

IMPACT OF UN SYSTEM SUPPORT TO CAPACITY BUILDING FOR POVERTY ERADICATION IN TANZANIA

EXECUTIVE SUMMARY

Kenneth King
Leena Kirjavainen

Origins

The various organs of the United Nations system have, from their very inception, clearly understood that, given a country's physical and natural resources, the course and pace of its social and economic development ultimately depend upon the quality of its human resources. Accordingly, they sought to educate and train local personnel in various professional disciplines, trades and crafts, and to create and remould those institutions which provided the enabling environment for growth and development, in most of the projects and programmes which they funded, executed and implemented. Unfortunately, it soon became apparent that despite their efforts, the rates of development were derisively low, and poverty remained rampant in many countries.

The UN system, therefore, over the years, not only revised its approaches to capacity building, but eventually placed the highest priority on this aspect of its work. In order to learn from past endeavors, the General Assembly of the United Nations requested the Secretary General, in 1995, to undertake a series of evaluations of the impact of the UN system's activities on capacity building. This 1995 Resolution was extended and deepened in 1998, when the Secretary General was asked to examine the field work of the UN system as part of a general review of operational activities. The UN Department of Economic and Social Affairs decided that the implementation of this aspect of the General Assembly's Resolution should be focused on the impact of the UN system on capacity building for poverty eradication, and that the examinations should be undertaken in twenty countries. This evaluation of the UN system's approach to this matter in Tanzania is one of these twenty studies.

Methodology

The first step in the evaluation process was the selection of the programmes and projects to be analyzed. Because the Government of Tanzania had recently finalized the preparation of a Poverty Reduction Strategy Paper (PRSP), it was relatively easy to identify those sectors which all the stakeholders had perceived to be germane to the attack on poverty, and in which there was a need to build capacity. Programmes and projects were then chosen randomly for each sector for detailed examination. In other words, a stratified random sample was undertaken. Second, an examination of the available literature on capacity building and poverty alleviation in Tanzania was made. This included assessments of the impact of the programmes and projects of other donors on Tanzania's socio-economic development. Third, a series of semi-structured interviews was conducted with representatives of (i) the UN system in New York and in Dar es Salaam; (ii) the Government of Tanzania; (iii) the donor community; (iv) local and foreign NGOs; and (v) Tanzanians citizens in both urban and rural areas who, purportedly, had benefited from UN system's projects. Fourth, field visits were made in order to gather evidence of the status of past

and current projects. And fifth, attempts were made to ascertain the fates of some of the institutions that were supported by the UN system, and to learn what had happened to those Tanzanians who had been trained through assistance provided by the UN system.

Development Context

Most objective observers agree with Nyerere's statement that at the time of independence in 1961 the life of many Tanzanians was one of ignorance, disease and poverty. Very few had access to adequate health services and pure water supplies; the country's agriculture was based almost entirely on plantations, run exclusively by European settlers with Tanzanian peasants eking out a scanty subsistence existence; and the industrial sector was almost non-existent. Formal education was characterized by a three-tiered system with the Europeans at the top, the Asians in the middle, and the Africans on the lowest rungs of the ladder. African schools were poorly staffed and equipped, and enrollment and literacy rates were low. There was no local University. In 1962, fewer than 15 Tanganyikan Africans graduated from Makerere College in Uganda, which provided the only opportunity to read for a degree in East Africa.

Not surprisingly, the political leadership immediately decided that training Africans to assume top-level positions in the Civil Service was an imperative. The intensification of African education thus became one of the main objectives of the Arusha Declaration of 1967. The process was so successful that, by the mid 1980s, the country was able to achieve universal primary education, and to raise its literacy rate to 89 percent.

Tanzania's leadership was widely praised for its efforts to develop its social sector. Indeed the Bretton Woods institutions, as well as the bi-lateral donor community and the UN system, heavily contributed in cash and in technical assistance to Tanzania's educational and health reform programmes.

Unfortunately, the country was unable to sustain its levels of investment in the social sector, and to maintain its practice of providing free services. In 1979, its economy all but collapsed. Tanzania therefore sought a loan from the IMF. This was given, but was later cancelled when the government refused fully to implement the budget cuts and currency devaluation measures that were the main conditionalities imposed by the donor. All the other donors acquiesced in the IMF's position. The economy continued to suffer, and the gains which had been made in the social sector being quickly eroded. Tanzania was therefore obliged to return, in 1986, to the IMF and the World Bank and to adopt stabilization and structural adjustment programmes. The rest of the donor community also resumed aid to the country.

It may be instructive to record Tanzania's rates of economic growth since independence. Between 1960 and 1997, taken as a whole, real GDP growth was 3.5 percent. However, in the period 1960 to 1969 it was 4.4 percent; from 1970 to 1979 it was 4.5 percent; from 1980 to 1989 it plummeted to 2.2 percent; and remained low at 2.2 percent between 1990 and 1999. No clear picture of the influence of different economic policies seems to emerge from all this. However, in 1998 the country's growth rate was 4.8 percent, and in 1999 it was 5 percent; inflation dropped from 30 to 7 percent between 1995 and 1999; and foreign exchange earnings increased from US\$589 million in 1998 to US\$950 million in 1999. The macro-economic evidence suggests, therefore, that the economy has begun to recover. There can be little doubt, however, that the

social sectors are still in a state of extreme depression, and that Tanzania's economy continues to be most dependent on the interventions and largesse of foreign donors.

Poverty and Capacity in Tanzania

Tanzania is poor: GDP per capita per annum is US\$240; the life expectancy of its citizens, at birth, is 48 years; the rate of infant mortality is 529 per 100,000 births; net primary school enrollment in 1997 was 57 percent; about 27 percent of the population lives in households that are below the poverty line; about 48 percent of the nation is unable to meet its most basic food requirements; in 1995, 18 percent of its citizens was found to be severely stunted, indicating high intensities of chronic malnutrition; and in 1996, 7 percent of its children was classified as being wasted, strongly indicating acute malnutrition. On top of all this, the incidence of HIV/AIDS is high. Indeed, it has been assessed that the number of children who are now orphans as a result of AIDS is 680,000.

Poverty in Tanzania is caused by an interlocking complex of policies, actions and failures to act and must therefore be attacked from several directions e.g. its macro economic policies might have to be reexamined in order to ascertain whether greater attention should be paid to the stimulation of economic growth; accessibility to the services of the social sector needs to be improved; the quality of governance throughout the country should be enhanced; more effort should be expended on infrastructure; and the productive sectors cry out for rationalization and improvement.

Capacity should be strengthened and created in all these areas if poverty is to be eventually eradicated. The country's primary education base is most inadequate, and its secondary education enrollment rates are reported to be among the worst in Africa. Moreover, in general, the capacity of the public service to formulate, implement and monitor macro-economic policies and to nurture an environment conducive to the growth and good performance of the private sector is seriously deficient, especially at the middle and lower levels. Indeed, there does not appear to be a critical mass of personnel, in Tanzania, with the capacity to undertake the basic tasks of governance.

Perhaps the greatest evidence of Tanzania's incapacity is its current absolute dependency on foreign assistance for both its recurrent and capital expenditure. This dependency will become even more acute in the short-term, when the extended HIPIC agreements with the Bretton Woods institutions come into effect. More reprehensible, however, is the psychological dependency which permeates the country. Members of the government, the civil service, the private sector, and the ordinary citizenry seem automatically to turn to foreign countries and institutions whenever a problem arises, not only for financial and human resources, but also for ideas.

The Response of the United Nations Systems

The United Nations system, ever since Tanzania became independent, has attempted to enhance the quality of the country's human capacity in all sectors of its economy. More specifically, at the very beginning of the period under review, -- in 1985, ILO produced, with financial resources from UNDP, a document entitled *Tanzania: Basic Needs in Danger*. It identified the fragilities of the country's economy, and recommended that particular attention be paid to job creation, food security, and to the rationalization of the education and health sectors.

Although some of its proposals were included in the UNDP Country Programme for 1985-1990, most of its suggestions were not entertained, and there were no linkages between the ILO projects and those of other agencies which were subsumed in the UNDP Country Programme.

Because the members of the UN system were, at that time, working in seeming competition with each other, very little attention was also paid to an ILO/JASPA publication of 1986— *Employment in Tanzania: Projects in the Rural and Informal Sectors* — which suggested that unemployment was likely to worsen with the full implementation of the Economic Recovery Programme (1986-1989). This document, which contained many proposals which might have positively affected Tanzania's future development, was virtually ignored. Its treatment provides an excellent example of the often ineffective attempts by UN agencies, working in isolation and without adequate financial resources, to influence policy.

UNDP's attempt to assess, through its NATCAPS, Tanzania's demand for capacity and, through them, to formulate and implement a programme to fill identified gaps, restructure existing organizations, and create more institutions, was also not as successful as originally hoped. It failed because of the absence of follow-up mechanisms to correct project deficiencies, and because of an inadequate supply of funds.

Perhaps the only relatively successful endeavours in this cluster of activities of the UN system in respect of strengthening capacity and reducing poverty at the end of the 1980s and the beginning of the 1990s were those formulated and implemented by the Structural Adjustment Advisory Teams for Africa (SAATA) and the Social Dimensions of Adjustment (SDA) programmes.

In Tanzania SAATA conducted a series of courses in vital macro-economic areas for about sixty policy makers and middle-level economists over a period of two years. Its follow-up assessments revealed that it had made a positive impact on the country's capacity to understand and assess the proposals of the Bretton Woods institutions and to formulate and make counter proposals. For some unaccountable reason the project was handed over to a capacity building organization established in Zimbabwe by the World Bank! There is little doubt that its sustained impact was much reduced because of changing management and policies.

The basic philosophy behind UNDP's other overarching programme, the SDA, was that in order to reduce poverty it was not sufficient merely to promote financial stability. Measures to empower the poor, and to cushion them against the inevitable difficulties of the Structural Adjustment Programmes, should be put in place at the same time as fiscal and monetary policies were being pursued. The project placed particular stress on the incorporation of methodologies that were designed to attain these social objectives into Tanzania's more narrow macro-economic policies. Although it did not quite attain this goal, it undoubtedly contributed to the building of economic and planning capacity in Tanzania, especially in the area of poverty eradication.

Since the mid-1990s the UN system's focus on capacity building for poverty alleviation in Tanzania has become more concentrated. For example, UNDP has assisted in the establishment of a National Poverty Eradication Division in the Vice-President's Office, and a National Poverty Eradication Strategy, has been formulated. Moreover, almost the entire UN system has participated in the preparation of the country's Poverty Reduction Strategy Paper (PRSP). In

addition to these broad-based policy and strategy formulation exercises, the United Nations system devoted much attention, between 1985 and 2000, to enhancing the capabilities of Tanzanian individuals, groups, communities and institutions to alleviate poverty in specific sectors. These sectors (education, health, agriculture, industry) are congruent with those identified in the PRSP as deserving special attention. In addition, a miscellany of activities, including especially the development of the capacity of rural and urban communities to attenuate their poverty, was embarked upon by the UN system. Furthermore, pervading all these programmes and projects were special efforts that were designed to foster the involvement of women in the entire developmental process both as actors and beneficiaries; and to conserve and improve the quality of the environment.

The Performance of the System

The range of activities of the UN system in Tanzania in regard to poverty eradication is impressive. Moreover, many of the projects which members of the system have undertaken have been successful, not only in attaining their immediate objectives, but also in the more profound sense of bringing about change.

There are many examples of this: the work done by WHO in training a wide range of health specialists; the programmes of UNICEF in the fields of education and health; WFP's heifer project that has been so successful in improving the capacity of many poor persons to produce milk; the activities of the Tanzania Official Seed Certification Agency (TOSCA) which has been supported by UNDP/FAO; the intensive staff capacity building and training programmes which were undertaken by FAO/UNDP for small-scale farmers; the impressive UNDP Africa 2000 project which has been instrumental in reducing poverty levels and improving the nutrition status of a number of families; UNIDO's commendable work in training scores of women in various aspects of food processing; and the fruitful activities of ILO in the areas of urban community development and labour intensive road building.

And yet, Tanzania remains poor and dependent. The combined activities of the UN system appear to have made little impact on the national indicators of poverty and capacity. Perhaps they were not intended to do so, even though the developmental objectives of many of the system's projects have indicated very ambitious national goals.

There are several reasons for these seemingly low returns on the investment of the UN system.

First, because of the relative paucity of the system's financial resources it has rarely been a significant stakeholder in Tanzania, and has not always been able to exert a national influence. Its impact has been localised, more often than not. The UN system has either been unable to follow-up on successful projects and to replicate them in other areas or to remain with unsuccessful projects in order to correct perceived problems.

Second, the designs of the UN system's projects have often been flawed: (i) frequently, very inadequate pre-programme activities were undertaken. Few project formulators critically examined the institutions they wished to strengthen, analyzed their intra- and inter-organizational relationships, and assessed their salary and incentive systems. They viewed institution-building

merely as a process of training personnel and providing equipment; (ii) in formulating capacity building programmes for poverty reduction, the systemic and inter-locking nature of development was sometimes not taken into account. As a consequence, the social and economic environment in which the programme would have to be sustained was ignored; (iii) in very few cases was provision made for formal monitoring or follow-up. As a result, many projects were allowed to languish after termination, even when it was clear that they needed continued support (iv) in a few instances the choice of national institutions had not been based on objective criteria, but on political convenience. Not surprisingly, therefore, the quality of project implementation has not always been optimal; (v) the period chosen for the implementation of most institution building projects was, almost without exception, much too short. This despite the evidence that has been accumulated over the years that projects of this type, when of short duration, almost inevitably fail; (vi) in several projects, no attempt was made to establish linkages with other relevant training activities or institutions; in short, there was no coordinating and inter-sectoral modality. (vii) sometimes even projects that were intended to build capacity in communities were not designed to develop a high degree of participation and community involvement; and (viii) there were few indicators with which to measure impact in the project documents, even in those which were recently prepared.

Third, neither the institutional memory of the system as a whole, nor of the individual agencies, appears to have been utilized. In the process of formulating projects, very few prior investigations seemed to have been made either within agencies or among them. In consequence, not only were the same mistakes repeated over and over again, but the reasons for the successes of a number of projects were not taken into account.

Fourth, there was not much evidence of collective action by the UN system in Tanzania. In general, the UN system in Tanzania has acted as separate and disparate agencies, each seeking to sell its own wares, and to attract special attention to itself. These attitudes have changed, somewhat, over the last five years or so, but collective action by the system is still very much more the exception than the rule.

Fifth, the UN system's projects in Tanzania are still owned by the UN agencies, and not by the Tanzanians. Tanzanian officials are adamant that they are not now fully in a position to determine not only the nature of their country's development, but also its direction and pace. This perception that, because of their nation's persistent economic and financial difficulties, the very future of the country might be dependent upon the decisions and largesse of others, sometimes creates self-doubt, adversely influences performance, and frequently reduces the impact and effectiveness of the endeavours of the very nation which the assistance is meant to help. The UN system has long been aware of the psychological importance of ownership in development matters. Accordingly, UNDP has designed a system which it describes as the National Execution (NEX) project modality. The NEX mechanism has been sold by the UN system as one in which the ownership of its projects is transferred to recipient countries. It is nothing of the sort. The NEX modality does not transfer ownership, but only aspects of management. The concept of true ownership subsumes not merely management, but the right to initiate project ideas, and to prepare and formulate the projects which flow from these ideas. If the projects are conceived by the donors, they cannot be considered to be owned by Tanzanians. Conceptualization, in the context of aid relationship, is of the highest importance.

This question of ownership is aggravated by the conditionalities which are now attached to aid by most donors. In the past, the only group of aid agencies to which the developing countries could turn for unconditional assistance was the United Nations system. Unfortunately for the developing countries, however, since the early 1990s, the UN system has reduced the options available by confining its aid activities to such areas as governance, the environment, human resource development, and poverty eradication. The UN system, by restricting its assistance to a select number of thematic areas, is itself curtailing choice, and imposing what may be described as "covert conditionalities".

Sixth, reference has already been made to the dependency syndrome which seems to exist and to be deepening in Tanzania. This we consider to be the most debilitating constraint to Tanzania's development.

So far, the greatest proportion of this summary of the evaluation report has been devoted to the UN system's field programmes. However, the UN plays another important role; a role which it has executed in Tanzania with great success. The UN system, mainly through its Resident Co-ordinator, but also through other Agency Heads, has advocated the adoption of a number of policies relating, *inter alia* to the environment, gender equity, governance, human resource development, and poverty alleviation which have been taken up by the Government of Tanzania.

However, it appears that the effect of the UN's advocacy is often more dependent upon the personalities of the advocates than on the efficiency of the UN institution. Accordingly, it is recommended that systems be put in place to ensure that the UN has the capacity adequately to perform all the duties of advocacy. Moreover, because of the difficulties of attribution in such matters, it is suggested that a set of indicators be developed to enable managers and policy makers to monitor and assess the impact of the system's practitioners. And finally, the Mission has noted that, in Tanzania, the advocacy of themes by individual agencies has often not been as effective as those pursued by the system as a whole. It suggests that, here again, collective action might be more rewarding.

It should also be noted that the UN Resident Co-ordinator has been most efficacious in Tanzania in mobilizing resources, and in putting a semblance of order in the arrangements for formulating a poverty eradication strategy. The entire system should be commended for its aid coordination efforts in this regard.

The Way Forward

It must be repeated that it is the Mission's view that the UN system has contributed significantly to the building of capacity for poverty eradication in Tanzania. This is not to deny that not all of the approaches have not been optimal; nor is to suggest that the course of Tanzania's development has been significantly changed because of the UN's activities in that country. What is being asserted is that, within the limitations which we have described, the UN system has not only assisted in capacity building for poverty eradication, but that that capacity has in many instances been sustained.

Although, as has been emphasized, primarily because of the inadequacy of UN resources, many of these contributions have not been replicated, a significant number of the core persons and institutions that were trained and strengthened since 1985 are still to be found in the country, and might therefore be utilized in the current exercises in poverty eradication, if the enabling conditions are put right. For the UN's impact has remained localized, and has not become national, not only because of its limited resources, but also because of major changes in the country's economic and social policies over the years changes which it could not anticipate.

The Mission is convinced that if the UN system is to stand any chance of extending and deepening its impact in Tanzania it must restructure its organization in the field, and pursue policies which reflect its independence, neutrality and objectivity. Above all, it should dedicate itself to freeing Tanzania from the shackles of dependency which now restrain its development.

Specifically, it should work more collectively. Together, it should (i) assess the personnel, institutional and organizational needs of the country; in doing so it should attempt to conceptualize the ideal government structure for a nation such as Tanzania; (ii) review the proposals of the PRSP and, relying more heavily on the TAS, which is government-owned, jointly undertake with the government a comprehensive programme for capacity building for poverty eradication; and (iii) avoid, in executing this proposed programme, a repetition of the design flaws which have been already identified in this Report. Put in a positive manner, the UN system should, *inter alia* utilize a participatory approach when dealing with communities; undertake pre-programme surveys to establish baselines; take into account the findings of evaluators and monitors; provide sufficient time and resources for the completion of the programme; establish linkages among similar projects, analyze the organization it is intended to restructure or strengthen, before embarking on institutional building exercises; recognise that training personnel and providing equipment in an institution building project is often a mere tinkering exercise and that it is important to examine the structure, organisation and "culture" of the institution before embarking on such a project; and assess the non-project factors that might influence the outcome and impact of a project before venturing to implement it. Above all, each project or programme must be viewed as part of an interdependent, interlocking system, and provision made for improving the performance of other parts of the system, on which the ultimate efficacy of the project may rely.

The field offices of the UN system should be restructured. In addition, they should be staffed by personnel who possess the analytical and normative capacities to formulate policies and strategies. The offices should also contain specialists in the various thematic areas adopted by the UN system, or such experts should be made easily available to them as consultants. These policy analysts and development specialists should be complemented by experts from the productive sectors (agriculture and industry), and the social service sectors (health, nutrition, childcare, population planning, etc), who should be provided by the Specialised Agencies and funds of the system. The UN Co-ordinator should oversee the joint formulation of policies and programmes and their implementation. A small, central, UN field office should supply logistical and administrative support.

The UN system in Tanzania should, in future, devote most of its advocacy functions to the formulation of policies for general governance and sectoral development; to the adaptation of

internationally conceived development ideas to the specific conditions of Tanzania; to the creation and fostering of an enabling environment for civil society; to become more integral parts of the country's polity; to the nurturing of a truly indigenous entrepreneurial class; to the convening of meetings of all stakeholders in order to arrive at common positions; and, most important to acting as an honest broker between the Bretton Woods institutions and the rest of the donor community on the one hand, and the Government of Tanzania on the other.

Above all, the UN system should concentrate in the immediate future on the eradication of the dependency syndrome from the country's psyche. It should allow Tanzanians not only to manage UN funded projects, but also to identify project ideas, and to formulate them without the UN's constant intervention. The TAS, and not the PRSP, should be the model. As a follow-up to the TAS, agreement should now be reached between the government and the UN system on the sequence of implementation of the various activities, and on the linkages among programmes. The UN system should publicize that their activities in Tanzania are entirely home-grown and locally and nationally nurtured.

In pursuing this goal of removing the bonds of dependency about which Tanzanians now complain, the UN system might also consider it appropriate to help the country to formulate policies and strategies that do not so inevitably shackle them to the current developmental orthodoxies. The Mission holds the view that the categories of social and economic development are not closed, and it is the duty of the UN system to devise other modes of development from which its member countries might make a selection. In this, as in most other matters, it is the availability of different choices and approaches that engenders change.

It must be emphasized that what is intended here is not the creation of areas of conflict and confrontation. What we are suggesting is that the possibility of alternative approaches to development should be examined. We believe that the intellectual hegemony of the IFIs should be balanced and complemented by a movement of comparable worth and quality which emanates from the UN system itself.