

USAID/TANZANIA
RESULTS REPORTING
CALENDAR YEAR 1995

SECTION I. FACTORS AFFECTING USAID/TANZANIA PROGRAM PERFORMANCE

Program Goal: Real Growth and Improved Human Welfare

Program Sub-goal: Improved Household Socioeconomic Wellbeing

1995 was marked by continuing political and economic change in Tanzania, which has had both positive and negative implications for the USAID program and for the development potential of the country. The key issues during 1995 that have had ramifications for the USAID/Tanzania country program include the multiparty Presidential and Parliamentary elections held in October/November 1995; the state of the economy, particularly macroeconomic and fiscal performance; the priorities and performance to date of the Third Phase Government inaugurated in November 1995; problems and prospects in agriculture and social service provision; and the continuing refugee crisis.

Elections. Politically the transition to a pluralistic system continued. National multi-party elections, the first ever, which brought in a new President and Parliament, were held in October and November. The Chama Cha Mapinduzi (CCM), until 1992 the only political party in Tanzania, retained its hold on the Presidency and continues to dominate the Union Parliament, having won 80% of the 232 elected seats. The process on Zanzibar saw the disputed re-election of the incumbent President, and ushered in an Isles Parliament with the slimmest of CCM majorities. The elections process was marred by mismanagement which required extension of polling hours nationwide and the re-running of the polls in the seven constituencies in Dar es Salaam. Although voter participation in the electoral process was encouragingly high, public knowledge of democratic governance and multiparty issues continues to be limited. Both the press and the judiciary remain weak and unfocused. Nonetheless the doors are open to accelerating the pace of change. USAID/Tanzania will work with various public and private actors and institutions in the country to enhance the development of political consciousness and the expansion of civil society opportunities.

Economic performance. The macro-economic picture continues to be uneven and uncertain. According to the World Bank, annual growth in Gross Domestic Product (GDP), at about four percent, continues to outpace the population growth rate by only about one percent per year. Per capita GDP is therefore also increasing at about a one percent per annum rate, but real GDP per capita is now estimated to be about \$200 per year. This is double the previous estimate, and is due to the vitality of the informal sector. Much of the inertia during 1995 came about as a result of inaction on the part of a lame-duck administration, coupled with

lack of investment and reduced production and imports on the part of a business community faced with a climate of uncertainty about the electoral process and outcome. One consequence of flattened economic activity has been an appreciation of the Tanzania shilling against hard currencies. However, this has been offset by continuing high rates of Government of Tanzania (GOT) borrowing to underwrite budget deficits; and the annual inflation rate was in excess of 30 percent during 1995. Hence the outcome for the consumer has been very little improvement in economic position. USAID/Tanzania's Finance and Enterprise Development (FED) project and program are continuing to work with both public and private institutions to promote critical financial sector reforms and to improve the environment and prospects for private enterprise. One innovative project element developed in 1995, the Risk Management Profit-Sharing Fund, will increase the pool of investment capital for private enterprise, in partnership with Tanzania's first indigenously-owned private bank. USAID is acknowledged as the leader in private sector development and this lead is being followed by other donors and non-governmental organizations (NGOs).

GOT performance. A positive atmosphere for further political change has been created by the quality of the new government's cabinet appointments. The GOT has also taken a strong official stance against corruption, creating an anti-corruption commission and demanding financial disclosure by elected officials. The new administration also espouses transparency, accountability, and responsible management. The government's commitment to fiscal and economic reform is key if Tanzania is to avoid stagnation at best, or at worst a return to the decline of the past. Tanzania is currently a watch list country because of its poor economic performance, especially with regard to revenue collections and expenditure control. The third phase government of President Mkapa has already begun to take positive steps in this area, having moved forward with the establishment of an independent Tanzania Revenue Authority (TRA) which takes over tax and revenue collection functions from departments previously scattered in various Ministries without adequate management or fiscal oversight. USAID has an excellent opportunity to make a contribution to the correction of mismanagement and abuse by extending technical and financial assistance to this Revenue Authority.

Agriculture. 1995 was marked by adequate rainfall in most of the high production areas of Tanzania, an issue which is important for two reasons--agriculture still employs 80% of Tanzania's workforce and generates half of GDP; and a good agricultural year, particularly for foodstuffs, obviates the need for donor-funded food assistance and permits exports to other countries in the region. The continued liberalization of agricultural markets has contributed to rising agricultural incomes, although the prices of inputs, many of them imported, have also continued to increase. The improvements noted pertain especially to food crops and non-traditional export crops, although some traditional exports such as coffee, tea and cotton improved their position. These gains have been most notable in areas where rural roads and other components of infrastructure have been improved, and where community-based and controlled natural resource management activities have been implemented. Further progress is expected in agricultural development as a result of USAID/Tanzania private sector, road rehabilitation, agricultural sector, and natural resource management activities. Rehabilitation of rural roads under USAID's Agricultural Transport Assistance Program

(ATAP), one of the Mission's--and the Bureau's--outstandingly successful programs, has been instrumental in agricultural growth that has averaged over five percent per year since 1991.

Infrastructure. Other elements of infrastructure in Tanzania are also worthy of comment. Thanks to donor assistance the supply of electrical power in Dar es Salaam, the principal center of industrial production and manufacturing in the country, has stabilized, and the severe contraction in GDP predicted as a result of power cuts in 1994 has been averted. This is, however, a short-term solution; and important production centers in the north of the country are still affected by rationing. Alternatives, including the involvement of the private sector, must be pursued, not only in power supply but potable water, sanitation, telecommunications, and other areas. These are all sectors in which the GOT and/or parastatals hold monopolies. Only in telecoms has the market recently been opened to competition, and there so far only in the area of cellular telecommunications. The Tanzania Mission will build on its activities in housing, railways, telecoms, and transportation-related infrastructure to move the privatization agenda forward in these key areas of development.

Social services. The availability, quality, and sustainability of social services in Tanzania is also a critical issue. As the quality of education has continued to decline, the gross enrollment ratio for primary education has dropped from over 90% to around 65%. Public health services, the source of health care for the majority of Tanzanians, are plagued by shortages of equipment, supplies, drugs, vaccines, and qualified, committed staff. The GOT has taken steps to improve quality, and enhance sustainability, by instituting cost-sharing requirements for curative services down to the district level. This is a major step forward in the implementation of national health sector reform, but there is concern that the poorest Tanzanians may not be able to afford the charges. The Tanzania Demographic and Health Survey (TDHS), to be undertaken this year with USAID support, will address the question of ability and willingness to pay for services. In the meantime USAID/Tanzania family planning and HIV/AIDS prevention activities are delivering their services through a mixture of public, NGO, and private sector channels, ensuring broad access to consumers at all socio-economic levels. These activities, including reliable supply and greater selection of contraceptives, institutional capacity building for counselling, service provision, and information and communication, and condom social marketing, have had tremendous people-level impact in every district and region of the mainland.

Refugees. The refugee crisis resulting from civil strife and conflict in neighboring Rwanda and Burundi has not diminished. Over 600,000 refugees from these two countries remain in 16 settlements in Kagera and Kigoma Regions of Western Tanzania. Their impact on the economy, resource base, and infrastructure of the area continues to be profound. In 1995, twenty percent of all cargo entering through the port of Dar es Salaam consisted of emergency assistance for refugees, virtually all of it provided by the USG. These commodities had then to be transported 1,500 km from Dar es Salaam to the refugee areas by road and/or rail, with ramifications for infrastructure and transport throughout the country. An emergency program of infrastructure rehabilitation in the refugee areas has been implemented with USAID assistance, so that the delivery of essentials has been facilitated.

USAID has also set in place a pilot program, Kagera Resource Management, to bridge the relief-to-development continuum. In collaboration with regional partners, including participation in the Greater Horn of Africa Initiative (GHAI), strategies to address the long-term needs and future of these refugees, and of Tanzanian communities affected by the influx, must be developed.

SUSTAINABILITY

The sustainability of both the USAID/Tanzania country program and development efforts in Tanzania have been of great concern to the Mission during 1995. We will continue to address the issue of sustainability through a number of mechanisms and strategies. Some of these are exclusively Mission initiatives, but most involve interaction and cooperation with partners, customers, stakeholders and counterparts. Key efforts include the following:

Capacity-building. Human and institutional capacity building in Tanzania is addressed through the Mission's training programs, and targeted assistance to key NGOs and government agencies. Since 1988, through buy-ins to Human Resources Development Assistance (HRDA), Advanced Training in Leadership and Skills (ATLAS), and their predecessor projects, as well as project-funded participant training, USAID/Tanzania has trained over 1,700 long-term and short-term participants in diverse fields. A recent impact assessment of the participant training program gives the Mission high marks for the impact of this training for individuals, institutions, and sectors, and for its contributions to sustainable development in Tanzania. The assessment has also assisted the Mission in identifying strategies to enhance impact and in developing recruitment strategies which permit us to align training more closely with our strategic objectives. Capacity of organizations and institutions has been enhanced not only by the training of their members and staff but by assessing the needs of those institutions and organizations as well. In this regard workshops and seminars addressing policy concerns as well as practical and management issues have been held in both public and private sector institutions, and management assistance has also been extended. Such capacity-building contributes to the creation of a skilled workforce and effective institutions which can identify and resolve their development problems without resorting to outside interventions.

Cost-sharing. Cost-sharing is being instituted or encouraged, with USAID and other donor support, in both public and private sectors, especially in GOT social sector services. The involvement of NGOs and the private sector in service provision is also part of this element of sustainability. Most prominently, the Ministry of Health (MOH) is now collecting user fees for specific services in its district-level facilities. The fees collected in the health sector presently cover only a fraction of the actual costs, but the system has been in place for only one year and collections will increase as the program matures. Cost-sharing has also been introduced to a limited extent in the education sector. USAID has contributed to the implementation of cost-sharing in the transportation sector through its encouragement for the creation of a Roads Fund, which taxes road users and employs the resources for road maintenance. In both health and education, private sector services--secondary schools, private

hospitals, pharmacies--are being established to supplement the services being provided through the public sector and to reduce the fiscal burden imposed on public institutions. An increasing number of NGOs are now using strategies to generate some or all of their own revenues for recurrent costs and for outreach activities instead of continuing to rely on donors. USAID/Tanzania has been active in this area through its cooperation with key Ministries, through association-building activities, and in its social marketing program.

Fiscal responsibility. Enhanced revenue collection by the GOT is critical to the sustainability of Tanzanian development. The GOT has a very poor record in recent years on revenue collection. The tax base is narrow to begin with, and tax administration is weak. As a result potential collections constitute only a small proportion of GDP; when coupled with rampant evasion, effective tax revenues constitute no more than 15% of GDP. The new government has made commitments to expanding the tax base, tightening collections, closing loopholes, and prosecuting evaders. The Tanzania Revenue Authority (TRA), which will have these responsibilities, is still in the process of being established. USAID identified a number of weaknesses in the Act establishing the TRA. The TRA Board of Directors is writing to the Ministry of Finance recommending that these weaknesses should be corrected. Once the changes have been made, USAID has agreed to make a \$ 2 million equivalent in local currency available to TRA to assist with recruitment, training and rehabilitation of offices.

Reform efforts. Continued macroeconomic and institutional reforms on the part of the GOT are also essential to sustainable development. Under the leadership of the IMF and the World Bank and with the full participation of USAID, the GOT is being encouraged to continue on the reform path. Key issues here include tax administration, reductions in deficit spending, government borrowing, and inflation, imposition of expenditure controls, and divestiture of publically-held enterprises. Progress in these areas is necessary if there is to be a new Enhanced Structural Adjustment Facility (ESAF) agreement, which in turn is key to broad donor support and continued liberalization of the economy.

Financial sector. Financial market strengthening is also a key element in sustainability. Thirty years of socialist central planning have resulted in an economy where markets for capital, land, labor, and other investment resources and services are stunted, fragmented, or non-existent. State-led investment has failed; however, the supporting institutional infrastructure for successful and dynamic private investment and development is largely lacking. USAID's work to strengthen the Bank of Tanzania and to enhance diversity and competition in the financial sector is aimed at strengthening financial markets, as is our continuing effort in support of insurance sector reform. If successful, our support to the National Housing Corporation (NHC) will create a real estate market. Our continued focus in these difficult areas is based on our conviction that sustainable development will remain out of Tanzania's grasp until markets to mobilize private resources are more fully developed.

Donor and partner coordination. Enhanced coordination with all actual and potential actors in a sector can make an important contribution to sustainability. Improved coordination can

make development assistance dollars go further and can also facilitate leveraging the GOT to increase its material, institutional, and human resource commitments. USAID/Tanzania's SO3 presents a convincing example of how this process can work. Four years ago we were the only donor of any substance in population and family planning. Through close co-ordination with GOT counterparts and other donors, a national population policy has been adopted, the Ministry of Health has established training capacity, NGOs and the private sector participate fully in population-related activities, and at least four other donors are contributing resources to the national family planning program.

PROGRESS TOWARDS PROGRAM GOAL AND SUBGOAL

Conditions internal and external to Tanzania during 1995 have continued to play a critical role in the development and direction of USAID/Tanzania's country strategy, and in the Mission's capacity to move towards the achievement of its program goal and subgoal. The Mission has developed four strategic objectives (SOs) which address key areas where progress must be made in order for sustainable change to occur. We will continue to address infrastructure, the private sector, health and family planning, natural resource management, and democratic governance. Continued progress in these areas will contribute to the achievement of higher level goals.

Program Goal: Real Growth and Improved Human Welfare

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1. Annual % change in real GDP per capita (1986)	0.8	0.7	n.a./1.1		
2. Infant mortality rate (IMR) (1991)	92		n.a./**		
3. Child mortality rate (1991)	55		n.a./**		

n.a.=not applicable; no targets have been set for goal-level indicators.

**This indicator is measured at two-year intervals by the Tanzania Demographic and Health Surveys (TDHS) or Tanzania Knowledge, Attitudes and Practices Survey (TKAPS). A TDHS is scheduled for 1996.

The growth in real GDP since macroeconomic reforms were initiated ten years ago has been positive and has been greater than the estimated annual population growth rate. However, there are significant problems in measuring the size of GDP. This is because a substantial part of GDP is unrecorded, making up the so-called "second economy", which encompasses both informal sector and illegal activities. As just one example, the minerals sector, potentially Tanzania's greatest source of wealth, officially accounts for just 1.2 % of GDP, but the real contribution is thought to be four to six times greater. Although it is outside of national accounts data and the tax net, and is therefore inadequately documented, significant growth is continuing to occur in the informal sector. Furthermore, there are continuing positive trends in the establishment of formal enterprises in Tanzania, with 8,603 new firms registered under the Companies Act between January 1, 1992, and October 31, 1995, representing a 47% increase in the number of formally registered private businesses during the period. Mining, horticulture, and tourism are thought to offer substantial entrepreneurial opportunities. (Source: World Bank 1995, Mwaniki Associates 1996, Vethouse 1995).

There are constraints to continued growth in GDP, although some negative trends identified in 1994 have been nullified. Power supply is more stable in the key manufacturing areas, and the conditions were good to excellent for agricultural production in 1995. The volatility of prices for traditional agricultural exports continues to be a problem. One consequence has been diversification into nontraditional products (the most important being manufactured goods, marine and forestry products and cashewnuts) which account for about one-third of exports. (Source: World Bank 1995, Mission studies).

The Mission has replaced the previous goal-level indicator of life expectancy at birth with a two new performance indicators, infant mortality rate (IMR) and child mortality rate (CMR) which measures deaths in the age group 1-5 years. Data permitting calculation of infant and child mortality rates were initially collected in the 1991/92 Tanzania Demographic and Health Survey (TDHS) and again in the 1994 Tanzania Knowledge, Attitudes and Practices Survey. A new TDHS will be conducted during 1996 which will permit performance data to be updated. According to the U. S. Bureau of the Census, it is anticipated that in spite of pediatric AIDS cases which contribute to young child mortality, both IMR and CMR will continue to decline due to the success of child survival interventions including malaria prevention, proper management of high-risk births, and expanded programs of immunization. (Source: TDHS, TKAPS).

Program subgoal: Improved Household Socioeconomic Well-being

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1. Annual % change in formal sector employment (1990)	3.7	4.3	n.a./n.a.		
2. Annual % change in agricultural production (1990)	4.4	4.1	n.a./5.0		
3. Total fertility rate, 15-49 (TFR) (1991)	6.3		n.a./**		

**This indicator will also be measured in the 1996 DHS.

Employment trends in Tanzania are difficult to track because of a lack of national level data, and also because of the importance of the informal sector as a source of employment and income. The USAID-funded study of Trends in the Formation of Private Businesses (Registered Companies) in Tanzania does provide a basis for estimating formal sector job creation over the past four years. A sample of enterprises drawn from official records and established between 1992 and 1995 had an average of 39 employees each, most of them full-time workers. If extrapolated to the 8,603 newly registered businesses, 335,517 jobs would have been created since 1992. If even half of these jobs were actually created they amount to 136% of the jobs in the

manufacturing sector (the most recent figure was 122,937). It is clear, therefore, that significant employment is being created in the formal private sector. A Mission-supported study to document these trends more explicitly has been designed and will be conducted during 1996. Agricultural growth has also continued to show a positive trend, averaging over 5% per year for the past five years. (Source: World Bank 1995, Mission studies).

For this subgoal, the Mission has also established the performance indicator of total fertility rate. The new indicator more directly reflects the Mission's manageable interest and is also much more readily and directly measurable, although there is a time-lag between an increased contraceptive prevalence rate (CPR) and declining fertility. TFR is measured at two-year intervals by Mission-supported Demographic Health Surveys and Knowledge/ Attitudes/Practices surveys. The DHS to be conducted this year (1996) may begin to show the effects of increased use of family planning on fertility in the country.

Strategic Objective 1: Environmentally-sustainable natural resource management practices adopted in Tanzania

A. Summary of the Data

SO1 is new to the Mission portfolio in 1995 and implementation of two key projects has only just been started. Consequently the development of indicators, baselines, and performance standards is not yet finalized. Indicative intermediate results and performance indicators for these results, and for the SO, are presented below. These measures are being discussed in the course of the strategic planning process and are illustrative only. The table format has been kept consistent with the other data tables presented for the other SOs.

Strategic Objective 1. Environmentally sustainable natural resource management practices adopted in Tanzania

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.1 Improved conservation practices, pilot areas (1996)	0				
1.2 Revenue increases from appropriate practices, pilot areas 1(1996)					
1.3 Land area effectively managed by communities, pilot areas (1996)					

At the SO level, performance will be judged by the indicators listed above. It is important to keep in mind that the process of identifying pilot areas and communities is ongoing, and in those areas where the communities have been identified the baseline surveys are not yet completed. The districts so far targeted for interventions under SO1 are economically, ecologically and socially very diverse. Therefore it is not yet possible to stipulate the specific conservation practices that will be tracked, as these will vary from locality to locality. Examples of the kinds of practices we might expect to see include community reforestation, fencing and zero-grazing, terracing, and wildlife management.

"Land area effectively managed by communities" will focus on the area-specific conservation practices found for Indicator 1.1 to actually measure the amount of land, or alternatively the number of households, which is protected by or which utilize the most important management practices.

Baseline data on household income from all sources will be available from the pilot communities. Increases in income from agriculture, livestock, and resource management activities is disaggregated and changes in such income can be tracked.

Intermediate result 1: Improved legal and regulatory environment supportive of sustainable NRM

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.1.1 Laws passed (1996)					
1.1.2 Laws disseminated (1996)					
1.1.3 Laws enforced (1996)					

For this result we will be looking to the GOT to develop new legal and regulatory measures which specifically address deficiencies in the existing framework. Examples include requirements which would limit the offtake of critical resources or establish quotas (licenses granted to cut only so many *Khaya nyasica* in a delimited area per year, for example), impose grazing restrictions, and the like. Since ignorance of the existing laws on the part not only of the public at large but the legal authorities is also a critical problems in Tanzania, it is an important element that these new regulations be disseminated and become known to the citizens and the authorities. This aspect can be linked to an SO4 activity which is seeking to print and distribute copies of the existing legal code to the judiciary and to attorneys. A measure of the enforcement of these laws is the number of cases brought and the number of violators prosecuted.

Intermediate result 2: Increased natural resource tenure security

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.2.1 Regulations ensuring security established (1996)					
1.2.2 Increased investment in resource management (1996)					
1.2.3 # or % respondents perceiving greater security (1996)					

In this instance we will again be looking to the authorities, both local and national, to address the issue of resource tenure by creating an environment that gives people and communities more secure ownership and management rights over critical resources: land, water, forest and wildlife resources to name just a few. We would expect to see modest increments in the number of regulations on a yearly basis. At present people do not really feel that they have secure rights in these resources and are reluctant to make longterm or costly investments if the attainment of benefits from them cannot be guaranteed. Thus a measure of the extent to which people feel they have greater tenure security is more labor or capital-intensive investment in resource management

activities. Again the specific practices will vary from community to community and will be identified once the baseline studies have been completed.

Indicator 1.2.3 can be addressed by followup surveys in the pilot areas. Since many changes in resource-related behavior will be measured by comparing baseline data with information obtained from later surveys, respondents can easily be asked to provide their impressions of tenure security.

Intermediate result 3. Increased knowledge of and access to sustainable NRM practices

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.3.1 # community agents effectively explain 3 suitable practices (1996)					
1.3.2 # respondents correctly identify 3 suitable practices (1996)					
1.3.3 Appropriate technology disseminated and used (1996)					

This result addresses the issue of knowledge, attitude and practice of appropriate NRM measures. The first requirement is that dissemination agents--from the various extension services or identified and recruited by the community--are knowledgeable about such practices and can effectively and correctly explain appropriate practices to their clients. Localized extension services remain the principal source of agriculture, livestock, and resource management knowledge in Tanzania. If these agents are incapable of providing proper guidance, practices cannot be implemented by the farmers. The next step is that the farmers themselves are able to identify practices which are appropriate for their areas. Again these practices will vary from place to place and may include many of the activities already identified, such as stallfeeding and planting of perennials. Last but not least is the availability of technology--knowledge, skills, inputs--which will permit individuals and communities to actually use sustainable practices. All of these indicators can be tracked using the existing framework of baseline and followup surveys.

Intermediate result 4. Strengthened capacity to plan, manage and implement NRM programs

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.4.1 # of NGO/private NRM service providers in place (1996)					
1.4.2 # of financially sustainable and viable groups in place (1996)					
1.4.3 # communities outside pilot areas adopting suitable practices (1996)					

The ability to plan, manage, and sustain NRM activities has a number of dimensions; knowledge is required, institutions need to be put into place, and financial resources need to be available. It is also anticipated that as capacity increases, the needs and interests outside of the pilot areas will be addressed; this is an important element of capacity and of sustainability. Once again the mechanism of baseline and impact assessments will be used to collect data which will permit quantification of these indicators.

Intermediate result 5. Increased access to markets

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.5.1 Increased proportion of production marketed (1996)					
1.5.2 Use of purchased inputs increases (1996)					
1.5.3 Availability of consumer goods enhanced (1996)					

Improved access to markets is critical to the achievement of SO1. If rural Tanzanians cannot identify explicit socio-economic benefits which they will attain as a result of their adoption of improved resource management practices, they will have very little incentive to accept them. All the indicators identified in the table above are quantitative in nature and data will be available from the ongoing and planned studies in the pilot communities to establish baseline levels. The "production" that is marketed and the inputs that are utilized will vary from area to area. On the production side might be included timber and forest products, agricultural items, livestock and their products, and handicrafts made from natural materials. Inputs include the conventional agricultural inputs as well as those which might be required for rational exploitation of other resources. Access to consumer goods is included here as a measure of generally increasing prosperity in the target areas.

Intermediate result 6. Increased commitment to maintain and protect the natural resource base

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.6.1 Specific practices adopted, pilot areas (1996)					
1.6.2 Permanent NRM infrastructure created (1996)					
1.6.3 # Communities establishing NRM regulations (1996)					

As is the case with IR 2, increased natural resource tenure security, we hypothesize that an increased commitment to maintenance and protection of the existing natural resource base will be demonstrated by higher levels of investment in NRM practices, infrastructure, and regulation. It is expected that as individuals and communities accept CBNRM they will develop their own regulatory mechanisms to ensure that resources are sustained. Commitment will also be signaled by establishing permanent infrastructure which addresses NRM needs (such as dams, terraces, and access roads), and by the adoption of specific practices which will be identified later. The existing and planned program of surveys and participatory rural appraisals will provide the data for the measurement indicators.

Intermediate result 7. Enhanced sectoral coordination supporting NRM

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
1.7.1 # of coordinated plans produced (1996)					
1.7.2 # of coordinated activities implemented (1996)					
1.7.3 # of policy frameworks established (1996)					

Coordination and coherence of policies relating to natural resource management in Tanzania has not yet occurred. There is a great deal of inconsistency and the situation is further confused by the disaggregation of management decision making and policy development down to the departmental sector in government institutions. Policies are also set by fiat of local, district and regional authorities, and in the end conflicting and incompatible signals are sent to resource users. Accordingly an important result of SO1 will be to foster intersectoral coordination. The measure of success will be: 1. ensuring that plans are produced and policy frameworks are established; 2. following through so that activities carried out at GOT, institutional and community level can be shown to adhere to the benchmarks for coordination that are established.

B/C. Analysis of the Data and USAID Contributions

SO1 is new to the Mission's planning in 1995 and two new activities have been developed to join two on-going activities in support of the SO. Wildlife conservation, formerly a target of opportunity addressed by the Planning and Assessment for Wildlife Management (PAWM) project, and a co-operative agreement establishing linkages between Tuskegee University in the United States and Sokoine University of Agriculture in Morogoro, Tanzania, constitute the on-going activities. PAWM originated as an unsolicited proposal in 1989. It was funded by an initial \$3.0 million grant from USAID/Tanzania and was implemented by the African Wildlife Foundation (AWF) and the Worldwide Fund for Nature (WWF). The original project was completed during 1995 and an evaluation was conducted in April 1995. On the basis of the evaluation findings an amendment supporting a one-year extension with AWF management was approved, partially as a bridge to the Mission's new NRM project Participatory Environmental Resource Management (PERM). The objective of the PAWM project is to strengthen GOT capacity to manage wildlife resources effectively, and thereby contribute to economic development in Tanzania. The project provides the Wildlife Division of the Ministry of Natural Resources and Tourism with technical assistance, training, and material support. The goal of the one year extension is to build capacity for natural resource management in Tanzania, with particular emphasis on community based conservation, participatory planning, and information management, to be accomplished primarily through staff training.

TU/SUA has entered its second five-year phase with a new co-operative agreement. A final evaluation of the first phase activity established a number of positive impacts, particularly in enhancing the teaching, research, and extension capabilities of Sokoine University. The phase 2 activity has been designed explicitly to address natural resource management issues affecting rural communities in Morogoro Region, where Sokoine University is located. Baseline surveys are being conducted in a number of target villages in the Region with the objectives of collecting basic demographic, socio-economic, and agricultural data, and identifying the principal natural resource management questions and solutions of pressing concern to the villagers. It is anticipated that these surveys will be completed by the end of March 1996, giving both the Mission and the two universities a basis for establishing reasonable performance indicator levels and targets during FY 96.

Implementation of the two new activities under this SO is in its initial stages. The Kagera Resource Management (KRM) activity is a pilot project intended to increase community capacity for supporting sustainable use of natural resources, and rehabilitation of resources affected by the influx of Rwandan refugees. It will be focused in 20 villages in the Kagera Region, which currently houses over 500,000 refugees, and is being implemented by the U. S. NGO CARE. Identification of the communities has now begun. Participatory rural appraisals involving District officials, NGO representatives, and community members aimed at identifying natural resource related problems and needs will be completed by May 1996. The appraisals will be followed by implementation of a number of activities designed to improve sustainable use of natural resources. As the assessments are not complete, it is not yet

possible to specify what these will be.

The Participatory Environmental Resource Management (PERM) project is a key strategy for attaining SO1. The project goal, to strengthen natural resource management, and purpose, to support community-based natural resources management in Tanzania, are directly linked to the SO. An initial project grant agreement was signed by the Ministry of Finance, representing the GOT, at the end of FY 95. Restructuring in the GOT of several Ministries which will be involved with PERM has slowed down initial implementation. Workshops are being held with GOT and NGO partners to sort out the next steps. The Mission anticipates contracting with a for-profit or non-profit entity in late FY 1996 to provide a management and monitoring framework for PERM. It is anticipated that this organization will be involved in such activities as preparing policy studies, drafting legislation, resolving specific technical issues, conducting baseline studies and monitoring and evaluation activities, and setting up study tours and workshops. It will also evaluate applications and award grants to NGOs to execute activities at the grassroots, district, regional and national levels.

In addition, an assessment conducted in December 1995 by the World Resources Institute makes a number of recommendations to the Mission on strategic options for promoting community-based natural resource management in Tanzania, and "next steps" which could be undertaken under the PERM Project to support SO1. The final report has just been received in the Mission and SO1 team members are reviewing the report and considering the alternatives that have been put forward.

USAID has also established a partnership with the U. S. Peace Corps, which will supply, train, and send to the field, volunteers with expertise in natural resource management issues. The first group of volunteers is expected to arrive in Tanzania for training in April 1996. They will be deployed to the three pilot districts of Handeni, Babati and Hanang by September 1996.

D. Anticipated Progress in 1997 and 1998

All four of the activities supporting SO1 will enter full implementation during 1996-1997. The ongoing baseline surveys in Morogoro under the TU/SUA project will also be replicated in selected communities in the Peace Corps-assisted Districts and in Kagera Region villages, under PERM and KRM respectively, late this year or early in 1997. By the end of 1996 technical assistance will be available with PERM resources through buy-ins or contractual arrangements. Although most of the grants are likely to be made to international NGOs initially, the intention is to move slowly and carefully in the NGO grants process as so many of the Tanzanian organizations are untested in the implementation of activities, and will require capacity-building.

Support to the Wildlife Division through AWF under the PAWM project will end this year, as the PACD for the project extension is September 30, 1996. Any further assistance to this sector will thereafter be encompassed under PERM.

Strategic Objective 2: Increased Private Sector Participation in the Economy

A. Summary of the Data

Strategic Objective 2. Increased private sector participation in the economy

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
2.1 % private sector share of GDP (1994)	64		n.a./70		
2.2 % annual growth rate, private enterprises (1992)	11	2	5.0/16.0		
2.3 Private sector firms as % of total enterprises (1996)					
2.4 % annual change, level of private sector employment (1996)					

The difficulties encountered in getting reliable data or estimates about the role of the private sector in the Tanzanian economy have prompted the Mission to commission a series of studies and reports that will provide up to date information and permit the Mission to create its own data base. Official organizations such as the Bureau of Statistics (BOS) and the Economic Research Bureau (ERB) of the University of Dar es Salaam do not report on the private sector share of GDP. Given the very large proportion of private sector activity which occurs in the informal sector, in the absence of reasonable strategies for regulation, licensing, taxation and thus opportunities for data collection, the formal private sector share of total economic activity is likely to register as unrealistically small. The baseline figure (64% of total GDP generated from the private sector) is provided in a USAID-funded study of the "total economy". Estimates from 1995 sources suggest that with the divestiture of some parastatal, enterprises, coupled with the growth of new private enterprises, both formal and informal, this share is closer to 70%. (Sources: World Bank, Bank of Tanzania, Mission studies).

There was a positive trend in the registration of private businesses between 1992 and the end of 1995. An increase of 11% in company registrations was recorded between 1992 and 1993, 2% between 1993 and 1994, and 16 % between 1994 and 1995. The degree of change between 1992 and 1993 provides the baseline figures. Performance targets for future years have yet to be determined. The Business Centre and Mission staff will continue to track these trends. (Source: Ministry of Trade and Industry statistics, Mission studies).

Baseline figures for the remaining SO-level indicators, private sector firms and private sector employment, will be established by

Mission-supported research which has been designed and is presently being contracted.

Intermediate result 1. Improved enabling environment

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
2.1.1 # measures taken to control corruption (1994)	0	n/a	n.a./4		
2.1.2 Rate of inflation decreases (1992)	21.8	34.1	n.a./34.9		
2.1.3 # GOT mechanisms in place to support enabling environment (1996)					
2.1.4 Tax revenues collected as % of GDP (1995)	15		n.a./15		

Creation of an improved enabling environment to support private enterprise is a tentative new result for SO2. All of the indicators are new and expected performance levels have not been set, although for the inflation rate baseline data exist from the time implementation of the FED program began. Through its work in support of the TRA, the BOT, and SPA/JEM, the Mission is making direct contributions to establishing conditions more conducive to private enterprise development. During 1995, for example, in direct response to Mission and other donor concerns, the GOT began to set measures in place for the control of corruption, including closure of bonded warehouses, closer management of the transit trade, and tightening of Customs administration and duty collection. To date, according to SPA/JEM criteria, four critical measures have been put in place. Through its participation in this process the Mission is well-placed to monitor further developments in this area. (Source: SPA/JEM 1995).

The GOT was not successful in controlling inflation during 1995. Towards the end of the year the inflation rate slowed, however, and currently the annual rate has declined to 26%. According to the Shadow Programme recently concluded between the IMF and GOT, this should be reduced to 22% by June 1996. (Source: IMF 1996).

Indicator 2.1.3 looks to the GOT to create and implement institutions, strategies and mechanisms to support a positive climate for private sector growth. Potential examples include the recently-established Anti-Corruption Commission, and the restructuring of management entities such as Boards of Directors of public utilities and parastatals. The Mission will closely monitor GOT performance over the coming year to determine measurement strategies as well as the usefulness of such an indicator.

Tanzania's record in revenue collection is regarded by donors and multilateral agencies as abysmal. Various authorities report different figures for the percentage of GDP represented by tax collections, from the World Bank figures of 8-10% to a more optimistic 21% reported in a recent USAID cable. The IMF estimate of 15% is taken as a compromise between the two other figures. Revenue collection will be closely monitored by SPA/JEM and the IMF over 1996, to establish the validity of the figures and the usefulness of the indicator. (Sources: IMF 1996, World Bank 1995, USAID reporting).

In last year's API document the Mission had identified the number of fully-registered, privately owned newspapers as a benchmark for policy change. There are presently in excess of fifty such newspapers. Given the new directions in which we are moving with this SO, and the changes that have taken place in the intermediate results, however, this indicator no longer appears useful as a way to measure the kind of progress which the Mission is interested in seeing occur.

Intermediate result 2. Improve selected infrastructure

Performance indicators: Rural and district roads (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
2.2.1 Cumulative km of road rehabilitated, ATAP (1990)	0	715	700/1000		
2.2.2 # km periodic maintenance/yr, ATAP regions (1990)	0	4000	4000/5000		
2.2.3 # km routine maintenance/yr, ATAP regions (1990)	0	200	1200/500		
2.2.4 Annual increase average daily traffic, ATAP roads (vehicles per day) (1994)	50		na/70		
2.2.5 % annual increase # of enterprises, ATAP roads (1994)					
2.2.6 vehicle operating costs/km, ATAP roads (1990=100)	100				
2.2.7 Population served, ATAP-rehabilitated roads (1990)	0	280000	350000/500000		

Mission expectations for results under the ATAP program have for the most part been met. To date 1000 km of rehabilitation have been completed and tenders for additional rehabilitations comprising 600 km have been advertised in the press for private contractor bids. Only in the km of routine maintenance completed during the year does the MWCT fall short of expectations. The size of the population served by ATAP-assisted roads also exceeds the target. In previous years measures have included the creation of a user-funded pool of road maintenance funds, key policy reforms in the Ministry of Works, Communication and Transport, reduced passenger and freight fares along key roads, and the share of rehabilitation contracts executed by the private

sector. The policy elements have long since been accomplished, and the proportion of private sector rehabilitation contracts has already exceeded LOP targets.

It has not been possible to measure changes in transport costs to the consumer because the original baseline studies do not provide comparable or reliable data. As discussed in the 1994 API reporting document, Annex A, these indicators are being replaced by a measure of increased commercial activity along rehabilitated roads, namely expansion in the number of enterprises. Since only one impact assessment was conducted during the reporting period, the indicator will be quantified after two additional studies are done during 1996. (Source: MWCT, Mission studies).

Intermediate result 2. Improve selected infrastructure

Performance indicators: Other infrastructure (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
2.2.8 tons cargo hauled/yr, TAZARA (millions) (1992)	0.8	0.9	**/n.a.	tbd	
2.2.9 % annual decrease communications costs, selected areas (1996)					
2.2.10 # telephones /1,000 people, target areas (1996)					
2.2.11 Annual increase # of private utility companies (1995)	1	n/a	**/1		
2.2.12 % annual increase no. of consumers, selected utilities (1996)					
2.2.13 % annual increase no. of registered private sector infrastructure enterprises (1996)					

**not established n.a. not available tbd to be determined

Apart from rural roads and bridges, USAID/Tanzania is involved in other elements of infrastructure through the TAZARA, RTT, and NHC activities. The extent of future Mission involvement in these areas is not yet certain; but indicators have been developed to measure progress in areas of potential activity. TAZARA cargo haulage is already being tracked, as are the establishment of private utility service providers, and private sector enterprises in the roads contracting industry. During 1996 we will look in more detail at the broad range of private businesses involved in providing infrastructure-related services, and as RTT is implemented in selected rural areas, indicators identified during the project design will be monitored to demonstrate progress. (Source: TAZARA, MWCT, MTI, Mission studies).

Intermediate result 3. Private sector skills and access to business technology increased

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
2.3.1 New jobs created, assisted firms (1993)	0	4	1000/694		
2.3.2 # assisted firms w/ sales growth over 25%/yr (1993)	0	1	225/n.a.		
2.3.3 Average annual % increase, RMPS/TVCF investments (1995)	TBD				
2.3.4 % annual increase dues-paying members, business assocs	TBD				

The first two of these indicators were established during the design of the FED project and refer to private enterprises which have received advisory services, training, or business planning assistance from The Business Centre, or capital investments from the Tanzania Venture Capital Fund (TVCF). It was not anticipated that measurable growth in employment or revenues would be generated in these firms until 1995. Over the past year a number of the enterprises which have worked with TBC and/or TVCF reported such gains, although targets were not met and data are not available from TVCF on sales growth because many of the enterprises assisted are new starts.

RMPS and TVCF investments is a new indicator. The TVCF has already invested \$4 million in 16 Tanzanian businesses. An evaluation of the effectiveness of these investments and the forward and backward linkages to other enterprises, and both direct and indirect employment generation, is planned for this year. TBC and FED are also working closely with the revitalized chambers of commerce and sector-based business associations to track dues-paying membership in future. (Source: TBC, TVCF).

Intermediate result 4. Strengthened financial markets

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
2.4.1 Cumulative # private sector financial institutions (1992)	0	7	8/12	10	
2.4.2 Increased savings rate, %/yr					
2.4.3 Value of private sector commercial loans, millions Tshs (1994)	178,620	178,620	205,413/162,740	236,225	271,659
2.4.4 Cumulative # issues traded on stock exchange (1995)	0	n/a	0/0	4	

This result will be measured by a set of instruments combining new and ongoing indicators. We assume that as the number of private sector financial institutions continues to grow--at a rate even exceeding the Mission's revised expectations--and public confidence in banking institutions increases, the amount of savings deposited in those banks will also grow. Complete data for 1995 to set the baseline are not yet available from the financial institutions.

The value of private sector commercial loans declined during 1995 in the face of government borrowing and election-related uncertainties but this trend is expected to reverse itself over the next two years. For example, in February 1996 credit to the private sector increased by Tshs 2.4 billion while that to public sector entities, mainly parastatals, declined by Tshs 2.2 billion.

Tanzania expects to see the opening of a stock exchange in mid-1996. A new measure of private sector vitality and confidence will therefore be the cumulative number of issues traded on the stock exchange. A modest beginning is anticipated but as more public sector firms are rationalized and joint ventures are established, this number is expected to grow. (Source: Bank of Tanzania, Mission studies).

B/C. Analysis of the Data and USAID Contributions

USAID/Tanzania efforts to promote private sector development in Tanzania are focused on an improved enabling environment, infrastructure development, business community strengthening, and financial sector reform. SO2 represents the consolidation of two previously separate SOs and is supported by a number of discrete activities. Two of these, Regional Transport Development--Dar es Salaam Corridor (TAZARA) and Rural Telecommunications in Tanzania (RTT) are funded through the former Southern Africa Regional Program (SARP), now the Regional Center for Southern Africa (RCSA); and a third, Assistance to Tanzania National Housing Corporation (NHC), is supported through the Housing the Urban Poor Project of the Office of Environment and Urban Programs, USAID/W.

The TAZARA Project has provided assistance to the Tanzania-Zambia Railway Authority; the PACD is December 31, 1996, and a final evaluation is scheduled to begin in April this year. The current project has focused on provision of equipment (diesel-electric locomotives) and construction of maintenance facilities. Some training of senior staff with an eye to increasing the efficiency and effectiveness of the railway has also been undertaken. With support and technical assistance from USAID/Tanzania, TAZARA has subsequently taken a number of steps to address commercialization of its operations, including establishment of independent cost centers and creation of the position of director of finance and marketing. Depending on the outcome of the evaluation, the Mission is considering seeking additional regional funding in support of TAZARA's continued progress towards rational, commercial operations.

There is absolutely no doubt that improved telecommunications, in urban areas but even more so rural ones, is critical to long-term development in Tanzania. Unfortunately the previous government, which left office in November 1995, did not give the Mission the appropriate level of commitment in support of the RTT project, so implementation has been suspended until the newly-elected government has an opportunity to become established. We are also seeking to clarify whether a recent change in the Foreign Assistance Act, eliminating tied-aid constraints, has implications for project implementation in that we will be able to work directly with an American telecommunications firm. The selected firm would also be able to invest its own funds in rural telecommunications. Additionally, changes in the senior management of GOT institutions may affect their attitude towards the project, paving the way for activities to commence. The Bank of Tanzania (BOT) has expressed an interest in participating due to its objective of modernizing internal payment systems among banks in Tanzania. The original program concept may potentially be modified to fit within the BOT framework.

The National Housing Corporation functions as Tanzania's principal urban landlord, with a current inventory of about 26,000 housing units and commercial and industrial properties. Revenues from rent collections account for over 90% of NHC income, but failure to collect rent arrears, revise rental rates, and maintain the properties (or even establish a proper inventory of them) required government subsidization. The NHC is now required to establish

itself as a financially viable commercial enterprise, and technical assistance provided by USAID has been geared to this end. This assistance has focused on institutional reforms, property management and development, asset sales, and training. The current phase of assistance comes to an end in April 1996. Progress to date has been substantial: properties have been inventoried, rents have been rationalized, and commercial properties are being redeveloped. The achievement of some initiatives has been delayed by shortages of equipment and trained staff in the NHC, and as a consequence an extension to the activity may be considered, subject to the availability of funds.

In the present Mission strategy, the principal program components for achieving SO2 are the Agricultural Transport Assistance Program (ATAP) and the Finance and Enterprise Development (FED) Program. The goal of ATAP is to increase the income and social welfare of rural Tanzanians by reducing transport costs and increasing the volume of production and inputs moved by road. The program purpose supports the removal of policy and institutional constraints in order to improve Tanzanian capacity to undertake sustainable road rehabilitation and maintenance activities. To achieve this, ATAP is structured as a multi-year, policy-based program. Through a process of leveraging foreign currency for policy reforms, ATAP has consistently encouraged the GOT to adopt policies, implement new procedures, and commit funding for improving road access into Tanzania's key agricultural areas. Rehabilitation and maintenance of district and feeder roads through contracts with private sector firms is taking place in seven regions of mainland Tanzania. In addition, support has been provided for bridge repairs in all 20 mainland regions.

Although conceived of first and foremost as a vehicle for encouraging critical policy reforms, ATAP has also built in a unique and comprehensive strategy for assessing people-level impact of road rehabilitation and maintenance. Baseline socio-economic surveys have been carried out along six roads and in the catchment areas of three bridges targeted for rehabilitation with ATAP support. These studies have involved the active collaboration of Tanzanian researchers and MWCT counterparts, so capacity is now in place for the surveys to be carried out without the need for outside technical assistance. Information is collected at household, community, and enterprise levels on daily traffic, vehicle operating costs, fares and transport charges, and the wider social, economic and agricultural context from both men and women respondents. The baseline studies are followed by impact assessments once the rehabilitation work has been completed. Further baseline and impact assessment to add to the already substantial body of data available are planned for 1996.

People-level impacts are most directly addressed in a detailed impact assessment of the Njombe-Makete Road in southern Tanzania, which was conducted in August-September 1995 and analyzed with reference to baseline data from May, 1993. Key findings of this report, prepared by a team of outside consultants, include the following:

- 70% increase in average daily vehicle traffic;
- an almost 50% decrease in vehicle operating costs;
- 40% decrease in fares in constant 1993 Tshs; other travel costs have also declined due to reduced transit times;

- increase in agricultural sales from the farmgate, reducing producers' transaction costs;
- large increase in volume of agricultural produce sold;
- 30% increase in utilization of private health care services served by the road.

A comprehensive assessment of the accomplishments of ATAP was carried out by a team of outside consultants in November, 1995. The assessment team concluded that ATAP is an outstanding example of a successful, effective, and sustainable program. Impacts were identified at a number of levels, including institutional, financial, enterprise, and people.

--At the institutional level, the report concludes that ATAP was instrumental in effecting a consolidated road policy, transferring road construction and maintenance work from the public to the private sector, establishing rational priorities for rehabilitation and maintenance, and instilling the concept of sustainability into the Ministry of Works. Each of these reforms has dramatically increased the delivery of road rehabilitation and maintenance, and additional reforms are in progress.

--In the financial area, significantly more funds are now available to pay for sustainable road maintenance, and this is as a direct result of ATAP. Road users bear an increased share of maintenance costs, and the MWCT allocates these funds in a more economical and rational manner.

--One of ATAP's most notable accomplishments has been its success in convincing the GOT to employ the private sector rather than the public sector as the principal actor in carrying out road works. As a result, rural road access is rapidly improving and a major new growth industry is being developed. Over 1,000 km of rural roads, as well as 37 bridges out of a projected 126, have been built or rehabilitated by private contractors with ATAP support. The total number of private contractors in the country has grown from about 30 to over 500 in the past seven years.

--ATAP-funded roadworks have had a profoundly positive effect on the income and social welfare of Tanzania's rural population. Roadwork improvements have been a catalyst that has allowed local populations to participate in the economic changes that are currently in process. Significant improvements are visible in the areas of transport cost and availability, expansion of small businesses, access to agricultural markets and inputs, and access to and use of social services, particularly for health. One of the keys to sustaining these positive impacts and further improving rural roads is the continued use of local labor-based crews for the maintenance of roadworks, an area in which USAID/Tanzania intends to expand its involvement over the next two years.

The assessment also addressed the issue of sustainability and concluded that the successes achieved by the ATAP program over the past seven years can be sustained. ATAP-leveraged policy reforms have directly developed the critical inputs required to construct and maintain rural roads, including the following:

- appropriate policies have been developed and are being implemented;
- an organization capable of managing the rural road system is in place;
- the level of road management and construction skills is rapidly increasing;
- a mechanism for funding the works is in place and functioning;

- the critical institutional reforms have been accomplished;
- the private sector capacity is large enough to assure competition and accomplish the tasks;
- and
- strong emphasis is being placed on increasing the use of labor-based methods for maintaining the roads.

The FED program has been active in Tanzania since 1993. Dollars were made available in three tranches, against the implementation of policy reforms in the financial sector. All CPs for the first two tranches were met, and the following reforms were accomplished: the bank of Tanzania was established as a fully-functioning central bank, the black market in foreign currency transactions was eliminated, private financial institutions were established, and financial sector regulatory mechanisms were put in place. However, the final allocation was withheld because the GOT failed to satisfy one important conditionality. Counterpart funds generated by the program will be managed by the innovative Social Action Trust Fund (SATF). The SATF is now a legally-established entity; its board of trustees, which will continue to represent both public and private sector institutions in Tanzania, is currently undergoing a restructuring exercise. Once it is in full operation, income generated from SATF investments in the Tanzanian private sector will be used to make grants to NGOs for ameliorating the situation of AIDS orphans. Local currency generations are also being used to support the operations of the Tanzania Revenue Authority, a newly-constituted body which is intended to remove the existing weaknesses in tax administration and thereby improve revenue collection. Revenue mobilization functions have been removed from the civil service structure and placed under this autonomous agency, which is expected to initiate operations in July 1996.

The project component of FED supports an extensive program of training and technical assistance in the banking sector. The assistance has enabled the BOT to implement policy changes in financial and organizational areas, including bank supervision, bank examination and monitoring, and development planning. Twenty-three BOT staff received training in the U. S. and third countries during 1995, although disappointingly only one of the trainees was a woman. The training encompassed such fields as banking, bank supervision and examination, regulations and monitoring, capital markets management, international law, and insurance. This last is of particular importance. Privatization of the insurance industry is the one FED conditionality that was not met, as Parliament refused to endorse the legislation brought forward by the GOT. The Mkapa government has declared its intention to re-introduce this bill and support the move to market competition in the industry.

Also funded under the FED project are the operations of The Business Centre, designed to provide business support services to the private sector. TBC provides training in business skills and management, as well as tailor-made business advisory services for individual clients. An evaluation of TBC's progress was conducted in July 1995 and concluded that TBC has made commendable progress in providing business management training, linking Tanzanian firms to international markets, and promoting a market-oriented approach to business planning. The evaluation team also felt that the Centre could become more effective

if the program were reoriented to focus on three priority areas: employment creation, outreach beyond Dar es Salaam, and policy reform. The results of this reorientation are already being demonstrated. In 1995, TBC offered 27 Business Management Skills Workshops which attracted 365 fee-paying participants; of these over half received their training outside of Dar es Salaam, and one-quarter were women. Asking workshop participants to pay fees, rather than receiving allowances to attend, is an innovation in Tanzania, and the large number of attendees willing to pay for these workshops testifies to their perceived effectiveness. During the year more than 800 entrepreneurs paid for training, consulting, or educational services provided by TBC. In collaboration with other partners, TBC participated in two Financial Services for Rural Entrepreneurs (FSRE) exercises, visiting seven regional towns. FSRE utilized the regional Chambers of Commerce to mobilize local entrepreneurs, then staged workshops to inform participants of the availability of business advisory services, capital and credit. TBC has now opened a second office in Mwanza, Tanzania's second-largest city, an important port and industrial center located on Lake Victoria.

Equity Investment Management, which was established with the help of FED-funded technical assistance and which manages the Tanzania Venture Capital Fund, also continued to show steady progress during 1995. The present fund is fully-subscribed at \$7.6 million, and consideration is being given to establishing a second venture capital fund. To date the existing TVCF has made 16 investments, totalling \$4.0 million. The firms in which the investments have been made are owned primarily by indigenous Tanzanian men, although it is encouraging that two major investments made during 1995 involved firms with female ownership. Transport, communications, and agricultural enterprises dominate the fund recipients, reflecting the emphasis EIM has placed on developing these sectors and complementing our other initiatives under SO2.

D. Anticipated Progress in 1997 and 1998

SO2 will be moving in several new directions over the next two years. The Risk Management and Profit Sharing (RMPS) Fund will become fully operational during 1996. RMPS provides FED and TBC with a financing structure to assist micro- and small enterprises. Capital will be provided on a quasi-equity basis (profit-sharing vs. interest bearing) to the indigenous micro-entrepreneur using the services of TBC. To be eligible for funding clients must already be using TBC services, must be deemed creditworthy by TBC's team of venture financing consultants, and must be micro-entrepreneurs, that is, own a business employing fewer than 10 people. To initiate the fund, \$ 1 million in local currency will be appropriated and placed in a trust, with a new, privately-owned indigenous bank, 1st Adili Bank, as the financial intermediary.

ATAP also anticipates implementing a new approach to rural roads rehabilitation. In the past, policy reform efforts have been concentrated at MWCT headquarters in Dar es Salaam, and at the regional level. We will now focus on instituting new procedures for procurement, contracting, and road prioritization at the district level. Included here will be greater

emphasis on sustainable maintenance using local labor-based methods. Both the ATAP Impact Assessment and the World Bank, in its co-ordinating role with respect to the Integrated Roads Program,, have stressed the importance of such maintenance to a sense of local ownership of the roads, and hence commitment to keeping them repaired.

Strategic Objective 3. Increased Use of Family Planning and HIV/AIDS Preventive Measures

A. Summary of the Data

Strategic Objective 3. Increased use of family planning and HIV/AIDS preventive measures

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
3.1 Modern method CPR, all women 15-49 (1991/2)	5.9	11.3	12.4/**	13.5	14.6
3.2 Modern method CPR, currently married women 15-49 (1991/2)	6.6	13.4	14.4/**	14.5	16.4
3.3 % women using condom in most recent sexual intercourse with non-regular partner (1994)	18.7	18.7	20.6/**	22.6	27.4
3.4 % men using condom in most recent sexual intercourse with non-regular partner (1994)	35.7	35.7	39.3/**	43.2	52.3

** to be measured in 1996 by TDHS

FPSS has made impressive strides in increasing the modern method contraceptive prevalence rate. At the project's midpoint the recorded CPR had already exceeded the target set for its completion. New acceptors of FP have increased by almost 50% as have the number of first attendances at family planning clinics. Unmet demand is still substantial, which gives the Mission the opportunity to record even greater success over the next several years. In the 1994 API, performance targets were revised to reflect success to date.

In addition to updated information on CPR, results of the TKAPS conducted in 1994 have provided baseline data for the condom use indicator, a measure of HIV/AIDS preventive behavior. (Source: TDHS, TKAPS, Midterm Review of FPSS).

Intermediate result 1. Increased knowledge and access to family planning services

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
3.1.1 % women 15-49 who know at least 3 modern FP methods (1994)	77	77	78/**	79	80
3.1.2 % men 15-49 who know at least 3 modern FP methods (1994)	82	82	83/**	84	85
3.1.3 % women 15-49 who know a source for modern FP methods (1991/2)	65	n.a.	73/**	75	78
3.1.4 % men 15-49 who know a source for modern FP methods (1991/2)	71	n.a.	75/**	77	79

** To be measured in 1996 by TDHS

Although it was proposed in the 1994 API to substitute "percent of dispensaries (both public and private sector) offering family planning" for the original indicator "knowledge of source of modern contraception", data available from the TKAPS have led the Mission to retain the source indicator and add a more comprehensive knowledge measure. Being able to identify three methods requires a higher level of knowledge than the previous measure "knowledge of at least one method of modern contraception". (Source: TKAPS, TDHS).

Intermediate result 2. Increased knowledge and access to HIV/AIDS information and services

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
3.2.1 % women who know having only one partner is a way to avoid AIDS (1994)	40		41/**	43	44
3.2.2 % men who know having only one partner is a way to avoid AIDS (1994)	44		45/**	46	47
3.2.3 % women who know condom use is a way to avoid AIDS (1994)	36		37/**	38	39
3.2.4 % men who know condom use is a way to avoid AIDS (1994)	49		50/**	51	52
3.2.5 % of women who know a source for condoms (1996)	51		52/**	53	54
3.2.6 % of men who know a source for condoms (1996)	66		67/**	68	69

** To be measured by TDHS in 1996

Indicators 3.2.1 through 3.2.4 replace the previous less-specific indicator "knowledge of HIV/AIDS preventive measures with two more specific gender-disaggregated measures. In addition we have retained "knowledge of a source of condoms" to give insight into access to a preventive service. All of these were initially measured in the 1994 TKAPS and will be assessed this year in the upcoming TDHS. (Source: TKAPS).

B/C. Analysis of the Data and USAID Contribution

Sustainable economic development will not occur in Tanzania without a reduction in the population growth rate and the implementation of effective HIV/AIDS prevention strategies. Although the economy is presently growing at a somewhat faster rate than the population, under the present macro-economic circumstances and without attention to pressing reform issues such as revenue collection and tax reform, continued capacity for growth must be questioned. Of particular concern is the youthfulness of the population, and the fact that formal employment opportunities are being created at a far slower rate than that at which the population is increasing. There is considerable room for growth in the agricultural sector but farming is not a preferred option for many young Tanzanians, who also lack the skills and capital needed to do well in farming. And although the informal sector is dynamic and the source of a great deal of economic growth, its continued capacity to absorb large numbers of entrepreneurs and semi-skilled workers certainly has its limits. Hence making family planning options available to reproductive-aged women and men in Tanzania is a key factor in sustainable development.

Population growth has also outpaced the GOT's capacity to provide health and education services. The introduction of cost-sharing, discussed in the first section of this report, will go some way towards ameliorating this situation, but the increasing burden being imposed on both public and private sector facilities by the AIDS pandemic also has serious implications for the vitality of health care service provision in the country. By the end of 1995 an estimated six percent of the total population of Tanzania was HIV-positive. AIDS is attacking the most productive age groups in the population, with serious implications for the supply of highly-educated and skilled workers, and generating orphans whose maintenance places enormous stress on the social structure. The USAID/Tanzania program is designed to enlist and complement private sector energy and resources, to focus them in the effort against AIDS, and to stem population growth.

USAID/Tanzania has implemented two bilateral projects in its efforts to promote increased use of family planning and AIDS prevention: Family Planning Services Support (FPSS), and the Tanzania AIDS Project (TAP). The overall goal of FPSS is to increase contraceptive acceptance and use, while its purpose is to improve the health and wellbeing of women and children by enhancing opportunities to choose freely the number and spacing of children. TAP activities have been implemented since 1994, and will increase the practice of HIV preventive measures and improve the socio-economic well-being of AIDS orphans.

FPSS has been one of the most successful family planning projects ever initiated in Africa with USAID assistance. USAID/Tanzania is the lead donor in the sector and has built on the success of FPSS to involve other donors and create a coordinated and sustainable national family planning program. Between 1992 and 1994, the contraceptive prevalence rate for all reproductive age Tanzanian women doubled, from 5.9% to 11.3%. The principal interventions which led to this enormous increase in CPR have included commodities (contraceptives), vehicles and logistical management to ensure regular supply of

contraceptives at service delivery points, managerial support, training, and technical assistance. As a result of this array of interventions, client choice of family planning methods improved markedly over a three-year period; facilities offering injectable contraceptives, intrauterine devices (IUDs) and contraceptive foam have more than doubled, and almost all facilities offer oral contraceptives and condoms. Consequently, use of injectables has increased five-fold; use of IUDs has more than doubled; and condom use has almost tripled. The Family Planning Unit (FPU) in the Ministry of Health has become an effective institution, coordinating all family planning activities including those of NGOs and the private sector, and managing training, distribution of contraceptives, and other resources. The national family planning Green Star logo has been launched with excellent publicity and participation in 16 regions of the country.

Training capacity has been institutionalized within the Tanzanian Ministry of Health, and a comprehensive national training plan has been implemented. Training teams have been established at zonal, regional, and district levels. Virtually all training has been carried out in Tanzania and by Tanzanians. This has important positive implications for the sustainability of the national family planning program. During CY 1995, over 1,300 service providers, supervisors, community-based distribution agents, and trainers received training through FPSS. With improved knowledge and clinical skills, the beneficiaries of the training have become more effective in their jobs and have contributed significantly to the increasing acceptability and utilization of modern contraceptives. The training recipients are based in both the public and the private sectors and by far the majority, whether at regional, district, or facility level, are women health care professionals.

Permanent and long-term methods of contraception have also been well-established in Tanzania with USAID support and technical assistance. USAID/Tanzania remains the only provider of the training, equipment and commodities required. There are now 110 clinic sites in Tanzania where these services are available, 78 public sector and 32 NGO or private sector. Although 70 sites were intended to be operational by the end of 1995, the demand for such services, especially the minilap procedure for tubal ligation, led to an even greater expansion of the program. Long-term and permanent methods now account for a significant proportion of the modern method CPR, second only to oral contraceptives. In collaboration with NGO partners, the Mission recently sponsored a "Vasectomy Week" in order to publicize this procedure, which was not well-known or well-understood in Tanzania, as another option for family planning.

The Mission has also collaborated with the Tanzanian Bureau of Statistics and Macro International of the U.S. to prepare for the 1996 Tanzania Demographic and Health Survey (TDHS). The data collection packages have been finalized and in addition to collecting demographic, family planning, and HIV/AIDS information, will incorporate questions on other important issues such as the ability and willingness to pay for health care services, female genital mutilation, the effectiveness of information and educational measures, and women's employment and access to income. The TDHS, initially conducted in 1991/92 and again this year, and the interim Tanzania Knowledge, Attitudes and Practices Survey (TKAPS) done in

1994, are the Mission's principal tools for measuring changes in family planning and HIV/AIDS-related behavior. The comparison of TDHS and TKAPS data, collected less than three years apart, showed a doubling in contraceptive prevalence as a direct result of USAID/Tanzania support to family planning. We are anticipating that the 1996 TDHS will show further increases in CPR and the first effects of increased utilization of modern methods of contraception on the total fertility rate.

The serious manifestations of the AIDS pandemic in Tanzania demanded a response from the USAID Mission. This was the Tanzania AIDS Project (TAP), which was initiated in 1994 and builds on previous Mission efforts that had been effected through buy-ins to centrally-funded projects. These earlier activities focused on educational activities targeted to high-risk men and women, and the distribution of condoms through the public sector and through a modest social marketing program. Under TAP, we are seeking to stimulate growth of an indigenous NGO response to the AIDS pandemic through expansion of prevention activities and education, and will extend support to the victims and survivors of AIDS, particularly orphans. This effort is linked with the Social Action Trust Fund, described under SO2. As an important element in program sustainability, TAP will also create private sector marketing and distribution systems for condoms, and in future for other health-care products. TAP is presently organized into four substantive units which reflect the important elements of the project: non-governmental organizations, information dissemination and behavior change communication, sexually-transmitted diseases, and social marketing. A program review jointly conducted by USAID and AIDSCAP in November 1995 concluded that significant progress has been achieved in all of these areas, with many end-of-project targets already having been achieved or surpassed.

Building on the results of innovative baseline assessments carried out in 1994, TAP has already facilitated the creation of NGO networks or clusters in nine regions of mainland Tanzania. NGO clusters are an innovative approach to HIV/AIDS prevention programming which builds on the strengths of existing organizations and fosters collaboration among them. Over 100 NGOs participate in cluster activities; representative NGOs include such diverse organizations as the Tanzania Home Economics Association, the Evangelical Lutheran Church, and World Vision. These organizations are engaged in such activities as informational programs, training and support for home-based care and counselling, and orphan assistance. Because it is recognized that the level and duration of USAID support is limited, the clusters are being encouraged to address sustainability by generating more community support, recovering their costs, and promoting income-generating activities.

The condom social marketing program has been spectacularly successful. Other donors have begun to make contributions to the program, supplying vehicles and condoms, and the Tanzanian private sector is also active in producing advertising materials and packaging the condoms. Annual sales for 1995, at over eight million, were double the target, and demand exceeds supply. The Social Marketing Unit (SMU) of TAP has established good coordination with the NGO clusters and with the MOH and the National AIDS Control Program (NACP), providing logistical assistance for condom distribution. With the assistance of the

other TAP units, appropriate educational and promotional materials have been developed, printed, and distributed.

Under the STD component, TAP has made great strides in introducing syndromic management, and in training public and more particularly private sector service providers. The program has also fostered the integration of STD knowledge into family planning services through its training programs which have targeted NGO facilities. Training in STD case management for service providers in the NGO clusters is continuing, with 122 trained through October 1995 and with the expectation that 500 will be trained over the life of the project.

The inclusion of both family planning and HIV/AIDS prevention activities to support a single strategic objective is in recognition of the USAID emphasis on linkages within the reproductive health and child survival sectors, and reflects the Mission's interest in an integrated implementation strategy. USAID/Tanzania recognizes that fuller integration of family planning and HIV/AIDS programs can help to achieve greater sustainability by significantly reducing the costs of training, materials, and program management. Considerable progress has already been made at the service delivery level, and initiatives to integrate other program components have also been undertaken successfully. Other possible areas for integration are currently being explored, such as using the established regional and district training teams to conduct both family planning and STD training.

D. Anticipated Progress During 1997 and 1998

During the next two years, SO3 will focus on consolidating successes and improving the quality of the services it supports. SO3 will expand NGO-provided HIV/AIDS preventive services within the nine regions in which TAP has initiated activities. Strengthening of the clinics in which permanent and long-term methods are delivered will be pursued, including provision of the innovative long-term method, Norplant. SO3 will continue its efforts to integrate FP/MCH and HIV/AIDS/STD services. For example, we will support a broader approach to workplace and community-based services, ensuring the project implementors design training programs that focus on a broad range of reproductive health services, so as to respond better to client needs. Strengthening the national capacity to design, carry out and evaluate training of service providers will continue, with a new focus on pre-service training of nurses and MCH Aides. This will result in a more sustainable, less costly way of preparing service providers who deliver FP/MCH/STD services, rather than the more costly in-service approach.

Co-operation with private sector partners will be further developed. SO3 will explore opportunities to support social marketing of family planning, in conjunction with other donors. Expansion of and greater donor co-ordination in the area of STD training will be pursued. 1997 will also see the analysis and dissemination of the 1996/97 Tanzanian Demographic and Health Survey, and the associated Service Availability Module. These two crucial national-level surveys will provide important feedback on customer demand for

services, use of services, and quality of care. This information will be used to modify the SO and its intermediate results, if necessary. Operations research studies should also be completed during the next two years that will help provide guidance in modifying or enhancing program directions.

Strategic Objective 4. Strong Foundation for the Transition to Democratic Governance Established

A. Summary of the Data

Strategic Objective 4. Strong foundation for the transition to democratic governance established

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
4.1 % eligible citizens registered to vote, local elections (1994)					
4.2 % registered voters voting, local elections (1994)					
4.3 % eligible citizens registered to vote, national elections (1995)	81				
4.4 % registered voters voting, national elections (1995)	75				
4.5 # of action groups registered and active					

If citizens are registered to vote, and then choose to exercise the privilege, it is because they are politically engaged, well-informed, mobilized, and unintimidated, and feel that meaningful change can be brought about by their electoral participation. Thus registering and voting are an important measure of the extent to which a transition to democratic governance has begun. Voter registration and turnout for the multiparty local elections in 1994 was very poor; in some localities fewer than 10% of those eligible even registered. Participants in focus group discussions organized by Mission staff expressed the view that voting would bring very little change. They felt that institutions of local government had been effectively rendered powerless by the dominance of State management. Also, many CCM candidates ran unopposed and represented the status quo. We are still working to compile the data and obtain a national mean for local elections participation. Participation in the national elections was much higher and compares favorably with voter turnout for previous elections which only the CCM contested. It is anticipated that as political consciousness and participation increase, the levels of registration and actual voting will also increase. This will occur for national but even more so for local contests, as it is expected that local governments will regain some of their former autonomy and become a more powerful political force. (Source: Mission studies, National Electoral Commission).

Tanzania has been described as having a particularly impoverished associational life and civil society, stifled by decades of socialist management and state control. There is a lack of institutions such as NGOs which represent the interests of key constituencies and which work consciously and forcefully for meaningful change. With the shift to a multiparty system it is

anticipated that there will be more room for, and more incentive to establish, action-oriented NGOs. The Mission is still debating what criteria will be used to define action groups. Once these criteria have been determined, we will work with the umbrella NGO organizations TANGO and TACOSODE, as well as the Ministry of Community Development, Women Affairs and Children (MCDWAC), with which NGOs must register, in order to track the number of organizations conforming to our definition.

Intermediate result 1. Mass media more responsive and responsible

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
4.1.1 Qualitative improvement in reporting (1995)					
4.1.2 % Citizens with accurate information, local issues (1996)					
4.1.3 % Citizens with accurate information, national issues (1996)					
4.1.4 % of press clubs with multiple sources of support (1996)					

The principal activities which support this result are the training of journalists and the strengthening of organizations which represent them. The effectiveness of the media training will be assessed by carrying out a "before and after" assessment of reporting, primarily newspaper reporting, on topics to be identified. The Mission has a large file of articles on politics, parties, and DG issues which were published in the months prior to the multiparty election. Bylined articles written by reporters who have received USAID-funded journalism training will be analyzed to establish if there has been an improvement in the quality of their reporting, using criteria currently being developed in the Mission.

Another measure of the quality and comprehensiveness of media reporting is the proportion of the population regularly exposed to the media who have accurate information about particular local and national issues which have been thoroughly aired in the papers and on radio and television. Baseline and followup information will be collected in focus group discussions with members of the public in Dar es Salaam, where access to all forms of the media is available, and selected rural areas, which rely heavily on the radio. Focus-group discussion participants will be selected according to education, socio-economic status, occupation, and other pertinent variables which might affect their access to reliable information.

Associations which support and represent media professionals are weak in Tanzania. Those organizations which have accessed more than one source of support in order to sustain their operations have the most potential to develop into the sort of organization which will best represent the interests of their members. We will track the formation and development of such

groups in the major towns in Tanzania as another indicator of the growing professionalism of the media.

Intermediate result 2. Legal system serves the public interest effectively and transparently

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
4.2.1 Civil delay reduction (# of months) (1996)					
4.2.2 % of courts possessing written legal code/copies of laws (1996)					
4.2.3 Disputes resolved by ADR as % of cases settled (1994)	0				

Tanzania's courts--at all levels--are choked with a huge backlog of unresolved cases, both criminal and civil. Our efforts are focused on reducing the period of time parties to a civil dispute must wait in order to have their case heard and their dispute resolved. The present duration can be measured in months if not years. The Mission will be assisting with a "settlement week" in Kisumu Court, the largest civil court in Tanzania, to clear the calendar of very old cases. Thereafter we will sample randomly-selected, resolved cases to establish a mean figure in months for case settlement against which future progress in reduction can be assessed. The principal means through which USAID anticipates bringing about a civil delay reduction is alternative dispute resolution (ADR), in which judges, magistrates and attorneys are being trained. As the effectiveness of this mechanism in bringing about a mutually-agreeable solution to a case becomes known, and as the number of trained jurists also grows, we would anticipate that an increasing proportion of cases will be resolved by this means.

Another barrier to effective decision-making in legal cases is general ignorance of the body of law on the part of judges and attorneys as well as the general public. This is because the body of law is largely unavailable in a consolidated and printed form. As a rule neither the courts nor individual judges and lawyers has access to the laws. The allocation of justice is therefore ad hoc, arbitrary, without precedent, dead wrong, or all of the above. Making the body of law more widely available, and by implication known, means that the courts as institutions and lawyers and judges as professionals will become more efficient and effective.

Intermediate result 3. Citizens understand and apply principles of democratic governance

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
4.3.1 % citizens demonstrating knowledge of selected DG principles (1996)					
4.3.2 # channels through which civic education imparted (1995)					
4.3.3 # or % of citizens aware of activities and/or services of selected NGOs (1996)					

Several Mission studies have commented on the weakness of civil society and the lack of preparedness of voters for participation in a multi-party election in Tanzania. Civic education efforts were mounted by a number of donors prior to the elections, but these failed to meet the information needs of voters. Current efforts are highly targeted, for example to urban women, journalists, and lawyers. These do not help ordinary citizens because they do not address broad issues of rights and responsibilities in a democratic society. The Mission intends to establish and regularly update a data base of donor and NGO DG activities, including existing and alternative channels through which the civic education and participation needs of the population can be met. Focus-group discussions in both rural and urban areas will serve as sources of data for indicators 4.3.1 and 4.3.3. The Mission is currently identifying key DG principles, designing guiding questions, and identifying sites. The discussions themselves will be conducted primarily in Kiswahili by experienced researchers who have previously assisted the Mission with focus group inquiry.

Intermediate result 4. GOT improves performance in accountability and transparency

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
4.4.1 Anticorruption unit prosecutions increase (#/yr) (1995)	0				
4.4.2 Annual increase # clean audit findings (1996)					
4.4.3 Reduced % spoiled votes, local/national elections (1994/5)	5				
4.4.4 Reduced # electoral petitions, national elections (1995)	127				

The anti-corruption unit was established in late 1995 as one of the first actions of the Third Phase government of President Mkapa. It has been advertising widely in the local press to solicit citizen reports of corrupt practices which can be followed up. To date there have been no prosecutions but it is anticipated that the first cases may be brought before the end of 1996. The Mission will be tracking the performance of this unit very carefully. Likewise we will be liaising with the Controller and Auditor General (CAG), whose office has received technical support from the Mission, to track audit reports whose findings demonstrate accountability and honesty on the part of GOT entities.

As far as the administration of elections and the operations of the National Electoral Commission are concerned, we expect improved performance to be demonstrated by a reduction in the number of spoiled ballots, and a reduced number of petitions challenging election results. In the 1995 elections about 5% of all ballot papers were designated "spoiled", and therefore not counted. Some of this came from uninformed voters, but election monitors saw many instances of ballots being discounted because the electoral officials did not know or understand the guidelines. Similarly, the majority of electoral petitions allege malpractice or incompetence on the part of electoral officials. As the capacity of the GOT to administer elections increases, these should both decline.

Intermediate result 5. Political institutions better perform key functions

Performance indicators (Baseline yr)	Baseline	1994	1995 exp/actual	1996	1997
4.5.1 Increased # private member's bills introduced in Parliament (1995)	0				
4.5.2 Official gazette published and distributed (1996)					
4.5.3 % of constituencies with candidates from two or more parties standing, local elections (1994)					

Until the elections of 1995, there was little in the way of a dissenting voice in the National Assembly, and not much incentive for members of Parliament to introduce independent or divergent legislation. With the Opposition now represented in Parliament more legislative input can be expected from parliamentarians, with more reasoned discussion of the bills that come before it. One measure of this is the introduction of independent legislation which offers an alternative to GOT or CCM initiatives or which brings new and different issues for the consideration of the Parliament.

Another possible indicator of the effective functioning of political institutions, as well as a better-informed legislature, judiciary, and public at large, is the publication of the official proceedings of Parliament, or at the least bills introduced and considered and the outcome (whether or not they were passed). In theory, laws that have been passed and appointments that have been made are not official until gazetted. Publication of the gazette shows responsibility and gives lawmakers and the public both a means by which to become aware of legislative action and a basis for proposing constructive exchanges. Voters can express their feelings to their elected representatives, and in the long term they will reflect the views of their constituency.

Increasing maturity of political institutions will also be reflected by local elections attracting candidates from parties other than the CCM. Local authorities in Tanzania possess considerable actual and potential power. As local government institutions are rejuvenated, it is anticipated that elections for representatives at ward and divisional level will attract greater competition.

B/C. Analysis of the Data and USAID Contribution

Tanzania has undergone significant changes in political and associational life over the past five years. In 1990 the concept of multi-party democracy was accepted by the incumbent government, and in 1992 opposition parties were legitimized. These events led up to multiparty elections at the local level in October 1994, and national elections in 1995 in which a President, Vice-President, and Members of Parliament were elected by the people. The electoral process, and indeed the steps taken thus far to establish democratic governance in Tanzania, have not been without their problems, however. Most notable, as identified in a 1994 sector assessment and continually reemphasized during the course of the elections, are continuing weaknesses in civil society, in the courts, and in the media, none of which yet understands its role and functions in a democratic society. Inadequate GOT accountability and profound weaknesses in basic political institutions themselves are also visible. Initially the Mission decided to address these issues by building on the linkages between democratic governance and economic progress, the importance of such linkages being particularly apparent in Tanzania. After consultation with Washington, democratic governance was eventually established as a separate SO in mid-1995. It is supported by the Tanzania Democratic Governance Initiatives (TDGI) project, through technical assistance in fiscal management, through collaborative activities with USIS and the U. S. Embassy, and through support to IFES for election monitoring. Close observation of the elections was an activity in which many Mission personnel participated.

USAID/Tanzania funded a grant to the International Foundation for Electoral Systems (IFES) to field a monitoring and observation team for the multiparty national elections. The delegation totalled 25 observers for the national presidential and parliamentary elections held throughout the mainland and Zanzibar on October 29. Some members of the delegation also observed the October 22 elections in Zanzibar (for President of Zanzibar and members of the separate Isles Parliament) and November 19 re-run of national elections in Dar es Salaam. The members of the delegation were struck by the determination of Tanzanian citizens to participate in the electoral process, but faulted the GOT and in particular the electoral commissions for deficiencies in administration and logistics as well as shortcomings in the field of civic education. The observers were unanimous in finding very little evidence of on-going voter education in the month prior to the election, and in finding a serious lack of knowledge on the part of would-be voters, particularly in rural areas, about the elections. Donor-funded NGO programs also failed to have much discernible impact on voter awareness around the country.

The final report on the observation mission submitted by IFES makes a number of observations and recommendations about the conduct of the elections in Tanzania. Several of these recommendations are directly pertinent to programmatic directions which will be pursued under SO4: these include the general need for transparency and openness to public scrutiny throughout the entire electoral process; expanded programs of civic and voter education; and appropriate campaign activity by parties and candidates.

The newly-implemented TDGI project builds on a number of on-going activities supported by the Mission in collaboration with other USG partners and will directly address several of the concerns identified in the IFES report, as well as in the 1994 DG sector assessment. The project goal is "improved democratic governance in Tanzania", while the purpose is to "strengthen civil society in support of the transition to democratic governance in Tanzania. The project has four major components. The first deals with civil delay reduction in the court system. In Tanzania access to justice in civil cases is impaired by the slow pace at which cases move through the court system. USIS has already implemented a pilot training project in alternative dispute resolution (ADR) for Tanzanian attorneys, judges and magistrates. Although the USIS activity has not undergone an evaluation, it builds on recommendations from the Tanzanian judiciary on approaches to reducing the backlog of pending cases. In 1995 a number of legal professionals were trained in Dar es Salaam, Mwanza, and Arusha. Eleven cases have already been mediated using ADR, of which eight have been successfully resolved. Although the numbers so far are small, they are a preliminary indication of the extent to which ADR can function to resolve cases to the mutual satisfaction of both parties. ADR training for 500 people has already begun using TDGI resources and ADR will be made available in at least five regions of the mainland. Work has also begun through the Faculty of Law of the University of Dar es Salaam to compile and publish an index of the Tanzanian body of law. The Mission is also pursuing the possibility of printing and distributing selected portions of the body of Tanzanian law. Making the legal code available to courts and lawyers will also contribute to greater efficiency in the legal system.

The remaining three components of TDGI address the question of citizen awareness, education, and participation, already noted as a serious constraint to effective democratic governance in the IFES report and in the 1994 DG assessment. The media, NGOs, and the public at large have already been targeted for assistance in the building of associational life. For example, the press, and increasingly other media, has been one of the most vital and critical forces pushing for democratic change in Tanzania, but the standards of professionalism in reporting are very low. Again in collaboration with USIS and building on previous experience in this area in Tanzania, a series of workshops to provide journalism training for media professionals has been initiated. The journalists will be assisted to improve their knowledge of democratic governance principles and institutions, and their specific journalistic skills. Improvement in the quality of reporting will ultimately lead to a better-informed public. Topics to be emphasized will include civic education, journalists and political parties, law and the legal system, interviewing and data collection. The first two workshops, dealing with legal issues and the media, have met with positive feedback from the participants. After six months these participants will be followed up to assess the enhancement of their skills.

NGOs which work in the area of promoting women's legal rights will also be assisted, using a small grants mechanism. This component builds on the Mission's Gender Action Plan, which incorporates a legal rights initiative and which has assisted several local NGOs with specialized training and legal aid resources. Explicit in the TDGI-sponsored program will be an element of capacity building, to enhance the sustainability of the beneficiary organizations

and their programs. Groups which receive grants must work in at least one of the following areas: legal aid services and improved access to justice; legal literacy and improving knowledge of women's legal rights; and/or legal reform advocacy. These areas of emphasis were selected based on the Mission's previous experience in this area.

TDGI will also address civic education and participation through a public awareness component. The original intention of developing a secondary school curriculum element on democracy in collaboration with the Institute of Education proved unworkable. Consideration is now being given to several alternative approaches, including radio and television "spots" highlighting anti-democratic practices such as corruption; support to public libraries to build their collections, decentralize operations, and enhance sustainability; and participant training. The Mission is exploring further the first two of these options.

The Mission has also begun to make contributions to improved accountability and transparency in GOT operations, and expansion of the existing initiatives is anticipated. A small technical assistance program to the Controller and Auditor General (CAG) has enhanced the capacity of that institution to produce technically acceptable audit reports. The CAG has already performed several audits of USAID/Tanzania projects and as recognition that their competence level has risen becomes known, their services are being utilized by other donors as well. The assistance being provided to the TRA, discussed under SO2, is also important in this sector.

D. Anticipated Progress in 1997 and 1998

Over the next two years, attention will be focused on expanding the alternative dispute resolution training that is a key component of TDGI. Additional "settlement week" activities will be carried out in other courts as needed, building on the experiences gained with the initial settlement week in Kisutu Court, Dar es Salaam. ADR will be offered for attorneys beginning in 1997, and it is anticipated that the training will have been implemented in courts in five regions by 1998.

Also in 1997, work will have begun with at least two women's legal rights NGOs. An RFP is presently being developed and a committee including representatives of USAID and USIS, the implementing agency, is being established. Ground rules for the proposal review process have been agreed upon and guidance is being prepared on the categories of NGO activity that will be considered for support.

The Mission has already decided to move forward with assistance to the public library in Mwanza, Tanzania's second-largest city, to upgrade and rehabilitate its collections and expand its holdings of materials pertinent to civic education and democracy issues. Once the Mwanza activity has been successfully carried out, additional libraries will be selected for support. Copies of the printed laws which SO4 is helping to produce will also be included in the library program.

III. STATUS OF THE MANAGEMENT CONTRACT

A. STRATEGIC OBJECTIVE CHANGES OR REFINEMENTS

The USAID/Tanzania country program has undergone a considerable evolution since the 1994 API document was submitted to the Africa Bureau in USAID/Washington in February 1995. In January 1995 the Mission submitted a Concept Paper describing a country strategy based on three strategic objectives. The previous SO1, which focused on improved management of public infrastructure, was replaced with a new SO1, "Strengthen Natural Resources Management Capacity". Although newly articulated at the strategic objective level, this area of program involvement is not new to the Mission. SO1 builds upon and replaces a previous target of opportunity (wildlife resource management). We retained the previous SO2 "Increase Productive Employment and Income Generating Opportunities" eliminating only the previous restriction to formal sector employment in order to accommodate the Agency's microenterprise development interests. SO2 also incorporates the Mission's ongoing interests in private sector driven infrastructure rehabilitation and development, previously separate as SO1. Included within SO2 in the Concept Paper was an explicit target--strengthen basic institutions of democracy and governance--because in Tanzania improved governance is clearly a precondition to sustained economic development. We also retained unchanged our previous SO3: "Increased Use of Family Planning and HIV/AIDS Preventive Measures". The targets of opportunity identified in the 1992/1997 Country Program Strategic Plan were incorporated into these SOs and the concept paper objective tree and narrative did not identify any special objectives or targets of opportunity.

The Washington review of this concept paper was held in February 1995. As a result of this review the Mission was strongly urged to establish democratic governance as a fourth distinct and separate strategic objective. This suggestion was acceded to by USAID/Tanzania and was developed as SO4, "Improve Democratic Governance". Since that date all of our planning has been based on a strategic framework containing four objectives, and our FY 1997 Action Plan, submitted to Washington on June 9, 1995, addresses these four strategic objectives. The four objectives thus constitute the Mission's current management contract with the Africa Bureau in USAID/Washington. As was the case with the concept paper, the Action Plan and Mission planning do not incorporate any special objectives or targets.

In the intervening months the Mission has moved forward with the process of developing a new strategic plan. In the course of this planning process we have continued to make progress in refining the strategic objectives and in developing results frameworks. A number of intermediate results, performance indicators, and levels of measurement for each SO have been considered, debated, retained, revised, and/or discarded. During the past year the country strategy has not been static or immutable; rather, it is in a state of continual modification and adjustment, particularly since two of the SOs are new and implementation of the activities supporting them is in its initial stages. Given this situation, USAID/Tanzania CY 1995 results reporting is based on those results, indicators, and levels of performance which will form the basis of the strategy that is currently being articulated. It is this

framework which for the past year has been guiding Mission planning, achieving, and judging.

It should also be noted that at this preliminary stage in the development of results frameworks, the Mission has identified a large number of performance indicators, probably many more than are actually needed to measure our results. This gives the Mission the opportunity, over the next year, to assess which of these possible indicators are the most useful, measurable, and reliable. We remain open to the probability of modifying, discarding, or adding to the range of performance indicators as we learn more about the usefulness of particular measures.

B. SPECIAL CONCERNS OR ISSUES

USAID/Tanzania has employed the customer consultative process extensively and has already prepared a Mission Customer Service Plan which will be submitted as an Annex to the new Strategic Plan. In order to provide USAID/Washington with an appreciation of the extent to which background studies and customer consultation has been employed during the past year, below we are providing a list of Mission-supported studies which have been conducted in the past year. It must be emphasized that these studies have been carried out in addition to routine data collection activities, site visits, and field monitoring.

Title	Purpose	Conducted by
Community-based Natural Resources Management	Preliminary analysis of policy and institutional issues	World Resources Institute
Commercial Laws in Tanzania	Examine legal codes and their weaknesses and recommend improvement	Faculty of Commerce and Management, University of Dar es Salaam
Pricing Structure of Essential Commodities in Tanzania	Identify impact of taxes and regulatory barriers on the cost of living in Tanzania	Economic Research Bureau, University of Dar es Salaam
Mineral Sector in Tanzania	Provide a broad picture of the mineral sector in Tanzania	Vethouse Associates, Dar es Salaam
Cost Structure of Representative Manufacturing Firms in Tanzania	Identify how Tanzanian taxes and regulatory barriers compare with neighboring countries	Coopers & Lybrand/Tanzania
Tuskegee/Sokoine Baseline Studies	Baseline socio-economic and natural resource management survey	Technogad, Morogoro
Kirare Bridge Baseline Study, Tanga	Baseline socio-economic and transport survey	Vedasto Rutachokozibwa, Sokoine University

Trends in the Formation of Registered Companies	Provide gender and sector-disaggregated information on the formal private sector	Mwaniki Associates, Nairobi
The Business Centre evaluation	Evaluate overall effectiveness of TBC program	Vethouse Associates, Dar es Salaam
Private Sector Health Care Delivery	Size, scope, linkages, and regulatory environment for private health care in Tanzania	HHRAA Project
Tanzania Knowledge, Attitudes and Practices Survey (TKAPS)	National baseline survey update, FP and HIV/AIDS indicators	Bureau of Statistics (Tanzania) and Macro International
AIDSCAP Program Review	Assess progress and status of AIDSCAP management of TAP	TAP/AIDSCAP/USAID/W
Baseline Survey: Low-income, Informal Sector Workers	Assess demand for reproductive health services among the target group	SUWATA (Dar es Salaam) and CEDPA (Nairobi)
Survey of Male Family Planning Needs and Preferences	Determine special needs of potential male FP clients	Marie Stopes (Dar es Salaam)
Logistics Evaluation	Assess progress in establishing logistics management for FP and AIDS commodities	John Snow Inc. and Ministry of Health (Tanzania)
Diversity in the Tanzanian Business Community	Analyze significant of gender, ethnic, and religious diversity in the Tanzanian business community	Michael Lofchie, UCLA Thomas Callaghy, Penn
Tax Laws in Tanzania	Provide recommendations for tax reform	Faculty of Law, University of Dar es Salaam
Women's Access to Credit: Tanga Case Study	Examine availability and uses of credit by women microentrepreneurs	Shamsa Mwangunga, Business Care Services, Dar es Salaam
Training Needs and Impact Assessment	Assess impact of Mission participant training programs and develop country training needs strategy	Academy for Educational Development
Njombe-Makete Road Impact Assessment	Establish socio-economic and transport-related impacts of road rehabilitation	Kimberley Lucas, University of Kentucky

C. 22 CFR 16 ISSUES AND SCHEDULE**1. ISSUES**

Not applicable.

2. SCHEDULE

Not applicable. Despite our NRM SO, we do not anticipate that any activities will be implemented before the end of the year which will require IEEs and/or EAs.

ANNEX I. LIST OF ACRONYMS

ADR	Alternative Dispute Resolution
API	Assessment of Program Impact
ATAP	Agricultural Transport Assistance Program
ATLAS	African Training for Leadership and Skills
AWF	African Wildlife Foundation
BOT	Bank of Tanzania
BOS	Bureau of Statistics
CAG	Controller and Auditor General
CBNRM	Community Based Natural Resource Management
CCM	Chama Cha Mapinduzi
CMR	Child Mortality Rate
CPR	Contraceptive Prevalence Rate
DG	Democratic Governance
EIM	Equity Investment Management
ESAF	Enhanced Structural Adjustment Facility
FED	Finance and Enterprise Development
FP	Family Planning
FPSS	Family Planning Services Support
FPU	Family Planning Unit
FSRE	Financial Services to Rural Entrepreneurs
GDP	Gross Domestic Product
GHAI	Greater Horn of Africa Initiative
GOT	Government of Tanzania
HRDA	Human Resources Development Assistance
IFES	International Foundation for Electoral Systems
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IUD	Intra-Uterine Device
KRM	Kagera Resources Management
LOP	Life of Project
MCDWAC	Ministry of Community Development, Women Affairs, and Children
MCH	Maternal and Child Health
MOH	Ministry of Health
MTI	Ministry of Trade and Industry
MWCT	Ministry of Works, Communication and Transport
NACP	National AIDS Control Program
NFPP	National Family Planning Program
NGO	Non-governmental Organization
NHC	National Housing Corporation
NRM	Natural Resource Management
PAWM	Planning and Assessment for Wildlife Management

PERM	Participatory Environmental Resources Management
RCSA	Regional Center for Southern Africa
RMPS	Risk Management Profit-Sharing
RTT	Rural Telecommunications in Tanzania
SARP	Southern Africa Regional Program
SATF	Social Action Trust Fund
SMU	Social Marketing Unit
SO	Strategic Objective
SPA/JEM	Special Program for Africa/Joint Evaluation Mission
STD	Sexually-Transmitted Disease
TACOSODE	Tanzania Council for Social Development
TANGO	Tanzania Non-governmental Organizations
TAP	Tanzania AIDS Project
TAZARA	Tanzania-Zambia Railway Authority
TBC	The Business Centre
TDGI	Tanzania Democratic Governance Initiatives
TFR	Total Fertility Rate
TDHS	Tanzania Demographic and Health Surveys
TKAPS	Tanzania Knowledge, Attitudes and Practices Survey
TRA	Tanzania Revenue Authority
TU/SUA	Tuskegee University-Sokoine University
TVCF	Tanzania Venture Capital Fund
USIS	United States Information Agency
WWF	Worldwide Fund for Nature