

**DANIDA, Ministry of Foreign Affairs, Denmark**  
**Vice President's Office**  
**Prime Ministers Office – Regional Administration and Local Governments**  
**Ministry of Natural Resources and Tourism**

**Tanzania**

**Annual Sector Review**  
***REVIEW AIDE MEMOIRE (RAM)***

**Tanzania-Denmark: Environmental Sector Programme Support**  
**March 2010**

## Abbreviations and acronyms

ASR	Annual Sector Review
CD	Capacity Development
CIDA	Canadian International Development Agency
DG	Development Grant
Danida	Danish International Development Assistance
DNRM	Decentralised Natural Resources Management
DKK	Danish Kroner
DP	Development Partners
DPE-G	Development Partners in Environment - Group
EMA	Environmental Management Act
EMA- ISP	EMA Implementation Support Programme
ESPS	Environment Sector Programme Support
FCPF	Forest Carbon Partnership Facility
FY	Financial Year
GBS	General Budget Support
GoT	Government of Tanzania
HQ	Headquarters
ICRAF	International Centre for Research on Agro-Forestry
ITA	International Technical Assistance
JRT	Joint review team
LGA	Local Government Authority
LGDG	Local Government Development Grant
MAFSC	Ministry of Agriculture, Food Security and Cooperatives
MDA	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MKUKUTA	National Strategy for Growth and Reduction of Poverty; National Strategy for Growth and Reduction of Poverty (NSGRP)
MNRT	Ministry of Natural Resources and Tourism
MoFEA	Ministry of Finance and Economic Affairs
MTEF	Medium Term Expenditure Framework
NEMC	National Environment Management Council
NGO	Non-governmental Organisation
NRM	Natural Resources Management
PAF	Performance Assessment Framework
PER	Public Expenditure Review
PFM	Participatory Forest Management
PMO-RALG	Prime Minister's Office/ Regional Administration and Local Government
RAM	Review Aide Memoire
RDE	Royal Danish Embassy
REDD	Reduced Emissions for Deforestation and Forest Degradation

R-PIN	Readiness Plan Idea Note
SC	Steering Committee
SWAp	Sector Wide Approach
SWM	Sustainable Wetlands Management
SWMP	Sustainable Wetlands Management Programme
TA	Technical Assistance
TFS	Tanzania Forest Service
TFCG	Tanzania Forest Conservation Group
TPA	Temporary Process Action
TOR	Terms of reference
TSCP	Tanzanian Strategic Cities Project
TR	Technical Review
UDEM	Urban Development and Environmental Management
UNFCCC	UN Framework Convention for Climate Change
USD	US Dollar
VPO-DoE	Vice-President's Office/ Department of Environment
WB	World Bank
WCST	Wildlife Conservation Society of Tanzania.
WWF	World Wide Fund for Nature

## **Executive Summary**

The Annual Sector Review (ASR) 2010 of the Danish support to the environment sectors in Tanzania (ESPS) notes that the ESPS execution has been challenged by several factors; that alignment has been pursued rigorously, but the context for this has not been optimal; thus the level of results achieved so far is not impressive, and attempts to pursue programme harmonization have not been successful. Donor coordination through formalised information sharing meetings seems to be functioning well.

The ASR 2010 endorses a proposal by the Danish Embassy to make a no-cost extension of the ESPS until end 2013 (i.e. Tanzanian financial year 2012-13), provided that the recommendations of the ASR are followed. Recommendations include re-prioritization with a stronger focus on specific Government of Tanzania priorities and outcomes; the results of the prioritization should be documented in the next Annual Sector Review (2011). The team also endorses the decision by the UDEM Steering Committee to merge ESPS Urban Component with the World Bank supported Tanzanian Strategic Cities Project. The ASR recommends that ongoing Natural Resource Management projects (Participatory Forest Management and Sustainable Wetlands Management) be extended until funds are spent, within the present ESPS phase. The expected mechanism for financial support to decentralized natural resources management is not in place and it is unlikely that such mechanism will be operational within the present ESPS. The team recommends that the Annual Sector Review in 2011 looks at potential opportunities for how the additional funds allocated for natural resources management can be allocated.

Finally, the ASR encourages the RDE to consider a more pragmatic approach to the implementation of the ESPS, and to focus on realistically achievable outputs and outcomes for the remaining years.

Preparations will have to start soon for the next phase of Danish support to environment. The ASR team finds that Tanzania's development priorities as expressed in the draft MKUKUTA II as well as the new Danish development policy will provide opportunities for – and require – the cooperation of state and non-state actors in order to pursue the overall objective of sustainable development in Tanzania.

## **Introduction**

1. The second annual sector review of the Danish support to the environmental sectors in Tanzania was conducted from March 17<sup>th</sup> to 26<sup>th</sup>, 2010. Team leader for the Danish team was Elsebeth Tarp, Ministry of Foreign Affairs Denmark; there was no team leader representing the GoT, presumably due to the multisectoral character of the ESPS. The team comprised Faustin Maganga, Natural Resource Management specialist, Mr. Palle Lindgaard-Joergensen, urban/water management specialist, and Ms. Caroline van der Sluys, environmental management expert.
2. The team met with representatives from the Government of Tanzania, including MOFEA, VPO-DoE, NEMC, PMO-RALG, MNRT, and MAFSC. Meetings with other development partners included DPG-E members, NGOs and researchers. Meetings took place in Dar es Salaam, and part of the team visited the District of Mvomero and the Sokoine University of Agriculture.

3. The team wishes to thank the authorities and resource persons for sharing important documentation as well as for their valuable input and constructive dialogue throughout the mission. The RAM recommendations and conclusions are the opinion of the team and do not necessarily reflect those of the Government of Denmark.
4. Annexes include inter alia a list of the ASR 2010 recommendations, a status of the previous (2008) ASR recommendations, and the programme financial status (to December 2009); the Danish Format for Assessing Progress of Programme Support will be signed by the Danish Ambassador and the ASR Team Leader.

### **Progress in sectors and developments of relevance to the programme**

5. **The process of drafting Mkukuta II is well underway, but an explicit poverty-environment linkage, so clearly established in Mkukuta I, is missing.** The integration of environment into Mkukuta I, including specific poverty-environment linkage indicators, was an important step in securing some commitment to environmental management. Although much remains to be done in terms of integrating environmental priorities into the MTEF process and allocating budgets to key environmental mandates<sup>1</sup>, it is important to continue building on the achievements of the first Mkukuta to ensure that the poverty environment link is not lost.
6. **In terms of environmental management at decentralized level, 121 of the 132 districts are now allocating budgets to environmental management activities;** there were only 11 in 2008<sup>2</sup>. A Public Expenditure Review on Environment (PER), planned for 2009, has not yet materialized, and the team was unable to find information on environmental funding as a % of total for LGAs or MDAs. Most (98% as reported by DoE and NEMC) of the LGAs have assigned Environmental Management Officers as required by EMA (in 2008, there were only 52), although many challenges remain, particularly with respect to effective capacity development.
7. **Recent World Bank research<sup>3</sup> has highlighted that there is a rapid urban population growth in Tanzania** (over five percent per annum over the last decade); urban unemployment is high, there is a proliferation of informal and illegal settlements, large urban infrastructure deficits exists with an assessed need for investments of USD 880 Million per annum just to serve new residents. The framework for local revenues and intergovernmental transfers cannot accommodate these financial needs, and Tanzanian Local Government Authorities have experienced progressive elimination of several own-source revenue instruments.
8. **The government has taken some concrete actions to address the observations in the Traffic Report 2007 and the Poverty and Human Development Report (2007) concerning poor regulation and corruption in the natural resources sector.** An estimated USD 56 million is lost to the treasury each year and that "poor forestry governance directly undermines two clusters of the 2005 National Strategy for Growth and Reduction of Poverty". The GBS 2009 PAF included a Temporary Process Action (TPA) to

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<sup>1</sup> See Luttrell and Pantaleo, 2008. Budget Support, Aid Instruments and the Environment: The Country Context, Tanzania Case study. ODI.

<sup>2</sup> GBS 2009 review, outcome indicator under Cluster 2 on Improvement of Quality of Life and Social Well-being.

<sup>3</sup> WB, 2008. "The Urban Transition in Tanzania"

"approve and initiate implementation of an action plan to improve accountability and transparency in managing natural resource licenses and concessions, if any, by end of October 2009". This has been achieved<sup>4</sup>, although the ASR team did not review the action plan. The Mkukuta indicator related to this, the total value of revenue received from concessions and licences (if any) for forestry, fishing, wildlife and minerals, is reported to be "on track". The GBS 2010 PAF includes another TPA, "Government to implement key actions of Natural Resources (forestry, wildlife and fisheries) accountability and transparency action plans following the timetable specified in the M&E framework."

9. **REDD+ and Forest Carbon Partnership Facility (FCPF) are important new programmes in the forestry/natural resources sector.** Income from natural resources, including forestry and wetlands/wildlife remain high on the Government agenda. The sectors constitute potential high revenue income for central and local governments as well as for communities and the private sector. Developments include progress towards the establishment of a Tanzania Forest Service, and the 2009 National Framework for Reduced Emissions from Deforestation and Forest Degradation (REDD). Tanzania is also preparing for the Forest Carbon Partnership Facility (FCPF) under the World Bank Initiative and has produced a draft Readiness Plan Idea Note (R-PIN) in February 2009.<sup>5</sup>
10. **The potential funds for Tanzania are considerable and have renewed Government interest in and attention to the importance of sustainably managed forests.** Both initiatives refer to Participatory Forest Management (PFM); the National Framework mentions, "Already there are some very positive models and success stories in Tanzania with regard to PFM implementation. However, adding carbon (and potentially rewards for carbon reductions) into PFM will raise a lot of issues that need to be resolved" (p.10). So achievements under PFM will feed into the new REDD programmes.
11. **No LGDG facility for decentralized natural resources management (DNRM).** The attempts to develop a basic framework for Local Government to implement DNRM have temporarily been stalled; the Government does not intend to establish more sector specific financing mechanisms under the Local Government Development Grant (LGDG) facility, as it distorts the mechanism. Thus the challenge of how to support a comprehensive a DNRM strategy still exists, and DPs are looking for new options. Forestry has moved towards decentralisation (PFM, including CBFM). At district level however, it is the same staff that are responsible for all NRM

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<sup>4</sup> The Annual National Policy Dialogue Report, 2009 (draft).

<sup>5</sup> Co-benefits are defined in Forest Carbon Partnership Facility (FIP/SC.3/4, paragraph 31), namely:

- a) Demonstrable improvement in social and economic well-being of forest dependent communities, including poverty reduction, job generation, wealth creation, equitable benefit sharing, and acknowledgement of the rights and role of indigenous peoples and local communities.
- b) Protection and enhancement of biodiversity.
- c) Strengthened resilience of ecosystems, with associated ecosystem services

including forestry, wildlife, wetlands and environment in general. At village level there is one committee for environment and natural resources.

### **Aid Effectiveness**

12. **Context for alignment has not been optimal.** The ESPS has been successful in attempts to align to Tanzanian financial structures; alignment, however, also means having to bear with complex and slow procedures, delays and bottlenecks, which affect progress. For the old projects like Sustainable Wetlands Management (SWMP) alignment has only been partly achieved. Thus disbursements (and even more seriously, documented expenditure and results) have been much slower than expected. It also means that RDE staff spends considerable time resolving bottlenecks, sometime at the cost of important policy and results-focussed dialogue with sector partners, research institutions and civil society.
13. **Programme structures for harmonization (i.e. basket funds arrangements) have not been successful.** In order to promote harmonization with other development partners Denmark took the initiative through the ESPS to suggest basket funds, which would eventually grow into sector budget support mechanisms. All attempts have however been in vain. Canada will most probably join the support to Component I, but the team does not know the precise modality. The challenge now, three years into ESPS implementation, is whether to continue to pursue these rather lonely efforts, or to work for more focused and concrete results through more pragmatic modalities. The Forestry SWAP, originally proposed by Norway and Finland, never materialized. Norway is now focusing on REDD preparations; Norway also has 45 million USD temporarily stalled for NRM. Finland supports private sector forestry through a project, and provides among other things support to the establishment of the necessary database for Tanzania to comply with requirements in the REDD Readiness Plan.
14. **Danida is already pursuing more pragmatic aid delivery modalities.** For example, the RDE suggests combining aid delivery modalities in the Urban Component, joining hands with a World Bank loan to the GoT, implemented according to WB rules and procedures, and maintaining the Danish grant partly aligned to the Tanzanian system (refer to para 34). Similar pragmatic approaches could be applied on other components with anticipated beneficial results.
15. **There are expectations for a future joint mechanism for delivering support to REDD+.** The National Framework for REDD mentions the establishment of a Trust Fund mechanism and the FCFP R-PIN refers to a SWAP. However this is not thought of a joint financing mechanism, but rather as an overall strategic framework for a number of development partners, and some of these DPs will not be in a position to channel support through a joint pool of funds. DPs mentioned in the draft R-PIN include UN-REDD, WB; WWF; ICRAF, TFCG; WCST, and Clinton Foundation. Norway is funding REDD pilot sites and research through a 400 million NKR bilateral grant as well as through UN REDD. Denmark provides funds (from HQ) to UN REDD and to FCPF. Denmark (HQ) also supports a pro-poor REDD project through IUCN.

## **Overall Programme Development**

*(1) The ASR recommends a no-cost extension until 2013 (Tanzanian Financial Year 2012-13).*

16. **ESPS Programme Document (dated 2006) sets out a very ambitious level of alignment and harmonisation.** ESPS 2010 doesn't meet expectations as expressed in the Programme Document. The high level of ambitions regarding alignment is commendable, but the context has not been optimal, and this has affected both the level of results achieved so far, as well as the attempts to pursue harmonization. The ASR encourages partners to be more pragmatic, and to focus on realistically achievable outcomes in the remaining time.
17. ***The ASR recommends a no-cost extension until 2013 (Tanzanian Financial Year 2012-13).*** The Embassy has presented good and convincing argument for a no-cost extension. Next phase of the support to the environment sectors in Tanzania is expected to start in 2013; preparations and capacity assessments for exploring the future strategic orientation of such a programme will start in 2010, guided by MKUKUTA as well as by the new priorities in the Danish Development Policy. Danish priorities are expected to lead to include intensified interaction with non-state actors.
18. **Synergies among components could enhance quality of outcomes.** At the debriefing session component partners encouraged the EWG and the RDE to facilitate more coordination and information-sharing among the components, as they are interlinked and progress in one component may be of high relevance to others.

## **Re: Component I: EMA Implementation Support Programme**

*The ASR recommends:*

*(2) Now that the Temporary Process Action in the General Budget Support PAF includes the development of Environmental Action Plans in five MDAs, VPO-DoE and at least three MDAs should use this opportunity to undertake a priority-setting and refocusing exercise. The Danish support to EMA-ISP should be refocused on clear and measurable outcomes, outputs and activities. NEMC should also develop some clear outcomes, outputs and activities intended to generate visible results within the three remaining years of the ESPS. International Technical Assistance (process consultant, expert in results-based programming) should, with immediate effect, be contracted through RDE to facilitate this process.*

*(3) Dialogue should begin on initiating an exit strategy for Danida support to EMA-ISP comprehensive implementation, aimed at consolidating documented and clear results in the next three years. The three remaining years (including a one year extension to the existing support) will allow VPO-DoE to increase efforts to obtain additional financing from other sources or to present solid arguments for an increase in GoT allocations. The international process consultant should support this process, as needed. Important points to consider include:*

- *Identifying other funding sources to ensure sustainability;*
- *Consider strategic capacity development activities necessary to maximise likelihood of achieving planned outcomes;*
- *Specific efforts required to communicate results generated or lessons learned.*



*(4) The 2009 Component I Technical Review (TR) did not report on outcomes, as TRs would normally do; the ASR recommends that the VPO-DoE, for instance helped by UNEP, assesses the quality of the outputs, and attempts to establish also the effects of the outcomes, including effects of the capacity development; this in particular would help establishing what has changed as a result of the comprehensive CD.*

19. **EMA implementation still faces a funding gap.** The EMA-ISP is now in the third year of implementation, and Danida continues to be the only donor directly supporting comprehensive EMA implementation, although there are indications that CIDA will contribute from July 2010. The Joint UN Environment Programme also provides support (until 2010) to VPO-DoE through another funding mechanism. The costs of 5 years comprehensive implementation of EMA was estimated, in 2006, to be 40.7 million USD . Only 15% is covered by Danida funds; with CIDA funding this would increase to approximately 21%. It was not possible to get information on how much financing the GoT provides.
20. **VPO-DoE still appears to be weak on financial management.**<sup>6</sup> There are many reasons for this; inconsistent application of the formal planning procedures, delayed approval of budgets and work plans by the SC, delayed preparation of technical and/or audit reports and delays and/or inconsistencies in fund transfers. To provide a concrete example, the SC, which brings the Permanent Secretaries of the key EMA-ISP implementing institutions together has only met once in 2008, which means that 2009/2010 workplans have yet to be approved, with only three months left in the financial year. Prior to this, decisions were taken by the EWG at Directors' level.
21. **The ASR 2008 recommendations on EMA implementation have been only partially implemented.** A very brief consolidated 2008/2009 progress report was prepared, based on the cumulative quarterly MTEF monitoring forms. This report did not include reporting on outcomes. Workplans for 2009/2010 do, however, include performance indicators, and it will be important to ensure that these are reported on in 2010. The TR was carried out in November 2009. No external support was provided to the Coordination Unit, as VPO-DoE is reluctant to use assigned component funds for international TA given the lower-than-anticipated level of funding for EMA-ISP.
22. **The TR made 24 recommendations** under seven general headings. The recommendations were agreed to during the mission, although the SC has not yet approved them. VPO-DoE and their partners have already taken action on a number of these recommendations, and they will not be detailed here.
23. **GBS PAF 2010 sets out key priorities for EMA implementation.** There is one TR recommendation that the ASR team considers very relevant, relating to priority setting. The TR recommended to "Prepare a brief document based on the EISP document and

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<sup>6</sup> VPO-DoE and NEMC implemented 89% and 55% respectively of planned budgets in 2007/2008; this dropped to 57% for VPO-DoE in 2008/2009, while NEMC maintained a high level of budget execution (91%).

inception report, which includes revised and detailed priorities, outputs, and longer term goals including a brief three-year implementation plan, as an addendum to the EISP". This recommendation has partially been included in the GBS PAF for 2010 as a Temporary Process Action (TPA). The TPA states: "At least 3 out of 5 MDAs (Agriculture, Health, Infrastructure, Water and Energy and Minerals) have finalized Environmental Action Plans for the sector and ministries by September 2010 and ensure that the action plans are in accordance with the guidelines for such action plans as described in the Environmental Management Act 2004.

24. **Danish support must focus on concrete, visible and achievable results during the last three years of Danida support to EMA implementation.** Given the lack of success in establishing a functioning basket fund for support to EMA-ISP, the slow pace of implementation of on-going activities, the rapid development in some sectors (i.e: the increased focus on agricultural productivity) and possible new needs in these sectors as a result, *the ASR team strongly recommends a "refocusing" exercise.* The ASR finds it urgent to look for the most appropriate modality to ensure that there will be documented results/ outcomes in the last three years of Danida's support to EMA implementation. Thus, the Danish support for the last three years should focus on a few key activities within NEMC and DoE, complemented by support to the MDAs identified in the TPA mentioned above.

### **Re: Component II: ESPS Component II UDEM**

*The ASR recommends*

*(5) ESPS-UDEM and TSCP should be merged, and steps should be taken to address potential conflicts and difficulties in synchronization of implementation manuals.*

*(6) PMO-RALG should annex the new Danida component description to the TSCP draft document, so that the additional capacity development activities to be financed by Danida are visible in the overall grant documentation. In addition, PMO-RALG, WB and Danida should support that the TSCP monitoring framework will eventually include an indicator relating to gender-sensitive participatory planning.*

*(7) PMO-RALG should identify and report any un-consolidated investments made in the 21 LGAs in the June 2010 report for the 2011 ASR to assess.*

25. **The overall progress of the UDEM framework and thus also the UDEM component of ESPS from 2007 to 2010 has been slow,** and has not led to expected results in terms of establishing a common framework for urban development and environmental management, nor in attracting additional funds for urban investments beyond funds from GoT and the ESPS UDEM Component.
26. **The LGDG Technical Committee closed the UDEM Window** for support to LGAs as it did not comply with the LDGD system conditions particularly on universality. For the FY 2009/10 UDEM has worked under a UDEM interim strategy. While urban *development* strategies are important in a rapidly urbanising country, it may have been too early to promote an urban environmental management framework.

27. **It is not possible to get an overview of the results of UDEM investments so far.** The ASR did not get information on which type of activities have been supported so far under the component. Apart from some back to office reports from the former international advisor, there is little specific information on results. So far 33 million DKK has been disbursed to the component. The PMO-RALG overview of results indicates that in total 21 LGAs have received capacity development support for eligible UDEM investments. Due to limitations in funds some of these investments may not have had sufficient funds to provide the expected outputs, and may need further financial support; the ASR team is concerned that the expectations raised as a result of the initial LGA support will not be met in the 16 LGAs, which are not part of the World Bank project Tanzania Strategic Cities (TSCP).
28. **A particular outcome of the interim strategy has been a proposal to merge the ESPS UDEM Component with a GoT/ World Bank project,** Tanzania Strategic Cities Project (TSCP), aiming at supporting 8 LGAs with strategic infrastructure for development and environmental management. An appraisal in September 2009 of TSCP with participation of WB, PMO-RALG and a consultant hired by RDE has resulted in a draft programme document, which is in the process of being finalized. A framework component description of the ESPS-UDEM support to component 2 of the TSCP has been agreed by the Steering Committee of ESPS- UDEM on 10 March 2010.
29. **There are valuable experiences from previous Danida support to urban environmental management, which can guide the TSCP.** The ASR understands from the Framework Component Description of TSCP Component 2 that relevant activities will be carried forward from UDEM into the Component 2 of TSCP, and that results will be captured in the lessons learned studies of TSCP.
30. **The development objective of the TCSP is “to improve the quality of and access to basic human services in participating LGAs” is found to be compatible with the UDEM component objective,** “improved living conditions of the urban communities in Tanzania by facilitating decentralized implementation and monitoring of sustainable urban development and management in the Local Government Authorities (LGAs) sector”. The AST team has noted that the Danida board paper indicates that 80% of Danida funds will go for specific investments. The merged UDEM and TSCP will have an investment level about 10 times higher than the funds planned for in UDEM alone.
31. **The merger of UDEM and TSCP will increase the budget for capacity development** from 10 to 12.8 Million USD, with the 2.8 Million USD specifically added to produce a needs assessment and risk management process, and to add UDEM systems and approaches to TSCP.
32. **The ESPS Component II had a stronger focus on the enabling environment** for urban *environment* than the merged UDEM and TSCP. Some of the funds already disbursed but not spent under UDEM will be used to hire a process consultant to facilitate the further development of an Urban Management Development Policy, which will eventually also contribute to a strengthening of the

enabling environment for urban environmental management. The ASR understands that the results and follow up of this work will be done under the merged UDEM and TSCP.

33. **The ASR finds that the parallel financing with each agency being responsible for the management of its own funds as suggested in the TSCP document is justified**, as it is administratively simple for the funding partners, and entails practically no changes in existing arrangements for management of the Danish funds. The activities of TSCP component 2 supported by UDEM funds do not depend on the two other ESPS components for their relevance.
34. **Danida procedures for procurement of ITA not fully aligned.** The ASR understands that tendering for local consultants will use GoT procedures. Contracts with international consultants, however, will be tendered through Danida/Danish Ministry of Foreign, following Danida/EU procurement rules. While this is not full aligning to the GoT procedures, it may be the best option in view of the quite significant need for international support to capacity development on urban governance including environmental management issues. The ITA contract should be flexible enough to deliver on results-based capacity development as and when the project partners are ready to apply the results of the CD.
35. **The World Bank Appraisal document identifies critical risks on sustainability of investments.** WB identifies these risks to be substantial if not mitigated. The risks related to lack of ownership as well as political interference in the implementation of revenue enhancement plans are identified as high. Mitigation of these risks will both fall under the component 2 supported by Danida/UDEM. The ASR expects the capacity needs assessment to address how these critical risks can be mitigated.
36. **WB social and environmental safeguards procedures add value to Component II.** The ASR finds that application of the WB Safeguard Policies on Environmental Assessment and Social impacts like the involuntary Resettlement and Physical Cultural Resources are sufficient. The ASR expects that capacity development relating to the monitoring of these safeguards will feature prominently in the TSCP component II.

**Re: Component III: NRM including PFM and SWMP**

*The ASR recommends that:*

*(8) Support should be continued to PFM under present modality, provided that the outstanding audit reports are received. Activities should continue until all funds under present project have been spent; the support should be targeted to well-performing districts; furthermore the PFM should pursue increased interaction with civil society and private sector, more active engagement with researchers and research institutions, including more attention to the dissemination of research results. Short-term international process consultants should support the implementation.*

*(9) The 2011 ASR should provide guidance on whether the additional ESPS grant of 18 million DKK for decentralised natural resources management can be allocated to a REDD+ joint financing facility or another mechanism for DNRM, and whether it is possible to delegate to other donors.*

*(10) SWMP should be extended until FY 2012/2013 provided that recommendations of the 2010 TR are followed, in particular regarding the urgent management issues. MNRT and RDE to explore whether some funds can be retained for involvement in non-state actors to complement community based activities. The RDE should also pursue the articulation of Danida policies and continue to argue for pro-poor and wise use of wetlands, respecting basic rights of people whose livelihoods depend on access to wetlands.*

37. **The DNRM mechanism is unlikely.** A specific proposal for Danida support to a DNRM component was developed in June 2009. The component would support a basic framework for a DNRM sector-specific grant within the overall framework and operations of the LGDG. However, PMORALG informed the mission that there will not be a new DNRM window under the LGDG. Thus it is probably not realistic that a mechanism for DNRM will be functional under the present ESPS.
38. **PFM implementation should be targeted to well-performing districts.** The draft DRNM component description suggests that in the interim period the remaining support be targeted only to those districts that have demonstrated high levels of commitment, efficiency and VFM performance. There is a need for a rapid assessment of the 18 PFM districts to determine best performing sites. This recommendation should guide the implementation of PFM during the last year (s). 4,9 million DKK are still left for PFM under the project grant.
39. **PFM should be based on realistic work plans and budgets.** The needs assessment should be undertaken with immediate effect. The PFM focal points should convene by April-May and the PFM working group in June. This would enable the Embassy to disburse funds to MOFEA in July 2010. MOFEA should be urged to make sure that funds reach the selected districts by September 2010.
40. **Interesting results are emerging from research cooperation.** A Value for Money (VFM) audit was carried out in October 2009; it provides a wide range of constructive recommendations to rectify the weaknesses identified. The TAFORI<sup>7</sup> research facility is already demonstrating interesting results, and will provide data for the Tanzanian baseline on forest coverage and benefits for communities.
41. **REDD is going to be the future strategic framework for forestry.** The UNFCCC COP 15 Copenhagen accords include explicitly REDD+ as part of climate mitigation portfolio to be implemented under the post-Kyoto agreement. A complementary Forest

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<sup>7</sup> In particular the "Applied Research in PFM: Assessing under which conditions PFM contributed to the goals of poverty reduction, sustainable forest management and improved local governance in Tanzania. By Sokoine University of Agriculture; University of Copenhagen, Cambridge University and University of Manchester.

Investment Programme has increased the expected global funding, from which Tanzania will eventually be able to apply for funds. By the beginning of 2010 a total of 558 million USD had been pledged to the FIP by six donors.<sup>8</sup>

42. **PFM is extremely relevant for REDD+.** The relationship between PFM and REDD+ is obvious, and there is no doubt that the lessons learnt, so well documented by MNRT<sup>9</sup>, will be extremely valuable to the REDD+ mechanism. Danida's particular concerns regarding PFM, among these benefit sharing mechanisms; the weak documentation so far of tangible benefits for communities involved including gender aspects; risks of elite capturing; monitoring, verification and reporting (MVR), are shared with the development partners behind REDD+ and FCPF. Thus there should be good opportunity to harmonise efforts.
43. **It is too early to assess whether there is a need for Danida to join REDD+ preparations in Tanzania.** Later in 2010 the new Danish strategy for development policies priorities will be in place and sector-specific priorities specified. Climate change mitigation, and among these pro-poor REDD+ is expected to have high priority for the Government of Denmark. The ASR 2011 will hopefully be in a position to provide advice on the use of the remaining Danida funds for DNRM under ESPS. Given that many DPs are showing interest in supporting REDD+, Danida should consider whether Denmark could delegate to another (like-minded) DP. Norway is planning for District Level Climate Partnerships, aiming at enabling districts to make use of future NRM funds, with a carbon focus. Funds are expected to be channelled to a consortium at district level.
44. **Accountability is a key issue to be addressed** within PFM as well as REDD+. Accountably in the public sector structures is important, but it will also be increasingly important to also engage civil society in a critical dialogue on NRM, climate change strategies, policies, and financing mechanisms. The ASR suggests that the new ESPS civil society facility provides such support, through a challenge fund or similar, until the outcome of an ongoing DFID study<sup>10</sup> is ready and until, hopefully, a joint mechanism is established for support to civil society on climate change governance. For the remaining ESPS years, the Danish Embassy will manage such a facility, probably through a Challenge Fund office as seen under other Danida supported programmes in Tanzania and elsewhere. This is in line with the Danida Board Paper.

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8 A Forest Investment Programme (FIP) has been set up to complement other efforts to develop effective mechanisms to “reduce emissions from deforestation and degradation” (REDD+), notably the World Bank's Forest Carbon Partnership Facility (FCPF) and the UN-REDD program. Although international agreement on the arrangements for REDD+ is pending in the UNFCCC, there has been a lot of investigation of the potential for, and obstacles to, avoided deforestation, land restoration and enhanced carbon restocking. Going beyond “REDD+ readiness”, the FIP aims to provide significant funds for: i) better forest governance and information (capacity development); ii) mitigation including improved ecosystem services; and, iii) investment “outside the forest sector” to reduce pressure on forests through alternative livelihood and poverty reduction opportunities. By the beginning of 2010 a total of 558 million USD had been pledged to the FIP by six donors.

<sup>9</sup> MNRT Participatory Forest Management in Tanzania 1993-2009: Lessons Learned and experiences to date. September 2009. T. Blomley and Professor Iddi.

<sup>10</sup> DFID: Scoping DFID's support for Tanzania's climate change governance, a study which will look at DFID's existing Accountability Fund (£20m), which is providing core strategic funding to CSOs in Tanzania; DFID is looking at the option of setting up a CC window, if possible as a basket funding mechanism, that can link to the Accountability fund. The DFID study will also be looking at the issue of absorption capacity.

45. **Incentives structures should be carefully analyzed.** As of now some “perverse” incentives exist, which are documented in the Value for Money report. In addition, recent research have shown that communities might be able to win a fair share of the benefits (90/10 share); however this could mean that some districts and PMORALG may be less motivated to promote the work needed to finalize the agreements, including approval of work plans, land use plans and bylaws. That is why it is extremely important to focus on the well performing districts; Norway shares this concern and also wants to apply a performance based approach, focusing on villages as pilot sites, preparing the ground for long term sustainability through the expected REDD Global Funding mechanism.
46. **SWMP severely delayed due to factors related to management.** A joint technical review (JTR) of the SWMP was undertaken simultaneously with the ASR. The JTR recommended that SWMP be extended provided that partners demonstrate commitment to refocusing targets and to resolve key management and finance disbursement issues within a maximum of three months. Recommendations included *among others* (i) to establish a component management group which can approve plans and budgets (ii) NAWESCO should concentrate on issues relating to conflicting policies rather than project management (iii) issues of contract handling to be dealt with immediately and a new modality for handling contracts should be found (iv) to explore options for establishment of partnerships with and/or providing grants to qualified civil society organizations to support the delivery of effective CBNRM and village/local level and to support the management of the Ramsar Sites; and (v) apply a more user friendly capacity development approach.
47. **The JTR looked into key socioeconomic issues identified as urgent in the last JTR (2007),** relating to the social impact of strict application of new regulations on the livelihoods of local communities and pastoralists. The ASR supports the recommendations in the JTR to document and promote best practices for CB-SWM as part of a strategy for reorienting activities at village level towards promoting sustainable use of wetland resources rather than displacement. The ASR urges the Embassy to pursue the articulation of Danida policies and continue to argue for pro-poor and wise use of wetlands, respecting basic rights of people whose livelihoods depend on access to wetlands.

### **Financial Management**

*The ASR recommends*

*(10)The key programme financial information should be made available to the next ASR 2011 team at least two weeks prior to the scheduled dates of the mission. The RDE should consider hiring the services of an external financial management specialist to facilitate this. Risk assessments relating to the use of GoT financial procedures should be used when preparing for the next ESPS in order to avoid another overambitious phase.*

48. **It has been very difficult for the ASR team to get a clear picture of the ESPS financial status.** The table below summarizes the information the team has obtained, and reflects information from 2007/2008 audit reports, as well as estimates of expenditures for 2008/2009 where audit reports are not yet available. There is no complete overview of expenditures to the end of FY 2008/2009, as

the UDEM component has not provided any expenditure information. VPO-DoE expenditures for 2008/2009 are based on the unaudited consolidated financial statements for FY 2008/2009 provided by VPO-DoE. This reflects the rather detailed and slow government procedures, making it difficult for DPs in general to get updated financial information. GoT advises Danida to plan for reviews, when the audited accounts are ready and thus to align more with Got system.

49. **After three years of programme implementation, there is an estimated overall balance remaining on the budget of DKK 126,279,264.54**, which means that approximately 30% of the original budget has been spent. The EMA-ISP component has used approximately 55% of budget, while UDEM has only spent (pending expenditure information) 32% of the budget. The PFM project has executed 91.5% of the allocated budget, and SWMP has spent 65.7% of the budget.

#### Financial Status. ESPS, PFM and SWMP

ESPS	Provision	Disbursed	Expenditure	Reallocations 2010	Balance
C.I: EMA – ISP	35,000,000.00	19,429,636.52	18,797,349.22		15,570,363.48
C-II: UDEM	98,000,000.00	31,037,059.56	15,142,564.54		66,962,940.44
C-III: DNRM (Expected to start June 2009)	18,000,000.00	0.00	0.00		18,000,000.00
Support to Civil Society (expected to be part of unallocated funds)	<i>See unallocated funds</i>	0.00	0.00	18,000,000.00	18,000,000.00
Programme Admin.	9,000,000.00	1,430,685.72	1,430,685.72		7,569,314.28
Advisors	2,000,000.00	1,823,353.66	1,823,353.66		176,646.34
Unallocated	18,000,000.00	0.00	0.00	-18,000,000.00	0.00
<b>Total</b>	<b>180,000,000.00</b>	<b>53,720,735.46</b>	<b>37,193,953.14</b>		<b>126,279,264.54</b>
C-III (NRM) is temporarily being financed through:					
<b>PFM and SWMP project grants</b>	<b>Provision</b>	<b>Disbursed</b>	<b>Expenditure</b>		<b>Balance</b>
PFM (2003)	57,500,000.00	52,597,699.99			4,902,300.01
SWMP (2002)	34,300,000.00	22,534,853.45			11,765,146.55
SIMMORS (2001)	31,500,000.00	30,718,908.00			781,092.00
Sustainable Cities (2002)	19,900,000.00	16,016,062.00			3,883,938.00

#### Cross cutting issues

50. **The Embassy has increased the attention to gender in general**. In Danida's Assessment of Programme Support Format 2008 the progress in the ESPS support to gender equality was rated "c" (unsatisfactory performance); a recommendation was made to conduct a



workshop with component managers on the Danida Gender Tool box, to identify opportunities to enhance gender equality, before ASR 2010. Helped by the international technical advisor very specific action was taken include gender into the SWMP.

51. **Strict EMA application affects food security and rural women’s livelihoods.** The ASR finds it important to document the effects of the strict application of new regulations on women’s livelihoods, before the 2011 ASR. The most significant of these being EMA Section V 57 (1) which prohibits any human activity within 60 metres from a water source. A number of studies<sup>11</sup> have shown that, in contrast to paddy irrigation in places such as the Usangu Plains, traditional valley-bottom vegetable gardening, the “*vinyungu*” farming, has always been a supplementary element in a basically rain-fed farming system. This is not just a marginal or easily dispensable element. Throughout at least a hundred years farming the supplementary wetlands, the *vinyungu* has allowed a second growing season along the streams in the dry season of a rainfed farming system otherwise dominated by a bimodal rainfall regime. For example, a study of 4 villages in Iringa rural and Kilolo districts, only 5% of the sampled households did not cultivate some *vinyungu*. From contributing to subsistence food security (a variety of vegetables and green maize), especially in unusually dry years, it has increasingly expanded, and with two to three growing seasons in a year, it now contributes significantly to cash incomes, especially of rural women.
52. **World Bank social safeguards measures to enhance opportunities for applying a socially fair and gender sensitive approach in urban development.** The World Bank’s social safeguards measures also include application of WB’s operational guidelines on gender equality, and HIV/AIDS prevention measures.
53. **Improvement in the efforts to promote human rights and democracy (HRD).** In Danida’s Assessment of Programme Support Format 2008 HRD was rated “c”, and the Embassy agreed to make a risk assessment in relation to potential human rights impact of the strict application of EMA and other relevant legislation. The Embassy has made impressive efforts in addressing at the highest levels the concerns expressed nationally as well as internationally related to the severe negative impact of new legislation on, among others, the customary grazing rights of pastoralists, recognized in the Land Act of 1999 in Game Controlled Areas. Additional studies could provide more evidence on gender specific impact (refer to para 51).

Dar es Salaam, 30th March 2010

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<sup>11</sup> Among the more recent studies: Sosovele, H.; J. Boesen and F. P. Maganga 2005. Environmental Impact of Irrigation Farming in Tanzania. Dar es Salaam University Press.

Elsebeth Tarp, Team Leader

**ANNEXES:**

Annex I: List of Recommendations

Annex II: Follow up on ASR 2008

Annex III: ESPS Financial Status

Annex IV: List of documents consulted

Annex 12 A: Danida: Assessment of Programme Support ESPS 2010 (Internal Danida Document)

### ANNEX 1: PROCESS ACTION PLAN FOR ASR 2010 RECOMMENDATIONS

ASR 2010 Recommendations	Responsible	Deadline
<i>(1) The ASR recommends a no-cost extension until 2013 (Tanzanian Financial Year 2012-13).</i>	RDE	April 2010
<i>(2) (a) VPO-DoE and at least three MDAs should undertake a refocusing exercise, identifying clear and measurable outcomes, outputs and activities for the next three years.</i>	(a) VPO-DoE	June 2010
<i>(2) (b) NEMC should also develop some clear outcomes, outputs and activities intended to generate visible results within the three remaining years of the programme.</i>	(b) NEMC	June 2010
<i>(2) (c) International Technical Assistance (process consultant, expert in results-based programming) should be contracted to facilitate this process.</i>	(c) RDE	May 2010
<i>(3) (a) Dialogue should begin on initiating an exit strategy for Danida support to EMA-ISP comprehensive implementation, aimed at consolidating documented and clear results in the next three years.</i>	(a) VPO-DoE, RDE	May 2010
<i>(3) (b) The international process consultant should support this process, as needed (see 2c).</i>	(b) RDE	May 2010
<i>(4) VPO-DoE, for instance helped by UNEP, assesses the quality of the outputs, and attempts to establish also the effects of the outcomes, including effects of the capacity development; this in particular would help establishing what has changed as a result of the comprehensive CD</i>	VPO-DoE	2010/2011
<i>(5) ESPS-UDEM and TSCP should be merged, and steps should be taken to address potential conflicts and difficulties in synchronization of implementation manuals.</i>	PMO-RALG	April 2010
<i>(6) PMO-RALG should annex the new Danida component description to the TSCP draft document, so that the additional capacity development activities to be financed by Danida are visible in the grant documentation. In addition, TSCP monitoring framework should include an indicator relating to gender-sensitive participatory planning</i>	PMO-RALG	April 2010
<i>(7) PMO-RALG should identify and report any un-consolidated investments made in the 21 LGAs in the June 2010 report for the 2011 ASR to assess.</i>	PMO-RALG	June 2010
<i>(8) (a) Support should be continued to PFM under present modality, provided that the outstanding audit reports are received.</i>	(a) RDE (b) MNRT	March 2010 Continuous
<i>(8) (b) Activities should continue until all funds under present project have been spent, targeted to well-performing districts, with increased interaction with civil society, private sector, researchers and research institutions, and dissemination of research results.</i>	(c) RDE	ASAP
<i>(8) (c) Short-term international process consultants should support the implementation.</i>		
<i>(9) The 2011 ASR should provide guidance on whether the additional ESPS grant of 18 million DKK can be allocated to a REDD+ joint financing facility or another mechanism for DNRM, and whether it is possible to delegate to other donors.</i>	RDE	Prior to ASR 2011

<p>(10) (a) SWMP should be extended until FY 2012/2013 provided that recommendations of the 2010 TR are followed. MNRT and RDE to explore whether some funds can be retained for involvement in non-state actors to complement community based activities.</p> <p>(10) (b) The RDE should also pursue the articulation of Danida policies and continue to argue for pro-poor and wise use of wetlands, respecting basic rights of people whose livelihoods depend on access to wetlands. The Embassy should also pursue the articulation of Danida policies and continue to argue for pro-poor and wise use of wetlands, respecting basic rights of people whose livelihoods depend on access to wetlands.</p>	<p>(a) RDE (b) RDE</p>	<p>(a) (b) On-going</p>
<p>(11) (a) The key programme financial information should be made available to the next ASR 2011 team at least two weeks prior to the scheduled dates of the mission.</p> <p>(11) (b) The RDE should consider hiring the services of an external financial management specialist to facilitate this. Risk assessments relating to the use of GoT financial procedures should be used when preparing for the next ESPS in order to avoid another overambitious phase.</p>	<p>(a) RDE (b) RDE</p>	<p>To coincide with ASR 2011 timing</p>

## ANNEX 2: FOLLOW UP ACTIONS TO ASR 2008 RECOMMENDATIONS

	RAM 2008 Recommendations	Responsible	Status (March 2010)
1	<b>ESPS:</b> Prepare a proposal for support to civil society advocacy organisations using the unallocated funds preferably through joint financing agreements with other DPs.	RDE	CS Environment and CCC Governance Component 2010-2012, dated January 2010, prepared. Includes three strategic intervention areas; urban environmental, land rights and environment and climate change governance.
2	<b>EMA-ISP:</b> The Coordination Unit should provide the SC with a consolidated annual progress report that includes key performance indicators for DoE work plan targets	VPO/DoE	No action taken. Progress report provided for 2008/2009 only a brief report on DoE activities, no outcome reporting and no indicators included.
3	<b>EMA-ISP:</b> A technical review of EMA EISP should be carried out together with other DPs in October 2009	VPO/DoE	Implemented in November 2009, six recommendations made and agreed to by key partners. PAP for implementation to be discussed during ASR 2010.
4	<b>EMA-ISP Recommendation:</b> VPO/Doe and RDE should agree on the best modality for ensuring the continuation of external support from a process consultant, inter alia to prepare for the 2009 joint DP EMA-	VPO/DoE and RDE	A joint technical review was undertaken in October November 2009.

	<i>ISP Technical Review.</i>		
5	<b>UDEM:</b> <i>With a UDEM window endorsed, relevant stakeholders should carefully monitor the information, which the existing expenditure tracking systems can provide on urban environment investments to determine when the UDEM window can be dissolved and funds fully integrated into the LGDG. Without a UDEM window, the Component II should be redesigned respecting the ESPS objectives, preferably in close coordination with the Strategic Cities Programme, which is expected to be appraised by the World Bank early 2009.</i>	PMO- RALG/ RDE	Component redesigned, framework component description prepared in early 2010, UDEM will be merged with the World Bank-financed Tanzania Strategic Cities Project (TSCP).
6	<b>NRM:</b> <i>The MNRT and its DPs are encouraged to take steps to proceed with the inclusion of SWM under any joint funding arrangements, and to explore the opportunities for a temporary decentralised NRM window under the LGDG with full integration of SWMP.</i>	MNRT and DPs	Modalities for a joint approach to NRM at district level and how we can work on a joint approach at national level is awaiting response from PS MNRT
7	<b>NRM:</b> <i>Follow up to the SWMP Technical Review recommendation from 2007 on “the development of practical interpretations for flexible implementation of EMA in relation to conservation zones around water bodies”. Follow up should be documented in the 2008 and 2009 progress reports.</i>	MNRT/WU	Elements of EMA included in a draft “ <b>SWM Manual</b> ”, harmonised with PFM. The WU has approached VPO to include wise use principles in EMA Regulations. More efforts will be made to synchronise inputs in FY 2008/9.(report not in place)

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### Annex III. Financial Status

UMF-Rep	Components ESPS	Provision	Disbursed as of 03.2010	Gov. Exp. Audit 2007-2008	Gov. Exp. Estimates 2008-2009
2112429	<b>EMA - ISP (104.Tanz.1.MFS.29-1)</b>	<b>35,000,000.00</b>	<b>19,429,636.52</b>	<b>7,661,576.00</b>	<b>9,139,551.00</b>
2112429-10	EMA basket fund MOF, <b>Grant</b>		17,433,414.30	0.00	0.00
2112429-10	DoE		0.00	5,371,239.00	2,185,509.00
2112429-10	NEMC		0.00	2,290,337.00	3,661,364.00
	MDAs		0.00	0.00	3,292,678.00
2112429-10	EMA KK-Contract, Local contract & Training and Travel		739,478.14	0.00	0.00
2112429-40	ESP Man.- EMA - Int. consult.		1,444,229.73	0.00	0.00
2112429-80	Exchange rate diff		-187,485.65	0.00	0.00
2112430	<b>UDEM (104.Tanz.1.MFS.29-2)</b>	<b>98,000,000.00</b>	<b>31,037,059.56</b>	<b>15,269,561.18</b>	
2112430-01	PMO-RALG National level - <b>Grant</b>	8,000,000.00	7,036,851.70	2,103,411.12	388,268.00
2112430-02	Local level Investement - <b>Grant</b>	45,000,000.00	7,741,264.00	4,108,995.23	
2112430-02	Local level Investement - Fellowship		17,500.00		
2112430-03	Local level CD - <b>Grant</b>	45,000,000.00	16,774,208.50	9,057,154.83	
2112430-20	International consultants + Local Consultants		717,323.90		
2112430-80	Exchange rate diff		-1,250,088.54		
2112431	<b>PFM (104.Tanz.1.MFS.29-3)</b>	<b>18,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Grant	0.00			
2112432	<b>Programme Administration (104.Tanz.1.MFS.29-4)</b>	<b>9,000,000.00</b>	<b>1,430,685.72</b>	<b>0.00</b>	<b>0.00</b>
2112432-10	DPG-E int. Consultant (DPG Chair assistance - local)	1,000,000.00	105,086.59		
2112432-11	DPG-E nat. consultant		143,651.40		

2112432-12	DPG-E special study etc.	3,000,000.00	357,902.38		
2112432-20	Annual review int. consultant	5,000,000.00	824,045.35		
2112433	<b>Advisor (104.Tanz.1.MFS.29-5)</b>	<b>2,000,000.00</b>	<b>1,823,353.66</b>	<b>0.00</b>	<b>0.00</b>
	Advisor		1,823,353.66		
New	<b>Support to Civil Society</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	From unallocated				
	<b>Unallocated(budget code?)</b>	<b>18,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	To new component	18,000,000.00			
	<b>Total ESPS</b>	<b>180,000,000.00</b>	<b>53,720,735.46</b>	<b>22,931,137.18</b>	<b>9,139,551.00</b>
<b>UMF-Rep</b>	<b>Components ESPS</b>	<b>Provision</b>	<b>Disbursed as of 03.2010</b>	<b>Gov. Exp. Audit 2007-2008</b>	<b>Gov. Exp. Estimates 2008-2009</b>
2112419	<b>PFM (104.Tanz.1.MFS.22)</b>	<b>57,500,000.00</b>	<b>52,597,699.99</b>	<b>10,112,207.22</b>	<b>0.00</b>
2112419-01	National PFM - <b>grant</b> central	17,000,000.00	12,393,985.54	5,923,734.05	
2112419-01	Salaries, consultancies etc.		1,336,855.86		
2112419-02	PFM in the LGAs - <b>grant</b>	24,000,000.00	20,048,189.09	4,188,473.17	
2112419-02	Bank fee and training		23,785.87		
2112419-02	Equipment		4,429,270.57		
2112419-xx	Technical Assistance - Companies etc.	11,000,000.00	4,393,279.95		
2112419-xx	Technical Assistance - Advisors		10,767,691.21		
2112419-80	Exchange rate diff		-795,358.10		
	Contingency	5,500,000.00			
2112420	<b>SWMP (104.Tanz.1.MFS.23)</b>	<b>34,300,000.00</b>	<b>22,495,806.94</b>	<b>6,294,620.82</b>	<b>0.00</b>
2112420-01	SWM/WMA - <b>Grant</b>		11,613,923.03	6,294,620.82	

2112420-01	Direct Running cost etc		851,270.86		
2112420-02	Mbeya/Iringa Regions - <b>Grant</b>		3,172,525.25		
2112420-02	Mbeya/Iringa Regions - Bank fee etc.		16,074.22		
2112420-05	Audits & Review		750,059.57		
2112420-XX	TA (Advisors)		6,170,491.64		
2112420-80	Exchange rate diff		-78,537.63		
2112409	<b>SIMMORS (104.Tanz.1.MFS.9)</b>	<b>31,500,000.00</b>	<b>30,718,908.00</b>		
	Decentralised		30,718,908.00		
	Direct costs after closure				
	Consultancies				
	Audit				
2112417	<b>Sustainable Cities Morogoro (104.Tanz.1.MFS.17)</b>	<b>19,900,000.00</b>	<b>16,016,062.00</b>		
	Decentralised		16,016,062.00		
	Direct costs after closure				
	Consultancies				
	Audit				

## Notes:

UDEM expenditures for 2007/2008 and 2008/2009 are based on review team estimates of TSH figures provided by PMO-RALG  
SWM/WMA audit only until 2007/2008