

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

BEST-AC LONGITUDINAL IMPACT ASSESSMENT

SECOND ANNUAL REPORT

EXECUTIVE SUMMARY

DECEMBER 2012



coffey  **international development**
SPECIALISTS IN DEVELOPING COMMUNITIES

CONTENTS

1.	Background.....	3
2.	Methodology	3
3.	Activity in 2011/12	5
4.	Capacity building of PSOs.....	6
5.	Outcomes at the project level.....	7
6.	Impact on the business enabling environment.....	10
7.	Lessons	11

BEST-AC Longitudinal Impact Assessment

Second annual report: executive summary

1. Background

The BEST-AC Longitudinal Impact Assessment (LIA) is a five year evaluation that analyses the specific achievements of the BEST-AC programme and the strengths and weaknesses of the conceptual model on which it is based. Our work takes a Scientific Realist approach which analyses the programme contextually, exploring the mix of outcomes in different circumstances, and the theories of change on which these are based.

BEST-AC was originally launched in 2003 and began a second five year phase in July 2008. The LIA runs from 2010 to 2016. We undertook a baseline study in 2010.

The principles on which the LIA are based are:

- Use mixed methods to estimate changes and attribution at each stage in the programme logic.
- Combine data gathering and interpretation by programme staff with external review of the methodology.
- Use, and where appropriate adapt, internal monitoring systems already developed by and for BEST-AC.
- Clearly define indicators so they are Tight and Precise not Lazy and Loose
- Be reasonable in requirements for additional data gathering by BEST-AC.
- Co-ordinate with other work like internal or external reviews.

2. Methodology

Our report integrates data from BEST-AC's internal monitoring systems, which we designed, with findings from our work.

Overall the methodology includes:

- BEST-AC survey of PSO members to judge their views on the effectiveness of the PSOs' advocacy (credibility survey).
- BEST-AC survey of other stakeholders, primarily public sector, to judge their views on the effectiveness of the PSOs' advocacy.
- BEST-AC survey of PSOs' capacity building (diagnostic tool).
- A survey of business leaders' views of the business environment and constraints on their business.
- Our case studies of PSOs to understand the mechanisms whereby impacts are achieved – especially the influencing tactics – and the details of context.
- Our interviews with stakeholders, primarily public sector.
- Our survey of PSO members from case studies to see their performance and its possible attribution to the PSO's advocacy project. We had a target of surveying 50 members of each case study PSO.

- Our statistical analysis of available economic data.

In 2012 we added data from the BEST-AC quarterly reports and from a wider survey of African Advocacy Organisations which we carried out.

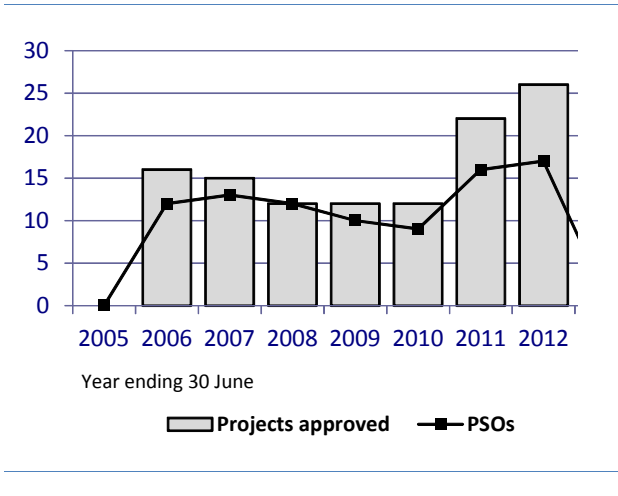
We have classified PSOs, project types and policy change types so that the last two years' reports of the LIA can address contextual questions such as "What are the common characteristics of advocacy projects that succeed as against those that do not (e.g. kind of PSO, issue addressed, target authority)?" and "At what stage in the policy making process is advocacy most effective?"

Longitudinal approaches to evaluation are employed to capture the lagged effects of programmes that take time to mature. Our experience so far suggests that LIAs can also have these benefits:

- Building relationships with interviewees so they are more candid.
- Capturing ups and downs as they happen. By contrast interviews at one period in time, which are implicitly retrospective views, tend to suffer from memory biases, such as forgetting the problems that occurred along the way.
- Seeing skill in action.
- Identifying mechanisms whereby outcomes are created and thereby potentially giving a greater understanding of cause.
- Providing a more balanced picture rather than a snapshot.

3. Activity in 2011/12

Figure 1: Projects and PSOs supported

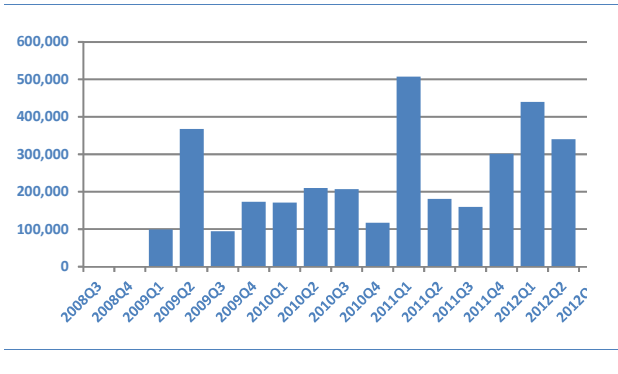


BEST-AC has continued the upward trend in activity from 2010. For the year to 30 June 2012, BEST-AC supported 17 PSOs with 26 new projects worth \$1.5m, compared to the previous year of supporting just 16 PSOs with 21 projects. At 30 June 2012, there were 18 projects underway.

Total commitments and disbursements are recorded in the database but the date of disbursement is not recorded, so large projects with long timescales distort the figures a little bit. Nevertheless, they give some indication of activity.

In the year to 30 June 2012, BEST-AC disbursed \$933,000 compared to disbursements of \$610,000 in the previous year. From its launch until 30 June 2012, BESTAC has committed \$6.7m and disbursed \$5.2m.

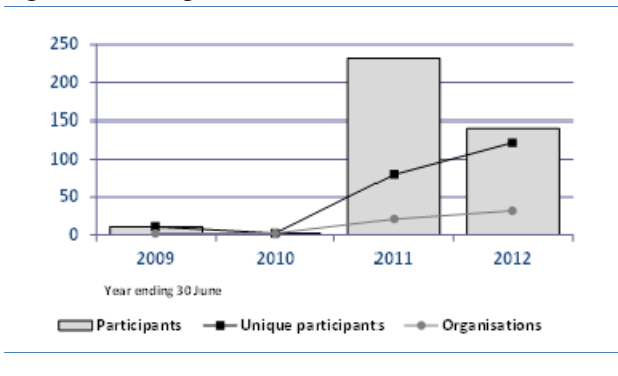
Figure 2: Disbursements



Disbursements continue to lag commitments by some way. At this point in the cycle, we would expect to see disbursements exceeding commitments as commitment from earlier years are fulfilled.

The level of training picked up in the year to 30 June 2011 to a level never seen before. It was not as high in the year to June 2012, though was still at a respectable level. Some 280 days of training was delivered to 141 participants (actually 122 different people, so 19 participated in more than one programme) from 32 different organisations.

Figure 3: Training & events



4. Capacity building of PSOs

4.1 PSOs have increased in capacity

The advocacy competence diagnostic assessment tool has four dimensions:

- Organisation development (OD), which gives an approximate measure of the resources available and the competence of the organisation to manage those resources;
- Relationships (REL), which gives an indication of the processes used by the organisation to develop and maintain relationships and dialogue and its success in so doing;
- Advocacy (ADV), a measure of outputs related to prioritisation of issues, research, preparation of policy papers, use of advocacy techniques and approaches to influencing; and
- Results, or outcomes (RES), which shows the extent to which the organisation has been successful.

We have diagnostic tool information for four or more years for 11 PSOs. Of these, 9 have improved on at least two of the 8 indicators and the average is improvement in 3.6:

- 36 per cent improved in financial organisational development breadth in the last three years.
- 64 per cent improved in non-financial organisational development depth.
- 73 per cent improved in breadth of relationships and 55 per cent improved in depth of relationships.
- 27 per cent improved in breadth of advocacy competence and 36 per cent improved in depth of advocacy competence.
- 36 per cent improved in breadth of results and 64 per cent improved in depth of results

4.2 The quality of PSOs' research has fallen back

The quality of the research reports improved steadily from 2007/8 to 2011/12 but has since fallen back. The average total score was 8.5 in 2007/8, 8.7 in 2009/10, 10.4 in 2010/11 but 6.2 in 2011/2012. Our analysis suggested that our quality dimension fairness was reasonably consistent, but meaningfulness and usefulness have fallen.

4.3 PSOs are building relationships with government

BEST-AC supported PSOs are generally seen more positively by government. Most are judged at a relatively high level. BEST-AC started asking MDAs about PSOs in 2009, but does not seek views on every PSO every year. It has gathered feedback on xx PSOs in 2010 to 2012. Looking at performance over the two years:

- xx PSOs are judged to have improved in efforts to communicate.
- xx PSOs are judged to have improved in influencing ability.
- xx PSOs are judged to have improved in advocacy competence.
- xx PSOs are judged to have improved in results.

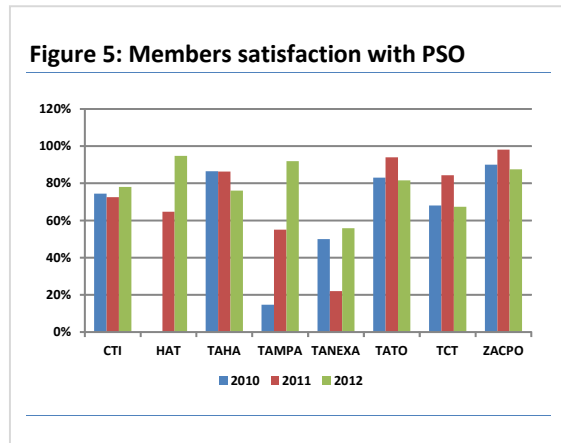
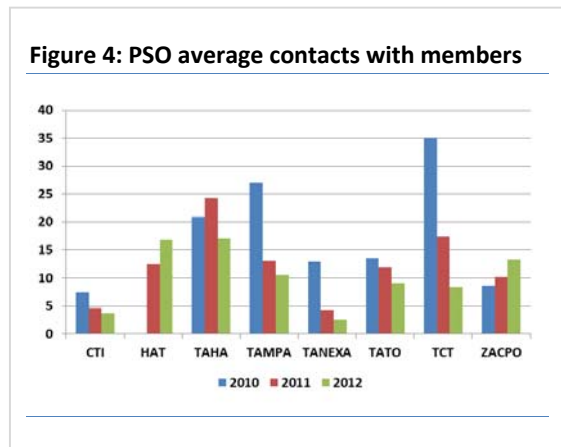
Our case studies suggest PSOs generally have highly positive relationships with government. TCT has a formal relationship with government which embodies dialogue at the highest level. The style of working in tourism and also in agriculture goes beyond consultation to embody a collegiate relationship. TAMPA and the Dairy Board have produced consistent and mutually reinforcing policy papers on simplifying regulation.

4.4 PSO have good relationships with members

BEST-AC has funded training and mentoring on membership strategies. The detailed interviews from the LIA show that relationships with members are generally extremely strong, although performance over the last year has been mixed.

Please can you insert a chart from the LIA showing the % of respondents by PSO who are satisfied or very satisfied with the case study PSO. Guessing from the charts, without the actual figures, it seems that members are more satisfied for four PSOs and less satisfied for four. I would like to have a figure for % of respondents across the case studies that are satisfied or very satisfied.

ONLY QUERY IS WHETHER WE SHOULD BE NAMING PSOs GIVEN THAT WE SAID THAT WE WOULD KEEP DATA CONFIDENTIAL. AT VERY LEAST PROBABLY NEED TO ASK IF THEY ARE HAPPY FOR US TO PUBLISH THIS DATA.



4.5 Business associations are becoming more influential

The changes that we have observed in the last year are:

- PSOs are involving government earlier in the advocacy process. For example, CTI responded to the poor quality of its consultant’s research report by involving government officials in the redrafting process.

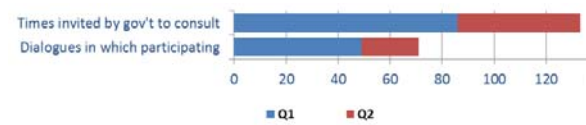
“If we involve the government from the beginning then the chance of success is very high. They buy into what you want to change. That is our style now. We want to engage the public sector from the beginning. Otherwise the government does not trust the reports. They think we put a lot of flavours into our reports.” CTI

- PSOs are carrying out tasks that support the government in implementing the proposed advocacy project. For example, TAMFI is helping to draft legislation.
- PSOs are engaging more positively and proactively with the media. BEST-AC is funding media campaigns intended to change public opinion as well as influence government officials.
- PSOs are researching experiences in other EAC countries and developing arguments about Tanzania’s ability to compete.

5. Outcomes at the project level

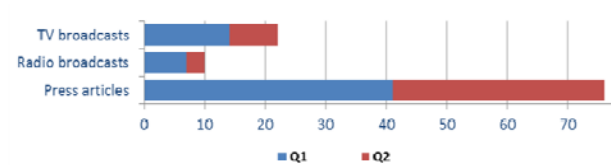
5.1 PSOs are on the cusp of making breakthroughs

Figure 6: Dialogue & consultation



Supported PSOs were invited by the Government to consult on almost 130 occasions in the first two quarters of the year and participated in more than 50 dialogues.

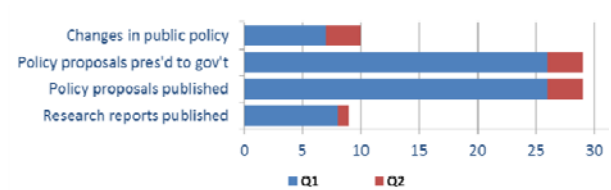
Figure 7: Media coverage



PSOs have been recording and reporting their media coverage. In the first two quarters they secured more than 75 articles in the press, more than 20 TV broadcasts and 10 radio broadcasts.

BEST-AC is aiming both to encourage PSOs to record their coverage more accurately and also now commissions a quality audit.

Figure 8: Advocacy outputs & outcomes



The activities of PSOs have resulted in almost 30 proposals submitted to government in the first two quarters and 10 changes in public policy.

The quarterly reports show a high level of activity in terms of dialogue and results. A number of the funded PSOs seem on the cusp of making breakthroughs in terms of implementation.

5.2 Case study PSOs have all made progress

This is the progress in the last year from the seven case study PSOs:

- ACT started two more projects, one on produce cess and one on agricultural inputs. The second of these has already produced its research report. ACT also received support from BEST-AC to strengthen its membership work and has attended UDEC's training on the subject. BEST-AC is funding media and communications work around the two new projects, which has built skills in the organisation.

"We used to write articles, send them to the media and nobody would pick them. Now we are all considering the news angles, and our work is getting out more."

- CTI produced a report on simplifying regulations in the food processing industry. CTI was successful in bringing together the broad range of stakeholders to comment on the report. CTI also finished a review of the law and regulation around counterfeit and held a stakeholders workshop. The electricity project was closed with BEST-AC in June 2012 because all objectives were judged to have

been achieved. TANESCO has not been split as CTI recommended, however, in his August 2012 speech the President announced that TANESCO will be privatised and split “once it becomes a viable concern”. CTI worked with other PSOs to reduce congestion at the port and is on the Port Decongestion Committee. The proposals to handle containers at the port were implemented this year. In July 2012 the Port Authority inaugurated a building in which ten regulation authorities can carry out joint inspections. The plan is that this should over time include twenty regulation authorities. According to CTI members the average transition delay has been reduced from 21 days to nine days. CTI has used the BEST-AC projects to increase its status, including strengthening its relationship with the President.

“This is the first time we have managed to bring together the producers and the regulatory authorities. There is some acceptance that there are too many regulatory authorities and that they should be harmonized.”

- TATA carried out further studies on tourism and safety and has already achieved some success on the ground. The Inspector General of Police appointed an Assistant Commissioner of Police for tourism to review approaches in other countries and head up the new division when it is established. The first stage, working in tourism towns, will involve visits to hotels and advice on their security, as well as organising a hotline to report any incidents. The plan is that eventually this will lead to forming a tourism police that will patrol the streets and so reduce the fear of crime.
- TANEXA produced a report on food export permits and convened a stakeholder workshop where the Permanent Secretary Ministry of Agriculture & Food Security made the opening speech. BEST-AC provided additional institutional support for TANEXA to create a five-year strategic plan, which has been drafted but requires substantial revision. The institutional support from BEST-AC has resulted in TANEXA developing a website, which will hopefully start the process of strengthening membership.
- TAMPA has continued to advocate to simplify regulations for the dairy industry, for example, through making presentations to Parliamentary Committees. Progress has been mixed. On the negative side, the government has reduced its funding to regulatory agencies, which is the opposite of TAMPA’s proposals as it increases the pressure to raise fees. The Dairy Board has had its government funding for 2012-2013 halved. On the positive side, the dairy inspection regulation has been revised. From August inspectors will be appointed by local government rather than the Board and the same inspectors will report to the Board and the TFDA. In 2011 TAMPA started another project to advocate for a zero-VAT rating on milk products which it believes is essential to compete with neighbouring countries in the EAC. BEST-AC has supported TAMPA to attend training on communications. Before this training TAMPA had never produced a press release or held a press conference.
- TCT published its Tourism Marketing Strategy jointly with the Tanzania Tourism Board. In July 2012 TCT had a very positive meeting with the Minister for Tourism to ask him to adopt the strategic plan as a government document. Some of the funding for the strategy is expected to come from a Tourism and Development Fund, fed by a levy of one dollar a day from each tourist. The marketing strategic plan provides a positive vision for the tourism industry in which other projects, such as streamlining regulations, can be placed. The argument, which many PSOs make, that deregulation will support growth and so increase long term taxation, is implicit in the logic of the plan. Indeed the plan makes such growth more tangible. The holistic nature of the strategic plan underlines the importance of the advocacy project. The strategic approach also communicates TCT’s non-partisan approach, so avoiding a common criticism of PSOs about pursuing narrow interests.

“For the first time the public sector allowed us to take the initiative, and then we moved through the process jointly.”

- ZACPO has not received further funding from BEST-AC and has not presented its report to government. However, a review of the Zanzibar State Trading Corporation did take place. This

recommended: introducing and regularly adjusting a ‘satisfying and competitive’ price for cloves, developing and implementing anti-smuggling policies, shifting the focus from high volume low margin to high quality, value added products, producing a development strategy for the sector, reducing the staffing of the agency and increasing its skill level, and introducing mechanized equipment, automation, and other efficiency/cost cutting technologies to increase efficiency. These proposals have been broadly accepted by government and are in the process of being implemented.

6. Impact on the business enabling environment

Development partners encourage governments to improve the enabling environment and, particularly, the regulatory framework for business on the basis that this will lead to increased growth in economic activity – and thus enhanced wealth generation, job creation and poverty alleviation.¹ The argument is reinforced in Doing Business 2008 in which the World Bank stresses the boom in new businesses that can follow regulatory reform.²

Evaluating impact is challenging because economic impact is lagged, both in the sense that it takes time for impacts to work through the system and also in the sense that it takes time for economic data for a specific time period to be available. Furthermore, economic impact is multi-causal and difficult to attribute. Because of the problems using government statistics, the LIA has carried out extensive survey work of businesses to see whether there is an impact on the business enabling environment in our case study sectors.

Our evaluation of BEST-AC needs to be aware of other programmes and effects that could also affect the business environment. These include the introduction of the common market protocol on 1 July 2010 and the work going on, mainly within government, to develop and implement a road map intended to raise Tanzania’s Doing Business rank.

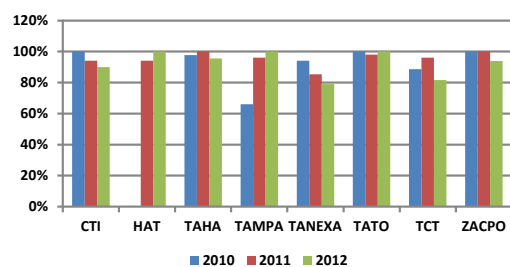
This year’s data leads to the following conclusions:

6.1 The advocacy issues selected by PSOs are strategically important to their business sectors

We interviewed 376 businesses who are members of the case study PSOs. Almost all said that their PSO’s advocacy issue was important or very important to them.

PLEASE CAN YOU INSERT A CHART FROM THE LIA SHOWING THE % OF RESPONDENTS WHO SAY THE ADVOCACY ISSUE IS IMPORTANT OR VERY IMPORTANT. AND GIVE ME THE EXACT FIGURES FOR EACH PSO AND AN AVERAGE ACROSS THE CASE STUDIES.

Figure 9: PSO perception of issue importance



6.2 Investment increased in agriculture

The trends of last year were reversed. After increases in investment last year, 2012 seems to have seen a fall for manufacturing, exporting and tourism:

1 WORLD BANK (2004) Doing Business in 2005: removing obstacles to growth.

2 WORLD BANK (2007) Doing Business 2008.

- We interviewed 50 businesses who are members of CTI. Average investment was TZS197m compared to TZS120m in 2011 and TZS2m in 2010.
- We interviewed 50 businesses who are members of TATO. Average investment increased from TZS 109m in 2010 to TZS 130m, but then seems to have fallen back to an average of TZS16m.
- We interviewed 43 businesses who are members of TANEXA. Average investment increased substantially from TZS 11m in 2010 to TZS 69m in 2011, but TZS 56m in 2012.
- We interviewed 49 businesses who are members of TCT. Average investment increased from TZS 66m in 2010 to TZS 94m in 2011, but then fell to TZS 85m in 2011.

In agriculture investment increased after previous falls:

- We interviewed 48 businesses who are members of TAHA, for our ACT case study. Average investment decreased from TZS 52m in 2010 to TZS 28m in 2011 and then increased TZS 67m in 2012.
- We interviewed 48 businesses who are members of TAMPA. Average investment decreased from TZS 223m in 2010 to TZS 48m in 2011 and then increased to TZS81m in 2012.
- We interviewed 49 ZACPO members. Average investment decreased from TZS 1.2m in 2010 to TZS 1m in 2011 and then increased to TZS1.7m in 2012.

6.3 Power and corruption discourage investment

In 2008, BEST-AC (with the Business Advocacy Fund in Kenya) piloted a Business Leaders' Perception survey as an informal method to explore whether businesses think that the enabling environment has improved.

In the 2012 Business Leaders' Perception Survey, the only factor that made doing business very difficult was power. However, several factors contributed to making business difficult, of which the worst were corruption, level of taxation, administration of taxation and access to finance. The factors most likely to deter investment were power and corruption.

7. Lessons

This year we looked particularly at how advocacy issues are framed. Two years into the LIA we can see that the PSOs differ in their framing of their advocacy issues and their approaches. The question is: are some approaches better than others (good practice view) or more suited to specific contexts (contingency view)?

A subsequent practical question is: how can BEST-AC help PSOs be more effective through helping them to consider the ways in which advocacy objectives are framed? We are aware that advocacy projects (e.g. TAMPA) were narrowed by BEST-AC for reasons that were not necessarily associated with effectiveness.

7.1 How should advocacy issues be framed?

There are three ways in which the framing of advocacy issues can be conceptualised:

7.1.1 Where in the logic chain is the issue?

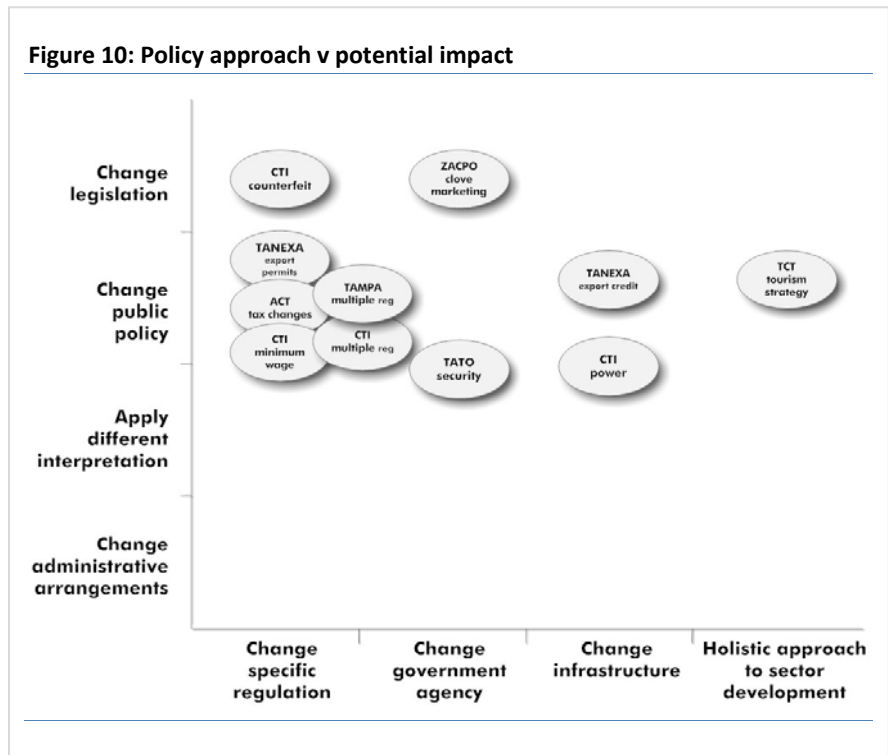
The approach of TCT, which is developing a marketing strategy for the tourism sector, is clearly different from that of TAMPA, which is arguing that milk should be zero-rated for VAT.

We can conceptualise PSO objectives as being higher or lower in a logic chain that progresses from a desire for a small change in a regulation or a tax, through a desire to change a government or regulatory agency (to do more or to do less) and a change infrastructure to a desire to take an approach intended to develop a complete sector.

Perhaps we should think about where projects start their argument rather than where they are positioned. TCT is using its marketing plan as a framework for lower level arguments about the need to change regulation (a top down argument). TAMPA uses its data on the milk industry to argue that short-term tax income should be traded for greater long-term tax income if streamlining of regulation assists the sector to grow (a bottom up argument).

The top down approach might be expected to have these advantages:

- It gives the PSO status from operating at a strategic level.
- It draws attention to the PSO's vision and foresight.
- It implies a united sector rather than a set of individual interests.
- It can give the impression of the PSO as non-partisan and not solely self-interested.
- It provides a framework within which a number of advocacy projects can be set.
- It links advocacy objectives and so can create synergy.
- It builds consensus over principles (the ends) from which the lower level tasks follow: partners buy into the long term end, growth, before being asked for some of the short terms means, simplifying regulations and improving the environment. It lays the foundation for a partnership approach rather than an adversarial approach, which then gives strong government ownership.
- It positions the private sector as helping the public sector through offering insights, skills and capacity.
- It avoids the impression or position that PSO projects are in competition with each other.



The bottom up approach might be expected to have these advantages:

- It is rooted in PSO knowledge.
- It is less abstract and can be more easily seen in terms of action on the ground.
- It describes issues in terms that are probably more consistent with the language used by business members.
- Potentially results can be achieved more quickly.

Ideal positioning along the logic chain depends on the skills and capacity of the PSO: PSOs need to be able to deliver on the promises implicit in their positioning. What is important is that PSOs understand the difference between means and ends, and have a clear and agreed **direction**.

7.1.2 Where in the policy chain is the solution?

There is a corresponding policy chain for the public sector, which progresses from making a simple administrative change in the way that regulation is administered (e.g. speeding up the repayment of VAT), through changing the interpretation of existing legislation, changing public policy and changing or introducing legislation.

An issue such as reducing counterfeit could be tackled at different levels: for example through changing legislation, creating a new structure, or even through changing the behaviour of businesses without a requirement for government to do anything other than enforce the existing law.

Starting higher up the policy chain might be expected to have these advantages:

- Greater reach: changes can affect a wide geographical area.
- Greater sustainability: changes are more difficult to reverse.
- Greater force: non-compliance can be more easily pursued.
- More centralised contact points: PSOs can work nationally rather than locally.

Starting lower down the policy chain might be expected to have these advantages:

- Lower visibility. PSOs can go around vested interests rather than hit them head on.
- Lower lead in time. The timetable for change is less structured.
- Greater control. Starting lower down the advocacy spectrum empowers PSOs by emphasising the ways in which their members' behaviour can support (or undermine) the advocacy project.
- Engagement with implementation. New legislation will not solve a problem if the implementation is weak or contrary. A lower level advocacy approach starts sooner in looking at the essential issue of how policy works on the ground.

Perhaps the issue for PSOs is not whether the solution is framed at the appropriate level but whether they have given themselves choices so that they have flexibility in how they advocate. We observe that BEST-AC's PSOs often assume that changes to legislation are needed, when it would be easier to work within existing legislation or to support practice. Lower level advocacy approaches are simpler and therefore could be considered more.

Ideal positioning along the policy chain depends on the context and opportunities that arise and these typically change over time. What is important is that PSOs give themselves sufficient flexibility so that they can keep up **momentum**.

7.1.3 Whose issue is it?

PSOs differ in the depth of relationships they seek and build with government. The formal activities that structure relationships vary from: meetings, to workshops, retreats, regular dialogues and PPA. The timing of contact can be at the stage of identifying the issues, carrying out research, formulating policy, implementation, or monitoring progress

This issue would appear to be simpler than the preceding three: a stronger relationship might be assumed to be inevitably better since this gives joint ownership. While this is generally true there are two provisos: PSOs should avoid tying themselves to or relying on government agencies that are weak. Secondly, PSOs need to be able to **'close the deal'**, to translate general agreement into a decision

through creating urgency or some kind of ‘crisis’. One of the preconditions for this might be that PSOs have some level of independence.

7.2 Why have PSOs succeeded?

CTI is particularly good at ‘closing the deal’. It has used BEST-AC’s support to enhance its status, and has been able to negotiate some kind of a resolution on big issues like electricity. Over time it has developed techniques (e.g. retreats) to build ownership from the public sector. CTI might be assumed to be a challenging PSO to run: its members are large, powerful and vociferous. CTI has used the positive side of these challenges, members’ connections and resources, to create crises or decision points.

TAHA would seem to be particularly good at maintaining momentum. It tends to work lower down the policy chain and has been successful in introducing systems on the ground. TAHA is relatively specialist and its membership is relatively homogenous. TAHA has punched above its weight in part because of its knowledge, and in part because of the skills and autonomy of the executive director.

TCT’s tourism marketing plan gives it an exceptionally positive strategic landscape in which to set advocacy projects. It would seem to be particularly good at thinking strategically and setting direction. It is helped in this by its apex structure and by the linked interests of its members.

PSOs differ not just in their framing of advocacy projects, but also in their own structure:

- Number of members.
- Size of members.
- Homogeneity of members.
- Vociferousness of members.

This analysis would suggest a contingency model of project framing: that successful PSOs are those that **build on their strengths**, framing projects in a way that is compatible with their structure and capacity.

7.3 Good practice and contingencies

There are some general principles:

- PSOs should have a clear direction. They should frame projects in a way that distinguishes between means and ends and defines success precisely.
- PSOs should be able to maintain momentum. They should frame policy proposals in a way that increases rather than decreases choice, and starts from approaches that are simpler to introduce rather than assuming that new or amended legislation is needed.
- PSOs should be able to bring the advocacy project to a successful conclusion. They should maintain some independence and have, and use approaches, that can create a crisis or decision point.