1,808.30 | | | | |
| SDC - Swiss Agency for Development | ACTIVITY1 | Support DPG Secretariat | | | | 201,108.41 | 28,072.67 | (539.70) |
| | ACTIVITY3 | Analysis - Aid Effectiveness | | | | | | 7,736.11 |
| | ACTIVITY4 | Support to DPG-HIV/AIDS Secretariat | | | | 4,802.07 | | |
| | ACTIVITY5 | PFM Secretariat | | | | | 8,812.26 | |
| One Fund | ACTIVITY1 | Support DPG Secretariat | 66,268.29 | 612.27 | (112.44) | (32,140.25) | 66,512.70 | 1,350.88 |
| | ACTIVITY3 | Analysis - Aid Effectiveness | | | | | | 109.85 |
| Total CDR Expenditure | | | 226,129.38 | 268,346.64 | 265,427.23 | 359,532.41 | 323,005.42 | 267,328.61 |