



**FINAL REPORT
VALUE FOR MONEY AUDIT
PARTICIPATORY FOREST MANAGEMENT (PFM)
AND
SUSTAINABLE WETLANDS MANAGEMENT (SWM) PROGRAMME**

16 JULY 2010

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M/s Jema J. Ngwale
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16 July 2010

Dear Jema,

Re: Submission of the Final Report – Value for Money Audit SWM & PFM Programme

We are pleased to submit the value for money audit final report for the Sustainable Wetlands Management (SWM) and Participatory Forest Management (PFM) Programme for the years 2007/08 and 2008/09. The analysis and recommendations in the report are based on the data collected in Iringa, Mbeya, Tanga and Morogoro regions and the eight districts (Handeni, Korogwe, Kilosa, Kilombero, Mbozi, Mbarali, Njombe and Mufindi) we covered in the audit.

We have also taken into account comments on the draft report from various stakeholders.

Should you have any clarifications or questions please do not hesitate to contact the undersigned.

Yours sincerely

Glenn Scott
Executive Director
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- Regional Secretariats of Tanga, Morogoro, Iringa and Mbeya for facilitating our field visits
- Coordination units at Prime Minister's and Regional Administration Office, Ministry of Natural Resources and Tourism through the Forest and Beekeeping Division and Wildlife Division
- District Executive Directors of the participating districts
- District Facilitation Teams in the eight districts covered in the audit
- Village Natural Resources Committee for the villages visited
- MNRT Technical Team
- Other stakeholders who facilitated this audit

We also wish to thank John Balarin – Sustainable Wetlands Management Advisor, Christer Roth – Participatory Forest Management - Financial Management Advisor and Tom Blomley – Participatory Forest Management – Royal Danish Embassy Consultant, for their comments on data collection instruments and strategy.

Acronyms and Abbreviations

ACGEN	Accountant General
AFM	Administration and Finance Manual
AWP	Annual Work Plan
BHD	Breadth Height Diameters
CBFM	Community Based Forest Management
CBNRM	Community Based Natural Resources Management
CBO	Community Based Organisation
DANIDA	Danish International Development Assistance
DC	District Council
DDP	District Development Plan
DED	District Executive Director
DFO	District Forest Officer
DFP	District Focal Person
DFT	District Facilitation Team
DNRO	District Natural Resources Officer
DPLO	District Planning Officer
DSC	Directorate for Sector Co-ordination
FBD	Forestry and Beekeeping Division
GDP	Gross Domestic Product
GFS	Government Financial Statistics
GoT	Government of Tanzania
IFMS	Integrated Financial Management System
JFM	Joint Forest Management
LGA	Local Government Authorities
M&E	Monitoring and Evaluation
MFA	Ministry of Foreign Affairs
MNRT	Ministry of Natural Resources and Tourism
MoF	Ministry of Finance and Economic Affairs
MTEF	Medium Term Expenditure Framework
NAWESCO	National Wetlands Steering Committee
NFP	National Forest Programme
NGO	Non Governmental Organisation
NWWG	National Wetlands Working Group
PFM	Participatory Forest Management
PFRA	Participatory Forest Resources Assessment
PMORALG	Prime Minister's Office – Regional Administration and Local Government
PO-PSM	President's Office- Public Service Management
PS	Permanent Secretary
RAS	Regional Administrative Secretary
RDE	Royal Danish Embassy
RFP	Regional Focal Person
RPLO	Regional Planning Officer
RS	Regional Secretariat
SC	Steering Committee
SWAP	Sector Wide Approach
SWM	Sustainable Wetlands Management
TAFORI	Tanzania Forest Research Institute
TASAF	Tanzania Social Action Fund
TAWIRI	Tanzania Wildlife Research Institute
TFCG	Tanzania Forestry Conservation Group
TOR	Terms of Reference
TOT	Training of Trainers
VEC	Village Executive Committee
VFMA	Value for Money Audit
VNRC	Village Natural Resources Committee
WD	Wildlife Division
WFI	Wetlands Friendly Investments
WU	Wetlands Unit

Executive Summary

Introduction

The Value for Money Audit (VFMA) for Participatory Forest Management (PFM) and Sustainable Wetlands Management (SWM) Programmes for the years 2007/08 and 2008/09 was carried out between June and August 2009. The audit covered 4 regions of Tanga, Morogoro, Iringa and Mbeya in 8 districts of Handeni, Korogwe, Kilosa, Kilombero, Mbozi, Mbarali, Njombe and Mufindi. PFM is implemented in all the regions covered by the audit whereas SWM is only implemented in Iringa and Mbeya.

Objective of the Audit

The audit objective was to perform an independent performance appraisal of the Programme activities to determine whether value for money was being achieved. Operational activities were assessed to determine the extent to which they were being implemented with due regard to economy, efficiency and effectiveness.

Methodology

The audit used checklists of structured questions, interviews with Programme staff, consultations with stakeholders and a review of programme documentation, accounting records and implementation reports. We also carried out physical verification in some selected villages. A pilot study to refine the data collection tools and audit strategy was done in Njombe district in the first week of July 2009.

Findings and Recommendations

1. Institutional and administrative set up

The Programme is multisectoral and implemented under the Government of Tanzania (GoT) policy of Decentralisation by Devolution. The Prime Minister's Office- Regional Administration and Local Government (PMORALG) through the Directorate of Sector Coordination (DSC) Environmental & Natural Resources sub section is responsible for co-ordination while the Local Government Authorities (LGAs) are the implementing agents. The Ministry of Natural Resources and Tourism (MNRT) as the sector ministry is responsible for technical guidance, policy setting and monitoring performance. Also MNRT provides the secretariat through the Forestry and Beekeeping Division (FDB) and Wildlife Division (WD). Programme and sector specific operational guidelines have been prepared to guide programme implementation.

However, we noted that there is no effective coordination of the interfaces between PMORALG, MNRT and other stakeholders involved in the Programme resulting in implementation delays. Examples of such delays are:

- Delays in decision making e.g. the delay by the Ministry of Finance (MoF) in deciding on the benefit sharing arrangement for Joint Forest Management (JFM)
- Delays in convening Steering Committee (SC) meetings
- Some sector specific guidelines for programme implementation have not been prepared and distributed to the users particularly for SWM

Recommendations

- Hold timely quarterly coordination meetings between PMORALG and MNRT and other stakeholders to ensure satisfactory execution of all operational activities
- Hold timely SC Meetings
- PMORALG and MNRT to ensure sector specific guidelines for SWM are prepared and distributed to District Councils (DCs) and villages

2. Budgetary Process

The Programme uses the Medium Term Expenditure Framework (MTEF) in preparing its strategic plans and budgets. The budgetary process is participatory and aligned to the government budget cycle. The Accounting and Finance Manual (AFM) which provides the financial and operation guidelines requires District Executive Directors (DEDs) and Regional

Administrative Secretaries (RASs) to appoint planning officers to support the programme in planning and budgeting.

The budget process starts with MNRT in consultation with PMORALG drawing up the budget ceilings. The budget ceilings are approved by the SC and communicated to RSs and DCs by PMORALG. MNRT and PMORALG prepare their own budgets and workplans which are internally reviewed and submitted to the SC for endorsement. The RS budget preparation is coordinated by the Regional Planning Officer (RPLO) while the DCs planning and budgetary process which starts at community (village) level is coordinated by the District Planning Office (DPO), reviewed by the Regional Review Meetings (RRM) and approved by the full council of the respective districts. We however noted:

- Some DEDs and RASs have not appointed specific planning officers to support the programme in planning and budgeting. This results in limited support of the RPLO and DPLO in the preparation of programme Annual Work Plans and Budgets
- There are instances when the Programme budgets and work plans are incorporated in the district budgets and approved by the full councils before they are reviewed by the RS as required by the AFM. Normally if there are any changes they are never incorporated at council level
- PFM and wetland issues are not treated as an integral part of the district natural resources budget
- There is limited participation in some of the villages in the selection of micro projects

Recommendations

- DEDs and RPLOs to appoint planning officers to support the planning and budgeting process
- RSs should ensure that district Programme budgets and work plans are reviewed on time and incorporated in the DC's budget for approval
- Sensitize DCs and RSs to create continuous awareness on PFM and wetland issues
- Encourage participation in planning and budgeting by villages through VNRCs

3. Disbursement of Funds

Funds disbursement is dependent on timely submission of quarterly reports. DANIDA and MFA disburse funds on request by PMORALG and as agreed in the Annual Work Plan (AWP) and Budget. The first instalment is disbursed after the endorsement of the AWP and the second after the receipt of the second quarter report.

Both DANIDA and MFA Finland use the exchequer system of the Ministry of Finance (MoF) for funds disbursement. On receipt of a funding request, donors transfer funds to the MoF through the Bank of Tanzania. The Accountant General (ACGEN) then disburses the funds to the beneficiaries through the sub-treasuries.

However, there have been delays in the funds disbursement process which affects implementation of planned activities. The delays are due to late submission of quarterly reports by some districts which also affects the consolidation of reports by PMORALG and submission to the SC for endorsement. In certain instances the amount disbursed is often less than what was requested. While donors are prompt (within two weeks) in transferring funds to MoF, it takes up to two months for MoF to transfer funds to PMORALG and LGAs.

Recommendations

- More technical support to districts which were consistently late in quarterly reporting
- Funds should continue to be disbursed semi annually. However, the first instalment should be disbursed at the beginning of the year (July), based on the approved budgets but on condition that the second instalment is only disbursed (January) when the previous year's annual report has been submitted and all prior year funds accounted for
- All funding requests should be supported by the required documentation
- The MoF should review the funds transfer procedures through the sub treasuries and the recipients. Beneficiaries should be informed immediately funds are

transferred from the Bank of Tanzania to the respective sub treasuries for quick follow up

4. Physical Vs Financial Performance

The physical and financial implementation annual reports of implementing agencies show a favourable trend in attainment of targets as per budget and work plans. However, activities in the previous year's work plan but not implemented by that year end do not get included in the next year's work plan. The current year budget only covers activities in the current year work plan. In addition, RDE directive requires the closing fund balance at the previous year end to be deducted from the current year's budget. Similarly the prior year activities (which generally have to be completed before current year activities) are funded from the current year's budget. In certain instances funds are incurred on items not budgeted for.

Recommendations

- The approved budget and work plan for the current year should be funded in full
- Prior year carry forward fund balances should be allowed to be retained and used for implementing outstanding prior year activities in the current year. However, these must be reported in full prior to the second funding requests
- Justification should be provided for expenditure on items not budgeted for
- RDE to review its directive of deducting fund balances at the end of the year in order to allow a smooth implementation of activities not implemented in the current year

5. Expenditure Analysis

Programme costs on per diems, fuel and vehicle maintenance account for up to 70% of the programme budget. The main activities include travel to attend meetings, supervision and monitoring visits in the field. The other 30% is on stationery, refreshments, purchase of tools and implements e.g. bee hives, bicycles, tree nurseries and pesticides. The AFM sets a limit of 70% of the district's budget to be spent on Target 1 (T1) and Target 2 (T2) activities. Expenditure analysis shows that:

- Generally actual expenditure has been below the budget except for fuel and vehicle maintenance costs have been consistently higher than budget
- Budgeted activities are not adequately reviewed for reasonableness e.g. 4 days per diem planned for improving working environment of District Natural Resources Office (DNRO) and District Forest Office (DFO) in Kilombero
- Medium Term Expenditure Framework (MTEF) budgets expenditure items are activity based while Government Financial Statistics (GFS) reporting is item based. So it is difficult to determine the costs of individual activities
- Inadequate back to office reports
- No dedicated bank account for SWM and PFM at PMORALG

Recommendations

- Improve accounting and control of expenses as required by regulations e.g. use of logbooks
- Steering Committees, PMORALG and RAS should review budgets in detail
- Review record keeping at project level so to capture transactions data both per activities and items
- PMORALG should open dedicated bank accounts for the programme
- All travel to be supported by back to office reports

6. PFM and SWM CBNRM Implementation Status

PFM Community Based Natural Resources Management (CBNRM) implementation guidelines are being followed as per guidelines. However, SWM CBNRM implementation does not follow guidelines. Guidelines are not being followed in Njombe, Mbarali and only partly in Mbozi and Mufindi. Target 3 (T3) activities are being implemented before T 1 and T 2 activities have been completed.

Recommendations

- Train SWM programme staff on the wetlands implementation stages

- Conduct awareness campaigns on wetland issues and wise use concept

7. Micro Projects

One of the major objectives of the programme is for local villagers to develop income generating projects which will reduce pressure on the dependency on natural resources. However, most of the projects started are still at an infant stage and have not fully developed to benefit villagers. The actual level of income generation (as reported) is low at Tshs 23.3 million for the period of review from the districts surveyed. The number of beneficiaries involved in these micro projects is 1,785 (the low numbers are as much a problem in reporting as in revenue generation). This gives a per capita annual income of \$10.03 which is only 2.4% of Tanzania nominal Gross Domestic Product (GDP) per capita (\$425 in 2008). The micro projects are not sustainable because of minimum involvement of the villagers in project selection; also the projects are too small to have any impact on the livelihood of people.

Recommendations

- Set year-on-year revenue growth targets for each village/district
- Look at incremental ways that resources can be harvested so as to rapidly increase village incomes, e.g. sustainable timber harvesting, carbon credit trading
- Identify linkages for purchasers of micro project harvests, e.g. honey
- Investigate sources of supplementary and complementary funding, e.g. Tanzania Social Action Fund (TASAF), so as to accelerate micro project income generation
- Wetlands Friendly Investments (WFIs) Guidelines to be disseminated and used in all LGAs
- Review expenditure limits for T1 to T4 in order to direct more funds to the beneficiaries at the micro-level

8. The AFM – Knowledge and Implementation of Roles and Responsibilities

The AFM provides operational (administrative and financial) guidelines for implementation of the programme but is not used effectively - PFM staffs have a better understanding of the manual than SWM staff who started using the manual in 2007/08. Training has been made both in zones and districts. However, reports produced at different levels show that the reporting procedures are not well understood or followed resulting in errors and inconsistencies in the reported figures. It appeared that either the trainers were not conversant with the manual, time for training was not adequate or the criteria for selection of the trainees was not right

Similarly, roles and responsibilities as laid down in the AFM are not being consistently followed by programme staff. Monitoring and evaluation is one of the key roles which is weak or non-existent at all levels. This is despite it being a vital component and clearly stated in the AFM as an overall responsibility of PMORALG plus district responsibility to provide semi-annual M&E reports. Additionally, there are multiple formal M&E systems and associated databases.

Recommendations

- Make a comprehensive review of the effectiveness of the current training strategy i.e. to establish the reasons why the training made has not resulted in uniform application of procedures and quality reporting
- Change the training approach by either outsourcing or developing a training of trainers (TOT) model via careful selection of a few competent LGAs or PMORALG staff
- Reports should be reviewed and evidenced before they are issued to third parties
- Where persistent problems exist in a particular district then they should be provided with practical on-the-job training and in-situ support to a quarterly financial close and reporting
- PMORALG should draw up and oversee implementation of an annual monitoring and evaluation work plan covering all districts. To do these it will require its own M&E officer
- Due to the limited capacity in districts PMORALG should undertake this activity themselves or seek outsourcing from reputable institutions

9. Outsourcing

The AF manual contains outsourcing guidelines. Allowable non-core functions not being done effectively that could be considered for outsourcing include:

- Training
- Monitoring & evaluation
- Mapping and preparation of land use plans

Very few activities have been outsourced to date. Examples identified were limited to:

- Supporting three groups to establish tree nurseries in Kilombero
- Participatory forest resource assessment training in Korogwe
- Survey of 18 forest reserves in Mbozi

Recommendations

- Review where bottlenecks, capacity issues or non-delivery exist in the programme
- For these create an action plan to look at suitable outsourcing resources

10. Stakeholder Views on Implementation of the Programme

National stakeholder collaboration to support the Programme is minimal. This is evidenced by failure of the implementing agencies at different levels to convene consultative meetings. This has resulted in low awareness and limited private sector involvement in natural resources management. TAFORI is managing the research component of PFM; most of the research is still ongoing and so little is available to support improved implementation of the Programme. There is little progress on SWM research which is also in an ongoing status and SWM studies which have been outsourced are progressing very slowly.

Recommendations

- Implementing agencies to organise and conduct regular stakeholder consultative meetings
- TAFORI to produce and present semi-annual reports on status of research projects and share findings with stakeholders and further advise on how to use the programme's benefit
- Review the current procurement process for SWM studies and assign the coordination role to Tanzania Wildlife Research Institute (TAWIRI)

11. Overall Programme

Eight PFM districts were reviewed with the majority having a 2004 start date. A total of Tshs 1,753 million has been spent with coverage of 167,000 hectares and 173 villages. Four SWM districts were reviewed and on average had a 2005 start date. A total of Tshs 323 million has been spent with coverage of 3,500 hectares and 38 villages. Looking at cost per hectare is probably not particularly meaningful as the coverage under PFM is 48 times that under SWM. The cost per village under both programmes similar (at Tshs. 8 – 10 million). This perhaps reflects that the village is the key unit and costs are driven at the village level.

The achievement of national outputs as per the PFM and SWM component documents shows reasonable progress:

- PFM: Done (5), Partly (1), Not Done (2 - M+E, Joint Forest Management guidelines)
- SWM: Done (1), Partly (6)

The degree of implementation of roles and responsibilities as defined in the AFM manual on a combined basis for: PMO-RALG, Steering Committees, RS, Districts, Villages is:

- Done (18), Partly Done (7), Not Done (5)

Recommendations

- Development Partners and other stakeholders look at ways that implementation progress can be accelerated - e.g. by timely funding, short-term technical support, increased private sector involvement
- Ministry of Finance to endorse JFM guidelines or MNRT takes up (40%/60%) benefit sharing between villages and central government on a pilot basis
- The six out of seven SWM national outputs not yet fully achieved are reviewed with urgency and an action plan developed and monitored
- Wetlands inventory, management plans and guidelines are completed and put into use
- The formation of user associations is supported and formalised

Conclusion

A value for money audit looks at economy, efficiency and effectiveness. One of the problems of this particular assessment is that there are multiple, diverse and inter-relating objectives of the programmes.

Economy

In terms of economy the actual amounts spent have been consistently less than those budgeted by some 70%. The main factors noted which resulted to under spending are:

- Delays in processing funding requests and the funding transfer process as pointed in Section 2.2.2
- Programme budgets and work plans are not incorporated as part of the approved DCs natural resources budget as explained in 2.2.1
- Treatment and funding of prior year activities carried forward which leads to workplans not being fully implemented in the planned timeframes

Efficiency

A specific measure looked at for efficiency is the weighted cost analysis per sections 2.4.2 and 2.5.2. This takes into account funds received weighted by stage of completion. Overall, based on the districts reviewed it shows:

- PFM has a completion factor of 42.6% which gives weighted cost per village of Tshs 22.9 million and weighted cost per hectare of Tshs 26,000.
- SWM has a similar completion factor of 44.0% which gives a slightly lower weighted cost per village of Tshs 19.7 million but a much higher weighted cost per hectare of Tshs 202,000.

When the time factor is considered important then the implementation has not been efficient as no district has fully implemented its work plan within the original three-year period and all PFM and SWM projects have been running for longer than this with the exception of Mbozi SWM which only started in 2006-2007.

In our meetings with various stakeholders we heard that efficiency was not the major measurement, but rather effectiveness (i.e. what was achieved).

Effectiveness

In terms of effectiveness it is perhaps more complex and depends somewhat on one's perspective. If measured purely by outcomes then for:

- Project document objectives - these have been broadly achieved
- Local Government - the state organs have been fully involved but have failed to consistently complete a number of objectives
- Individual work plans - none have been fully implemented as defined within the initial three-year period
- Beneficiaries - few income generating projects are generating significant income for the intended local beneficiaries and not on any sustainable level
- Environment - PFM coverage is substantial (167,380 hectares) with SWM less so (3,556 hectares). Local communities have been trained and sensitized on environmental issues and there are noticeable advancements particularly under CBFM

Our overall assessment is shown in the table below

Overall Value For Money Assessment		
Excellent (5), Good (4), Average (3), Below standard (2), Poor (1), None (0)		
Ref No	Sector	VFM score
1	Programme structure and administrative set up	4
2	Budgetary process	3
3	Disbursement of funds	2
4	Physical Vs Financial Performance	2
5	Expenditure analysis	3
6	CBNRM implementation status:	PFM
		SWM
7	Micro projects	2
8	AFM Knowledge	3
9	Implementation of roles and responsibilities	2
10	Outsourcing	2
11	Stakeholder views on programme implementation	2
12	Overall programme	3
	Average	2.5

According to the overall assessment above, the programme performance is only 50% of what could be expected.

Although there have been developments and improvements in terms of the area coverage by both PFM and SWM, there is still significant room for major improvement, particularly if:

- The available programme guidelines are complied with i.e. AF Manual, PFM and SWM programme documents and sector specific guidelines where available
- More resources are directed to the promotion of income generating activities which aim to reduce pressure in the use of forests and wetlands and enhance the livelihood of the communities
- PFM and wetlands issues are fully appreciated at the community level
- Funds are disbursed timely and in full according to approved budgets and workplans
- There is prompt reporting and monitoring of mechanism being implemented from the community level

1 BACKGROUND

1.1 Objectives of the Audit

The Royal Danish Embassy (RDE) Tanzania contracted Ernst and Young-Tanzania (Consultants) on the 15th June 2009 to carry out a Value for Money Audit (VFMA) for the Participatory Forest Management (PFM) and Sustainable Wetlands Management (SWM) Programmes for the financial years 2007/08 and 2008/09 in selected implementing districts.

The objective of the VFMA was to perform an independent performance appraisal of PFM and SWM to determine whether value for money was being achieved on the activities being implemented. The audit included an assessment of the extent to which resources were managed with due regard to economy, efficiency and effectiveness and in conformity with applicable regulations, rules and procedures and accountability relationships. RDE will use the VFMA findings as a basis for determining the direction and programme of activities for any further future support to PFM and SWM. In addition to the terms of reference, consultants were required to use the findings of the routine RDE Monitoring & Evaluation (M&E) report of March – April 2009 in Iringa and Mbeya regions as the starting point for the value for money audit.

1.2 Scope of the Audit

The scope of the audit as stated in the TOR required the consultants to assess the performance of the selected districts under PFM and SWM for the years 2007/08 and 2008/09 in order to suggest the direction and programme of activities for any further future support to PFM and SWM. The assessment of the programme's operational activities was done in order to determine whether value for money was being achieved and the extent to which the immediate outputs were contributing towards the attainment of the programme's outcomes.

The specific tasks of the scope of work included:

- Consultation with relevant stakeholders at all levels i.e. Forestry and Beekeeping Division (FBD), Prime Minister's Office – Regional Administration and Local Government (PMORALG), Regional Secretariats (RSs), Districts and Villages to obtain their views on the implementation of PFM in their respective areas of jurisdiction to obtain the complete picture
- Describing the institutional and administrative set up; administration of funds including roles and responsibilities of districts and PMORALG
- Assessment of the knowledge of districts, regions staff on the Administration and Finance Manual (AFM)
- Assessment of whether they fulfil their roles and responsibilities as per the AFM
- Assessment of reporting on outstanding activities and funds carried forward from previous year and current use of funds and achievements against work plans
- Visiting the purposely selected 8 districts to assess performance of what was planned, budgeted, what has been spent and achieved
- Visiting SWM/PFM villages and assess the status of their forest management plans, land use plans, wetlands inventory and micro projects (are inventories and land use plans in place, what is the cost in relation to what has been planned)
- Assessment of the performance of PMORALG and RSs on monitoring and evaluation of PFM and SWM activities

A summary of some of the key issues arising from the RDE Monitoring and Evaluation (M&E) visit of April 2009 which form part of the scope of this audit are:

- PFM and SWM issues not incorporated in the district development plans
- Delay in release of funds thus affecting project implementation
- Lack of understanding on the use of the AFM
- Coordination and reporting not properly done
- Delays in the approval process for village management plans and by-laws

- No stakeholders consultation meetings at all levels
- No apparent value for money seen on the ground

1.3 Approach and Methodology

Our general approach was to undertake a detailed analysis of the current situation in order to determine the operational effectiveness of each activity towards contributing to the attainment of both short and long-term objectives. This approach seeks to confirm the programme's performance on the following three measurement areas:

- Economy: getting the right amount of resources, of the right quality and at the lowest cost (inputs)
- Efficiency: the relationship between the output from goods or services and the input resources used to produce them
- Effectiveness - the relationship between the intended and actual results (outputs). This relates to performance in achieving policy goals and objectives

The detailed methodology included:

- Desk top reviews
- Use of Checklists (Appendix IIA, IIB and IIC)
- Determination of data collection and analysis strategy
- A pilot study to test the data collection instruments and refining the audit strategy
- The actual field audit- involving both substantive and analytical procedures
- Data analysis and reporting
- Presentation of the audit findings and discussions with the client and stakeholders

1.4 Structure of the Report

This report presents the VFMA findings for the both PFM and SWM Programmes for the years 2007/08 and 2008/09. However, where there are significant differences between PFM and SWM, the findings are presented separately within each respective section.

2 SPECIFIC FINDINGS

The findings are based on the analysis of activities implemented in the years 2007/08 and 2008/09 in 8 districts in 4 regions which have been covered by the audit. The analysis aims at reviewing the level of attainment of value for money of the immediate outputs. Where the analysis shows that value for money is not achieved, the causes of the shortcomings are analyzed and recommendations made on how to improve operational performance. However, it is important to note that the analysis and recommendations are based on the data which was available at the time of audit.

2.1 Institutional and Administrative Set Up

2.1.1 Programme Structure

PFM and SWM are multisectoral projects being implemented through the Local Government Authorities (LGA) under the Government of Tanzania (GoT) policy of Decentralisation by Devolution and are aligned to the Medium Term Expenditure Framework (MTEF). The Ministry of Natural Resources and Tourism (MNRT) through the Forestry and Beekeeping Division (FBD) and the Wildlife Division (WD) - Wetlands Unit (WU) is the executing agency while PMORALG is the implementing agency. The roles of both MNRT and PMORALG are clearly spelt out in the PFM and SWM programme documents and AFM of 2007 which is the programme's operational (on administration and finance) guidance manual.

PMORALG through the Directorate of Sector Coordination (DSC) on environment and natural resources is responsible for coordination and monitoring and evaluation the performance of RSs and LGAs whose main role is to support the implementation of Programme activities. The administrative set up goes up to the village level where the Village Council (VC) acting on the advice of Village Natural Resources Committee (VNRC) is responsible for identifying suitable areas

for the Programme and implementing specific activities as required by the Community Based Natural Resources Management (CBNRM) model.

MNRT as the executing agency is responsible for providing technical guidance in all matters including training and monitoring through FBD and WD-WU. FBD provides the secretariat for PFM through a Working Group which reports to National Forest Programme - Sector Wide Approach (NFP SWAP) while WD provides the secretariat for SWM under the National Wetlands Steering Committee (NAWESCO) which coordinates all wetland issues. NAWESCO is being advised by the National Wetlands Working Group (NWWG).

The Programme structure is in line with the GoT's policy of Decentralisation by Devolution and empowerment of the grassroots communities in the management of natural resources. However, we noted that there is no effective institutional link and coordination of the interfaces between the sector Ministries and other stakeholders resulting in implementation delays. Examples included:

- Delays in decision making which affect programme implementation e.g. the delay by the Ministry of Finance (MoF) in deciding on the benefit sharing arrangement for Joint Forest Management (JFM)
- Delays in convening of Steering Committee meetings
- Delays in the preparation of sectoral guidelines to support implementation of the programme e.g. there has been undue delays in the preparation of sector specific guidelines to support the implementation of income generating activities in of sustainable wetlands areas

Delays in decision making and convening SC meetings adversely affects the implementation time of the programme's activities. It also increases the completion time of the key programme milestones and project cost escalation and reduces the participatory rate e.g. only 38% of the PFM coverage in the districts audited is under JFM. Lack of sectoral guidelines on the other hand impacts the degree of professionalism in the implementation of SWM activities and sectoral coordination.

Recommendations

- Hold timely quarterly coordination meetings between PMORALG and MNRT to ensure satisfactory execution of all operational activities
- Hold timely Steering Committee Meetings
- Sector ministries to speed up decision on programme implementation issues

2.1.2 Administrative and Operational Procedures

The administrative set up of the programme is supported by regulations and operational guidelines which have been put in place to guide the effective implementation of activities. One of such guidelines document is the AFM which provides the administrative and financial guidelines for the Programme. The AFM covers all districts and Regional Secretariats included in the Programme receiving donor support. It supplements the existing administrative and legislative financial procedures of the GoT i.e. The Public Finance Act 2004, the Procurement Act and Regulations of 2004 and the Local Authorities Financial Memorandum – 1997.

MNRT has also issued sector specific guidelines for the technical processes involved in programme implementation. Examples of such guidelines include:

- Community Based Forest Management Guidelines
- Joint Forest Management Guidelines
- Guidance for Participatory Forest Resource Assessment and Management Planning
- Guidelines for Wetlands Friendly Investments (WFI)

We however, noted that the preparation of some of the sector specific guidelines was still in progress while the programme phase 1 was in its last year of implementation e.g. the sector specific guidelines for SWM. In certain instances we also noted that the guidelines which had been completed were not distributed to the users e.g. WFIs guidelines had not been distributed to all districts.

Where specific sector guidelines have not been completed or distributed to the users, the programme activities steps were being implemented without clear guidance resulting in some cases implementing activities which were not supporting the programme main objective e.g. SWM districts implementing PFM micro projects.

Recommendations

- Responsible ministries to complete sector specific guidelines for use by the programme
- The completed guidelines for SWM be distributed to all users, particularly district council staff and villages

2.2 Budgeting and Disbursement of Funds

2.2.1 The Budgetary Process

The Programme uses the Medium Term Expenditure Framework (MTEF) in preparing its strategic plans and budgets. The Programme's budgetary process is aligned to the GoT budget cycle starts in December each year when MNRT, through the technical working group in consultation with PMORALG draw up the budget ceilings. The ceilings are approved by the Steering Committee (SC) and communicated to RSs and districts by PMORALG.

On the basis of the approved ceilings, MNRT and PMORALG will prepare their draft budgets and work plans. The budgets are internally reviewed and submitted to the SC for endorsement. The RSs budget preparation is coordinated by the Regional Planning Officer (RPO) through a Planning Officer who is specifically appointed by the RAS to support the Programme as required by the AFM.

Districts planning and budgetary process use a participatory approach which normally starts at community level. Villages prepare their plans which are later submitted to the District Planning Officer (DPO) for incorporation in the district draft budget and work plan. The DPO is responsible for coordination of the budgeting process to ensure that budget guidelines, objectives and targets from the district strategic plans are complied with and PFM and wetland issues are included as part of the wider district council's natural resources budget. The AFM requires the District Executive Directors (DEDs) to appoint specific Planning Officers to support the programme in planning and budgeting.

According to the Local Government Budget Cycle, the draft programme budgets and work plans for all districts and regions are supposed to be reviewed by Regional Review Meetings which are arranged by the RS in January of each year. The review meetings comprise representatives from all districts, the Region, PMORALG and MNRT. Comments from the review meetings are then used by the districts and regions to revise their draft programme budgets and work plans. The district revised draft budgets and work plans are then submitted to the Regional Focal Person (RFP) for final review while those for the regions are reviewed internally. After the final review by the RFP the revised district budgets and work plans are incorporated in the District Annual Budget for approval by the Full Council in April and those for regions are incorporated in PMORALG's budget.

However, we noted that the budgetary process is not adequately coordinated and technically supported at the RASs and DCs levels as evidenced by:

- Some District Executive Directors and Regional Administrative Secretaries (RAS) have not appointed specific Planning Officers to support the programme in planning and budgeting as required by the AFM (Appendix II A, II B and IIC). As such there is limited technical support and guidance of the RPOs and DPOs in the preparation of programme work plans and budgets from the village to district levels
- Budget review meetings were convened late in April or May in some of the districts when the District Councils had already approved the programme budgets and work plans and incorporated them in the District Budgets e.g. in Mbozi and Mbarali districts the budgets of 2008/09 were adopted by the Full Council in April 2008, but the regional review meetings for the draft programme budgets were held in May 2008. The delay by RSs to convene the review meetings was due to lack of funds. As a result, the revisions made in the review meetings were not incorporated in the district budget. Since funds release was based on

- the draft revised budgets and workplans, districts have been implementing the revised budgets and work plans which in some cases were different from the district approved budgets. This made it difficult to track performance based on the approved district budget
- Though PFM and SWM issues are incorporated in the districts' development plans, they are still viewed as an independent programme and not as integral parts of the district natural resources budget
 - There was limited participation in some of the villages in deciding and prioritizing micro projects to implement. (Appendix II A and II B).

Recommendations

- DEDs and RPLOs to appoint planning officers to support the planning and budgeting process
- RAS should ensure that district Programme budgets and work plans are reviewed on time and incorporated in the DC's budget for approval. The Programme budgeting should be part of the local government budgeting calendar
- The DCs and RSs to be continuously sensitised on PFM and wetlands issues as part of the wider district councils natural resources budget
- Encourage more participation in planning and budgeting by villages through VNRCs

2.2.2 Disbursement of Funds

The funds disbursement process as outlined in Section 5.6 of the AFM is dependent on timely submission of DCs quarterly reports to RS, RSs consolidated reports to PMORALG and National Consolidated reports to the SC. The AFM sets out the timeline for the submission of reports and funds disbursement requests processing at different levels of the programme's hierarchy.

Section 4.2 of the AFM states that the disbursement of funds to implementing units will be made twice a year as follows:

- The first disbursement is made after the endorsement of the Annual Work plans and budget by the SC. The endorsement is normally done by 15 June each year
- The second disbursement should follow receipt of the second quarter national consolidated report submission to DANIDA and MFA. According to Section 5.6 of AFM, districts submit the second quarter reports to RS by January 31. RSs review, consolidate the district into regional reports and submit to PMORALG by 28 February. PMORALG reviews the consolidated regional reports, consolidates them to a national report and submits to the SC for endorsement by 15 March. The consolidated national report is then submitted to DANIDA and MFA with a funding request. According to the report submission schedule, the second disbursement can only be effected after 15 March; the approximate date will be dependent on the approval of the consolidated national reports by the SC

Both the Danish International Development Assistance (DANIDA) and Ministry of Foreign Affairs (MFA) Finland use the exchequer system of the Ministry of Finance (MoF) for funds disbursement. Funds are disbursed upon request of PMO-RALG in accordance with the approved Annual Work Plan (AWP) and Budget. The funding request attached with the semi annual or annual consolidated reports which have been endorsed by the SC are submitted to the donor. If satisfied the donor transfers the amount requested to the MoF.

On receipt of the transfers, the MoF through the Accountant General (ACGEN) informs the Budget Section of the Ministry to complete application forms for DCs funds and the PMORALG for self, MNRT and RSs. Upon receipt of the funds release application forms, ACGEN transfers the funds to the recipient bank accounts through Sub-Treasuries. The financing agreement requires the implementing parties i.e. MNRT, LGAs and RS to open dedicated accounts for PFM and SWM. The Sub Treasury will then credits the recipient's bank accounts and send out a notification to the account holder.

Analysis of submission of quarterly reports

Quarterly report submission dates for 2007/08 and 2008/09 for the DCs and RSs covered by the audit are shown in Appendix III A and III B. Analysis of quarterly reports submission dates is as follows:

- **PFM districts to RSs**

Five (5) of the PFM districts submitted their quarterly reports on time. Exceptions were Korogwe who were late in submitting the Q1 and Q2 reports of 2007/08, while the submission dates for the Q3 was not established. Similarly, Mbozi were late in submitting Q1 and Q4 reports of 2007/08. Submission dates for Kilosa could not be established.

- **PFM RSs to PMORALG**

During 2007/08 Mbeya RS submitted the consolidated Q1 to Q4 reports on time. Tanga RS delayed submission for Q2 for 2007/08. Submission date for Q1 to Q4 for Iringa RS and Q1 and Q2 for Morogoro RS could not be established.

In the year 2008/09 Mbeya and Morogoro submitted Q1 to Q4 reports on time. Tanga RS had not submitted the Q4 report at the time of audit.

- **SWM districts to RSs**

During 2007/08 Mufindi submitted Q1 to Q4 reports on time. The submission dates for Njombe Q2 and Mbarali Q3 could not be established. During 2008/09 all Q1 to Q4 reports were submitted on time except Q4 reports for Njombe and Mbozi which were still being prepared at the time of audit.

- **SWM RSs to PMORALG**

During 2007/08 all quarterly reports were submitted on time except that submission dates for Q1 and Q3 could not be established for Mbeya and Q1 for Iringa. In 2008/09, reports were timely submitted except for Q1 and Q2 reports for Mbeya which we could not establish the submission dates. All Q4 reports were still being prepared at the time of audit.

Processing of funding requests

Table 1 and 2 show the time taken in processing a sample of funding requests for SWM and PFM from the date RAS submits the regional consolidated reports/requests to PMORALG the date the funds are credited in the recipient's account.

Table 1: SWM- Processing of funding requests

No	Date of RAS request	Amount Requested Tshs.	PMORALG Request To SC	SC Endorsment	PMORALG Request to Donor	Donor Transfer To MOF	MoF transfer to recipients	Funds in recipients account
1	15.01.08	169,948,000	25.01.08	01.02.08	13.03.08	27.03.08	09.04.08	05.05.08
2	PMORALG request	6,000,000	29.09.08	15.10.08	21.10.08	28.10.08	04.12.08	28.12.08
3	31.08.08	315,616,790	29.09.08	15.10.08	21.10.08	28.10.08	04.12.08	31.12.08

Observations

1. Requests from RSs for the period January – June 2008 were all sent to PMORALG by 15 January 2008. PMORALG took 10 days to consolidate the requests for submission to SC. After SC endorsement it took another 40 days for PMORALG to send the request for funding to DANIDA. DANIDA took 14 days for processing the requests to transfer funds to the MoF. MoF took 12 days to process the transfer. The transfer to the recipient's bank account through the sub-treasury took 25 days. The whole process from RS's funds request to recipient's receiving funds took 110 days (3.6 months).

2. PMORALG request to SC was made on 29.09.08. It took 17 days to SCs endorsement. The request to donor was sent 6 days later and DANIDA took 7 days to process the request and transfer

to MoF. The MoF took 35 days to process the transfer. The transfer to the recipient's bank account through the sub treasury took 12 days. The whole process took 93 days (3.0 months).

3. Consolidated LGAs request submitted to PMORALG on 31.08.08 for the July – December 2008 disbursement. PMORALG took 29 days to prepare the consolidated report for submission to SC. SC endorsed the request after 16 days. PMORALG request to DANIDA was made within 6 days after SC endorsement. DANIDA took 7 days to process the request and transfer funds to MoF. MoF took 38 days to process the transfer. The transfer to the recipient's bank account through the sub treasury took 26 days. The whole process took 122 days (4.0 months).

Table 2: PFM – Processing of funding requests

S/NO	Date of RAS request	Amount Requested Tshs.	PMORALG Request To SC	SC Endorse - ment	PMORALG Request to Donor	Donor Transfer To MOF	MoF transfer to recipients	Funds in recipient account
1	30.01.08	869,247,000	05.02.08	15.02.08	10.03.08	27.03.08	08.04.08	06.05.08
2	PMORALG request	35,000,000	26.02.08	20.03.08	02.04.08	15.04.08	09.05.08	07.10.08
3	28.06.08	822,900,000	15.07.08	29.07.08	01.08.08	07.10.08	17.10.08	11.12.08
4	PMORALG request	29,250,000	15.07.08	29.07.08	01.08.08	07.10.08	29.02.09	09.05.09

Observations

1. LGAs request for the period Jan- June were submitted on 30.01.08 to PMORALG which took 6 days to process and consolidate the requests. The requests were endorsed by SC 10 days after receiving the request. PMORALG request to DANIDA was sent after 25 days since approval. DANIDA spent 17 days to process the request. It took 11 days for MoF to process the transfer. The transfer the recipient's bank account through the respective sub-treasury took 28 days. The whole process took 96 days (3.1 months).

2. A request from PMORALG was submitted to SC for funding on 26.02.08. SC endorsed the request after 24 days. PMORALG send the request to DANIDA after 12 days of SC endorsement. DANIDA took 13 days to process the request. MoF took 23 days to process the transfer to the respective sub-treasury and another 151 days for the recipient's bank account to be credited. The whole process took 221 days (7.3 months).

3. PMORALG requested Tshs. 822,900,000 being the first disbursement for the year 2008/09. The request was endorsed by the PFM Working Group on 29.07.08 on the basis of the annual plans and budgets. PMORALG requested the funds from DANIDA on 01.08.08. However, the request was not processed because the Annual Implementation Report for 2007/08 was not attached. DANIDA wrote to PMORALG requesting for the annual reports on 20.08.08. The annual reports were submitted to DANIDA on 22.09.08. DANIDA transferred the funds to the Ministry of Finance on 07.10.08. The MoF took 10 days to transfer funds to the respective sub-treasury and another 53 days for the recipient's bank accounts to be credited. The whole process took 147 days (4.8 months).

4. PMORALG request for the second disbursement was submitted to SC on 15.07.08. It was endorsed by the SC 14 days later. PMORALG sent the request to the DANIDA after 3 days. DANIDA transferred funds to MoF after 69 days. The MoF took 139 days to process the transfer to the respective sub-treasury and another 83 days for the recipient's bank account to be credited. The whole process took 298 days (9.8 months).

Analysis of the funding requests process reveals the following:

- Districts delays in report preparation and submission to RSs as shown in Appendix III A and III B results in delays in the preparation of RS consolidated reports which also impacts on the preparation of consolidated reports by PMORALG

- Funding requests from PMORALG are sometimes not attached with proper documentation e.g. in the first PFM disbursement request for 2007/08 was sent to the donors without the consolidated annual reports. DANIDA did not effect the transfer to MoF until when the consolidated annual reports were submitted. This resulted in a long processing time of 4.8 months
- Delays by the Ministry of Finance transfers to the recipients- This was caused by late submission of funding release applications requests by the Budget Division (for districts councils) and PMORALG (for RSs and itself). The table above shows that MoF processing of transfers to the districts was made within 7 days or less. However, the transfers to PMORALG range between 7 days to 3 months. This is due to the delays in submitting the funding release application to the ACGEN
- The AFM requirement for the first disbursement to be effected on submission of Annual Reports and endorsement by the SC (latest October 15). Notwithstanding that the AWP and budgets are endorsed for funding in June of each year. Similarly the second disbursement cannot be requested before the 15 of March when the consolidated second quarter reports are prepared and endorsed by SC

The delay in disbursements has significant impact on the timing and implementation of the programme work plans. As we noted during the audit disbursement delays had the following impact in the programme implementation:

- Operational efficiency and effectiveness of the programme activities is negatively affected by the late implementation of planned activities
- The planned activities are not being implemented within the planned programme period
- Seasonality of PFM and SWM activities due to the mismatch between funds disbursement and the planned activities

Recommendations

- More technical support to be provided by RAS to planning officers, accountants and Focal Persons for the districts which have been consistently late in submission of the quarterly reports
- Funds should continue to be disbursed semi annually. The first instalment should be disbursed at the beginning of the year (July), based on the approved budgets but on condition that the second instalment is only disbursed (January) when the previous year's annual report has been submitted and all prior year funds accounted for
- All funding requests should be supported by the required documentation, i.e. approved work plan, approved budget and quarterly reports
- The MoF should review the funds transfer procedures through the Sub-Treasuries and the recipients. Beneficiaries should be informed immediately funds are transferred from the Bank of Tanzania to the respective sub treasuries for quick follow up

2.3 Implementation of Annual Work plans

2.3.1 Physical vs. Financial performance

The physical and financial implementation annual reports of the implementing agencies (PMORALG and LGAs) show a favourable trend of attainment of targets as per work plan and budgets. A significant proportion of activities of the previous year work plan which had not been implemented by that year end are being implemented in following year's work plan. The RDE directive of 20th August 2008 requires fund balances at the end of the previous financial year to be deducted from the following year's budget.

According to Appendix IVA page A1, an average of 46% and 25% of the PFM Budgets for the year 2007/08 and 2008/09 respectively were spent on previous year activities while only 41% and 39% were spent on current year's activities. Similarly for SWM an average of 42% and 5% of the budget was spent on previous year's activities for the year 2007/08 and 2008/09, while 45% and 47% were on current year's activities.

A detailed analysis of the proportion of expenditure on previous year activities spent in the current year for the eight districts covered by the audit are shown in Appendix IVA pages A2 and A3. Similar analysis on expenditure per Target is shown in Appendix IVB pages B2 to B7.

However, we noted the following:

- Funding requests were not disbursed in full e.g. Kilosa and Korogwe districts in 2007/08 requested Tshs. 96,580,640 and Tshs 66,345,162 but they only received Tshs. 79,889,000 and 57,333,000 respectively
- The following year's work plans are not revised to take into account the carried over activities. This results in prior year activities being funded from the current year's budget and activities in the current year work plan are not implemented as planned because substantial resources of the current year are used to finance previous year's activities
- Carrying forward activities from the previous year into the current year's budget distorts the whole concept of budgetary control. Comparison of budget and actual performance will include both the current and carried forward activities against current year's budget e.g. Mbarali SWM budget for 2007/08 was Tshs.25,445,300. The total reported expenditure during the year was Tshs.56,483,000. However, only Tshs.13, 539,000 was for current year activities, with the other Tshs. 42,944,000 relating to previous year's activities. This diminishes the effectiveness of budgetary control
- There are instances of unbudgeted expenditure being incurred in few districts e.g. 2007/08 expenditure in Mufindi and 2008/09 expenditure in Mbozi included unbudgeted expenditure of Tshs 3,338,000 and 18,833,200 respectively

Recommendations

- The approved budget and work plan for the current year should be funded in full
- Prior year carry forward fund balances should be allowed to be retained and used for implementing outstanding prior year activities in the current year. However, these must be reported in full prior to the second funding request for the current year and any overages or underages accounted for
- Justifications should be provided for expenditure on items not budgeted for
- RDE should review its directive of deducting fund balances at the end of the year in order to allow a smooth implementation of activities not implemented in the current year

2.3.2 Expenditure Analysis

Generally, expenditure at all levels has been below the budget. Over 70% of the programme budgeted costs both at District, RAS and PMORALG are on per diems, fuel and vehicle maintenance. This is in line with the programme workplans which involve travelling for attending meetings, awareness campaigns, monitoring, coordination and training. The AF Manual sets a limit of 70% of the district's budget to be spent on Target 1 and Target 2 whose activities¹ are mostly done at village level under the coordination of district staff. Appendix V – C1 shows that the expenditure on per diems, fuel has consistently been above budget.

PMORALG Expenditure

PFM expenditure was below the budget at 45% and 64% in 2007/2008 and 2008/09 respectively. During these years over 90% of the total expenditure was on per diem for attending meetings both local and international, training, fuel and car maintenance. Only one monitoring visit was made to Tanga region districts in October 2008. The other 10% was spent on stationery (computer accessories) and extra duty allowance (which was not budgeted) paid to staff to prepare bank reconciliations and quarterly reports.

¹ Target 1: Priority sites in District for Programme activities selected and three year work plan prepared and approved by 20xx; Target 2: PFM/SWM process facilitated in xx villages leading to establishment of xx ha of forest/village wetland reserves and/or xx Joint Forest Management Agreements in xx ha of forest/Joint wetland management agreements by 20xx; Target 3: Based upon Village Management Plans, develop xx micro projects in ways that reinforce programme activities for xx beneficiaries at village and household levels; Target 4: District capacity increased to facilitate, supervise and monitor Programme through awareness raising and capacity building for officers

Table 3: PMO RALG expenditure against budget

PMORALG	2007/08			2008/09		
	Budget Tshs	Actual Expenditure Tshs	%	Budget Tshs	Actual Expenditure Tshs	%
PFM	136,664,000	61,262,000	45	159,885,000	103,080,010	64

Findings

- Per diems were paid to Programme coordination staff to follow up the disbursement of funds from MoF
- Extra duty allowance paid to staff to prepare bank reconciliations and consolidation of reports
- There are incomplete explanations on vouchers for fuel purchase
- Payment Vouchers are not coded with GFS codes
- Imprest retirements are not adequately backed with supporting documentation
- Budget reallocations were made without formal approval i.e. Tshs. 63,000,000 budgeted for vehicle purchase was used for training
- The Ministry is operating one bank account for PFM and SWM. Costs incurred cannot be easily traced to the specific project

RAS Expenditure

Actual expenditure² incurred for each year audited in each region was as follows:

Table 4: PFM Expenditure against Budget - RAS

REGION	2007/08			2008/09		
	Budget (Tshs)	Actual Expenditure (Tshs)	%	Budget (Tshs)	Actual Expenditure (Tshs)	%
Mbeya	15,999,450	8,315,000	51	20,000,000	15,569,000	78
Iringa	Data not available	Data not available	-	23,267,500	17,270,000	74
Tanga	15,000,000	12,532,470	83	25,998,000	11,983,400	46
Morogoro	15,000,000	15,426,000	102	20,000,000	4,737,847	24

Except for PFM expenditure in Morogoro region (2007/08), actual expenditure was below the budget in all periods for all regions.

Table 5: PFM Highest expenditure Items - RAS

REGION	2007/08		2008/09	
	Highest expenditure Item in the quarter	% of total quarterly expenditure	Highest expenditure Item in the quarter	% of total quarterly expenditure
Iringa	Q.IV Tools and equipments	37	Q.I Per diem	62
Mbeya	Q.III Diesel	54	Q.III Diesel	44
Morogoro	Q.IV Per diem	81	Q.II Per diem	77
Tanga	Q. I Office Furniture	53	Q.I Per diem	33

SWM's expenditure was below the budget except for Iringa region in 2008/09 where the actual expenditure was slightly above budget as shown in the following table:

² Actual expenditure includes expenditure related to previous years' budget; 2008/09 expenditure recorded was up to quarter III.

Table 6: SWM Expenditure against Budget - RAS

SWM						
REGION	2007/08			2008/09		
	Budget (Tshs)	Actual Expenditure (Tshs)	%	Budget (Tshs)	Actual Expenditure (Tshs)	%
Mbeya	68,000,325	41,376,000	61	45,000,000	31,444,955	70
Iringa	95,787,001	80,742,921	84	44,880,000	49,829,625	111

Analysis of the quarters with the highest expenditure in each year audited revealed the following:

Table 7: SWM Highest expenditure Items – RAS

SWM				
Region	2007/08		2008/09	
	Highest expenditure Item in the quarter	% of total quarterly expenditure	Highest expenditure Item in the quarter	% of total quarterly expenditure
Iringa	Q.I Training	68	Q.III Staff salary and deductions	55
Mbeya	Q.III Diesel	33	Q.III Diesel	76

Analysis for a sample of two quarters with the highest expenditure in 2007/08 and 2008/09 for each region for each project is shown in Appendix V C1 - C11.

Findings

- In PFM, per diem featured as the highest expenditure item followed by diesel
- In SWM, expenditure on diesel was the highest followed by training
- Per diem and fuel expenditure are not always supported with back to office reports
- RSs do not prepare and submit detailed implementation reports of their activities. The submitted reports do not include actual expenditure incurred for each budgeted item
- GFS Codes are not used consistently and in some DCs and RSs are not used at all e.g. In Iringa region, expenses are charged as a lump sum e.g. during the year 2008/09, Tshs 2,360,000 was spent on monitoring and evaluation, expenditure on fuel Tshs. 680,000 and expenditure on per diem Tshs. 1,680,000 have not been analysed to the specific activities
- There is poor record keeping for budgets and implementation reports e.g. Iringa 2007/08 reports were missing

DISTRICTS EXPENDITURE

PFM

Actual expenditure against budget for each district for 2007/08 and 2008/09 is as follows:

Table 8: PFM Expenditure against Budget – Districts

District	2007/08			2008/09		
	Budget (Tshs)	Actual Expenditure (Tshs)	%	Budget (Tshs)	Actual Expenditure (Tshs)	%
Mufindi	80,881,950	54,847,000	67	68,955,600	37,843,000	55
Njombe	89,976,500	27,332,700	30	89,875,500	33,487,610	37
Mbarali	58,222,825	25,911,000	44	72,533,920	23,282,500	32
Mbozi	78,915,000	25,911,000	33	79,592,750	83,868,819	105
Korogwe	66,345,142	5,433,701	8.2	59,304,810	48,730,714	82
Handeni	102,622,000	53,510,600	52	137,397,000	44,667,590	32
Kilosa	96,580,640	116,098,029	120	106,345,000	61,952,731	58
Kilombero	79,405,000	77,310,813	97	94,405,100	15,953,550	17

Findings

Actual expenditure was below the budget in all districts except in Kilosa (2007/08) and Mbozi (2008/09). The highest expenditure was on per diems and fuel used in travel to meetings, awareness campaigns, monitoring visits, training, identification of wetland sites, undertaking PFRA, survey and mapping (Appendix V pages C3-8). These items take up to 70% of the programme budgeted costs. The other 30% is on stationery, refreshments, support to micro projects through purchase of tools and implements e.g. bee hives, bicycles, tree nurseries and pesticides.

Analysis of two quarters with the highest expenditure shows the following:

Table 9: PFM Highest expenditure Items – District

District	2007/08		2008/09	
	Highest expenditure Item in the quarter	% of total quarterly expenditure	Highest expenditure Item in the quarter	% of total quarterly expenditure
Mufindi	Q.I Investment in micro projects	29	Q.III Per diem	71
Njombe	Q.IV Per diem	47	Q.III Per diem	43
Mbarari	Q.III Per diem	49	Q.III Per diem	39
Mbozi	Q.III Per diem	53	Q.I Per diem	64
Kilosa	Q.IV Per diem	52	Q.III Per diem	65
Kilombero	Q.IV Per diem	40	Q.III Per diem	61
Korogwe	Q.IV Motor vehicle purchase	75	Q.III Per diem	52
Handeni	Q.IV Motor vehicle purchase	89	Q.II Per diem	31

Findings

- In PFM, expenditure on per diems was the highest in almost all districts followed by expenditure on purchase of motor vehicle
- Per diems were paid mostly for implementing T 2. However, there was little/no increase of the number of hectares of forest brought under participatory management. Many areas earmarked were not yet surveyed e.g. Mufindi
- T 3 was not fully achieved as there was no increase in the number of micro project beneficiaries. Expenditure was incurred under this target for purchase of forest inputs including tree seedlings
- T 4 was fully implemented for all districts. The district was able to timely submit budgets and reports to the Regional Secretariat
- Inadequate back to office reports prepared for activities undertaken in the field
- Fuel was being spent on the planned activities, However, the amount of fuel used in some instances seems to be high e.g. According to Appendix V pages C12-13 the expenditure in Kilombero district for distribution of forest uniforms and ceremonial dresses for VNRC members seems to be on the higher side. Similarly fuel purchase in Njombe and Handeni cannot be allocated to the specific activities

SWM Programme**Table 10: SWM Expenditure against Budget - Districts**

District	2007/08			2008/09		
	Budget (Tshs)	Actual Expenditure	%	Budget	Actual Expenditure	%
Mufindi	65,000,000	38,355,002	59	35,500,000	29,732,003	83
Njombe	64,999,650	40,264,928	62	35,500,000	11,477,001	32
Mbarali	25,441,300	13,539,000	53	35,471,500	17,071,003	48
Mbozi	14,097,125	12,615,102	89	35,500,000	12,934,560	36

Analysis of quarters with the highest expenditure in each year shows the following highest expenditure items:

Table 11: SWM Highest expenditure Items – District

District	2007/08		2008/09	
	Highest expenditure item in the quarter	% total quarterly expenditure	Highest expenditure item in the quarter	% total quarterly expenditure
Mufindi	Q.III Investment in micro projects	74	Q.III Per diem	40
Njombe	Q.I Disbursement to WFIs	87	Q.III Disbursement to WFIs	48
Mbarali	Q.I Outsourced activities	84	Q. III Per diem	70
Mbozi	Q.III Per diem	78	Q.III Per diem	75

Findings

- Expenditure on wetlands friendly investments was the highest followed by expenditure on outsourced activities and per diems
- T 1 was achieved where programme activities were selected and a three year work plan included in the DPP. Wetland Inventory and mapping were undertaken
- T 2 was not fully achieved in all districts as there was little/no increase in wetland area, during the year. Activities which took place include training to VNRC members, holding village assembly meetings
- T 3 was not fully achieved as there was small or no increase in the number of beneficiaries in the districts
- T 4 was fully achieved as the district was able to timely submit budgets and reports to RAS office. The districts were supported to meet routine administrative costs and capacity building to programme offices
- Budgeted activities are not sufficiently reviewed for reasonableness e.g. 4 days per diem planned for improving working environment to DNRO and DFO offices in Kilombero. In Mbarali a payment was made for Tshs. 5,580,000 for undertaking inventory of wetland resources. Out of the amount paid Tshs. 1,980,000 was allocated to refreshments for 22 people at 5000 each while Tshs. 3,600,000 was allowances paid to 6 staff for 18 days each
- GFS codes are not used consistently in districts thus causing difficulty in the functional analysis of expenditure

Recommendations

- MNRT, PMORALG and RAS should review budgets in detail before submission to SC
- All RSs to prepare detailed Implementation reports
- Accounting and control of expenses procedures should be followed as required by the AFM and the Local Government Accounting Manual i.e. imprests, maintenance of logbooks

- Projects budgets and implementation reports must be securely stored
- All travel to be supported by activity and back to office reports
- Review the budgetary expenditure limits for T 1 to T 4

Training expenditure analysis

Training is a key component in increasing capacity of communities' participation in the management of natural resources. Training expenditure as shown in Appendix V, page C14 was mainly for T 1 and T 2 on governance issues to set up the basic infrastructure of the Programme i.e. awareness campaign, formation of VNRCs and some cross cutting issues e.g. awareness on HIV. T 3 and T 4 training activities covered mainly capacity building at district and village level. A sample of the training undertaken and their costs are as shown in Appendix V pages C15-17. The costs are as reported in the district expenditure reports. It was not possible to make a breakdown for each training activity because the source documents were not adequately maintained. However, the main components of training cost are per diems for participants, fuel and refreshments.

A review of the expected benefits from the training made shows:

- Training on extension services at the village level e.g. modern beekeeping, fish farming and tree nurseries and good governance has increased the capacity of the trainees. Good examples are Mufindi and Mbozi districts. Training is not multisectoral i.e. does not involve all the required extension services as a package
- There is no adequate follow up mechanism on the impact of training done at DC and RS level
- No coordination of training based on needs and specific requirements across districts in order to save costs

Recommendations

- Adopt a multisectoral approach on extension services training include all sectors
- Training conducted should be effectively coordinated by the DCs and RSs. This could be addressed by the monitoring role which is currently not adequately undertaken
- Proper records regarding training costs and number of participants should be kept

2.4 PFM CBNRM Implementation

2.4.1 Coverage and Implementation Status

Community Based Forest Management (CBFM)

CBNRM planning stages are being followed consistently under CBFM in the 8 districts audited. CBFM covered an area of 103,976 ha at the end of June 2009. Analysis of Table 12 show that Districts have implemented successfully CBFM Stage 1 which involves identification and surveying of village lands while Stages 2 and 3 are at an advanced level of implementation. However, little progress has been made on stage 4 where the completion percentage of PFRA is at 37% and stage 5 the preparation of management plans is at 3%. There is no progress on stages 6-8.

Table 12: CBFM Stages Implementation Status

CBFM Stage	Coverage hectares	% completion	Inputs and outputs
1	103,976	100	Villages Land Surveyed
2	79,718	77	VLFR Boundary Surveyed
3	71,333	69	VNRC/VEC formed
4	38,097	37	PFRA undertaken
5	3,369	3	Forest Management Plan Prepared
6	Not yet	0	By Laws Approved by Village Assembly
7	Not yet	0	VLFR Registered by district
8	Not yet	0	VLFR Gazetted by FBD

Village by laws have not been approved by Village Assemblies and Village Forest Reserves (VLFR) have neither been registered by the districts nor gazetted by FBD. Appendix VI - D1 shows CBFM and JFM implementation status for the 8 districts.

JFM

JFM is implemented in all districts audited except Mbarali. By the end of June 2009, a total of 57 villages were implementing JFM of a total forest area of 63,404 ha. (Appendix VI – D1). A summary of the implementation status of JFM stages is as shown in the following table:

Table 13: JFM Stages Implementation Status

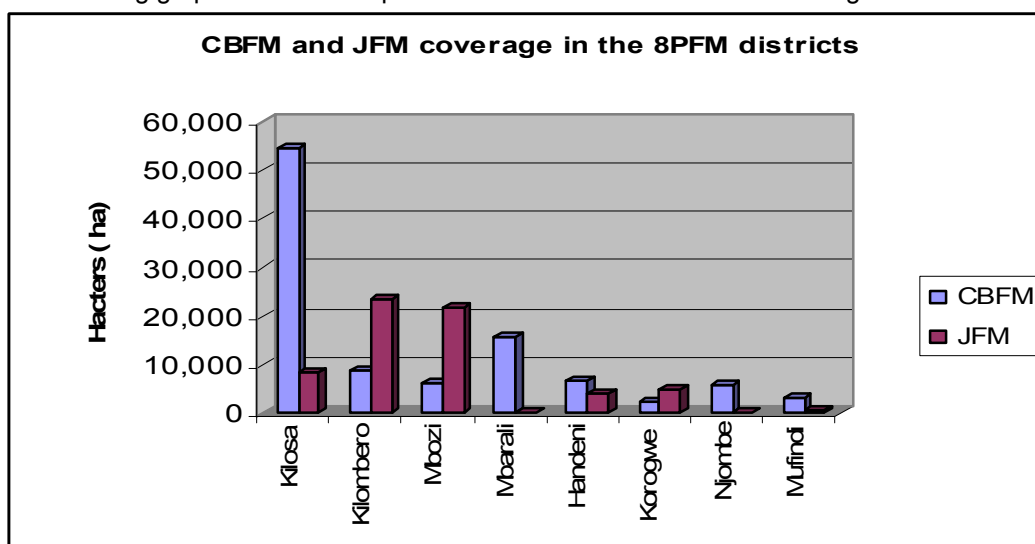
JFM Stage	Coverage hectares	% of completion	Inputs and outputs
1	63,404	100	VEC/VNRC Formed
2	63,127	99	Village forest boundaries assessed
3	23,102	36	PFRA undertaken
4	19,992	31	Draft Management Plans approved by Village Council
5	19,992	31	By laws approved by Village Council
6	0	0	Signed JFM Agreement

According to Table 13 VEC and VNRCs have been formed in all implementing districts. Also there has been great progress on assessment of forest boundaries (99%). However, there has been slow progress on undertaking PFRA (36%), approval of management plans (31%) and approval of by laws (31%).

CBFM and JFM Comparison

The total area covered by PFM in the 8 districts is 167,380 hectares. CBFM coverage is 62% while JFM is 38%. The implementation of JFM has been less attractive to stakeholders because there is no agreed mechanism for benefit sharing. MNRT has undertaken studies and a proposal for revenue sharing under joint management between the government and communities have been submitted to the MoF for consideration.

The following graph shows a comparison between CBFM and JFM coverage in the 8 PFM districts.



Source: District reports

Field observations also showed that:

- Areas under CBFM had better vegetation cover in terms of trees regeneration and tree age class distribution with trees having breast height diameters (BHD) above 20 cm. In comparison areas that are not managed under CBFM and open for common use had poor trees regeneration mainly covered with shrubs and with almost no big trees
- Village government representatives reported that they were observing progressive improvement of micro climate within their villages as a result of improved conservation of their forest resources through CBFM e.g. improvement of water catchments areas, whereby some of the streams that used to have seasonal water are now having water the whole year. In Njombe district, villagers reported that neighbouring villages with poor forest cover are now coming to their villages to fetch water
- Progressive improvement of degraded forests through the CBFM programme has started to encourage return of wild animals like monkeys, leopard, etc that had disappeared from the village forests hence providing opportunities for initiating eco-tourism in the future
- Villagers from own initiatives have started to set natural forest areas to be managed under CBFM e.g. Mambegu village in Njombe District to set aside around 4,000 ha of natural forest in 2009

2.4.2 PFM Weighted Costs Analysis

Amount of funds released to the eight districts for implementing the PFM since 2004/05 is Tshs. 1,753,499,881 as shown in the Table 14. The average cost per hectare is Tshs 10,476 while the average cost per implementing village is Tshs. 10,135,837.

The charts show that costs weighted by stage of completion for the districts visited. Average costs per hectare are Tshs 25,000. Individual district costs per hectare vary substantially and show that they are inversely proportionate to area covered.

Average costs per village are Tshs 23 million and show less variance. However Mbozi is significantly below average (less than half). This is driven by the fact that it has more villages than any other district and the second lowest funds expended. Kilosa is significantly above (more than three times) and has the lowest number of villages, the second highest funds expended and the lowest stage completion efficiency factor.

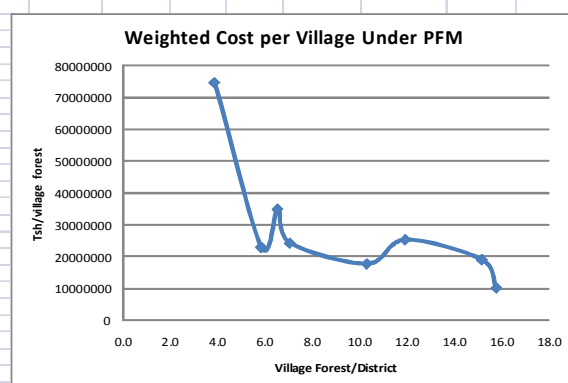
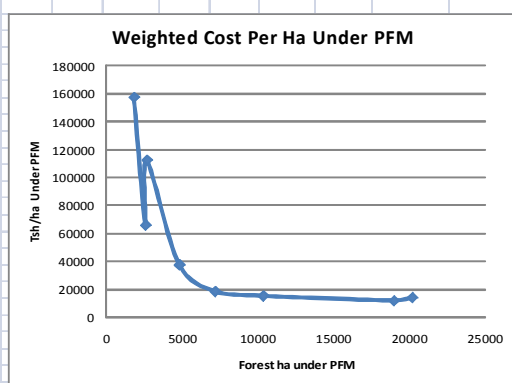
Table 14: PFM Cost per hectare and village

PFM & SWM PROGRAMME VALUE FOR MONEY AUDIT- FINAL REPORT

VFM Assessment Criteria PFM																		
District	Start Year	CBFM Villages	CBFM Area (ha)	CBFM Stage	JFM Village	JFM Area	JFM Stage	Gross cost per hectare	Gross cost per village	Funds Recvd	Total Efficiency							
		Nos	(ha)	%	Nos	(ha)	%	(Tsh)	(Tsh)	(Tsh)	On Area (ha)			On Village Numbers				
											Ha Total	Actual (%*ha)	Efficiency %	Tsh/Unit (ha)	Village Tot	Actual (%*vill)	Efficiency %	Tsh/Unit (village)
Kilosa	2005/06	9	54647	0.32	3	8203	0.33	4,600	24,091,667	289,100,000	62850	20194	32	14316	12	3.87	32	74,702,842
Kilombero	2004/05	8	8980	0.17	7	23598	0.74	7,002	15,206,733	228,101,000	32578	18989	58	12012	15	6.54	44	34,877,829
Mbarali	2004/05	13	15942	0.45	0	0	1	8,397	10,297,885	133,872,505	15942	7174	45	18661	13	5.85	45	22,884,189
Njombe	2004/05	27	6010	0.43	1	298	0.33	47,776	10,763,357	301,374,000	6308	2683	43	112342	28	11.94	43	25,240,704
Mufindi	2004/05	19	3205	0.41	9	636	0.82	75,104	10,302,675	288,474,900	3841	1836	48	157158	28	15.17	54	19,016,144
Mbozi	2004/05	23	6286	0.50	13	21862	0.33	5,663	4,427,928	159,405,406	28148	10357	37	15390	36	15.79	44	10,095,339
Korogwe	2005/06	7	2299	0.46	12	4785	0.32	24,139	9,000,000	171,000,000	7084	2589	37	66055	19	7.06	37	24,220,963
Handeni	2005/06	10	6607	0.42	12	4022	0.51	17,139	8,280,545	182,172,000	10629	4826	45	37747	22	10.32	47	17,652,326
Total/Average		116	103976		57	63404		10,476	10,135,837	1,753,499,811	167380	68648	41	25543	173	76.54	44	22,909,587

Key:
 CBFM Villages = total no of villages supported in CBFM
 CBFM Area = Area of forest under CBFM
 CBFM Stage = A compound ratio, indicates average progress in achieving the final stage
 JFM Village = Number of villages supported for JFM. 1 = No villages
 JFM Area = Area of forest under JFM
 JFM Stage = A compound ratio indicates average progress in achieving final stage
 Total Impact Score = Score which reflects compound impact
 Funds Recvd = Total funds disbursed from RDE
 Total Efficiency = Ratio of funds received / Impact score

Cost/Forest ha under PFM			Cost/Village under PFM		
District	Actual ha	Tsh/Ha	District	Actual Village	Tsh/Village
Mufindi	1836	157158	Kilosa	3.9	74702842
Korogwe	2589	66055	Mbarali	5.9	22884189
Njombe	2683	112342	Kilombero	6.5	34877829
Handeni	4826	37747	Korogwe	7.1	24220963
Mbarali	7174	18661	Handeni	10.3	17652326
Mbozi	10357	15390	Njombe	11.9	25240704
Kilombero	18989	12012	Mufindi	15.2	19016144
Kilosa	20194	14316	Mbozi	15.8	10095339



For overall stage completion effectiveness we look at the table below.

Effectiveness by completion stage average				
District	Area	Village	Average	Rank
Kilosa	32.1	32.3	32.2	8
Kilombero	58.3	43.6	50.9	2
Mbarali	45.0	45.0	45.0	4
Njombe	42.5	42.6	42.6	5
Mufindi	47.8	54.2	51.0	1
Mbozi	36.8	43.9	40.3	6
Korogwe	36.5	37.2	36.9	7
Handeni	45.4	46.9	46.2	3
Total/Average	41.0	44.2	42.6	

2.5 SWM/CBNRM Implementation

2.5.1 Coverage and Implementation Status

CBNRM planning and implementation stages have not been followed in all districts implementing SWM. District staffs were not given adequate technical guidance on CBNRM implementation procedures, this resulted in the implementation of activities in target 3 while activities for target 1 and 2 which should have been implemented first, were not. During our discussions with district staff we noted that most of them did not have clear understanding CBNRM.

The total wetlands area conserved in Njombe, Mufindi, Mbozi and Mbarali by end of June 2009 were 3556 hectares (Appendix VI – D3).

2.5.2 SWM Weighted Costs Analysis

The total amount spent in the 4 districts up to June 2009 was Tshs.323,895,126. The average cost per hectare is Tshs. 91,084 while the average cost per village is Tshs.8,523,556.

The charts show that costs weighted by stage of completion for the districts visited. Average costs per hectare are Tshs 200,000 with Mufindi and Mbozi below average – Mbozi low costs are influenced by the fact that it has not had funds for WFI.

Mbarali has by far the highest cost which is partly due to the fact that the costs relate to an initial 15 wetlands of which only six remain in the project but also that it has the least area. It should also be noted that for Mbarali only three of the six wetlands have size of area recorded.

Average costs per village are Tshs 20 million with Mufindi and Mbozi below average. Mbarali is significantly higher (note if Mbarali was based on the original 17 villages and not the current eight, then its cost would fall by 50%).

Table 15: SWM Cost per hectare and village

VFM Assessment Criteria SWM																		
District	Start Year	SWM Villages	SWM Area (ha)	Wetlands	SWM Stage	Total Impact	Beneficiaries	Funds Disbursed	Gross cost per hectare	Gross cost per village	Total Efficiency							
											On Area (ha)			On Village Numbers				
											Ha Total	Actual (%*ha)	Efficiency %	Tsh/Unit (ha)	Village Tot	Actual (%*vill)	Efficiency %	Tsh/Unit (village)
Mbarali	2005-6	8	160	6	33%	33	2096	112,707,516	704,422	14,088,440	160	53	33	2,134,612	8	2.64	33	42,692,241
Mufindi	2005-6	11	1623	4	50%	50	804	83,597,125	51,508	7,599,739	1,623	812	50	103,016	11	5.5	50	15,199,477
Njombe	2004-5	9	525	3	50%	50	1222	97,993,360	186,654	10,888,151	525	263	50	373,308	9	4.5	50	21,776,302
Mbozi	2006-7	10	1248	5	38%	38	0	29,597,125	23,716	2,959,713	1,248	474	38	62,410	10	3.8	38	7,788,717
Total/ Average		38	3556	18	43%	44	4122	323,895,126	91,084	8,523,556	3556	1601	45	202,303	38	16.44	43	19,701,650

SWM Village = Number of villages adjacent to SWM (1 = No villages)

SWM Area = Area of wetlands under SWM

SWM Stage = A compound ratio, indicates average progress in achieving the final stage

Total Impact Score = Score which reflects compound impact

Funds Recvd = Total funds disbursed from RDE

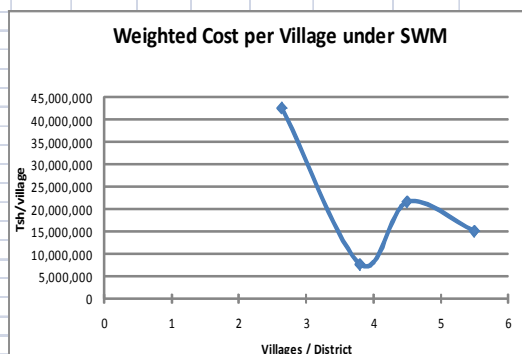
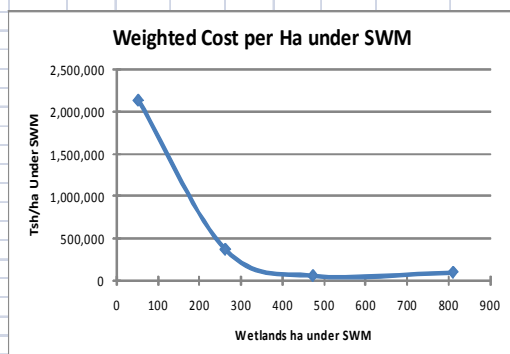
Total Efficiency = Ratio of funds received / Impact score

Cost per ha under SWM

District	Actual ha	Tsh/Ha
Mbarali	53	2134612
Njombe	263	373308
Mbozi	474	62410
Mufindi	812	103016

Cost per Village under SWM

District	Actual Village	Tsh/Village
Mbarali	2.6	42692241
Mbozi	3.8	7788717
Njombe	4.5	21776302
Mufindi	5.5	15199477



For overall stage completion effectiveness we look at the table below.

Effectiveness by completion stage average				
District	Area	Village	Average	Rank
Mbarali	33	33	33	4
Mufindi	50	50	50	1
Njombe	50	50	50	1
Mbozi	38	38	38	3
Total/Average	45	43	44	

Recommendations

- Train SWM project staff on the wetlands implementation stages
- Conduct awareness campaign on wetland issues and wise use concept

2.6 Micro Projects

The programme requires PFM and SWM implementing districts to assist villagers whose economic livelihood was dependent on natural resources to implement income generating micro-projects. The main objective of the micro projects is to reduce pressure on the use of forests and wetland areas and improve the livelihood of villagers. However, significant improvements in livelihood have not been realised because the micro projects are still at an infant stage to be able to generate adequate revenue for the beneficiaries. The actual level of income generation (as reported) is low at Tshs. 23.3 Million for the period of review from the districts surveyed. The number of beneficiaries involved in these micro projects is 1,785 (the low numbers are as much a problem in reporting as in revenue generation). This gives a per capita annual income of \$ 10.03 which is only 2.4% of Tanzania nominal GDP per capita (\$425 in 2008).

2.6.1 PFM Micro Projects

A summary of the PFM Micro projects in the 8 districts is as shown in the table below:

Table 16: PFM Micro projects

PFM MICRO PROJECTS				
DISTRICT	TYPE OF PROJECT	NUMBER OF BENEFICIARIES	FUNDS INVESTED (Tshs)	REVENUE GENERATED AND REPORTED (Tshs)
			(Through purchase of tools and Implements)	
Kilosa	Beekeeping	5,633	Trained no direct support	Not reported
	Fish farming		28,000,000	0
Kilombero	Tree nurseries	1,280	7,264,500	0
	Beekeeping		1,281,250	0
Korogwe	Beekeeping	1,400	4,113,700	Not reported
	Improved stoves		1,425,450	Not reported
Handeni	Beekeeping	1,338	13,710,000	No harvest
Mbarali	Beekeeping	511	2,845,000	Not reported
	Improved stoves			Not reported
	Tree nurseries		5,677,000	Trees not yet harvested
Njombe	Beekeeping	2,162	2,037,000	Not reported
	Tree nurseries		4,156,000	Not reported
Mufindi	Fish ponds	310	1,438,000	Fishing not started
	Beekeeping		1,800,000	Beehives not distributed
	Tree nurseries		13,857,000	1,000,000 Reported from one village only
Mbozi	Tree nurseries	450	7,922,555	17,606,000
	Beekeeping		4,895,000	1,671,000
TOTAL		13,084	100,422,455	20,277,000

Beneficiaries and respective reported revenues were as follows:

	Number of Beneficiaries	Revenue generated (Tshs)
DISTRICT		
Mufindi	310	1,000,000
Mbozi	450	19,277,000
TOTAL	760	20,277,000

Findings

- DFPs and expected beneficiaries view micro-projects as compensation for loss and not as an alternative source of livelihood from natural resources dependency
- No baseline data to enable the measurement of improvements in livelihood
- Most projects lack a track record i.e. amount invested, beneficiaries, and project maintenance costs. This has led to reporting of questionable project statistics e.g. in the same year Mbozi reported a price of Tshs. 3,000 per litre of honey while Njombe is Tshs. 1,250
- No market linkages with the project owners e.g. Mwitika village in Njombe district was contracted to raise 20,000 seedlings by Sao Hill Plantation. The plantation did not purchase the seedlings and they have overgrown at the nursery site
- Training has been conducted for most of the projects e.g. moulding and using improved stoves, modern beekeeping etc. The amount of investments is too small to have any meaningful impact on improving the livelihood of villagers i.e. one goat per family of six members

2.6.2 SWM Micro Projects

A summary of the SWM- Wetland Friendly investments (WFI) is as shown in the following table:

Table 17: SWM Wetlands Friendly Investments

SWM WETLAND FRIENDLY INVESTMENTS					
DISTRICT	TYPE OF PROJECT/VILLAGE	NUMBER OF BENEFICIARIES	FUNDS INVESTED	REVENUE GENERATED (Tshs)	REMARKS
Mbarali DC	8 Beekeeping groups	80	8,931,000	1,038,000	Reported from one village only
	Manienga Irrigation Scheme	2016	16,714,137	0	The constructed Canal destroyed by heavy rains
Njombe DC	Piggery, fishing and dairy goats	141	18356925	1,470,000	Groups not reporting revenue generated to district
	Irrigation	1081	4,090,000	0	No benefit reported
Mufindi DC	Dairy goats	804		493,200	No benefit reported
	Fish ponds		7,138,000	0	Fishing not started
	Tree nurseries		5,684,000	0	Trees still growing not yet ready for harvesting
Mbozi DC	No WFI established	N/A	N/A	N/A	Project staff confused on projects to be implemented
	TOTAL	4,122	60,914,062	3,001,200	

Beneficiaries and respective reported revenues:

	Number of Beneficiaries	Revenue generated (Tshs)
DISTRICT		
Mbarali	80	1,038,000
Njombe	141	1,470,000
Mufindi	804	493,200
TOTAL	1,025	3,001,200

Findings

- DFPs and expected beneficiaries view micro-projects as compensation for loss of wetland access and not as an alternative source of livelihood from natural resources dependency
- Implementing districts do not have copies of WFI Guidelines, as such the WFI and wise use concepts are not well understood and used
- Delays in Programme funding affects project implementation i.e. delay in funding the water control gate canal which was constructed for Tshs. 16,000,000 resulted in it being swept away by rain
- Wetlands Friendly Investments are not fully assessed for financial and environmental sustainability
- Poor track record of the Projects e.g. record of investments, costs and benefits
- The amount of investments is too small to have any meaningful impact on improving the livelihood of villagers i.e. one goat per family of six members
- No proper mechanism for WFIs project proposal selection, funding is not directed to groups which originally submitted proposals e.g. In Njombe, all projects funded through 2007/08 budget were a product of reorganization of original groups that submitted proposals for funding
- Although little monetary benefits have been reported from WFIs, there has been a notable improvement in biodiversity conservation. There has been increased awareness of the benefits of protecting and effectively managing wetlands, notable was the protection of water catchment areas

Recommendations

- Set year-on-year revenue growth targets for each village/district
- Look at incremental ways that resources can be harvested so as to rapidly increase village incomes, e.g. sustainable timber harvesting, carbon credit trading
- Identify linkages for purchasers of micro project harvests, e.g. honey, tree nurseries
- Investigate sources of supplementary and complementary funding, e.g. TASAF, so as to accelerate micro project income generation
- Appropriate feedback mechanism be put in place for micro project beneficiary to report back to district on revenue generated and operations of the projects
- WFI guidelines be disseminated and put to use
- Review expenditure limits for T3 so that more funds are directed to the beneficiaries
- Improve coordination of extension services at district level

2.7 The AF Manual

2.7.1 Knowledge and Use

The AFM provides the operational (administrative and financial) procedures for implementation of PFM and SWM. It clearly states the roles and responsibilities for districts, regions and ministries in programme implementation, planning and budgeting, activities eligible for donor funding, financial administration procedures, periodic reporting, audit, monitoring and evaluation. The AFM supplements the Public Finance regulations and specific donor requirements. The AFM dated 2007 has been in use by PFM since its inception, however SWM started to use the manual in the financial year 2008/09.

In order for districts and RSs to remain eligible for funding, they must follow the procedures in the AFM. During our audit we noted that the AFM has been distributed to all districts and RSs

implementing the programme. Our general assessment of the programme's staff knowledge on the AFM shows that in general staff do not have a thorough practical understanding of the manual. However, we also noted the following:

- PFM Focal Persons were more conversant with the manual than their SWM counterparts
- Training on the use of the manual has been done. However, the training has not been well coordinated as some of the accountants who have been assigned to support the programme have not attended AFM training e.g. accountants for Kilosa and Kilombero. The duration for the training has been inadequate in some of the regions and districts
- AFM training is included as an agenda in meetings and is not treated as an event of its own right e.g. RAS Mbeya and Iringa AFM training was an agenda in their meetings. AFM trainees are grouped together irrespective of their educational background and experience e.g. foresters, wildlife officers, economists and accountants being trained as one group
- Despite of the training efforts there is no evidence of improved consistency in the application of procedures and the quality of reports as a result of the training
- The AFM is not user friendly as there are no clear guidelines on the source documents for physical reports or the progress of micro projects for compilation of physical reports
- Districts and RSs view the AFM as a standalone document than a supplement to the Public Finance and Procurement Acts
- Internal and external audit reports are not submitted to SC unless they have serious irregularities

Recommendations

- Make a comprehensive review of the effectiveness of the current AFM implementation and training strategy i.e. to establish the reasons why the training made has not resulted in uniform application of procedures and quality reporting
- Change the training approach by either outsourcing or develop a training of trainers (TOT) model via careful selection of a few competent LGA or PMORALG staff
- Where persistent problems exist in a particular district then they should be provided with practical on-the-job training and support to a quarterly financial close and reporting
- Review the AFM in order to make it user friendly
- Districts and RS should view the manual as a supplement to the Public Finance Act, Public Financial Regulations and the Procurement Act.
- All internal and external audit reports should be submitted to the SC

As already pointed in previous paragraphs, the AFM is a key component for the success of the programme. When users do not have adequate practical and theoretical understanding of the manual the programme operations will not be implemented in an orderly and systematic manner thereby increasing the time taken and cost to complete activities, poor quality of record keeping and reports. Lack of consistency in the application of procedures makes it very difficult the effective monitoring of operations.

2.7.2 Implementation of Roles and Responsibilities

The roles and responsibilities of the implementing and executing agencies are clearly spelt out in the AFM. Programme activities are being implemented at village level supported by officers from the Districts. The RSs role is to give technical assistance to the Districts and monitoring and evaluation of activities. PMORALG supports Districts and Regions in coordination, monitoring and evaluation. The role of MNRT which is the sector ministry is policy setting and monitoring performance.

During the audit, we noted that although the roles and responsibilities have been clearly spelt out, they are not being implemented in a timely, complete and effective manner. This was evidenced by the following:

Village level

- Steps for authorization and to put agreements and management plans in operation are slow due to delays in getting maps for villages and identified programme areas
- Bye laws which incorporate sustainable or wise principles have not been proposed for the District Council's approval
- National and Local Authority Forest Reserves suitable for JFM have not been identified. No mechanism for benefits sharing under JFM have been approved and issued
- There is no mechanism in place to monitor and supervise sustainable use of forest products for domestic and commercial purposes through revenue collection, record keeping and routine patrols
- Economic activities that support sustainable natural resources management have not been adequately implemented. No clear guidelines on the economic activities for PFM and SWM. This has resulted in duplication of activities in other sectors e.g. beekeeping being implemented by both PFM and SWM

District level

- Development of a resource inventory for forests has been done and completed. However, inventory for wetland/ wildlife suitable for participatory management has not completed for wetlands (No guidelines issued)
- Formation and formalization of user associations have not been implemented
- Inadequate assistance to communities to effectively manage their forests and wetlands due to non completion of management plans
- In some of the districts planning officers and accountants have not been appointed in writing to support the programme. This was clearly reflected in the quality of project reports some of which contained errors and did not match underlying records e.g. Mbarali and Korogwe reports

Regional Secretariat level

- Awareness campaigns on sustainable management of natural resources in the RSs and DMTs were only done at the beginning of the programme, no sustained efforts are done to maintain the initial momentum
- Inadequate technical support in promoting the implementation of PFM and SWM in the districts
- Monitoring and evaluation of district activities not adequately implemented. Monitoring visits done were not supported with Monitoring and Evaluation reports
- No evidence of report reviews e.g. during our audit we noted inconsistencies between districts and consolidated regional reports e.g. Mbeya RAS-SWM project's consolidated report for 2007/08 and the individual district reports show a difference of up to Tshs 10,000,000 for Mbozi district. In Mbarali PFM there is a difference of Tshs. 19,728,000 on expenditure on T 2 between the District and RAS reports
- Some RS have not assigned planning officers in writing to support the programme in planning and reporting of activities in the region. However, the planning officer's only involvement in the programme is during the budget preparation period

PMORALG

- The environmental and natural resources section which is coordinating the programme is not adequately staffed. At the time of audit it only had 2 staff (Principal Forest Officer and Principle Wildlife Officer) instead of the required 4, (Forest Officer, Economist, Economist-Statistician and Financial Management Advisor); this makes it unable to discharge its functions effectively
- Delays in consolidation and submission of quarterly progress reports to the SC. This resulted in delays for SC meetings and submission of request to donors for the disbursement of funds
- Monitoring and evaluation of the implementation of the programme activities by RS and districts is not done. The AFM requires monitoring to be done quarterly for each district and region; during the audit we noted that PMORALG did not undertake any monitoring visits to

the regions. The activity was not done because it was not budgeted for and therefore not included in the annual work plans

- There are no adequate quality reviews of the district and RS reports as required by the AFM i.e. some of the reports and budgets contain arithmetic errors which could have been corrected e.g. Mufindi - PFM wrongly reported the budget figure for 2008/09 as Tshs. 96,235,800 while the actual figure was Tshs. 68,955,600

MNRT

- Technical guidance for PFM has been issued and distributed to all stakeholders; however guidelines for SWM have not been issued and distributed. As a result districts could not implement CBNRM procedures in their sequential order and were not clear on WFI and wise use concept
- Inadequate staffing at SWM has resulted in delays in SC meetings
- The overall responsibility of monitoring and evaluation is vested with the WD/ WU for SWM and FBD through the NFP for PFM. For funds channelled through MNRT monitoring is to be done by either the WD or FBD. However, during the years 2007/08 and 2008/09 only one monitoring visit was done

Recommendations

- PMORALG should draw up and oversee implementation of an annual monitoring and evaluation work plan covering all districts and regions as required by the AFM. To do these will require its own M&E officer
- Due to the limited capacity in districts and regions PMORALG should consider outsourcing of the monitoring and evaluation and training functions from reputable institutions
- M&E should be simplified and harmonised with fewer indicators
- Reports should be reviewed and evidenced before they are issued to third parties
- Where persistent problems exist in a particular district then they should be provided with practical on-the-job training and in-situ support to a quarterly financial close and reporting
- RS to produce detailed implementation report on their activities
- Quarterly M&E reports to be used as the source document for all physical implementation reports.

2.8 Outsourcing

The AFM manual contains outsourcing guidelines which are to be used with the Public Procurement Act (2004) and related regulations and guidelines as well as the PO-PSM Guide for Private Sector Participation in Public Services (2004) and the PMO-RALG Guide to Outsourcing of Service Delivery in Local Government Authorities (2004).

Each district implementing the Programme has a ring fenced budget of Tshs. 15 Million which can only be used for outsourcing of district functions. However, we noted that some of the non-core functions which could be outsourced were not being done effectively. These included:

- Training
- Monitoring & evaluation
- Mapping and preparation of land use plans
- PFM/SWM process facilitation

We also noted that very few activities have been outsourced to date e.g.

- Supporting three groups to establish tree nurseries in Kilombero
- Participatory forest resource assessment training in Korogwe
- Survey of 18 forest reserves in Mbozi

Recommendations

- Review where bottlenecks, capacity issues or non-delivery exist in the programme
- For these create an action plan to look at suitable outsourcing resources

2.9 Stakeholders Views on the Implementation of the Programme

Involvement of stakeholders at different levels of Programme implementation is a key requirement for promoting participation and sustainability. Stakeholder consultations are required to be held from the village to the National level. The key stakeholders are MNRT which provides policy formulation and Sectoral leadership, PMO-RALG which provides the link between MNRT and local government authorities. Other Sectoral ministries participate in the Programme through the SC while TAFORI is responsible for research on the different components of the Programme.

Interviews with stakeholders revealed the following:

- Involvement of sectoral ministries in the Programme is more at the policy making level and implementation at the community level is not well coordinated. Sector guidelines e.g. on fisheries, pastoralism have not been issued. Villagers in Njombe gave an example of disjointed extension services which do not empower them to effectively implementing successful micro projects
- There is minimum private sector, Non-governmental Organisations (NGOs) and Community Based Organisations (CBOs). Districts do not organise Annual Coordination meetings of stakeholders in order to adequately engage them in forestry and wetland activities. Only a few organisations e.g. TFCG, CARE, MPINGO and WWF are working with districts and villages in promoting sustainable management of resources
- Preliminary results of the ongoing applied research which is being coordinated by TAFORI have been presented to stakeholders and published for wider consumption
- Local communities do not see the linkage between forest conservation and Income Generating activities as opposed to income directly accrued from the forest

Recommendations

- RS and Districts to organise and conduct regular stakeholder consultative meetings in order to create more awareness to the private sector
- TAFORI to produce and present semi-annual reports on status of research projects and share findings with stakeholders and further advise on how to use the programme's benefits
- Adopt a multisectoral approach to extension services at the community level

2.10 Overall Programme Performance

Eight PFM districts were reviewed with the majority having a 2004 start date. A total of Tshs 1,753 million has been spent with coverage of 167,000 hectares and 173 villages. Four SWM districts were reviewed and on average had a 2005 start date. A total of Tshs 323 million has been spent with coverage of 3,500 hectares and 38 villages. Looking at cost per hectare is probably not particularly meaningful as the coverage under PFM is 48 times that under SWM. The cost per village under both programmes is rather similar at Tshs8 - 10 million. This perhaps reflects that the village is the key unit and costs are driven at the village level.

Achievements of National Outputs

The achievement of national outputs as per the PFM and SWM component documents shows reasonable progress:

- PFM: Done (5), Partly (1), Not Done (2 – M&E, JFM guidelines) Appendix VII
- SWM: Done (1), Partly (6), Not Done. Appendix VIII

The PFM activities not done are:

- National PFM monitoring system developed and dovetailed to the Poverty Monitoring Master Plan, National Forest Programme and LGRP. We comment in detail in section 2.7.2 on the lack of implementation of M&E
- Private forestry initiatives enhanced. The reason is that JFM guidelines are still awaiting final endorsement by MoF with regard to benefit sharing between villages and central government

The PFM activity only partly done is:

- Applied research and development to facilitate implementation of PFM supported. The reason is that the research component is under TAFORI and started when the programme was halfway. Most of the research is still on-going

The SWM activities only partly done are:

- Increased awareness on sustainable wetland management among key target groups. The reason is that Guidelines on SWM have not been issued to district and regional staff
- Improved skills among key stakeholders to provide support to sustainable wetland management. We note that no training needs analysis has been conducted for national, regional and district staff regarding wetlands issues. No stakeholder consultations are held at regional and district levels
- National stakeholders collaborating effectively to support sustainable wetland management. A primary factor in this is that Wildlife division through the wetlands unit does not have sufficient capacity for adequate co-ordination. Programme guidelines and sector specific guidelines have not been issued
- Framework established for assessment and monitoring of status, values and functions of Tanzania's wetland. This is because linkage between wetlands inventory, monitoring and decision making has not been implemented
- Strategic information and analysis available to guide policies and implementation of wetland management. This is due to the fact that no single study has been completed and hence not published
- Experience and lessons learned for sustainable wetland management collated, analysed, synthesized and disseminated. The reason is that there is no mechanism to link exchange of experiences and co-operation with related programme and best practices are not documented

Implementation of Roles and Responsibilities

The degree of implementation of roles and responsibilities as defined in the AFM manual on a combined basis for: PMO-RALG, Steering Committees, RS, Districts, Villages is:

- Done (18), Partly Done (7), Not Done (5) (Appendix IX)

Roles and responsibilities not implemented are:

- PMORALG - Monitoring and evaluating the implementation of activities by RS and District as no reports are produced
- RAS - Has appointed accountants and planning officers for the programme. However, planning officers participate during budget preparation
- District - Assist formation and formalisation of user associations as none are noted to exist
- Village - Identify National and Local Authority Forest Reserves suitable for JFM as JFM guidelines still in process
- Village - Assist the VC to incorporate sustainable or "wise use" principles and the use of wetlands guidelines
- Village - Monitor and supervise sustainable use for domestic and commercial purposes through revenue collection, record keeping and routine patrols as there is no mechanism in place

Roles and responsibilities only partly implemented are:

- RS - Promoting the implementation of PFM and or SWM in the Region. This is due to inadequate technical support to districts
- RS - The RAS shall also assign a Planning Officer and Accountant to support the Programme and the Focal Person will work with these officers to ensure proper planning and reporting of Programme activities in the Region
- District - Develop a resource inventory of forests/wetlands/wildlife in the District suitable for participatory management. Forest inventory done, but wetlands inventory only partly done

- District - Assist communities to effectively manage their forests and wetlands sustainably in accordance with their management plans. This is because there are no management plans for wetlands
- Village - Carry out the steps for authorisation and to put agreements and management plans in operation, which is due to delays in getting mappings
- Village - Promote economic activities that support sustainable forest management. These are not at a sustainable level

Recommendations

- Development Partners and other stakeholders look at ways that implementation progress can be accelerated - e.g. by timely funding, short-term technical support, increased private sector involvement
- Ministry of Finance to endorse JFM guidelines or MNRT takes up (40%/60%) benefit sharing between villages and central government on a pilot basis
- The six out of seven SWM national outputs not yet fully achieved are reviewed with urgency and an action plan developed and monitored
- Wetlands inventory, management plans and guidelines are completed and put into use
- The formation of user associations is supported and formalised

3 CONCLUSION

A value for money audit provides a comprehensive assessment on the performance of an entity's operational activities focussing on economy, efficiency and effectiveness. One of the limitations of this particular assessment is that there are multiple, diverse and inter-relating objectives of the programmes.

Economy

In terms of economy the actual amounts spent have been consistently less than those budgeted by some 70%. The main factors noted which resulted to under spending are:

- Delays in processing funding requests and the funding transfer process as pointed in Section 2.2.2
- Programme budgets and work plans are not incorporated as part of the approved DCs natural resources budget as explained in 2.2.1
- Treatment and funding of prior year activities carried forward which leads to workplans not being fully implemented in the panned timeframes

Efficiency

A specific measure looked at for efficiency is the weighted cost analysis per sections 2.4.2 and 2.5.2. This takes into account funds received weighted by stage of completion. Overall, based on the districts reviewed it shows:

- PFM has a completion factor of 42.6% which gives weighted cost per village of Tshs 22.9 million and weighted cost per hectare of Tshs 26,000.
- SWM has a similar completion factor of 44.0% which gives a slightly lower weighted cost per village of Tshs 19.7 million but a much higher weighted cost per hectare of Tshs 202,000.

When the time factor is considered important then the implementation has not been efficient as no district has fully implemented its work plan within the original three-year period and all PFM and SWM projects have been running for longer than this with the exception of Mbozi SWM which only started in 2006-2007.

In our meetings with various stakeholders we heard that efficiency was not the major measurement, but rather effectiveness (i.e. what was achieved).

Effectiveness

Effectiveness is more complex to measure and depends somewhat one's perspective. If measured purely by outcomes then:

- Project document objectives - these have been broadly achieved
- Local Government - the state organs have been fully involved but have failed to consistently complete a number of objectives
- Individual work plans - none have been fully implemented as defined within the initial three-year period
- Beneficiaries - few income generating projects are generating significant income for the intended local beneficiaries and not on any sustainable level
- Environment - PFM coverage is substantial (over 167,000 hectares) with SWM less so (3,500 hectares). Local communities have been trained and sensitized on environmental issues and there are noticeable advancements particularly under CBFM

Based on extensive discussions with stakeholders, our overall assessment of value for money for PFM/SWM is as shown below:

Table 18: Overall assessment table

Overall Value For Money Assessment			
Excellent (5), Good (4), Average (3), Below standard (2), Poor (1), None (0)			
Ref No	Programme component	VFM score	
1	Programme structure and administrative set up	4	
2	Budgetary process	3	
3	Disbursement of funds	2	
4	Physical Vs Financial Performance	2	
5	Expenditure analysis	3	
6	CBNRM implementation status:	PFM	4
		SWM	2
7	Micro projects	2	
8	AFM Knowledge	3	
9	Implementation of roles and responsibilities	2	
10	Outsourcing	2	
11	Stakeholder views on programme implementation	2	
12	Overall programme	3	
	Average	2.5	

According to the overall assessment above, the programme performance is only 50% of what could be expected.

Although there have been developments and improvements in terms of the area coverage by both PFM and SWM, there is still significant room for major improvement, particularly if:

- The available programme guidelines are complied with i.e. AFM, PFM and SWM programme documents and sector specific guidelines where available
- More resources are directed to the promotion of income generating activities which aim to reduce pressure in the use of forests and wetlands and enhance the livelihood of the communities
- PFM and wetlands issues are fully appreciated at the community level
- Funds are disbursed timely and in full according to the approved budgets and workplans
- There is prompt reporting and monitoring of mechanism being implemented from the community level.

4 PROPOSED ACTION PLAN

Ref	Area	Recommendation	Action Plan	Responsibility	Timeframe
1	Institutional and administrative set up	Hold quarterly coordination meetings between PMORALG and MNRT and other stakeholders to ensure satisfactory execution of all operational activities	Hold regular meetings to report on programme implementation and issue report to DPs within one week	PMORALG MNRT	Immediate
		Hold timely SC Meetings	Mandatory SC Meetings to be held when due	PMORALG MNRT	Immediate
		Sector specific guidelines to be completed and distributed to the district councils and villages	Review the project stages and sector requirements for guidelines	PMORALG MNRT	Immediate
2	Budgetary process	DEDs and RPLO to appoint planning officers to support the programme's planning and budgeting process	DPLO to include in annual programme planning activities	DED	Short
		RS to ensure that District Programme budget and workplans are timely reviewed and incorporated in the DCs budget for approval	Revise annual timetable to allow inclusion and approval of revisions	PMORALG	Medium
		Continue with awareness campaign for DCs, RS on PFM and wetland issues	PFM and wetlands issues to be included in district and regional meetings	PMORALG RS DED & MNRT	Immediate
		Encourage participation in planning and budgeting of villages through VNRCs	Include all VNRCs in annual planning process	DED	Medium
3	Disbursement of funds	Technical support to DCs which were consistently late in quarterly reporting	Offer practical training in report preparation to District Facilitation Teams	PMORALG RS & MNRT	Immediate

Ref	Area	Recommendation	Action Plan	Responsibility	Timeframe
		Funds should continue to be disbursed semi annually. The first instalment should be disbursed at the beginning of the year (July), based on the approved budgets but on condition that the second instalment is only disbursed (January) when the previous year's annual report has been submitted and all prior year funds accounted for.	Development Partners and MoF to implement	DPs MoF	Medium
		All funding requests should be supported by the required documentation, i.e. approved work plan, approved budget and quarterly reports	Communicate and reinforce requirement to RS and districts with proviso that non-compliance implies rejection of funding request	PMORALG	Immediate
		The MoF should review the funds transfer procedures through the Sub-treasuries and the recipients. Beneficiaries should be informed immediately funds are transferred from the Bank of Tanzania to the respective sub treasuries for quick follow up.	Review the transfer guidelines and communication channels to the Sub- treasuries and the Vote holders	MoF PMORALG	Immediate
4	Physical Vs and financial implementation	The approved budget and work plan for the current year should be funded in full.	Fund approved budgets in full	DPs / MoF	Medium
		Prior year carry forward fund balances should be allowed to be retained and used for implementing outstanding prior year activities in the current year. However, these must be reported in full prior to the second funding request for over or under expenditure	Issue guidelines on how to use and account for budgets. Districts to provide full accounting of carry forward balances with second funding request	PMORALG District	Short Medium
		Justification to be provided for expenditure on items not budgeted for	Quarterly reports on expenditure on item to be prepared and submitted to PMORALG	District PMORALG	Immediate

Ref	Area	Recommendation	Action Plan	Responsibility	Timeframe
		Review directive of deducting fund balances at the end of the year in order to allow smooth implementation of activities not implemented in the current year	Reporting mechanism for DCs expenditure on the year end fund balances	PMORALG Donors	Medium
5	Expenditure analysis	Steering Committees, PMORALG and RAS should review budgets in detail.	Document review of each budget	RAS PMORALG MNRT SC	Medium
		Strict compliance with procurement regulations and imprest accounting as required by Local Authorities Financial Memorandum	District internal audit function to conduct periodic reviews and report to DED and RAS	RAS DED	Short
		Use GFS codes in accounting and reporting	Transfer responsibility to district accountants	PMORALG	Short
		All travel to be supported by activity and back to office reports	Issue reinforcement circular and engage district internal audit to monitor	PMORALG	Immediate
		Adopt a multisectoral approach on extension services training	Plan of work of the district extension staff to be harmonised	RAS DED	Immediate
6	CBNRM implementation	Train SWM Programme staff on the Wetlands implementation stages	Organise and deliver short trainings to staff in each district	WD WU	Medium
		Conduct awareness campaigns on wetland issues and wise use concept	Develop educational materials and engage with stakeholders	WD WU	Medium
7	Micro projects	Set year-on-year revenue growth targets for each village / district	Obtain micro projects revenues generated for all districts. Set a target level for income sustainability. Develop annual target through to 2015.	Districts PMORALG MNRT	Short

Ref	Area	Recommendation	Action Plan	Responsibility	Timeframe
		Look at incremental ways that resources can be harvested so as to increase village income e.g. sustainable timber harvesting, carbon credit trading	Engage external expert to conduct feasibility study	DPs	Medium
		Identification of linkages for purchases of micro projects	Connect with local organisations plus SIDO / BEST to review supply chain opportunities	RAS DPs	Short
		Investigate sources of supplementary funding e.g. TASAF, so as to accelerate micro project income generation	Identify list of possible partners; meet with each; discuss and develop opportunities	PMORALG MNRT	Medium
		Disseminate WFIs to all implementing districts	Prepare a distribution plan of WFI guidelines and carry training to DFPs	PMORALG MNRT	Short
		Review expenditure limits for T1 to T4 in order to direct more funds to the beneficiaries at the micro level	Budgetary expenditure limits per target be reviewed	DPs PMORALG. MoF MNRT	Medium
8	AFM knowledge and usage	Make a comprehensive performance assessment on the effectiveness of the current training strategy	Assess quality of prior training and recommend improved training programme	PMORALG	Medium
		Change the training strategy and either outsource or develop a training of trainers (TOT) model via careful selection of a few competent LGA or PMORALG staff	Identify required training programmes and suitable training providers	PMORALG	Medium
		Where persistent problems exist in a particular district then they should be provided with practical on-the-job training and support to a quarterly financial close and reporting	Identify DC with persistent reporting problems. RAS to set up monitoring mechanism and support district staff needs on a case-by-case basis	PMORALG MNRT, RS	Short
		Audit reports should be submitted to the SC and RS should follow up on audit observations and recommendations	SCs to review audit reports and monitor RS clearance actions/responses to audit queries	PMORALG MNRT MoF	Immediate

Ref	Area	Recommendation	Action Plan	Responsibility	Timeframe
		Reports should be reviewed and evidenced before they are issued to third parties.	Include a review page within each report	PMORALG MNRT RAS	Immediate
9	Outsourcing	Review where bottlenecks, capacity issues or non-delivery exist in the programme	Identify programme activities not performed adequately	Districts RAS	Short
		For these create an action plan to look at suitable outsourcing resources	Develop a list of service providers and engagement priorities	PMORALG MNRT	Short
10	Stakeholder views on implementation of the programme	Implementing agencies to organise and conduct regular stakeholder consultative meetings	Include in districts annual work plan	District RAS	Medium
		TAFORI to produce and present semi-annual reports on status of research projects and share findings with stakeholders and further advise on how to use the programme's benefit,	Set twice yearly dates for TAFORI reporting and stakeholders meetings.	MNRT	Medium
11	Overall programme	Development Partners and other stakeholders to look at ways that implementation progress can be accelerated - e.g. by timely funding, short-term technical support, increased private sector involvement	Development Partners and stakeholders to meet to identify areas of greatest opportunity	DPs MNRT	Short
		Ministry of Finance to endorse JFM guidelines or MNRT takes up (40%/60%) benefit sharing between villages and central government on a pilot basis	Seek MoF formal endorsement, else implement on a pilot basis	MNRT	Immediate

Ref	Area	Recommendation	Action Plan	Responsibility	Timeframe
		The six out of seven SWM national outputs not yet fully achieved are reviewed with urgency and an action plan developed and monitored	Review progress to date and reasons for slow performance; develop revised implementation plan	PMORALG MNRT	Short
		Wetlands inventory, management plans and guidelines are completed and put into use	Review progress to date and reasons for slow performance; develop revised implementation plan	PMORALG MNRT	Short
		The formation of user associations is supported and formalised	Form a user association in each district	District	Medium

Timeframe notes: Immediate (0-3 months); Short term (3-6 months); Medium term (6-12 months); Long term (Over 12 months)

5 APPENDICES

Appendix I	Terms of Reference
Appendix II	Check List Summary
Appendix III	Quarterly Reports Submission Dates
Appendix IV	Physical Vs Financial Performance
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Appendix VI	CBNRM Implementation Status
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