



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/CP/URT/NOTE/4
2 October 1986

ORIGINAL: ENGLISH

Special session
February 1987, New York
Item 4 (a) of the provisional agenda

PROGRAMME PLANNING

Country and Intercountry Programmes and Projects

FOURTH COUNTRY PROGRAMME FOR THE UNITED REPUBLIC OF TANZANIA

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. The country programme process commenced with the presentation of the Resident Representative's Note in May 1985, setting out the UNDP assessment of the third cycle programme and defining the areas in which UNDP possessed comparative advantages in the purveyance of technical co-operation as a guide for the future. However, formulation of the programme was delayed to permit the new Government which took office in November 1985 to articulate policies and to allow for the management changes within the UNDP field office with the assignment of the new Resident Representative in February 1986.

2. The mid-term review of the third cycle programme as well as the several tripartite reviews and independent evaluations provided a panorama of experiences, highlighting in particular the overwhelming importance of external aid to the country. IPF constraints served to accentuate the catalytic role of UNDP in attracting donor funding amounting to \$12 million in support of labour-intensive public works schemes. Similarly, small-holder irrigated rice production benefited through an addition of \$3.7 million.

3. Unique features of the programme which were recognized in the review were the work done through UNDP projects in mediating the dissolution of the East African Community and supporting the design of the new capital at Dodoma. Neither of these activities attracted support from other donors.

4. Among the lessons learned were those which confirm the importance of project design, particularly at a time when Government is experiencing difficult economic conditions. The net result often was undue protraction of expert services, inadequate counterpart support, ineffective Government monitoring, delays in clearance of experts and underutilization of training. These factors point to the difficulty the Government faces in managing technical co-operation, even though it is a major ingredient in the country's development effort.

5. Although the multiplicity of external aid donors in the United Republic of Tanzania reflects a historical commitment, at the same time it poses a dilemma to a country dedicated to the principle of self-reliance. It is in this context that the Consultative Group which met in Paris in June 1986 (its last meeting having been held in 1977) established the framework for co-ordination, facilitating the Government decision to use the country programme to build its own capability.

6. Co-ordination is the primary responsibility of the restructured Ministry of Finance, Economic Affairs and Planning (MFEAP), which directs programme formulation with UNDP and other external donors. The country programme went through several stages of consultation, internally among substantive ministries on the mainland and in Zanzibar, assisted by various missions of the United Nations Specialized Agencies (e.g., the Food and Agriculture Organization of the United Nations, the International Labour Organisation, the United Nations Industrial Development Organization, the International Civil Aviation Organization), before the Ministry entered into formal negotiations with UNDP. Externally, UNDP consulted with its partners in the United Nations system and with the major external donors, mainly through monthly aid co-ordination meetings chaired alternatively by the World Bank and UNDP. Although the formulation process has been effective, essentially because of the degree of collaboration among the donors in the United Republic of Tanzania, it is recognized that Government-led co-ordination needs to be significantly reinforced in view of the many external factors involved.

7. Through the foregoing process the country programme was formulated and finally agreed with the Ministry of Finance, Economic Affairs and Planning, reflecting decisions reached at the Consultative Group Meeting and consonant with the programmes of the major external donors.

II. THE FOURTH COUNTRY PROGRAMME

8. The persistent economic difficulties experienced by the United Republic of Tanzania are unique only to the extent that Government has pursued indigenous solutions, maintaining that internal stability and a national consensus are essential ingredients for growth. Notwithstanding national initiatives for structural adjustment in 1983, the culmination of extensive planning since independence in 1961, the Government had no choice but to postpone the fourth five-year plan and confront the stark realities by adopting a three-year Economic Recovery Programme (ERP).

9. The fourth country programme is designed to reinforce the missing element in earlier government efforts at translating national policies into implementable programmes and projects, i.e., management. At a time of enormous human and

financial constraints, disarray among parastatals resulting in fiscal disorder and uncertainties among potential entrepreneurs, the Government needs to demonstrate its ability to manage the development process by making the technical skills necessary to project development accessible.

10. The programme adopts the four objectives of ERP (increased food and cash-crops and small-holder productivity 56 per cent, rehabilitation of physical infrastructure for productive services 15 per cent, increased capacity utilization in industry 8 per cent, and the restoration of internal and external balances through product fiscal policies 17 per cent) and adds a fifth objective which links policies and programmes by focusing on management at different levels of government operations. Accordingly, 4 per cent of the resources support planning and advisory activities by reinforcing the data base and strengthening planning functions.

11. ERP reflects many elements of the Africa Priority Programme for Economic Recovery adopted by the thirteenth Special Session of the General Assembly, notably in the areas of food security, fiscal discipline and private sector development. Consequently, the country programme has already identified several relevant projects supporting small-holder co-operatives in irrigation, post-harvest losses and storage and rural dairies, as well as commercial production of essential oils and export promotion.

12. Of the \$53.9 million of IPF available during the 1987-91 period, of which \$2 million is carried over from the third cycle, 20 per cent applies to ongoing projects and extensions or new phases, while 53 per cent covers new activities. The remaining 27 per cent or \$14.6 million is kept as unprogrammed reserve. This amount permits maximum flexibility, particularly in view of the changed political circumstances in southern Africa. An additional \$4.0 million is available from other United Nations sources and \$3.9 million from bilateral funds. Therefore several new initiatives which will provide critical support at the national, regional and district levels of Government are being launched. The Joint Consultative Group programme linking resources and programmes of the United Nations Children's Fund, the United Nations Fund for Population Activities, the World Food Programme and UNDP, where an IPF reserve is set aside for such activities largely in rural development, is of particular interest. FAO, ILO and United Nations Volunteers have now declared their intention to participate. In all probability, the UNDP contribution will generate significantly greater amounts by providing a financial and programme framework.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

13. Effective management of the country programme will depend on the extent to which the Ministry of Finance, Economic Affairs and Planning (MFEAP) is able to direct the utilization of resources in support of ERP. Strengthening of planning and aid co-ordination capabilities within the Government at large and specifically within the MFEAP will help significantly to create effective management.

14. The Consultative Group calls for discipline both within the Government and among donors, most of which publicly agreed to abide by government co-ordination efforts. UNDP project support in this respect is already being prepared. The joint leadership of the World Bank and UNDP through monthly co-ordination meetings will assist in strengthening the resolve of the donor community.

15. In light of the significant resources available through the country programme and the probability of attracting greater amounts, the recent introduction by UNDP of a project monitoring mechanism, along with monthly meetings with the MFEAP, constitutes an additional management device of considerable potential. Recalling the deficiencies of the third cycle programme, this is particularly valuable in meeting the need for increased delivery and improved quality. The launching of a national technical co-operation assessment programme (NaTCAP) at an appropriate state in the fourth cycle country programme will also enhance the management process.

IV. RECOMMENDATION OF THE ADMINISTRATOR

16. The Administrator recommends that the Governing Council approve the country programme for the United Republic of Tanzania.
