

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB2054

Project Name	Accountability, Transparency & Integrity Project
Region	AFRICA
Sector	Law and justice (70%);General finance sector (15%);Central government administration (15%)
Project ID	P070544
Borrower(s)	UNITED REPUBLIC OF TANZANIA
Implementing Agency	
	Ministry of Finance Tanzania
	Ministry of Finance Ministry of Finance Tanzania
	Ministry of Justice and Constitutional Affairs Tanzania
	Ethics Secretariat Tanzania
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	December 15, 2005
Date of Appraisal Authorization	January 30, 2006
Date of Board Approval	May 2, 2006

1. Country and Sector Background

During the past decade the Government of Tanzania (GoT) has implemented a comprehensive program of reforms, which has yielded sustained macro-economic stability, a liberalized economy, and scope for the private sector to become the main agent of economic activity. These reforms have created the foundation for accelerated economic growth, which has averaged 5.8 percent during the past five years. Overall economic growth has been rising consistently for the past eight years (except for 2003 due to drought) from 3.3 percent in 1997 to 6.7 percent in 2004, being an annual growth rate of 5.1 percent. However, poverty still remains wide spread and at an average US\$ 330 per capita (Atlas Method), Tanzania remains one of the poorest countries in the World.

The Government has developed a National Strategy for Growth and Reduction of Poverty (MKUKUTA)¹ that provides an overarching framework for fighting poverty and a framework for

¹ Known by its Kiswahili acronym MKUKUTA.

resource allocation. It is based on three pillars (i) growth and reduction of income poverty; (ii) improved quality of life and social well-being; and (iii) good governance and accountability. The strategy's major focus is shared growth, recognizing that this cannot be achieved without addressing governance issues that are at the bedrock of public sector performance.

To address good governance and accountability, Government developed in 1999 its National Framework for Good Governance (NFGG). To this day, the NFGG offers a platform for the ongoing crosscutting public sector reforms namely public service, local government, public financial management and legal/judicial as well as anti-corruption measures reflected in the National Anti-Corruption Strategy and Action Plan (NACSAP). The latter enshrines the government's program to fight corruption. It also provides the framework within which ministries, departments and agencies (MDAs) are expected to put in place concrete measures to address corruption in addition to implementing the crosscutting reforms. NACSAP is a coherent and holistic program designed to be implemented over five years (2000-05). GoT is now in the process of taking stock of his achievements as well as designing a successor phase to the current NACSAP. The key thrust of the next NACSAP will remain the same.

The sector issues to be addressed by the project

Under the present NACSAP, Government has established the institutional structure responsible to coordinate the implementation of the action plan by setting up the Good Governance Coordination Unit (GGCU) in the President's Office. It has also succeeded in mobilizing MDAs to report on their fight against corruption. Although there is a wealth of undertakings and mechanisms in place, there are a number of challenges that still need to be addressed in order to effectively fight corruption. In addition to implementing the broad range of crosscutting reforms, GoT recognizes that it needs to continue raising awareness about the fight against corruption, improving the performance and effectiveness of the Prevention of Corruption Bureau (PCB), improving the capacity of the GGCU to effectively coordinate the efforts against corruption, increase access to quality information and strengthen the engagement of non-state actors. Based on the NACSAP, a set of key issues remaining to be addressed were identified which included the following:

- weak legal and judicial systems;
- gaps in procedures and controls for public expenditure management and more broadly financial accountability; and
- weak *oversight* and *watchdog* institutions.

Weak legal and judicial system

Upholding the rule of law through efficient, fair and transparent administration of justice is the basis for the promotion and maintenance of social peace and stability of the state. It is also crucial in ensuring an enabling environment for development generally and to attract private sector investment. The quality of legal and judicial services remains of low standards due to key problems related to a poor legal and regulatory framework, weak management and coordination of legal and judicial institutions, ineffective human resources and administrative policies and a poor working environment.

The quality of legal and judicial services remains of low standards, as reflected by: (a) inordinate delays in resolving disputes and dispensing justice; (b) very limited access to legal services for the majority of the citizens; (c) corruption and other unethical conduct of officers in the legal system; (d) the legal system is significantly outdated and not responsive to either social, political, economic and technological changes, or to increasing resource constraints over the years; and (e) limited public trust in the legal and judicial system.

The problems and constraints underlying the weakness of the legal and judicial system have been identified by stakeholders as: (i) the legal and regulatory framework is fragmented, excessively bureaucratic and outdated; (ii) weak management and coordination of legal sector institutions; (iii) low competence, morale and integrity of public sector legal personnel; (iv) inadequate numbers of professionally-trained legal personnel; (v) constrained administrative independence of the Judiciary; (vi) ignorance and poverty of the majority of the citizens which deny them access to legal and judicial services; and (vii) excessively limited, poorly furnished and equipped, and poorly maintained work environment in all public sector legal institutions.

In response to these deficiencies, GoT has developed a comprehensive Legal Sector Reform Program (LSRP) with the broad participation of key legal/judicial institutions and stakeholders. The LSRP seeks to improve access to justice and increase the effectiveness of delivery of judicial and legal services.

Gaps in procedures and controls for public expenditure management and more broadly for financial accountability

Over the past decade, Government has persistently attempted to improve its systems and practice of public expenditure management. With regard to budget management, the imposition of a strict cash control regime has enabled the securing of aggregate control over total public expenditure, consistent with revenue raising capacity and borrowing constraints. Budget reform through Public Expenditure Reviews (PER), implementation of a Medium Term Expenditure Framework (MTEF) and introduction of performance budgeting (linked to a public service improvement strategy under the PSRP) are underway. These latter initiatives aim at allocative and operational efficiencies of the Government's expenditure programs.

In accounting for public expenditures, the central thrust of reform has been the successful installation of a transparent computerized integrated financial management system (IFMS) in all ministries. It is currently being rolled out to agencies, ministries and districts. In this, Tanzania is a pace setter in Sub-Saharan Africa.

However, the procedures and controls for public expenditure management are still conspicuously weak in three important areas: (i) procurement; (ii) internal audit; and (iii) external audit:

(i) Procurement

There has been no comprehensive and authoritative set of public procurement statutory controls, regulations and procedures over the years. Consequently, as well elaborated in the report of the Presidential Commission of Enquiry Against Corruption (1996), there has been rampant corruption and waste in the procurement of goods and services by some public officers.

The NACSAP emphasizes the need for procurement reforms. As result, a Public Procurement Act has been passed that provides for establishment of a regulatory framework and decentralization of procurement functions to MDAs. So far, regulations to accompany implementation of the Act have been passed and measures are being taken to operationalize the new procedures in all MDAs. Until the Act and regulations are enforced by a regulatory authority, compliance has continued to be weak.

(ii) Internal Audit

An effectively performing internal audit function supports and reinforces the internal controls for safeguarding proper custody, use and accounting for the resources of any organization. While the GOT has had an Internal Audit Department in the Ministry of Finance (MOF) and other ministries, the function has never been effectively carried out. Three main factors explained this situation. First, the system and procedures for internal audit are nowhere documented to guide the officers responsible. Second, the function is poorly staffed in terms of both quality and numbers of personnel. Thirdly, and probably the most important, there was limited, if any, demand for regular internal audit reports by public service managers.

(iii) Mandate and Capacity of the National Audit Office

The National Audit Office (NAO) is established in the Constitution to promote and safeguard financial accountability in the custody and use of public resources. However, the performance of the NAO is still significantly constrained in three important respects. Firstly, the mandate of the office has traditionally provided for the restricted function of checking compliance and did not allow for value for money audits, which considerably reduces the value of the function. Secondly, while the NAO has been constitutionally empowered to make independent decisions and report directly to Parliament, the office has been constrained in its independence of operation because it wholly depends on the MOF (its primary auditees) for funding and the President's Office Public Service Management (PO-PSM) for staff appointments and compensation. Thirdly, in part as a consequence of the second, the office has too limited a number of skilled personnel to carry out its audits on an efficient, effective and timely basis.

Government has acknowledged the need to address these constraints. The NFGG clearly states that to improve financial accountability as well as control of value for money in government spending, there has to be an effective external audit capacity. Also, Government has through the Public Finance Act changed the Exchequer and Audit Ordinance and granted the NAO operational autonomy and given it a mandate to carry out value for money audits.

Weak oversight and watchdog institutions (OWIS)

Tanzania has led the way in establishing oversight institutions for good governance. In 1995, the country set an example in introducing a leadership code of ethics, and establishing an Ethics Secretariat whose executive officer is a Judge of the High Court. It has also established a Prevention of Corruption Bureau (PCB) and a Commission for Human Rights and Good Governance (CHRGG). This is in addition to the more conventional institutions such as Parliament and the NAO. Yet, in spite of this multiplicity of institutions, the country continues to face serious governance problems. Evidently, these oversight institutions have been and

remain weak. This has been highlighted by the recently completed Bank political economy study and DFID's Drivers of Change (DoC) study. The studies concluded that much work remains to be done to have legislative and judiciary branches that can counterbalance the strength of the executive.

These weaknesses emanate from the common maladies that have afflicted other public institutions, including: under-funding of operations, inability to recruit and retain well qualified and strongly motivated officers, overlapping mandates that give rise to conflicts, absence of the necessary collaboration and coordination of the institutions, and a weak legal framework. The NFGG recognizes these malaises and seeks to strengthen these institutions and framework to enable them to exercise their oversight role in holding GoT accountable. It also advocates the need to strengthen civil society organizations by increasing citizens' voice in pursuit of good governance.

2. Objectives

ATIP will contribute to improved access to judicial and legal services and in the accountable and transparent use of public financial resources. This will be achieved by improving the skills and means to deliver judicial and legal services and public financial management, and strengthening the capacity of oversight and watchdog institutions (OWIs) to perform their role.

Progress in achieving this objective will be measured under legal and judicial reform, by the increased number of court cases decided to the number of those filed yearly; under public financial management, savings in interest charges on budget deficit financing and on domestic debt servicing, savings on procurement losses and increases in domestic revenue. Progress in strengthening OWIs will be measured by (i) the number of OWIs that use evidence based reports in their dialogue and oversight role and (ii) the number of professional associations actively regulating and promoting ethical conduct amongst members.

The MKUKUTA third pillar on Governance and Accountability aims at achieving four broad outcomes:

- Good governance and the rule of law are ensured;
- Leaders and public servants are accountable to the people;
- Democracy, political and social tolerance are deepened; and
- Peace, political stability, national unity and social cohesion cultivated and sustained.

ATIP will contribute to these outcomes jointly with other GoT crosscutting reform programs namely the public service and local government and sector development programs.

3. Rationale for Bank Involvement

The Africa Action Plan (AAP) seeks to provide a new impetus to the implementation of the Strategic Framework for IDA in Africa (SFIA). AAP supports an environment of accountability in the running of the state. It recognizes that the “principal means available to Africa’s economies to achieve [the MDGs] include building honest and capable states; raising the rate of growth, and enabling the poor and women to participate in and benefit from growth.” Operationally, the Bank recognizes countries that “benefit from reform minded state leadership, capacity for strategic decision making, and have the institutional capacity for policy and program implementation”. Bank support towards interventions to improve public sector management, strengthen discipline in fiscal expenditures and revenues, and further reform of legal and judicial systems in such countries is viewed as key. ATIP is the Bank’s response to the GoT’s initiatives to reform its legal/judicial systems, to strengthen its public financial management and to increase the role of the oversight and watchdog institutions.

Through the PRSC policy dialogue, the Bank is, in a harmony with other Poverty Reduction Budget Support (PRBS) development partners (DPs), supporting government to improve its performance in the area of good governance (MKUKUTA Cluster 3). In that context, GoT and DPs have agreed to an annual performance assessment framework for monitoring progress in policy reforms. The performance assessment matrix includes actions related to public financial management, legal and judicial reforms and specific anti-corruption measures. These policy measures and reforms need to be supported by longer-term institutional reforms in these specific areas. ATIP is the Bank’s response to supporting institutional reforms in the areas of legal/judicial reforms, public financial management and strengthening the capacity of oversight and watchdog institutions. It will work in collaboration with other DPs in these areas and will contribute to ensuring that these two reform programs are strongly linked to improved demand for accountability.

4. Description

The project will have four main components that reflect the key areas identified in the GoT’s MKUKUTA, NFGG and the NACSAP as necessary to improve good governance in Tanzania:

1. Strengthening legal and judicial system;
2. Enhancing public financial accountability;
3. Strengthening oversight and watchdog institutions; and
4. Program leadership, monitoring and evaluation.

Component 1: Strengthening legal and judicial system – US\$ 109.3 million (IDA US\$ 25 million)

ATIP will support the implementation of GoT’s comprehensive legal/judicial reform program--the Legal Sector Reform Program (LSRP). The program is the result of a long participatory process that started with a series of comprehensive studies of the legal/judicial system carried out under the leadership of a Legal Reform Task Force. The Task Force report, produced in 1996, highlighted issues that to this day, by in large, remain valid. The LSRP and its medium-term strategy and action plan were prepared in answer to the Task Force’s recommendations. The

dialogue involved many stakeholders who together designed the overall LSRP. The LSRP's objective is to improve access to judicial and legal services for all Tanzanians, through capacity improvements in legal/judicial service delivery institutions. The program aims at reducing unnecessary litigation and delays in resolving court cases. This will contribute to achieve the MKUKUTA goal of timely justice and upholding the rule of law as essential ingredients to promote and maintain peace and stability. It also contributes to securing human rights and an enabling environment for private sector investments and growth. To achieve these results, the LSRP plans to intervene in the following five key areas. ATIP would support the overall LSRP in an harmonized manner with other development partners (DPs) through a programmatic approach (Sector-Wide Approach Program—SWAp) with pooled funds.

Sub-component 1: Establishment of a harmonized national legal framework

GoT is adopting a comprehensive approach to harmonize the national legal framework by amending key legislation, streamlining the prosecution process and improving capacity for legal research, drafting and law reform. The key outcomes from this sub-component will be an improved legal environment that enhances social justice and safety and economic development, streamlined and strengthened prosecution and investigative system and strengthened capacity for research and studies of the national legal framework. These are described below:

- (i) **Improved legal environment for enhanced social justice and safety and economic development.** The LSRP seeks to harmonize the country's legal framework by creating linkages among sectors governed by similar legal frameworks. This will ensure all reform programs include a review, update, harmonization and alignment of the respective regulatory frameworks taking into account social, economical and technological trends. This will include expanding the role of the Better Regulations Unit (BRU) to include laws that enhance better commercial practices, improvements of the penal system and law impeding accessible justice to the poor and the disadvantaged such as women, children and disabled persons.
- (ii) **Streamlined and strengthened prosecution and investigative systems.** Under this outcome, modalities and strategies for streamlining, modernizing and strengthening prosecution and investigation in the country, regulatory mechanisms and capacity development plans will be prepared. This includes strengthening the capacity of the Department of Public Prosecution (DPP) as part of a streamlined and strengthened prosecution system and ensuring that it is modernized to cope with technological trends.
- (iii) **Strengthened capacity for research and studies of the national legal framework.** The Law Reform Commission of Tanzania (LRCT) is implementing a Medium Term Strategy as approved by the President's Office – Public Service Management. The DANIDA support (2005–2009) to the LRCT includes the development of a medium term work plan for legal research and studies on the national legal framework with the participation of key stakeholders in approving the framework. During this period the legislative processing mechanisms will be

strengthened to ensure quality and relevance of bills/regulations/orders. In addition, improvement of economical legislative processing and promotion of research on legal developments by legal training institutions will also play a part in the reform of the national legal framework.

Therefore key legislation will be identified and prioritized, legal drafting and consultative processes for adopting new legislation will be in place. Funding will also be provided to define a harmonized and unified legal framework and in establishing a civilianized national prosecution system.

Sub-component 2: Increased access to justice for the poor and disadvantaged

The reform program will improve access to justice particularly for the poor and disadvantaged by establishing a case flow management system for primary courts, establishing clear guidelines in handling special cases including those for juvenile offenders; the creation of legal aid centres, the translation of legal information into Kiswahili and the development of the primary court system (construction and rehabilitation).

In this context, the key results to be achieved under this component in the medium-term contain:

- (i) **Improved access to justice for persons in remand homes and prisons.** The LSRP will introduce remand homes and prisons case screening by magistrates, provide adequate transport to prisons, develop guidelines on handling disadvantaged groups, review custodial limits, establish case flow management committees at primary courts and strengthen case flow management committees at the districts and higher levels. Through the LSRP, justice administrators will be trained on speedy dispensation of justice. Use of alternative sentencing and extra mural penal employment by magistrates and prisons, as well as holding regular parole board and community service committee meetings will be promoted to reduce congestion in prisons. Furthermore penal policies and sentencing guidelines will be formulated and issued to magistrates and transport facilities for the remand homes and prisons will be enhanced.
- (ii) **Enhanced legal aid for disadvantaged and poor persons and dissemination of legal information.** Under this result area, a well regulated and managed program to monitor and promote expansion of a legal aid network for legal aid institutions will be designed and implemented. This includes translation and printing priority basic statutes and legal information. In addition, the component will assess the feasibility of introducing basic human rights subjects in school curriculum as a way to promote awareness of basic human rights to the majority. The translated materials should also be available in Braille for the blind.
- (iii) **Improved access to justice in the rural areas.** Participation of local government authorities (LGAs) and local communities in improving infrastructure for enhanced access and quality justice in the rural areas has been piloted under the DP-supported Quick Start Project (QSP). Government intends to continue to support the same approach under the implementation of the LSRP. Lessons from

the QSP show that there is potential for utilizing LGAs and communities to contribute to effective maintenance of the court infrastructure. In addition, the LSRP will facilitate LGAs and communities to enhance the performance of ward tribunals by making them for efficient.

- (iv) **Improved access to justice for juvenile offenders.** GoT wants to align the legal framework, in particular criminal policy, to provide for acceptable juvenile justice administration practices. It seeks to enhance capacity of key institutions for juvenile justice administration and to create a correctional policy for juveniles and to increase public awareness of juvenile rights and obligations. In the medium-term, the strategy would address the following: (i) review and harmonize correctional policies, criminal policies and legal framework to address to key issues for effective juvenile justice; (ii) build capacity in key juvenile justice administration institutions; (iii) enhance public awareness on juvenile rights and obligations; and (iv) improving knowledge and skills for juvenile justice administrators.

The program will finance training of paralegals and primary court magistrates, consultancy services for designing and implementing the case flow management system for primary courts, preparation of special guidelines for handling cases for special groups such as juvenile offenders. Support will also be provided to establish a legal aid literacy network that includes codes of conduct and standards of practice and revision of syllabus and curriculum for training paralegals.

Sub-component 3: Enhanced human rights and administrative justice

The main objective of NACSAP is to fight the abuse of power and red-tape built around rules, regulation, procedures and practices with a view to promote good governance in public services. The LSRP will support this objective by enhancing transparency in the administration of justice. The following outcomes will be pursued under this sub-component:

- (i) **Law enforcement agencies observe human rights.** Complete outstanding activities of the UNDP support for Strengthening Capacities of Human Rights and Good Governance closed in December 2004. This should covers finalizing simplified booklets for the Prison Standing Orders and Police General Orders and harmonizing them with related laws. Publish and disseminate booklets on basic rights such as rights on arrest, filing suits etc. including training law enforcement officers on the observance of human rights so as to promote public confidence in these institutions.
- (ii) **Strengthened Commission for Human Rights and Good Governance (CHRGG).** Support the implementation of the strategic plan for the Commission (2004/07) developed with support from the President's Office-Public Service Management (PO-PSM). Activities include enhancing the capacity of the Commission to respond to complaints against human rights violations and abuse of administrative powers together with raising citizens' awareness of their human rights, good governance and the role of the Commission. In addition, stronger

collaboration and coordination of commission's activities with related regional and international human rights agencies and commissions would be sought. In return, the Commission shall build the capacity of NGOs to monitor and report on human rights abuse and change advocacy.

- (iii) **Enhanced good governance in legal/judicial institutions:** The program will support implementation of the institutional strengthening strategies spelled out in NACSAP. These will include promoting practical use of client service charters in service delivery in legal and judicial institutions, simplifying service delivery procedures, undertaking awareness programs for the general public and creating a mechanism for lodging complaints against misuse of power or unethical conduct by legal institution personnel.
- (iv) **Coordinated and organized administrative justice system.** Develop a basic set of procedures for administrative tribunals including ward tribunals, identify priority needs for enhancing timely justice by administrative tribunals with a view of promoting effective decision-making and establishing a monitoring mechanism for the administrative justice system. This shall include assessing the efficacy for establishing an administrative appellate body.

The program will fund the preparation of guidelines and booklets on observance of human rights, training program for law enforcement officers, design and implementation of a computerized complaints management system, and implementation of client service charters for legal and judicial institutions. This will be supported by the development of an information, education and communication (IEC) program that should be closely aligned to the overall IEC strategy for the public service reform program.

Sub-component 4: Improved skills and knowledge of legal professionals

Through the LSRP, the quality of legal graduates will be improved. This will be achieved by supporting improvement in legal training institutions infrastructure. This will include establishing an effective practical training program for law graduates together with strengthening the capacity of the Council for Legal Education to effectively regulate legal training and practice in Tanzania. In addition, the program will support the creation of an effective mechanism for continuing legal education for practicing lawyers and other staff in the legal/judicial institutions. The Government envisions the following key outcomes in the medium term:

- (a) **Legal education and training institutions poised to deliver quality legal training.** The important interventions for supporting the quality of legal training and education in the country include: enhance effectiveness of the Council of Legal Education in controlling the quality of legal training and education in the country by establishing a full time secretariat independent from the Judiciary supported by necessary technical, human and financial resources; designing national curricula for legal training institutions to improve the quality of legal training for all requisite qualifications; and designing and implementing specialized training programs for support staff .

- (b) **Improved practical skills training for law graduates:** The program will support equipping temporary premises for the proposed law school under the auspices of the Council of Legal Education. This will also include assessing the feasibility of creating two distinct categories of legal practitioners, namely, advocates and solicitors.
- (c) **Improved capacity to offer continuing education programs:** The program will strengthen the capacities for legal training institutions to provide continuing legal education for professional and non-professional staff. A training needs assessment in the legal training institutions has been conducted in the Faculties of Law of the University of Dar es Salaam, University of Mzumbe, the Open University of Tanzania, and the Institute of Judicial Administration (IJA) in Lushoto.

The program will assist with the establishment of a permanent secretariat for continuing legal education, developing and institutionalizing a national legal degree and non degree training curriculum. Funds will also be provided for constructing on and equipping the law school and training of legal academic staff in specialized areas.

Sub-component 5: Improved service delivery capacity in key legal institutions

The objective of this sub component is to develop capacity to provide quality services by enhancing management and coordination in legal and judiciary institutions in collaboration with PO-PSM, enhancing competence, motivation and integrity of personnel and improving the work environment.

- (a) **Enhanced management and coordination in the sector institutions:** The program will support the installation of an integrated management information system to promote effective communication and management among sector institutions and defining a chain of command and line of communication. Training management in modern management techniques and instituting effective administrative support systems through retention schemes and supervision mechanisms will be introduced. In addition, specialization in the court system, implementation of measures for expansion of commercial division of the High Court under the BEST program and the Government-funded Land Court division together with installation of performance improvement models in the Police and Prisons using experiences from other countries such as Republic of South Africa will be addressed.
- (b) **Enhanced competence, motivation and integrity of personnel:** The program in collaboration with the PSRP will support institutionalization of a meritocratic system for personnel management through staff training. In addition, support will be provided to an assessment of the limitations in attracting, retaining and motivating legal and judicial staff, as a result of the existing remuneration regime and recommendations on appropriate incentives to address this problem. Due consideration will be taken on the inability of legal and judicial staff to undertake private practice, unlike staff in other areas in the public sector.

(c) Improved working environment: This sub-component aims at improving the work environment in legal and judicial institutions by undertaking the following: (i) Contracting out the non - core services in Sector Institutions according to the PSRP Framework; (ii) Equipping the law libraries and updating publication of Tanzania Law Reports, revised edition of the Tanzania laws; and preparation of case digests; (iii) Constructing and equipping a new Court of Appeal building and rehabilitation/construction and equipping priority zonal high court centers and resident magistrates courts; and rehabilitation and construction of districts based prioritized infrastructure. (iv) Assessing the technical feasibility for expansion of the current building for the Ministry of Justice and Constitutional Affairs (MJCA) including developing appropriate strategies for improving office accommodation facilities at the Zonal Chambers of the Attorney General; (v) For the legal registries, the BEST program has defined strategies for expansion of BRELA services to the regional level. Some of the legal registries are currently under transformation to executive agencies under the PSRP as a measure towards enhancing their performance. The program would aim at utilizing the revenue from these registries to improve their office facilities; (vi) Police and Prisons: There is no technical assessment on the optimum needs for improving working environment in the Police and Prison Forces. The LSRP will fund a needs assessment as the basis for developing and implementing a long-term program for improving working environment in these institutions. For all of the infrastructure activities, there would be an agreement between GoT and DPs on which will be priority based on the availability of government budget to share the costs of construction and planning in advance the operations and maintenance budget for the new facilities.

Component 2: Enhancing public financial accountability – US\$ 63.5 million (IDA US\$ 10 million)

ATIP will support the implementation of the PFMRP whose main goal is to improve the management of public financial resources for economic growth, public service delivery and poverty reduction. The PFMRP aims at improving the strategic orientation of the Ministry of Finance (MoF) to provide leadership in implementing public financial management across government and ensure its efforts are coordinated with other reform programs and sector initiatives. Implementation of the PFMRP will result in an improved capacity of MoF to manage public financial resources in an effective, transparent and accountable manner and associated improvements in the MDAs public financial management capacity. It will also result in a strengthened capacity of NAO to perform its oversight function effectively. The PFMRP strategic plan draws on the Country Financial Accountability Assessment (CFAA), Country Procurement Assessment Report (CPAR), and the IMF's Report on Observance of Standards and Codes (ROSC) analyses and recommendations.

The PFMRP includes the following key strategic areas:

Sub-component 1: Capacity building in the Ministry of Finance (MOF) for sound macro economic and fiscal management (US\$16.7 million)

GoT's objective is to ensure that the country's macroeconomic framework remains stable in the medium-term. This sub-component aims at improving the capacity of MOF in macroeconomic and fiscal policy that will enable improved decision-making towards preserving a stable macroeconomic framework. PFMRP will build the capacity of MOF in macroeconomic management, fiscal policy management and establishing the institutional framework for debt management. This will be achieved by improving staff skills in policy analysis, monitoring and economic forecasting. The program will also provide forecasting tools and establish an institutional mechanism for monitoring, reporting and stakeholder consultation.

Funds will be provided under the program for technical assistance in building a robust macroeconomic and fiscal model, institutionalizing dialogue processes with stakeholders, implementing the new debt strategy and rationalizing the tax exemptions regime.

Sub-component 2: Devolved decision-making and accountability for resources to MDAs (\$23.7 million)

This sub-component aims at (i) improving the capacity of MDAs in public financial management, and (ii) ensuring that MDAs are accountable for the public financial resources they manage.

Under the PSRP and LGRP, MDAs and LGAs respectively, have been empowered to manage for results within a resource-constrained environment. To complement these programs, the PFMRP will seek to shift away from the control orientation implied by the strict virement rules currently enforced on vote-holders. The program will also consolidate and build on the gains made from the IFMS initiative, to expand the system's functionality to facilitate MDAs' and LGAs' managements to realize their results-focussed agendas, including supporting the anticipated adoption in the long-term of accruals accounting.

The PFMRP will deepen capability in the internal audit function at MDA-level, enhance utility and demand for financial management information through initiatives that heighten awareness and understanding, and strengthen financial management capability through the development of a cohort of professionals in that function with the right blend of experience and skills. Also, given the strategic imperative to implement a solid policy and strategy for fiscal decentralisation, the program will support monitoring of the system of intergovernmental transfers.

To achieve the above, the program will fund the expansion of the IFMS functionality to enable accrual accounting and interfacing it with the macro-fiscal system and the debt management system. Funds will be available to establish benchmarks for financial and performance reports in MDAs, making internal audit committees operational in MDAs, preparing a curriculum for training finance and non-finance personnel.

Sub-component 3: Improved predictability of resources to MDAs (US\$2.6 million)

The objective of this sub-component is to improve the predictability of resource flows by strengthening linkages between the MTEF, MKUKUTA and poverty monitoring system (PMS). These linkages will provide a basis for promoting a more systematic process for resource planning and prioritization needed to achieve policy objectives and desired results. The PFMRP will also focus on capturing all development assistance channelled directly to projects and programs in GoT's budget and accounting framework. In tandem, the PFMRP will deepen stakeholders' understanding and ability to understand the budget process and its results.

Based on positive results in implementing these activities, GoT would, in the long-term, be phasing out of the current cash budget system. Another expected long-term result will be zero or insignificant differences between MDAs' and LGAs' budget allocations and actual expenditures.

The program will fund a management information system for external assistance that is easily accessible and facilitates planning and decision-making.

Sub-component 4: Enhanced value for money (VFM) in the use of public resources (US\$14.8 million)

This sub-component will ensure that the budget is strategically oriented towards the achievement of intended results. A key imperative is to steer public service managers towards a more strategic orientation in the use of public resources. In particular, in the medium-term, the existing system will be further customised to enable enhanced budget analysis. Furthermore, the PFMRP will spearhead the redesign of the budgeting and reporting processes to enhance their results orientation. Specifically, this intervention is will contribute to ensuring that the medium-term expenditure framework (MTEF) supports Government in attaining efficiency and effectiveness in services delivery. Also, during budget implementation, the program will, through a combination of monitoring at MDA level, public expenditure reviews (PERs), value-for-money (VFM) audits and overhauled procurement systems engender an ethos of accountability for procuring resources under the most cost-effective terms; delivering maximum outputs from planned activities and associated inputs; and achieving outcomes specified at each MDA's, LGA's and program planning stage. A key anticipated long-term result will be minimal or no losses resulting from public procurement.

The program will support the review and modification of budget databases, strengthening of institutional arrangements for budget management including integration of human resources planning with overall personnel expenditure budget, and the rolling-out of participatory planning and budgeting guidelines to LGAs. Funds will help put in place the new institutional framework for procurement, including recruitment costs of procurement staff, designing and implementing a system for monitoring and evaluating procurement in MDAs. In addition, the program will assist the NAO to institutionalize VFM audits.

Sub-component 5: Reduced dependency on external financing (US\$2.4 million)

This sub-component aims at improved management of external funds. A key perspective shared by stakeholders is that ten years from now, Tanzania will be less dependent on external financing. This will demand concerted efforts by GoT in the effective management of external financing, with a view to eliminating any associated negative impacts, directing its utilisation to the most productive investments and reducing debt servicing to sustainable levels. In addition, the PFM RP will support the enhanced mobilisation of domestic resources by broadening GoT's tax base, and at the same time ensuring its simplicity and equitability. This will imply rationalization of the tax exemptions regime.

Under the program, funds will be provided to enable the MOF to take leadership in prioritizing, coordinating and managing external financing and rationalizing the tax exemption regime.

Sub-component 6: Capacity for sustained improvements in management and program implementation (US\$3.3 million)

MoF and in other MDAs will need to change their culture. In this respect, the programme will endeavor to: enhance policy and strategic leadership; involve internal and external stakeholders through consultations, and an IEC campaign; inform and fine tune the PFM RP by adopting an informative monitoring and evaluation (M&E) framework; introducing needs based human resource capacity building interventions; more effectively utilize management information systems, including IT; and promote a culture of ethics, integrity and accountability.

The Bank would subscribe to the ongoing SWAp and its established pooled funding arrangements. At present EU and Denmark have signed the Memorandum of Understanding for the pooled funds and others are expected to join shortly. DFID leads the DPs dialogue on public financial management.

Component 3: Strengthening oversight and watchdog institutions (OWIs) – IDA US\$ 4.5 million)

This component aims at ensuring OWIs are well informed of public sector performance and hence able to effectively hold government accountable. This will be achieved by supporting OWIs in (i) generating and disseminating quality information on performance and outcomes of government centered on the crosscutting reforms, i.e., NACSAP, public service, legal/judicial reforms and public financial management; and (ii) improving ethics environment in both public and private sectors, by supporting improvements in the capacity of professional organizations to raise the level of ethics of their members using self-regulatory ethics mechanisms, continuing education programs and more broadly IEC programs aimed at the broader public.

OWIs that will potentially benefit from this component include Parliament and its committees, the Prevention of Corruption Bureau (PCB), the Commission for Human Rights and Good Governance, professional associations, the media and civil society organizations. To achieve this objective, a flexible Fund for Ethics, Accountability and Transparency (FEAT) will be

established and housed within the Ethics Secretariat and will be available on a demand-driven basis for activities related to the above objectives.

Generation and dissemination of quality information: The FEAT will support OWIs and non-state actors in generating data, including statistics and other types of information that confirm results of government policies and initiatives in all the crosscutting reform areas. It will also fund CSO activities to disseminate the findings from studies and other key government accountability documents such as the NAO report. This is expected to increase public awareness of the reforms, lead to effective dialogue between informed OWIs and GoT in domestic policy-making processes and build domestic accountability.

Improvement in the ethics of members of professional associations: The FEAT will support capacity development of professional associations to promote ethics amongst their members and thereby influencing the quality of ethics in the public service. Professional associations will be supported to implement self-regulatory mechanisms and development programs for their members. The funds could also be used for IEC and M&E activities related to the roles and responsibilities of professional associations. Depending on the level of development of the respective professional association, the nature of support is likely to differ including helping them develop as associations. The program will also support capacity building programs for professional as groups that aim at improving the ethical dimensions of the respective professions based on the identified needs within the context of the associations.

FEAT will support OWIs, on a demand-driven basis, to generate and disseminate information on results and accountability. It will also fund capacity development of OWI staff to improve their skills related to their functions as oversight and watchdogs. The Ethics Secretariat will oversee the use of the Fund. It will be reporting to a high-level inter-agency committee that will approve applications to the FEAT. The chair of the proposed committee has yet to be determined. However, it is important that the possibility of the funds being captured by a specific agency be reduced to a minimum. Other members of the committee are likely to come from: (i) the Government, e.g., Head of GGCU, Director of Ethics in PO-PSM; (ii) non-governmental sector — one from an umbrella NGO and one from the Tanzania Business Council. The executive secretary of the Ethics Secretariat would be a non-voting member and honorary secretary to the Committee.

To ensure that all activities to be funded are in line with ATIP’s objectives, a manual will also include a negative list showing activities or cost items that will not be funded as shown in the table below.

Eligible/ineligible activities under the FEAT sub-component

Eligible interventions	Ineligible interventions
<p>Interventions that are eligible for FEAT financing should support capacity building in the respective organizations to enhance oversight capabilities or ethical environment in the public sector, which may include:</p> <ul style="list-style-type: none"> • Technical support at all stages of the development 	<p>FEAT is not to be used for investments where the contributions to capacity improvements are not readily demonstrable. These include:</p> <ul style="list-style-type: none"> • Investment into commercial ventures.

<p>of the participating organization's strategic plans, annual work plans, monitoring and implementation plans.</p> <ul style="list-style-type: none"> • Specific training activities within Tanzania related to issue of improving quality of information produced, disseminated and used. • FEAT will only support results-oriented incremental investments. This will include for instance, resources required to re-engineer processes; to put in place systems for monitoring and evaluation; and/or to foster organizational learning. • Re-tooling in participating organizations to improve both working facilities and environment in the context of improving oversight and watchdog capabilities and activities. • Support to the rationalization of OWIs' roles and functions. • Soft assets including computers and software. • Support work aimed promoting governance with respect to the activities of the ATIP including monitoring and evaluation of service delivery by beneficiaries, civil society groups and the private sector. • Activities above for which the organization do not have access to another primary source of funds. 	<ul style="list-style-type: none"> • The purchase of motor vehicles. • Civil works. • General administrative expenditures. • Salaries or enhancement. • Activities funded from other sources. • Training and dissemination activities outside Tanzania. • Re-tooling that is more than 15 per cent of the budget requested.
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Component 4: Program leadership, monitoring and evaluation (M&E) - IDA US\$ 500,000

To ensure overall coordination of the activities related to improving accountability, transparency and integrity and more particularly monitoring of the progress in the fight against corruption, support will be provided to the GGCU and the Ethics Secretariat. For the latter, support would be related to achieving the objectives of the FEAT. The GGCU has been established in the President's Office in the Chief Secretary's Office for the purpose of enhancing the overall coordination of NACSAP across government. The mandate and role for this coordination generally lies with the Chief Secretary as the Head of the Public Service and Secretary to the Cabinet.

Under the current NACSAP, support was provided by UNDP, Norway, Finland and Sweden under the *Strengthening Capacities to Combat Corruption in Tanzania* (SCCCT) project. It is expected that some of these donors will continue supporting the GGCU for the coordination of the new NACSAP activities. However, at this time this support is not yet clear. It is important that results in improving good governance be monitored at the highest level in government. Therefore ATIP will provide support to GGCU to improve its monitoring and evaluation functions including reporting on the overall results of ATIP. Support will also be provided to possibly review the institutional structure of GoT institutions to combat corruption with the

objective of delineating clear mandates and fostering greater collaboration among these institutions. Under the PRBS/PRSC policy dialogue, it is noteworthy that there was agreement between government and DPs that a stronger dialogue should be established around good governance as a key pillar of the MKUKUTA. The understanding is that a broad policy dialogue similar to the one instituted for sector-wide approach should be established for anti-corruption. Support to the GGCU would help concretize this agreement by providing the necessary funds to launch the process and put in place the necessary mechanisms for dialogue and improved coordination within government and gradually between GoT and its domestic constituency.

The Ethics Secretariat will be strengthened to enable it to host the FEAT through recruitment of a fund manager, an accountant and by funding incremental operational costs. The Secretariat, being the host of the FEAT, will not be one of the beneficiaries of the fund. Pertinently, technical assistance will be provided in supporting the Secretariat to set up the FEAT and also for capacity building.

5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	10
INTERNATIONAL DEVELOPMENT ASSOCIATION	40
BILATERAL AGENCIES (UNIDENTIFIED)	50
Total	100

6. Implementation

ATIP design takes into account the GoT policy on development assistance that is presented in the Joint Assistance Strategy (JAS). JAS is a GoT-led initiative that provides a guiding framework for development partners in funding the MKUKUTA. The key principles of the JAS include harmonization of development partners processes to reduce transaction costs to GoT, untied support to capacity building and division, mainstreaming of project implementation within GoT systems and procedures in order to ensure sustainability of development assistance.

The LSRP and PFMRP are designed as SWAps that will be funded through pooled funding. A number of DPs organized through the Legal Sector Donor Group and the Public Financial Management Donor Group have expressed interest in funding the two programs. These two groups meet monthly and are part of a wider governance working group (GWG) of development partners with counterpart groups within government. These DPs are also involved in the PRBS/PRSC that provide general budget support for implementing the MKUKUTA. Under this funding modality, the partners carry out joint annual reviews to assess performance against an agreed set of actions and indicators.

Within the context of these two groups, there is consensus amongst GoT and DPs to fund the LSRP and the PFMRP under pooled funding arrangements. The expected contributions for the LSRP and the PFMRP from the DPs are reflected in the table below:

Table XX: LSRP and PFMRP expected donor contributions (USD)

<i>LSRP</i>		<i>PFMRP</i>	
<i>Donor</i>	<i>US\$</i>	<i>Donor</i>	<i>US\$</i>
Canada	7,650,000	SDC	1,197,000
UNDP	500,000	Sweden	6,375,000
Sweden	12,000,000	Denmark	9,036,000
Denmark	6,000,000	EU	1,742,000
WB	25,000,000	DFID	18,399,000
Belgium	2,400,000	Norway	4,546,000
Germany	300,000	WB	10,000,000
		AfDB	5,000,000
		JAPAN	959,000
LSRP budget	109,392,250	PFMRP budget	72,200,000
Donor contributions	53,850,000	Donor contributions	49,682,000
<i>Funding gap</i>	<i>55,477,252</i>		

Apart from IDA, six other donors Belgium, Canada, Denmark, Germany, Sweden will commit US\$ 28.9 million to the LSRP basket fund. IDA funding of the LSRP will raise donor funding level to US\$ 53.9 million, leaving a funding gap of US\$ 55 million. GOT has committed US\$ 15 million from its own funds to the LSRP which will reduce the gap to US\$ 40 million. This would indicate a need to prioritize activities, as it will be the case under the SWAp arrangement, to ensure that core activities are funded rather than activities that might have little impact on the overall results of the program. This will be particularly true of some aspects of the infrastructure component.

The PFMRP will be supported by several donors apart from the IDA including European Commission and Denmark who have already signed the Memorandum of Understanding (MOU) for the pooling of funds. The funding commitments total US\$ 49,682,000 out of a total cost of US\$ 72.2 million. Some of these DPs, AfDB, SDC and Sweden will be contributing through bilateral arrangements for the time being. They will not be part of the basket funding DPs.

There are two major considerations in defining the implementation arrangements for ATIP. First, two of the project's components will support distinct sector-wide approach (SWAp)-based programs, i.e., PFMRP and LSRP. For these two programs, Government and DPa have already agreed to adopt a pooled-fund modality, and the World Bank is ready to subscribe to this modality. Thus ATIP funds will be disbursed to the LSRP and PFMRP basket accounts. The second important consideration is that the third component--strengthening oversight and watchdog institutions (OWIs) will be demand-driven. The key features of the proposed implementation arrangements are described under the following three headings:

- Mainstreamed implementation of PFMRP and LSRP;
- Coordination with other reform programs through the IMTC and IMWG; and
- A special account for each of the project components.

Mainstreamed implementation of the PFMRP and LSRP. ATIP will not have an independent program implementation unit. All activities under the LSRP and the PFMRP will be undertaken within the mainstreamed structures of the respective ministries. These structures

are linked to the respective reform program review mechanisms that are mapped to the PRBS/PRSC performance assessment framework.

The LSRP will be coordinated by the Ministry of Justice and Constitutional Affairs (MJCA) as the lead institution, providing for involvement of all key stakeholders in the policy dialogue, reporting and monitoring and evaluation. The other key institutions involved will be the Judiciary (Chief Justice is Chair of the Steering Committee), the Ministry of Home Affairs, the Law Reform Commission, Commission for Human Rights and Good Governance and the Faculty of Law, University of Dar es Salaam.

The LSRP implementation arrangements include a Joint Implementation Steering Committee (JIPRC), which will be the main dialogue forum between GOT and DPs. The JIPRC will also approve funding to the basket fund based on satisfactory performance and an annual approved work plan and budget. There is also a policy steering committee composed of chief executives of all implementing institutions that provides policy leadership. This will be chaired by the Chief Justice. These two organs will provide overall leadership to the LSRP. The detailed implementation arrangements of the LSRP are provided in the Memorandum of Understanding (MOU) and financial and procurement management manual described in Annex 4.

There will be a need to improve the capacity of the key institutions to lead the reform program. Currently GTZ is providing a Chief Technical Advisor and a capacity building advisor to MJCA. There is consensus amongst GoT and DPs for the need to complement the existing TA with additional technical support in M&E, IEC, and management information systems. This will be procured through competitive bidding funded by the basket fund.

The PFMRP is coordinated by MoF, as the lead institution which oversees government-wide public financial management. Other institutions that will be involved include the Public Procurement and Regulatory Agency (PPDA) that is being established and the NAO. A joint steering committee will provide strategic oversight in implementing the program. The Deputy Permanent Secretary, MoF is the Program Manager for the PFMRP and a Program Coordinator provides support and advice on implementation. MOF's heads of departments are responsible for key result areas of the program based on their portfolio. Details of the implementation arrangements for the PFMRP are provided in Annex 4. These are also described in the PFMRP Memorandum of Understanding and the Operational Manual.

The OWI component will be managed by the Ethics Secretariat. It is envisaged that an inter-agency committee will be established for the purpose of approving applications from the OWIs to use the FEAT. The chairman of the Ethics Secretariat will be the chair of the proposed committee. Other members of the committee are likely to be from: (i) the Government — Head of GGCU and Director of Ethics, PO-PSM; (ii) non-governmental sector — a nominee from an umbrella NGO and a nominee from the Tanzania Business Council. The executive secretary of the Ethics Secretariat would be a non-voting member and honorary secretary to the Committee. Details of the modalities, procedures and criteria to be used by the technical secretariat and the Committee will be specified in an operations manual.

Coordination with other reform programs through the IMTC and the IMWG: The

overall coordinating mechanism for the core cross-cutting reforms (public service, local government, public finance, legal/judicial and sector development) is the responsibility of the existing committee of all Permanent Secretaries (Inter-Ministerial Technical Coordination--IMTC) chaired by the Chief Secretary/Head of Public Service. The Inter-Ministerial Working Group comprised of senior government officers and chaired by the PS POPSM meets quarterly to review progress of all core reform programs and reports to the IMTC.

A special account for each of the project components: ATIP's design envisages a special account for each of the three components. In effect, at Government level, each of the three components will be managed as autonomous operations. It is noteworthy that for the PFMRP and LSRP components, from both the Government and World Bank ends, transactions will be few and occasional, i.e., transferring funds from the special project account of the component to the basket fund in the modality and time frame stipulated in the MOU signed by Government and development partners for each program. To this end, the World Bank has preliminarily reviewed the MOUs and operation manuals of the PFMRP and LSRP and confirmed that these comply with its financial management and procurement requirements.

The special account for the third component (support to the OWIs), will have specific procedures and controls that will be documented in an operations manual.

7. Sustainability

According to the foreword to the NFGG "The GoT has given governance issues the highest priority in recent years, as it is aware that the continuing development problems in the country could be associated with difficulties of management in the public sector that are reflected in financial mismanagement, corruption, low level of service provision, tax evasion and unnecessarily bureaucratic procedures." This priority is evident in the wide ranging comprehensive reforms that the GoT has undertaken. The GoT has also emphasized in recent years the need to inform the people on progress with reforms and to listen to their concerns with the performance of government in delivering services. ATIP will include an IEC program that will strive to create improvements in the information made available to the people and broaden the constituency of people who have a stake in advancing the reforms. Building domestic accountability to replace the present framework where accountability seems rather diffused or linked to development assistance will be key to the sustainability of the results.

ATIP structures will be mainstreamed in GoT MDAs. It will be managed by public servants as part of implementing organizational goals. For this reason, it is expected that capacity built under the project will be retained and will continue to advance the institutional changes implemented even after donor funding has ended. This approach requires a close link to the PSRP which is looking into the needs to go further in terms of providing adequate incentives to attract and retain qualified people in the public service.

GoT has expressed strong ownership in preparation and implementation of the program

components. GoT has budgeted funds in 2005/06 for implementing some of the preliminary components of the LSRP and PFMRP.

8. Lessons Learned from Past Operations in the Country/Sector

ATIP's design takes into account experiences learned from past World Bank and other development partner projects in Tanzania, other developing countries and transition economies in public financial management, legal and judicial reform and support to oversight and watchdog institutions. It also draws from analytical studies carried out by the Bank staff in the preparation of this project, government and other development partner agencies. These include the CPAR, CFAA, PEFAR, political economy study, SIDA Power Analysis and DFID's Drivers of Change studies and a stakeholders' workshop focusing on issues related to accountability, transparency and integrity.

(a) Stakeholder consensus on the program objectives and indicators. The program components have been based on analytical work and have been discussed at length with key stakeholders. The respective objectives and performance indicators have been agreed to by the main stakeholders. This consultative process will help strengthen the results focus by ensuring that key implementing institutions focus on project outcomes. A specific session on M&E enabled some participants to appreciate that results framework of the three components will need to be adjusted to reflect agreement between government and DPs in the context of the SWAps of prioritized results and indicators to be met on an annual basis.

(b) The need for a coordinated approach within and among the respective reform programs. Recent assessments of the cross-cutting reform programs raised concerns about whether the current government coordination arrangements offer a credible basis for driving forward harmonized and sequenced LSRP, PFMRP, PSRP and LGRP. Recognition of the interdependencies between cross-cutting reform programs and linkages with sector development programs provide the basis for a coherent approach and more sustainable outcomes. The proposed project is embedded in the Government's holistic framework for building good governance. The proposed coordination arrangements at the GGCU level would strengthen the link between the anti-corruption drive and other supporting institutional reforms.

(c) Strengthening voice and the demand-side of the accountability equation is crucial. Analytical work on the political economy and governance environment in Tanzania point to the need to strengthen the demand-side of accountability. Particularly the political economy study of Tanzania (2005) indicated that Tanzania strong executive branch needs to be counterbalance by equally strong legislative and judiciary branches. It also pointed out that much work needs to be done to provide quality information to citizens and to ensure that citizens understands their roles in responsibilities with regard to the state's performance. In addition, lessons learnt from the Tanzania Financial and Legal Management Upgrading Project (FILMUP) reflect on the positive contribution the National Board of Accountants and Auditors (NBAA) has provided in the improvement of accounting standards and thereby contributing to accountability, transparency and integrity in workplace. To complete the accountability cycle, and therefore achieve timely and sustainable outcomes, it is important to strengthen the OWIs and civil society organizations

that promote demand for public accountability. This will be achieved through the third component of ATIP.

(d) The need for an effective M&E system. Without an effective M&E system, it becomes very difficult to assess whether there is a need to adjust the trajectory of a program if it is going to meet its objectives within the agreed period and within the agreed budget. Thinking through the results framework upfront also supports developing more appropriate interventions to get to the planned outcomes. In the absence of a result framework and indicators, there is no objective basis for proper accountability to the project beneficiaries. Therefore M&E has been embedded in the government's reforms supported by ATIP and also more generally by strengthening the M&E function of the GGCU. It is recognized that there is limited capacity for M&E within government and little institutions that can impart that capacity locally. Thus it will take time and effort to impart the skills necessary throughout the system.

(e) The value of effective information, education and communication (IEC) interventions. Besides implementing the actions that contribute directly to the project outputs, it is considered beneficial for both accountability and sustainability of the project outcomes to have regular communication with the beneficiaries to inform and educate them on the objectives of GoT reform programs. Similarly a failure to listen to citizens and their views regarding the performance in delivering services mean that it is more difficult to adjust and provide the services that are valued by citizens. This is a feature that runs through ATIP and will link to similar systems that are being established for other core reform programs.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[x]	[]
Natural Habitats (OP/BP 4.04)	[]	[x]
Pest Management (OP 4.09)	[]	[x]
Cultural Property (OPN 11.03 , being revised as OP 4.11)	[]	[x]
Involuntary Resettlement (OP/BP 4.12)	[x]	[]
Indigenous Peoples (OD 4.20 , being revised as OP 4.10)	[]	[x]
Forests (OP/BP 4.36)	[]	[x]
Safety of Dams (OP/BP 4.37)	[]	[x]
Projects in Disputed Areas (OP/BP/GP 7.60)*	[]	[x]
Projects on International Waterways (OP/BP/GP 7.50)	[]	[x]

10. List of Factual Technical Documents

* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

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