

Business Environment Strengthening for
Tanzania - Advocacy Component

BEST-AC Case Studies

2008

List of Studies

CHAWATA
TAFFA
TCCIA Iringa
TCCIA Arusha
ZNCCIA
TCT
TAOA



CHAWATA

- advocating for access and recognition

Key facts about the project

Title: Improving access to government buildings providing services to businesses and changing the staff's attitudes to people with disabilities (PWD) (phase I)

Influencing policy makers on the National Building Control Act towards people with disabilities (phase II)

Project objective: Improved business environment, including improved PWD access to relevant authorities, resulting in increase in turnover and increase in number of PWD operators

Advocacy stage: Understand issues >> Develop responses >> Influence policy makers

Area of intervention: Nation-wide with part of the projects emphasising on authorities located in Dar es Salaam (Kinondoni, Ilala and Temeke)

Target authority(-ies): Bunge (Parliament), Ministry of Infrastructure Development, Ministry of Health and Social Welfare, and government agencies providing services to businesses, including BRELA, TRA, FDA, TIC, and Crop Boards

Sector: Crosscutting - Micro-sized and small businesses run by people with disabilities

Project period: June 2007 - ongoing

Project budget: USD 38,555 (first phase) + USD 17,600 (second phase) = USD 56,155

Key facts about CHAWATA

No. of members/paid-up members: 10,000/3,000

Structure: National with headquarters in Dar es Salaam

Staff/professional staff (full-time equivalent): 5/1

Total annual income: TZS 94m

Sources of income/share of total: Membership fees (2%); donors and projects (98%)

1. Introduction

The purpose of the BEST-Advocacy Component is *to sustainably enhance the quality and effectiveness of Tanzanian private sector advocacy for an improved investment climate*. BEST-AC started operations in November 2004. Since December 2005, BEST-AC has been assisting private sector organisations (PSOs) to develop their advocacy capacity, and supporting them to develop and implement advocacy initiatives. To date BEST-AC has supported 25 PSOs through 37 grants as well as training and technical assistance.

The current phase of BEST-AC is due to finish at the end of June 2008. To provide input to the review of the first phase it has been decided to launch a number of evaluation case studies. The objective of the case studies is to develop learning from the programme and to provide detailed understanding of the progress (intermediate as well as final) of individual projects. In addition, the evaluation case studies may also be used as the basis for case studies and exercises in advocacy training to be delivered in the next phase of BEST-AC (2008-2013).

A total of seven projects has been selected for the case studies, including the advocacy project implemented by Chama cha Walelavu Tanzania (CHAWATA, Tanzania Association of the Disabled). The seven case studies have been selected systematically with a view to cover a variety of sectors, different types of private sector organisations (apex, national, and regional), different stages of the advocacy process (from initial identification of issues to influencing and follow-up) and a mixture of ongoing and completed projects.

The evaluation of the advocacy projects implemented by CHAWATA, a national PSO, takes place halfway through project implementation. A comprehensive assessment has been carried out to understand the issues, and CHAWATA is now in the process of developing responses to be used for the influencing and follow-up phase.

The project has been successful to date, in the sense that the study has covered a lot of ground and enabled CHAWATA to prioritise its actions. The next stages of the projects will show to what extent CHAWATA will be able to convert this into tangible achievements.

It is estimated by CHAWATA that there are at least 3.5m people with disability in Tanzania of whom about 10,000 run their own businesses - arguably with the potential for many more if the business environment and the general acceptance of PWD can be improved. Most of the PWD businesses are run by men, at least in the Dar es Salaam area, and they are typically small businesses with a turnover of less than TZS 3m per year.

The evaluation case study has been prepared by COWI A/S in close cooperation with BEST-AC and CHAWATA. The methodology is briefly described in section 2 below. Section 3 introduces the advocacy project. Section 4 assesses the impact created by the project so far with respect to the business environment while section 5 considers achievements with respect to CHAWATA's capacity to do advocacy. Section 6 assesses the interface between CHAWATA and BEST-AC. Finally, section 7 presents an overall assessment of the project.

2. Methodology

The evaluation of the CHAWATA project is based on study of a number of documents listed at the end of this paper and interviews with key stakeholders.

The interview with CHAWATA included the Chairperson and Secretary General. To validate information and include perspectives of other stakeholders, interviews were also carried out with the consultants employed by CHAWATA. Given that the project was yet to enter the influencing phase, no interviews were carried out with target authorities.

Finally, interviews have been carried out with the relevant BEST-AC officers and the BEST-AC files on CHAWATA have also been examined.

3. The Advocacy Project

The Issue

The CHAWATA advocacy project focuses on physical access and attitudes towards business people with disabilities (PWD).

PWD face several difficulties in running their businesses and in particular accessing Government services is more difficult for two main reasons: First of all, many of the buildings housing Government agencies and ministries (even the most modern ones) are physically difficult for PWD to access because of lack of wheelchair access, narrow entrances, lack of assistance for the blind etc. Secondly, it is claimed that many Government staff have negative attitudes to PWD and do not always take them seriously in their role as businessmen.

In CHAWATA's own assessment both issues reflect a deeper-lying problem of limited political will to accommodate the needs of the PWD in general and a general lack of awareness and understanding in the population of the rights and abilities of PWD. However, recent developments, such as the inauguration of the new Parliament building in Dodoma which is accessible to PWD, create hope for the future.

The twofold objectives of the project are to persuade Government to improve the physical accessibility of relevant Government buildings for PWD and to persuade Government to take steps to encourage a change in the attitude of its staff towards PWD.

The conditions of PWD in business have been followed closely by CHAWATA for more than five years - and the decision to focus the advocacy project on this issue was taken by the CHAWATA Executive Committee in close collaboration with BEST-AC. Initially, CHAWATA had approached BEST-AC concerning a different matter not eligible for BEST-AC funding (subsidised loans for PWD), but through consultations with BEST-AC it was agreed that the issue of accessibility was highly relevant to CHAWATA's members and fitted well with the objective of BEST-AC. It is clear that BEST-AC has played a very active and constructive role in this regard.

The project takes place at a critical point of time with the Government currently redrafting the proposed National Building Control Bill. This presents a window of opportunity for CHAWATA to put forward sound and convincing arguments for inclusion in the bill of provisions for PWD access. It is expected, although far from certain, that the window will close in three or four months' time and it is therefore critical that CHAWATA acts quickly and effectively.

Approach

To address the issues, the following approach was developed by CHAWATA in close collaboration with BEST-AC:

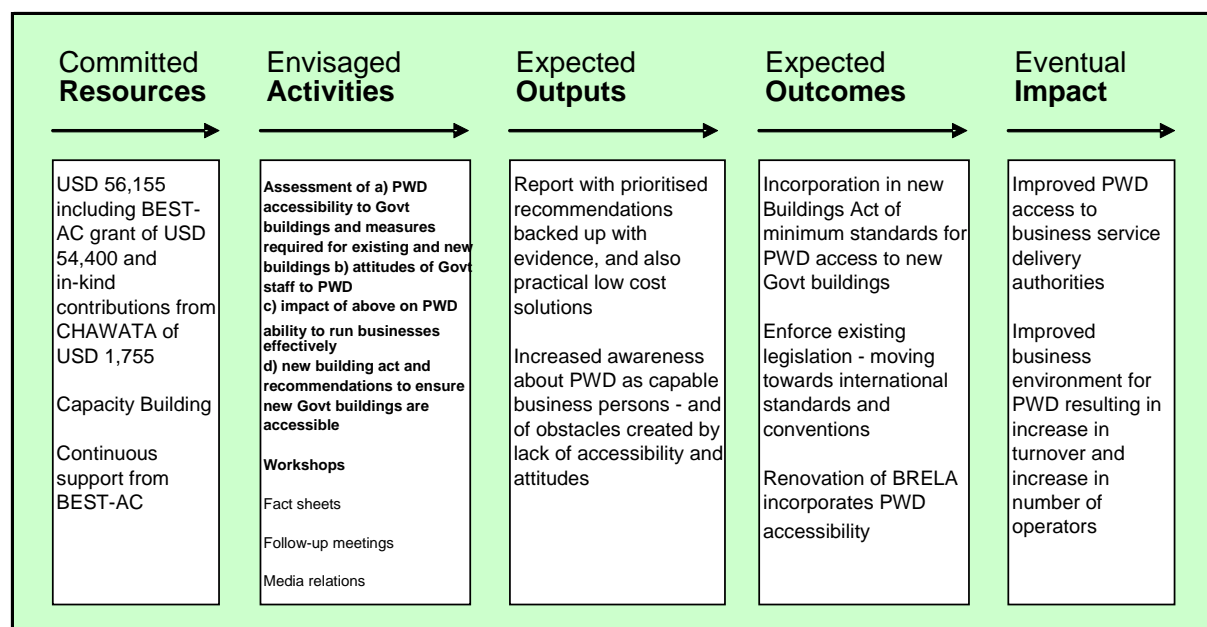
- **Assessment:** The foundation for the entire project is to be established through a comprehensive assessment covering:
 - PWD access to (a sample of) Government buildings of relevance to businesses people, and use the assessment to make detailed but practical and affordable recommendations to Government as to the required improvements to existing buildings which would increase PWD access;

- Attitudes of Government officials to PWD and use the assessment to make recommendations to Government regarding how to improve the attitudes of its staff towards PWD; and
- A review of the draft National Buildings Control Bill with a view to recommend changes which would ensure that all new public buildings are made accessible to PWD.
- **Internal Workshop** to prioritise recommendations produced by the assessment and agree on a way forward; and
- **Influencing** through development of fact sheets, a series of external workshops with government authorities, bilateral meetings with top government officials, and use of media relations. The ongoing renovation of the BRELA offices will further serve as a demonstration of what can be done, at a small proportion of the overall cost, in the renovation of a building which will house a Government agency which is important to business people.

According to CHAWATA the underlying strategy is to provide evidence and create a sense of common interest among government authorities and CHAWATA members. Besides, the project makes explicit reference to UN standards and conventions which Tanzania has signed up to as the yardstick by which conditions in Tanzania should be assessed. The project relies heavily on consultancy inputs, which in the budget corresponds to USD 33,000 out of a total grant of USD 37,400.

The logic of the intervention is presented in the model below. The model is presented to give a short visual account of the project and clarify assumptions. The logic model has been developed based on information obtained from project documents and interviews with BEST-AC and CHAWATA.

Logic Model for the CHAWATA Project



Note: Activities already implemented or under implementation in bold

The following assumptions, underlying the approach, can be identified:

- Government authorities responsible for preparation of the National Building Control Bill are accessible and open to arguments on the needs for securing PWD access;
- There is some interest and willingness among government business service providers to engage in awareness raising activities aimed at promoting the rights and abilities of PWD in businesses;
- There is general political will, and funds, to ensure that existing and future buildings are made PWD accessible; and
- Improved access and attitudes will facilitate an increase in the number of businesses established and sustained by PWD.

Status of implementation

The project is currently under implementation. The activities already implemented - or under implementation - are highlighted in bold in the logic model above. As can be seen the activities to date mainly relate to the preparation of the assessment report. This has been followed by the internal prioritisation workshop held on 16 January 2008. At the time of the evaluation (late April/ early May 2008) CHAWATA was in the process of preparing facts sheets to be used as responses during the influencing phase.

The involvement of government stakeholders has to date been limited to those interviewed during the assessment and a number of contacts with key ministries and Parliament to prepare the ground for the actual influencing activities - the workshops and high-level bilateral meetings. CHAWATA also plans to use media relations in support of the influencing strategy.

Close to 100 per cent of disbursements from BEST-AC to CHAWATA had been made at the time of the evaluation.

Key Stakeholders

The target authorities for the advocacy project are, with respect to the National Building Control Bill, the Bunge (Parliament), Ministry of Infrastructure Development, Ministry of Health and Social Welfare, and a number of construction-related authorities; viz.: the National Construction Council (NCC), The Architects and Quantity Surveyors Registration Board, and the Contractors Registration Board (CRB).

In terms of the assessment of accessibility, a number of government agencies providing business-related services were assessed, including the Business Registration and Licensing Agency (BRELA), the regional offices in Dar es Salaam of the Tanzania Revenue Authority (TRA), and the Kariakoo Market Ltd. The assessment of government attitudes to PWD covered, in addition to the above-mentioned, the Tanzania Drug and Food Administration (TDFA) and the Tanzania Investment Centre (TIC).

In the future other government agencies providing business-related services could be affected by the project including Crop Boards.

Finally, it is foreseen to use the media actively in the projects to raise general awareness and interest in these issues, which, it is hoped, will help create demand for the improvements CHAWATA is seeking.

4. Achievements - Business Environment

The Research Report

The aim of the research report was to analyse accessibility of business services offered by the Government to PWD and to assess Government staff attitudes towards PWD engaged in business.

Based on interviews with BEST-AC and CHAWATA it is clear that BEST-AC played a key role in assisting CHAWATA to identify the consultants for the study - by drawing on their contacts and putting forward suggestions for qualified consultants. It turned out that the skills required for the work could not be identified in one person or consultancy company and therefore the final team was composed of three different individuals, on three separate contracts: A senior expert on attitudes and a senior expert on accessibility and an expert on occupational safety and health. Of these, two were recommended by CHAWATA and one by BEST-AC. BEST-AC has accordingly been quite involved in the procurement process but this seems justified given the relatively low capacity of CHAWATA to identify and handle three different consultants - all with very different backgrounds.

In the consultants' assessment TOR could have been more specific, but they also indicate that the process was managed in a flexible way allowing the consultant team to adjust its approach and scope - obviously in close dialogue with both CHAWATA and BEST-AC.

The report submitted was a very comprehensive product with a main report and six very detailed appendices with information on data collection instruments and detailed accessibility to BRELA, selected TRA offices, and Kariakoo Market Ltd. According to CHAWATA's assessment the consultants' report "disclosed a lot of things". CHAWATA also remarked that the report gave "more data than we hoped for" including a clear documentation of the "very poor access situation". According to CHAWATA, the report provided evidence to show that the "state of accessibility for PWD was worse than expected".

The general assessment is that the report is of high quality and provides a solid basis for the rest of the project. Both the 'attitudes' and the 'accessibility' dimensions are covered in detail and a wide selection of stakeholders have been consulted. The report is well written and the assessment of attitudes includes a lot of revealing qualitative observations. Besides, the findings in the report are in many cases supported by photos. The quality of the report is expected to reflect positively on the credibility of CHAWATA. A summary assessment is provided in the table below:

Table - Assessment of CHAWATA Report (main report only)

Criteria	Assessment
Is the issue for which research is required clearly articulated?	Yes - clear dual focus on attitudes and accessibility
Does the design of the research programme suggest that the results will cover all aspects of the issue?	Yes - senior expert assigned to each area
Are the primary and secondary data collected or selected suitable evidence for the issue?	Yes - primary data collected for both areas and backed up by ample pictures
Are the data sources sufficiently reliable?	Yes - and a cross-section of authorities and business people have been consulted. A more systematic, quantitative presentation of the frequency of answers could have added more clout to the analysis
For primary data gathering, are there clear methodologies and methods?	Yes - interview guides have been developed and are complemented by focus groups discussions

Criteria	Assessment
Is the analysis complete?	Yes - very detailed. In addition the report touches on status and makes comprehensive recommendations on awareness-raising seminars
Are the conclusions logical and justified by the analysis of the data?	Yes - recommendations may, however, not all be feasible for implementation

Note: Criteria developed by Irwin-Grayson Associates. Appendices B-F are of a highly technical nature and have not been assessed.

Although the assessment was formally part of the "understanding" phase, the assessment also played some part in sensitising and thus influencing some of the government authorities. As pointed out by one of the consultants "we educated them [the authorities, red.] through the study".

For example, a TRA Mwenge official took a very active interest by requesting specific signage for PWD from one of the consultants. Another person at TRA Temeke asked the consultant for advice on how to arrange furniture etc. to accommodate PWD in the best possible way. Both stories indicate a basic interest, openness and willingness to accommodate PWD. As also pointed out by the consultant team, this basic willingness can easily be converted into immediate, low-cost tangible achievements - such as the rearrangement of furniture, signage etc. The issue becomes more difficult - and costly - when recommendations imply that buildings have to be reconstructed or renovated.

It is also worth noting that through the assessment CHAWATA gained new and useful information on the preparation of the National Building Control Bill.

In general, it is clear that the production of the report has contributed to raising CHAWATA's profile vis-à-vis the authorities. This indeed is a first and necessary step towards achieving tangible results.

Research Findings Submission Seminar

While the report puts (a lot of) facts in the hands of CHAWATA, there is a need for more focused and more direct messages for the influencing phase. For this reason, CHAWATA took the initiative to hold a seminar and invite key stakeholders to examine the report and come up with prioritisations for the influencing strategy.

The seminar was held on 16 January 2008 and involved representatives from CHAWATA, BEST-AC and the consultant team who produced the report. The 7.5 hour long seminar was consequently an internal exercise to strategise on the way forward. For example, the afternoon had a 1.5 hour session facilitated by the consultant to allow for "general discussion and priorities setting".

As a result eight specific areas were agreed upon. It is generally assessed by the stakeholders interviewed that the seminar was a success in as much as it allowed CHAWATA to deliberate on and focus its work in close collaboration with BEST-AC and the consultant team. Interviews with all three parties clearly suggest that CHAWATA has taken full ownership of the prioritised actions.

However, it could be argued that involving the (assessed) authorities at the seminar would have been useful to get their initial feedback to the findings and have the findings confirmed. Experience from other advocacy projects indicates that involvement of authorities is important even at the earliest stages of the projects and it is possible that a verification session with the authorities would have served to raise awareness even further and give CHAWATA important feedback on what is feasible in terms of the way forward.

A Young Businessman with Cerebral Palsy Plying the Streets of Dar es Salaam with Goods



Picture courtesy of CHAWATA

Towards Responses, Influencing and Follow-up

To translate the above research and prioritisation into tangible achievements, CHAWATA has planned, but is yet to fully implement, the following influencing strategy:

- Preparation of fact sheets for policy makers to highlight key recommendations. These were being developed at the time of the evaluation but have not been reviewed by the evaluation team;
- Engaging a lawyer to review the National Building Control Bill to make specific recommendations;
- Sensitisation workshop and bilateral meeting with key authorities, including the Permanent Secretary at the Ministry of Infrastructure Development. A number of preparatory meetings at lower level have already been organised to set the scene for the high-level sessions; and
- Engaging media to sensitise target authorities and inform and educate the public in general about the existing situation.

The decision to translate the very comprehensive assessment report into fact sheets reflects a good understanding of the difference between understanding the issue (through the research) and developing responses (the fact sheets).

The fact that CHAWATA has been able to organise preparatory meetings with authorities is an indication that there is some level of openness from the side of the Government. Meetings held so far include a December 2007 meeting with the National Construction Council to learn about the status of the Bill and to receive a copy of the draft. CHAWATA also managed to meet with representatives from Parliament in January 2008 to prepare a high-level May session where the Bill will be the main focus. Finally, CHAWATA has already met with, or are in the process of meeting, the Director of Planning from the Ministry of Infrastructure Development and representatives from the Ministry of Health and Social Welfare. Again these meetings are preparatory meetings for high-level reunions scheduled to take place in either May or June 2008.

Accordingly, CHAWATA has done a fair amount of legwork to prepare for the actual influencing phase. However, the project still has a long way to go in terms of achieving its objectives. Key challenges include:

- Recent changes in senior management at the Ministry of Infrastructure Development have delayed the process. At the time of the evaluation a new Minister was to be appointed;
- In addition to MID, the number of government target authorities involved is very diverse and it is no easy task to manage all of these at the same time;
- CHAWATA has no history of engaging with authorities such as NCC, the Architects and Quantity Surveyors Registration Board, and CRB. These bodies have allegedly not been exposed to PWD issues previously in any great measure but given their critical role in developing the National Building Control Bill, it is paramount that CHAWATA manages to establish a good rapport with each of these bodies; and
- In a country of limited resources and little public awareness about the plights of PWD, especially the more entrepreneurial ones, CHAWATA will need to be very effective in terms of creating support for its case - among the public in general and among the MPs in particular.

However, there are a number of changes in the context that suggest that the wind is starting to blow in CHAWATA's direction. As already pointed out, some of the authorities included in the assessment were in principle open to the idea of accommodating PWD. Moreover, the recently completed Parliament building in Dodoma, which is accessible to PWD, may serve as a role model. Similarly, the Regional Commissioner in Dar es Salaam has made recent statements in support of the needs of the PWD. It is CHAWATA's hope that such statements can serve to turn around the general mindset - albeit slowly.

5. Achievements - Advocacy Capacity and Relations

While support from BEST-AC to CHAWATA serves to support their specific advocacy project (as discussed in the section above), the wider purpose is to strengthen the overall competence and capacity of PSOs to plan and implement advocacy work - now and in the future. This includes capacity to engage in dialogue with key stakeholders and influence public policy processes.

CHAWATA, unlike most of the BEST-AC grantees, is not a typical private sector organisation. CHAWATA is first and foremost an association for disabled people and therefore deals with a broad range of issues, including social, cultural and human rights issues. This in turn also implies that CHAWATA is less familiar with business issues than the average private sector organisation. However, based on the evidence reviewed so far, there are indications that CHAWATA is gradually becoming a stronger advocacy organisation.

CWAWATA reports that the advocacy project has triggered a lot of interest and requests from its members. Moreover, CHAWATA has benefitted from the training delivered through BEST-AC: As pointed out by one representative from CHAWATA: "We learned to be smart and to prepare ourselves". CHAWATA also emphasises that the training served to emphasise the strategic role of partnerships as a vehicle for increasing clout and influence with the government. This lesson is being applied in the project where CHAWATA links up with UAWADA (Umoja wa Wafanyabiashara Walemavu Tanzania, Association of business persons with disability in Tanzania) and it also has links to similar organisations on Zanzibar.

CHAWATA has, even before the BEST-AC project, established contacts with a number of international bodies and organisations. These include the Swedish NGO SHIA (Solidarity Human Rights, Inclusion and Accessibility) and the Danish NGO MS Danish Association for International Cooperation. This in turn is both testimony to CHAWATA's networking skills and, to the extent that CHAWATA can maintain these contacts, a major asset for the future.

In BEST-AC's submission to the board for financing of the second phase it is argued that CHAWATA during the first phase demonstrated "satisfactory (and improving) financial management capacity. It is worth noting in this context that CHAWATA has been very appreciative of the financial management training offered by BEST-AC.

Valuable information on the overall capacity and competency of CHAWATA is also available from the diagnostic tool that is regularly deployed by BEST-AC. The tool, developed by David Irwin with Annabel Jackson, reflects the key aspects of advocacy competence and asks questions on organisation development, relationships, advocacy outputs and outcomes (two dimensions are examined for each).

For CHAWATA diagnostic tool assessments were carried out in July 2007 and in May 2008. It emerges clearly from both assessments that CHAWATA is in a relatively weak position financially. Improvements have, however, been made with respect to its ability to build and develop relationships, and, importantly, it appears that it is becoming better at delivering results. The depth of CHAWATA's advocacy tools has also improved, although only marginally.

6. Relation with the BEST Advocacy Component

CHAWATA became aware of BEST-AC through a newspaper advertisement in 2007. As mentioned, the initial CHAWATA contact to BEST-AC concerned a different issue, but through a long process of consultation with BEST-AC the current project was agreed.

In CHAWATA's assessment the application process was "not very difficult" which arguably is due to the fact that BEST-AC has been actively involved in the process from the very beginning. According to CHAWATA, BEST-AC did a good job in facilitating the process - including helping CHAWATA "in following the various steps of the advocacy process"

In the case of CHAWATA, it is thus clear that BEST-AC has taken a much more proactive role than they have done in most other projects. For example, the volume of man-hours dedicated by BEST-AC to this particular project arguably represents a sizable amount (no estimate available though). This, however, is arguably justified by the fact that CHAWATA is not a typical PSO and therefore in need of extra guidance on private sector advocacy. More generally, CHAWATA was a fairly weak PSO at the outset, which also justifies the approach taken by BEST-AC. Finally it is worth noting, as outlined in the above section, that there are indications that CHAWATA is gradually becoming stronger - and thus able to take on a more decisive role in the project.

CHAWATA depends quite heavily on contributions from external donors (refer to fact box at the top of the article) and it does not seem likely that the association would have been able to raise the funds through own sources. In terms of future funding needs, CHAWATA suggests that a longer-term facility is offered by BEST-AC - providing funding for a period of up to two years.

7. Overall Assessment and Lessons Learned

The project has achieved a lot through the collection of useful evidence which in turn has enabled CHAWATA to prioritise and focus its advocacy work. There are also clear indications that CHAWATA's participation in the project has helped to strengthen its general ability to plan and implement advocacy work.

It is yet too early to tell whether these initial achievements will ensure that the objectives of the projects will be achieved. As pointed out above, there are a number of challenges that must be tackled - it is, for example, still to be seen whether authorities will be open and responsive to the proposals made by CHAWATA.

Ultimately the aspiration is that the project will lead to increased turnover for selected businesses and increase in the number of registered businesses. It is clear that improved access to buildings providing services to businesses - and a more favourable attitude from government staffs in general - will contribute to these goals. At the same time, as readily pointed out by CHAWATA, this will be far from sufficient. There is first and foremost a need for a long-term strategy to stimulate entrepreneurship among the PWD.

References and resources

Project Proposal Phase I & II (summaries presented to the BEST-AC board)

Mboya, Dr Mary W., with Dark Gummich and Mr Juma, *Improving Access to Business Services Government Buildings and Changing Government Staff Attitudes Towards People with Disabilities*, research report for a study conducted for CHAWATA sponsored by BEST-AC

Tanzania Freight Forwarders Association

- advocacy in a heavily regulated sector

Key facts about the project

Title: Advocacy for conducive operating business environment and fair business practice in the clearing and forwarding industry

Project objective: Conducive operating environment in clearing and forwarding industry

Advocacy stage: Understand issues >> Develop responses >> Influence and follow-up

Area of intervention: National

Key Target authorities: Ministries responsible for Finance and for Communications and Transport, the Customs and Excise Department of the Tanzania Revenue Authority, the Surface Maritime Transport Regulatory Authority (SUMATRA), the Tanzania Ports Authority.

Sector: Freight and forwarding

Project period: 2006 (7 months' duration)

Project budget: TZS 123.6m

Key facts about TAFFA

No. of members/paid-up members: 468

Structure: National with headquarters in Dar es Salaam

Staff/professional staff (full-time equivalent): 1/1

Total annual income: TZS 19.6m (2004)

Sources of income/share of total: Membership subscriptions (78%); interests (8%); board processing fee (12%); sale of publications (5%) (2004)

Web: taffa.org

1. Introduction

The purpose of the BEST-Advocacy Component is *to sustainably enhance the quality and effectiveness of Tanzanian private sector advocacy for an improved investment climate*. BEST-AC started operations in November 2004. Since December 2005, BEST-AC has been assisting private sector organisations (PSOs) to develop their advocacy capacity, and supporting them to develop and implement advocacy initiatives. To date BEST-AC has supported 25 PSOs through 37 grants as well as training and technical assistance.

The current phase of BEST-AC is due to finish at the end of June 2008. To provide input to the review of the first phase, it has been decided to launch a number of evaluation case studies. The objective of the case studies is to develop learning from the programme and to provide detailed understanding of the progress (intermediate as well as final) of individual projects. In addition, the evaluation case studies may also be used as the basis for case studies and exercises in advocacy training to be delivered in the next phase of BEST-AC (2008-2013).

A total of seven projects has been selected for the case studies including the project implemented by the Tanzania Freight Forwarders Association (TAFFA). A complete list of case studies is available at the end of this paper.

The case studies have been selected systematically with a view to cover a variety of sectors, different types of private sector organisations (apex, national, and regional), different stages of the advocacy process (from initial identification of issues to influencing and follow-up), different grant types (normal versus emergency) and a mixture of ongoing and completed projects.

The project implemented by TAFFA, a national PSO, seeks to improve a number of issues related to the business environment of clearing and forwarding (C&F) agents. The C&F business in Tanzania handles 96 per cent of export and 80 per cent of transit trade. A significant amount of transit trade passes through Tanzania to land-locked countries such as Malawi, Rwanda, Zambia, the Democratic Republic of Congo, and Burundi.

The industry works closely with the Tanzania Revenue Authority (TRA): The Commissioner for Customs contracts the C&F operators to collect revenue on behalf of TRA. The sector generates more than half of the revenue collected by the TRA Customs Department and has a substantial employment potential. In 2006, Tanzania featured 468 clearing companies, mostly SMEs, employing a total of 8000 people.

The evaluation case study has been prepared by COWI A/S in close cooperation with BEST-AC and TAFFA. The methodology is briefly described in section 2 below. Section 3 introduces the advocacy project. Section 4 assesses the impact created by the project so far with respect to the business environment while section 5 considers achievements with respect to TAFFA's capacity to do advocacy. Section 6 assesses the interface between TAFFA and BEST-AC. Finally, section 7 presents an overall assessment of the project and lessons learned.

2. Methodology

The evaluation of the TAFFA project is based on a number of documents listed at the end of this paper and interviews with key stakeholders.

The interviews were based on two interview guides - one version tailored to the PSOs and another version customized to target authorities. The interviews for this case study included TAFFA board members (including vice-president and five councillors) and the Secretary General. To validate information and include perspectives of other stakeholders, an interview was also held with the Surface Maritime Transport Regulatory Authority (SUMATRA), one of the authorities targeted through the project. Finally, the BEST-AC project manager has also been interviewed and the files on TAFFA have been examined.

3. The Advocacy Project

The Issue

TAFFA's grant application identified a wide range of issues hampering the industry. No less than 20 specific obstacles were identified by the Association. Many of the issues were in some way related to what was perceived as unfair business practices and collection of fees without proper legal backing and/or justification. Some of the key issues identified by TAFFA include:

- TAFFA members were charged an annual agency fee of USD 500 (plus USD 100 VAT) levied by the Tanzania Port Authority (TPA). TAFFA was objecting to this on the grounds that their members were already licensed by the Customs Commissioner which in the opinion of TAFFA should give them access to all relevant areas including ports without having to pay any additional fees;
- Another issue that has caused TAFFA to approach BEST-AC is the lack of clauses in the Customer and Transfer Management Act prohibiting shipping lines from doing C&F business in addition to their core shipping functions. According to TAFFA this gives an unfair advantage to the shipping lines and creates a risk that revenue is foregone;
- TAFFA members were subject to multiple ID card requirements imposed by various authorities and it was felt that resources and time could be freed up by simplifying the regime and, for example, introducing a multi-purpose ID card; and
- Various other issues were also identified by the Association such as clearing charges and (double) insurance charges on containers already insured at origin; requirement for C&F operators to pay for storage charges as a result of delay beyond grace period; high container deposit fees; and unfair competition from large companies that were licensed by the Commissioner for Customs to do in-house C&F.

The many issues have been identified mainly through the Association's members, and in many cases consultations have been going on for months and in some cases even years. The request to abolish or at least reduce the annual agency fee levied by TPA has, for example, been pursued by TAFFA since 1992.

Approach

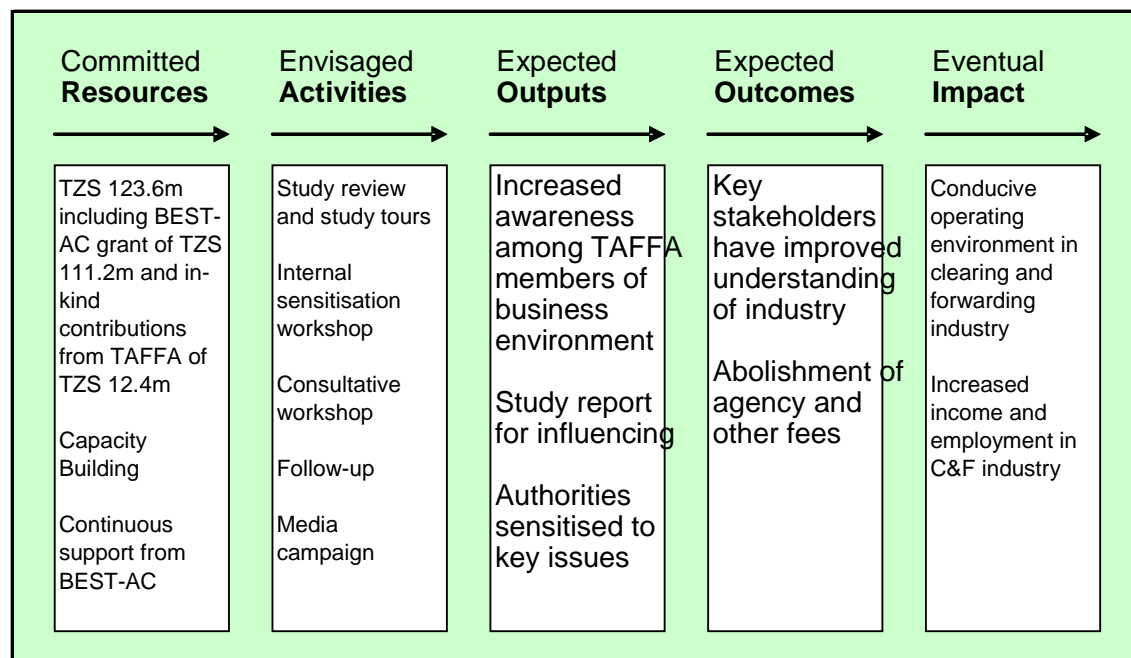
To address the above issues TAFFA developed the following approach in consultation with BEST-AC:

- Conduct review of the sector including legal framework, benchmarking with selected neighbouring countries, analysis of causes and effects of the various issues identified, and identification of entry points for the influencing phase;
- To collect data for the benchmarking exercise conduct study tour to selected countries (Kenya, Uganda, and Mauritius);
- Organise internal TAFFA workshop to discuss the findings of the review, enrich the report, create awareness among members and agree on the way forward;
- Meet with Commissioner of Customs to build alliances, organise stakeholders workshop and follow-up with target authorities to argue for changes in the business environment; and
- Educate the public in general and the target authorities in particular about the sector and its business environment through a media campaign. A clearing and forwarding fair was also proposed at the outset but was dropped in the course of the project implementation period. As pointed out by TAFFA "it was overtaken by events".

The project was implemented during 2006 with a view to improve the business environment of the operators. The logic of the intervention is presented in the model below. The model is presented to give a

short visual account of the project and clarify assumptions. The logic model has been developed based on information obtained from project documents and interviews with BEST-AC and TAFFA.

Logic Model for the TAFFA Project



The following assumptions, underlying the approach, can be identified:

- Consensus among TAFFA members can be achieved. Interests, challenges and incentives facing the members are assumed to be broadly similar;
- Lessons learned from the study tour can be applied to the context of Tanzania; and
- Authorities are open to engaging in dialogue with TAFFA members.

Key Stakeholders

Given the diversity of issues at stake, the authorities targeted by TAFFA through the project are quite diverse. They include the ministries responsible for finance and for communications and transport, the Customs and Excise Department of the Tanzania Revenue Authority, the Surface Maritime Transport Regulatory Authority (SUMATRA), and the TPA. TAFFA has also been dealing with the Tanzania International Container Services (TICS), and other private companies including COTECNA/TISCAN and warehouse owners.

International partners include the Federation of East African Freight Forwarding Associations (FEAFFA) and freight forwarding associations of neighbouring countries. TAFFA has also developed relations with USAID and the World Bank.

4. Achievements - Business Environment

The changes envisaged through the advocacy project relate to changes in the business environment as well as to the need for raising awareness among members.

Review Report - Understanding the Issue

To analyse the various issues at stake TAFFA engaged two consultants to carry out the study, a business consultant and a legal expert. Significant contributions to the report were also made by TAFFA members, who, for example, participated in the study trips to benchmark the sector.

As pointed out by TAFFA, the study trips added value to the report. For example, the trip to Mombasa subsequently inspired TAFFA to suggest new ways of interacting with the authorities such as a weekly meeting with the port authorities.

The report was released in May 2006 and provides a wealth of information on the sector in general, how it compares to some of its neighbours, and an assessment of the legal framework. The report appears to be based primarily on document reviews and inputs from the study trip. It is not clear from the methodology section of the report, whether national stakeholders, notably the authorities have been interviewed.

The report confirms many of the initial hypotheses identified by TAFFA in the project proposal. The credibility of the findings could arguably have been further strengthened if authorities had been systematically consulted. Moreover some of the conclusions are phrased in a very assertive way giving an impression that the report is more of a TAFFA policy paper than a review led by independent researchers. A summary assessment of the report is provided in the table below:

Table - Assessment of TAFFA Report

Criteria	Assessment
Is the issue for which research is required clearly articulated?	Partly - the issue is broadly defined as the C&F business environment
Does the design of the research programme suggest that the results will cover all aspects of the issue?	Partly - not clear to what extent views from authorities are taken on board by the researchers
Are the primary and secondary data collected or selected suitable evidence for the issue?	Partly - see comment above
Are the data sources sufficiently reliable?	Yes - document review
For primary data gathering, are there clear methodologies and methods?	Methodologies for study trip and document review not explicitly mentioned in the report
Is the analysis complete?	Partly - with the notable exception that information from government authorities is missing
Are the conclusions logical and justified by the analysis of the data?	Some of the conclusions appear to be biased towards TAFFA's point of view

Note: Criteria developed by Irwin-Grayson Associates.

To discuss the report's findings and bring the members together an internal workshop was organised by TAFFA. The internal workshop was also used for agreeing the way forward with respect to the advocacy project. It was confirmed unanimously by the members present at the internal workshop to organ-

ise a consultative workshop with a view to engage the authorities on the various issues identified in the review report.

The National Consultative Workshop

To bring the various issues raised in the report to the authorities' attention, the so-called consultative workshop was held in Dar es Salaam on 15 July 2006. The workshop was attended by 84 participants, including high-level representatives from the authorities such as the TRA Commissioner General, the SUMATRA Director General. The workshop was also attended by a large number of TAFFA members, the BEST Better Regulation Unit (BRU) and a number of media outlets (TV and print). The workshop also was also attended by a representative from USAID.

To document the achievements of the workshop, TAFFA has produced a report. The well-structured report presents for each of the issues the estimated impact on business, the institution identified by TAFFA as being responsible, and the action proposed by TAFFA.

As pointed out by the report, TAFFA succeeded in getting firm commitments on certain issues. For example, on the issue of numerous and expensive identification cards, the problem was acknowledged by the responsible authorities and an agreement was made that a multi-applicable card should be prepared. With respect to the alleged practice of shipping lines also operating as C&F agents, the stakeholders agreed to "move the Government to amend the relevant Act". The USD 500 fee charged by TPA was also discussed, and, as pointed out in the report, "the matter was noted by SUMATRA for further action".

With respect to the practice of shipping agents also operating as C&F agents, the stakeholders resolved at the workshop to "move the Government to amend the relevant Act" with a view to barring shipping lines and even C&F companies whose ownership is affiliated with shipping lines. The Government's position on this issue is not clear from the workshop report.

The workshop also served more generally to raise the profile of TAFFA vis-à-vis the authorities, its members (existing and potential) and the public at large. Several media reported about the workshop and TAFFA arguably gained credibility in the eyes of the authorities by being able to put forward and argue for a number of regulatory reforms that were backed up by evidence and legal analysis.

Influencing and Follow-Up

According to the above-mentioned workshop report, it was agreed at the workshop to let the TAFFA project coordinator follow up on all of the responses and commitments made at the workshop. Moreover, it was agreed to convene a meeting with the BRU of the BEST programme and a range of target authorities. It was also decided in parallel to use the media to create further awareness of (and thus demand for) the need for an improved business environment.

Although TAFFA started out with a very comprehensive range of issues, the Association did achieve very significant results in some of these areas, notably:

- As documented by a 15 September 2006 letter from the TPA to TAFFA, TPA decided to reduce the annual agency fee from USD 500 to USD 200. The Authority also guaranteed a refund to those operators who had already paid the full amount for year 2006/07. The letter copied to SUMATRA is very appreciative of the role of TAFFA and refers to the "good business relationship" between

TAFFA and TPA. For TAFFA this is clearly a major achievement. In the associations' own words "it has taken us 27 years to dismiss it". TAFFA points to the importance of speaking with a unified voice, which in their assessment ensured that they finally got the message across to the authorities. SUMATRA itself also confirms that TAFFA played a key role in getting this issues addressed;

- TAFFA also succeeded in getting the ID card regime simplified and reformed. TISCAN, for example, is now ready to issue cards free-of-charge to a limited number of employees, although there are still areas where this is being enforced such as Tanzania Airport Authority, where no waiver has been given; and
- Finally, TAFFA points out that a general ban against shipping companies running C&F activities is now in force. The authorities in turn have not confirmed the existence of such a ban, but they agree that a specific case identified by TAFFA has been solved to accommodate TAFFA's point of view.

More generally, TAFFA has also been successful in strengthening links with the authorities. TAFFA now meets regularly (every month) with the authorities, and is regularly taking part in TPA stakeholder meetings. As mentioned, this was originally an idea picked up from the above-mentioned study trip to Mombasa.

5. Achievements - Advocacy Capacity and Relations

While support from BEST-AC to TAFFA serves to support their specific advocacy project (as discussed in the section above), the wider purpose is to strengthen the overall competence and capacity of PSOs to plan and implement advocacy work - now and in the future. This includes capacity to engage in dialogue with key stakeholders and influence public policy processes.

Organisationally, TAFFA is relatively weak with a limited secretariat and the relation between the secretariat and the board has at times been hampered by poor communication and coordination failures during project implementation. The low capacity of the secretariat has implied that most of the advocacy work is carried out by board members, who for good reasons have had very limited time to devote to the Association.

It is clear that TAFFA's project has served to bring the members closer together and increased awareness about the issues confronting their business. The unanimous decision taken at the TAFFA workshop to pursue the various issues identified in the review report is a testimony to this.

Secondly, as an offshoot, TAFFA has organised regular training for its members to further increase their awareness about rights and responsibilities. More than 50 members have been trained since 2006 and a total of 62 companies have been licensed, with more expected to follow. Specific CDs have been produced with the explicit purpose of increasing awareness among members.

The efforts to improve the organisation and expertise of its member have not gone unnoticed. SUMATRA, for example, points out that while TAFFA members traditionally have not been seen as professional, there is now a perception that TAFFA is "working on this".

The authorities' increasingly positive assessment of TAFFA can also be measured by the number of interactions with TAFFA. SUMATRA, for example, now meets TAFFA twice a week on congestion issues. These meetings are, however, mainly held to deal with logistical issues and a real, substantial ad-

vocacy dialogue between TAFFA and SUMATRA is yet to develop: In a follow-up to the consultative workshop the Ministry of Planning, Economy, and Empowerment sent a letter on 14 September 2006 to the Executive Director of SUMATRA, in which a meeting was suggested to discuss the way forward with respect to the "concerns" raised in the consultative workshop. According to both TAFFA and SUMATRA no follow-up has been made with respect to this letter.

TAFFA's improved organisation has also been recognised in the sector, as reflected by the number of members which has increased from 315 to close to 500 since the project kicked off in 2006. As pointed out by a TAFFA representative "a lot of the small companies now come back to us because the industry is once again attractive".

TAFFA's capacity to undertake research on advocacy issues also appears to have been strengthened, although not necessarily as a direct offshoot of the BEST-AC project: TAFFA has recently at own initiative and with mostly internal funds prepared a report on "creating a conducive operating business environment and fair business practice in the clearing and forwarding industry". The report, which is rich in detail and primary data (copies of invoices, bill of lading etc.), was released in March 2008 and is selling at TZS 5,000.

While the production of the report is an achievement in itself, it should be noted that there may be room for improvement in terms of TAFFA's advocacy methodology. It is worth noting in this context that TAFFA has not been exposed to the advocacy methodology currently being championed by BEST-AC. They did, however, at the time participate in advocacy awareness workshops organised by BEST-AC, although only for a limited period of the workshop.

The methodology of the March 2008 report is, for example, not clearly stated and its style is very direct in places by pointing fingers at selected authorities in a slightly accusing way. For example, one of the first pages of the report notes with respect to one of its key government partners - in a large, bold font - that it "has not managed to properly supervise the application of rules". This style of advocacy has been objected to by some of the stakeholders interviewed. This of course does not rule out the possibility that it is in fact more effective than a more dialogue-base approach. Some of the results achieved by TAFFA through the BEST-AC project indeed suggest that a more confrontational style of advocacy may be quite effective.

TAFFA appears to do only limited networking with other PSOs and the Association is keen to stress that it should be seen as independent.

Finally, it should be noted that TAFFA's financial management performance is assessed as relatively weak judging by the findings of the external audit of the project funds. Several of the rather grave findings made by the auditors have now been settled (including the return of funds to BEST-AC) and TAFFA has acknowledged the need for strengthening its financial management capacity.

6. Relation with the BEST Advocacy Component

TAFFA is overall very appreciative of BEST-AC. As pointed out by one of the members, it is important that the fund is located outside Government which adds to its credibility and independence.

According to TAFFA the process from grant application submission to disbursement took close to four months, which TAFFA considers unfortunate. It should be noted though that TAFFA was one of the first PSOs to receive funding from BEST-AC and did so at a time when procedures for grant application were significantly different from current modalities.

TAFFA is also somewhat critical of the role played by the consultant who assisted them to prepare the project and the grant application form. According to TAFFA, the consultant, accredited by BEST-AC at the time as a so-called Business Development Service provider (BDSP), took many decisions on the project design that were not fully owned by TAFFA. A case in point is the decision to include Entebbe among the destinations for the case studies, which according to TAFFA was less relevant as it was not a seaport.

Finally, the relations between TAFFA and BEST-AC may have been negatively influenced by the above-mentioned audit issues, which have forced BEST-AC, rightfully so, to focus mainly on getting to the bottom of the various audit findings in the post-project period.

Discussions are currently going on between TAFFA and BEST-AC on the possible design of a new project. This in turn suggests that the project has served, despite the above reservations, to bring BEST-AC and TAFFA closer together and have a continued dialogue on advocacy issues.

7. Overall Assessment and Lessons Learned

The TAFFA project is in many ways a success. The basis for the project was sound inasmuch as it started out with clear identification of the business environment and the issues that needed to be tackled. Through the project TAFFA has caused several government stakeholders to reconsider the justification for the various fees and regulations in force.

A number of the issues identified by TAFFA has improved since the start of the project and it is clear that TAFFA's advocacy work has influenced the decision makers in at least some of these cases. The clearest example is the TPA decision to reduce the agency fee. According to all stakeholders interviewed this decision was taken partly as a result of the advocacy work of TAFFA.

So far the key lessons learned from the project are:

- Ownership and involvement of the PSO in the project preparation process is critical for a well-designed and coherent project design;
- As pointed out by TAFFA board members, it should be proven beyond doubt that any grantee PSO has capable persons available to work on the project on a day-to-day basis. Continuity at the secretariat and continued communication and liaison with board members are critical for success;
- Despite (or maybe because of?) the relatively confrontational style of advocacy adopted by TAFFA, the Association managed to argue for and achieve significant changes in the business environment; and
- The project has confirmed the realisation by BEST-AC that financial management capacity needs to be addressed through separate and targeted capacity building measures.

References and Resources

Application Form

A heavy weight industry, case-study developed by COWI A/S for BEST-AC

Advocacy for Conducive Operating Environment in Clearing and Forwarding Industry, TAFFA, May 2006

Stakeholders Consultative Workshop Report on "Advocacy for Conducive Operating Environment in Clearing and Forwarding Industry" - 15 July 2006 at Kilimanjaro Hotel Kempinski, prepared by TAFFA, October 2006

Creating a Conducive Operating Business Environment and Fair Business Practice in the Clearing and Forwarding Industry, TAFFA, March 2008

TCCIA Iringa

- advocating for a fair deal

Key facts about the project

Title: Use of Weight and Measures (W&M) in Iringa Region (first phase) and National Enforcement of W&M Technology and Procedures (second phase)	Target authority(-ies): Regional administration and Local Government Authorities (LGAs) in Iringa Region (WMA) and Measures Agency
Project objective: To increase the income of small farmers and reduce their poverty (first phase) and persuade Government to take the necessary steps to enforce the use of proper weights and measures technology and procedures across the country	Sector: Agriculture, transportation and marketing
Advocacy stage: Understand issues >> Develop responses (second phase)	Project period: December 2005 - ongoing
Area of intervention: Iringa region - subsequently expanded to national scope	Project budget: USD 14,341 (first phase) + USD 48,425 (second phase) = USD 62,766

Key facts about TCCIA Iringa

No. of members/ paid-up members: 1500/800	Total annual income:
Structure: Regional with headquarters in Iringa	Sources of income/ share of total: Certificates of origin/ income generation (70%), donor (10%), membership fees (20%) (2006)
Staff/professional staff (full-time equivalent): 3/1	Web: tccia.com

1. Introduction

The purpose of the BEST-Advocacy Component is *to sustainably enhance the quality and effectiveness of Tanzanian private sector advocacy for an improved investment climate*. BEST-AC started operations in November 2004. Since December 2005, BEST-AC has been assisting private sector organisations (PSOs) to develop their advocacy capacity, and supporting them to develop and implement advocacy initiatives. To date BEST-AC has supported 25 PSOs through 37 grants as well as training and technical assistance.

The current phase of BEST-AC is due to finish at the end of June 2008. To provide input to the review of the first phase, it has been decided to launch a number of evaluation case studies. The objective of the case studies is to develop learning from the programme and to provide detailed understanding of the progress (intermediate as well as final) of individual projects. In addition, the evaluation case studies may also be used as the basis for case studies and exercises in advocacy training to be delivered in the next phase of BEST-AC (2008-2013).

A total of seven projects has been selected for case studies, including Tanzania Chamber of Commerce, Industry, and Agriculture (TCCIA) Iringa (also referred to as 'the Chamber'). The case studies have been selected systematically with a view to cover a variety of sectors, different types of private sector organisations (apex, national, and regional), different stages of the advocacy process (from initial identification of issues to influencing and follow-up) and a mixture of ongoing and completed projects.

The advocacy project implemented by TCCIA Iringa, a regional PSO, has already shown some remarkable results. The project has promoted the use of W&M regulations in Iringa Region through a series of sensitisation workshops. As a result the use of proper W&M has increased - and farmers are seeing an income increase as a result. To date the results have been limited to Iringa region, but during the second phase of the project, the Chamber, in collaboration with BEST-AC, has argued for a national replication by the WMA. Recently a major step was taken with the decision to include WMA in the BEST Programme.

The envisaged solution may have wide-ranging implications for a country like Tanzania where more than 80 per cent of households in one way or another depend economically on agriculture and livestock production. In Iringa the share is as high as 85 per cent. But not all stakeholders along the value chain, notably the primary traders, stand to gain - at least not in the short to medium term.

The evaluation case study has been prepared by COWI A/S in close cooperation with BEST-AC and TCCIA Iringa. The methodology is briefly described in section 2 below. Section 3 introduces the advocacy project. Section 4 assesses the impact created by the project so far with respect to the business environment while section 5 considers achievements with respect to TCCIA Iringa's capacity to do advocacy. Section 6 assesses the interface between the TCCIA Iringa and BEST-AC. Finally, section 7 presents an overall assessment of the project as well as lessons learned.

2. Methodology

The evaluation of the TCCIA Iringa project is based on a number of documents listed at the back of this paper and interviews with key stakeholders. The interviews were based on two interview guides - one version tailored to the PSOs and another version customized to target authorities.

The interview with TCCIA Iringa included selected board members (Chairman and Vice-Chair for Industry) the Executive Officer and Treasurer. To validate information and include perspectives of other stakeholders, interviews were also carried out with local government authorities (including the regional W&M office and District officials), and a number of porters, traders and truck owners. Representatives from the WMA Headquarters in Dar es Salaam were also interviewed.

Finally, interviews have been carried out with the relevant BEST-AC officers and the BEST-AC files on TCCIA Iringa have been examined. TCCIA Iringa has been instrumental in providing copies of correspondence, minutes of meetings - and in setting up meetings with key stakeholders in Iringa.

3. The Advocacy Project

The Issue

In 1982 the Weight and Measures Act was adopted (hereinafter referred to as the Act). It has consequently been operationalised through five regulations. The Act and its regulations specify inter alia care and custody of standards, verification of weights, type of weighing instruments etc. However, due to weak enforcement of the Act and lack of awareness and understanding on the part of farmers, the use of unauthorised measurements such as Lumbesa has been widespread in Iringa, one of the big grain producing regions in Tanzania, as in the rest of Tanzania.

The use of non-standard measurements by primary traders has deprived smallholder farmers of earnings. In the case of maize, the use of non-standard measures has enabled some primary traders to pay a price corresponding to 100 kg worth of maize, while the actual volume traded can be as high as 180 kg. This in turn implies that the farmer is short-changed for as much TZS 80,000 for every 100 kg worth of maize sold. The practice has also had implications for carriers who have been tasked to carry oversize packages. In some cases this has been known to cause fatal lung implications.

A Porter carrying 'Lumbesa'.



Photo courtesy of TCCIA Iringa

As pointed out by Match Makers Ltd. (MML), an economic development consultancy commissioned by the Chamber to make an impact assessment of the project (more below), the weak enforcement of the Act is due to a number of factors, including weak institutional linkages between the WMA and other actors, and inadequate institutional capacity of WMA. For example, it is estimated by the President's Office, Public Service Management (PO-PSM) that the WMA would need around 700 staff to enforce weights and measures but currently the Agency has only 193 staff on the payroll.

It is also acknowledged that the Act itself has a number of weaknesses. For example, it does not specify quantities in which farm produce must be packaged. Similarly, shrinking in relation to net weight is not taken into account by the Act.

The issue of weights and measures has been identified through a long process going back several years. In 2003 for example, TCCIA Iringa took the initiative to prepare a business dinner with participation of regional and district level officials where the issue was debated. In 2004, a larger study was conducted by the DAI-PESA project¹ on the use of non-standard measures which showed substantial deviation between legislative provisions and actual practice.

The initial approach adopted by TCCIA Iringa was not advocacy *per se*, but rather a question of doing the WMA's work for them (albeit with their cooperation). However from the outset and as the sections below will demonstrate TCCIA Iringa has worked determinedly with the authorities to involve them in the process.

Approach

The project has been implemented in two phases. During phase one the objective was to increase the usage of weights and measures by sensitising farmers, village leaders and traders to the existence of W&M regulations and the unfairness of current practises.

At the end of phase one it became clear that a) the sensitisation approach seemed to be having a positive impact and in particular was increasing the use of weights and measures; b) the approach used had only reached 10 wards, and it would therefore be useful to pilot a different approach designed to cover significantly more ground; and c) it was not sustainable within Iringa or indeed nation-wide for TCCIA branches to lead in the sensitisation process, and there was need for greater Government involvement and indeed leadership on this. In light of these findings, phase 2 focused on three components: a) TCCIA Iringa piloted a more cost-effective approach which aimed to cover the remaining 128 wards in the Iringa district; b) an independent assessment of the two approaches was commissioned with a view to provide useful learning for national rollout, and also to make recommendations for reform of the 1982 W&M Act; and c) the national WMA was involved in the programme with a view to providing the learning from the Iringa experience to the agency for national rollout. The approach developed by TCCIA Iringa, in close collaboration with BEST-AC, can be summarised as follows:

- **Phase one.** Organise workshops in ten trade centres, covering ten wards, to create awareness on the use of weight and measures. Some of the workshops were supported by professionals from the WMA. The rationale is to make the farmers aware of how much income they are losing by using non-standard measures when selling their crops;

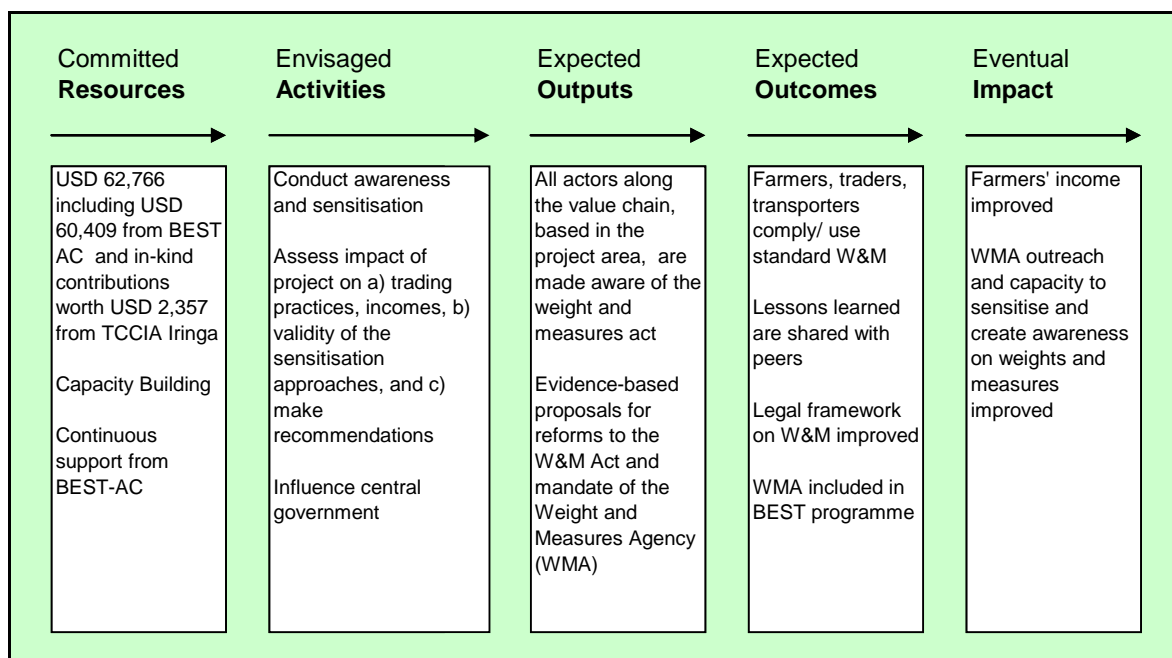
¹ Private Enterprise Support Activities (PESA) programme implemented by the consultancy DAI

- **Phase two:**

- Extend awareness and sensitisation work using a revised approach intended to cover a greater number of wards within the Iringa region and increase involvement of local Government players;
- Commission an independent assessment of the project to assess the validity of both approaches and make recommendations as to how the WMA could be reformed, how to increase usage of weights and measures and proposals for any updates to the Act as appropriate; and
- Work closely with BEST Better Regulation Unit (BRU) to consider incorporating WMA in the BEST programme so that it has the necessary resources to roll out the approach.

The logic of the intervention is presented in the model below. The model is presented to give a short visual account of the project and clarify assumptions. The logic model has been developed based on information obtained from project documents and interviews with BEST-AC and TCCIA Iringa.

Logic Model for the TCCIA Iringa Project



The following assumptions, underlying the approach, can be identified:

- Awareness (or rather lack of) is the key factor determining behaviour. The project does not provide funds for weighing equipments, standard packaging materials etc.;
- The local government authorities in the districts and other government authorities will be willing to cooperate and engage with the Chamber and private sector;

- Both of the sensitisation approaches, but particularly the second, rest on the assumption that lessons will be further disseminated outside the workshop. This in turn requires motivation and technical capacity to do so from the workshop participants,;
- The WMA is interested in drawing on the lessons, both at regional and national level; and
- Resources and political will be available to facilitate a stronger role for the WMA - and a more effective Act.

Most of the activities had been implemented at the time of the evaluation (May 2008) but the crucial phase of influencing at national level was ongoing. 90 per cent of funds had been disbursed.

Key Stakeholders

The target authorities for the advocacy project are the WMA (regional office in Iringa and national headquarters in Dar es Salaam), Local Government Authorities in Iringa Region, including wards and village leaders, and the Regional Administration and Commissioner. Other government stakeholders include LGA tax collection agents, and the Ministry of Industry, Trade and Marketing (MITM, parent ministry for the WMA). Finally, the project has been followed with interest by the BRU under the BEST programme to assess the potential for addressing the issues at national level in the context of the BEST Programme. This included a joint visit to Iringa with BEST-AC to review the achievements of phase I and help TCCIA Iringa develop phase II.

Key stakeholders include farmers, traders, porters and transporters.

4. Achievements - Business Environment

Awareness Building and Sensitisation - Phase one

The implementation of the first phase of the project took off in January 2006 with preparation of ten workshops including identification of the trade centres. Between March and June 2006 awareness building training was provided to 500 participants (including 150 women), mostly smallholder farmers plus a small selection of traders, village leaders and porters. The workshops were facilitated by officials from WMA, District Trade Officers and TCCIA officials. The sessions exposed the participants to the relevant legislation and highlighted the loss of revenue sustained due to the use of non-standard weight and measures.

According to TCCIA, the facilitators and officials were "alarmed by the enthusiasm shown by the participants". This in turn suggests that there was high demand for the training - and therefore also a good likelihood that there was a substantial 'uptake' of the information provided. Moreover, the success of the workshop is indicated by a letter from the Regional Authorities, dated June 2006, in which TCCIA Iringa is congratulated on the work done. The letter goes on to express hopes that the Chamber will continue the work acknowledging the potential implications for poverty reduction in the region.

The workshops had, however, a fairly limited scope: They were only carried out in 10 wards (out of a total of 138 in Iringa Region). The principle of direct interaction with the individual farmers implied that only a small proportion of the farm population was reached.

In terms of planning and implementation, it has been acknowledged that budget provisions should have been made for follow-up. The Chamber had no funds, for example, to go out and subsequently assess whether awareness changes had led to a behavioural change.

Feedback from the participants themselves indicated that one day of training was assessed as being too little. In the original projects two days had been planned, but the Chamber decided to cut down due to budgetary constraints. Despite these reservations, it is worth noting that field research carried out by MML shows that the practice of using lumbesa has decreased significantly in Iringa after 2007.

The change is arguably attributable to a number of factors, but it seems likely that the awareness-raising seminars carried out by TCCIA Iringa have played a key role - both directly through behavioural changes among those attending the seminars - and indirectly through the policy changes that have been triggered by the project. The Chamber did, for example, through the Regional Consultative Council (RCC), make a presentation to the Regional Business Council on the need for enforcement of the existing rules and regulations. This is believed to have caused the Regional Authorities to step up enforcement: the Regional Commissioner in Iringa announced on 13 August 2007 that the ban on the use of lumbesa would be enforced. In the assessment of MML this was "one of the strongest impulses in the project" in terms of getting lumbesa and other non-standard measures replaced by standardised measures.

Moreover, the fact that Iringa is a region en route to the Dar es Salaam markets has increased enforcement through road barriers in Iringa region, with immediate implications for traders and transporters from Mbeya, Rukwa and Ruvuma. The four regions together with Morogoro have made requests to WMA that the same measures be implemented for Tanga and Kilimanjaro traders who deliver their food stuffs at the same market.

Developing the Approach - Phase Two

As pointed out it was realised by the Chamber, partly through discussions with BEST-AC and BEST BRU, that there was a need to come up with a more cost-effective approach to creating awareness among farmers and other stakeholders. In addition, it was clear that national replication as well as sustaining the programme could not be done by TCCIA Iringa or other TCCIA branches and that it was critical to get the WMA more involved at a national level. Hence the approach taken for phase two of the project included workshops targeting government executives at district, ward and village level, as well as the WMA at national level. The idea was to strengthen government capacity to enforce the Act - and enable authorities to disseminate the required information further down through a training-of-trainers (ToT) approach. Crucially, it also incorporated an independent assessment of the approaches which could be used by the WMA as it rolled the programme out nationally.

Between November 2007 and January 2008 the awareness messages were delivered in all of the remaining wards in Iringa region, a total 128 wards, involving ward executives and district level officials. In terms of individual participants a total of 284 were reached compared to a target of 276. The workshops were held throughout the rural districts in the Region in the months of October and November 2007 and finally in Iringa Municipality in December 2007.

No in-depth assessment has been carried out to date to compare the pros and cons of the approaches taken in phases one and two. There are, however, clear indications that the phase-two workshops are making a difference: Following the completion of the workshops, a number of LGAs have come up with resolutions on the way forward for enforcing standards M&W. These resolutions include bylaws, deci-

sions to acquire weighing scales, and plans to employ W&M officers at district level. It is hoped that such initiatives, in turn, will help facilitate awareness and increased use of standard measures.

Whether the phase II approach has been as effective in raising awareness of the importance of weights and measures is still too early to tell, but there are examples from Njombe District where some ward level officials, who participated in the workshops, have gone on to train Village Executive Officers in their ward.

There are indications that the project as a whole has contributed greatly to raising the profile of the regional WMA office in Iringa. The WMA's links to the rest of the authorities in the region have, for example, been strengthened through the workshops in which WMA officials have been working in tandem with district level officials.

Moreover, as pointed out by WMA headquarters in Dar es Salaam, the "Iringa project" has been instrumental in emphasising the point that awareness is a crucial element for increased use of standard W&M across the nation. In some ways, this lesson may eventually be seen as the main achievement of the project to the extent that it contributes to an increased focus among the authorities across the nation on the need for sensitisation and awareness, not just on enforcement. As indicated below, the contribution to reducing poverty among rural families can be quite significant - although the evidence so far indicates that there are both winners and losers from the approach.

In terms of further fine-tuning the approach to sensitisation and awareness, there may be some scope in further emphasising voluntary compliance as a way forward - as a supplement to enforcement. Ideally, the consistent and continuous use should be a win-win situation for all players - at least in the long term. Moreover, based on feedback obtained by MML, it would seem that the workshops would benefit from making all materials available in Swahili - and preferably in a durable format.

The Impact Assessment

An important component of the second phase of the project was TCCIA Iringa's commissioning of an "Impact Assessment Study for Weight and Measures (W&M) Enforcement in Iringa for the National Enforcement of W&M Technology and Procedures". A draft report was available at the time of the evaluation.

The assessment was carried out in March 2008 by MML. The assessment was designed to gather evidence on the sensitisation approaches, their appropriateness (especially for replication at national level), and also to assess the legal framework including regulations, and mandate of the WMA. On this basis, the assessment was supposed to develop recommendations for Government.

The impact assessment study involves interviews with a broad range of stakeholders, including farmers, traders, transporters, local government authorities, and WMA officials at regional level and police.

On the basis of existing data, the impact assessment concludes that all actors in the value chain have been affected in one way or another. The study uses both gross margin (disregards farmers' indirect production costs) and net effects analyses. Both analyses confirm that the increased use of standard measures has benefited farmers: For example, the analysis points to a significant increase in farmers' gross margins for crops such as onions and potatoes. Primary traders in turn have seen their gross profits decrease. The net effects analysis finds an increase in farm gate prices - but also points to a general increase in transactions costs.

The findings of the impact assessment, notably an increase in income from the same quantity of outputs, have generally been confirmed through face-to-face interviews undertaken with traders, farmers and porters. Moreover, on the side of local authorities, a District Administrative Secretary (DAS) has reported an increase in revenue collected because it is charged on per bag basis.

A summary assessment of the draft report is available in the table below.

Table - Assessment of TCCIA Impact Study Report

Criteria	Assessment
Is the issue for which the study is required clearly articulated?	Yes - relevant legal framework clearly identified.
Does the design of the study suggest that the results will cover all aspects of the issue?	Yes - although some stakeholders suggest that assessment of how legislation is implemented is too broad an issue to be tracked at regional level.
Are the primary and secondary data collected or selected suitable evidence for the issue?	Yes - research involves a combination of primary and secondary data with a reasonable coverage across the region.
Are the data sources sufficiently reliable?	Yes - interviews conducted in focus groups with subsequent verification with TCCIA Iringa management and others. For W&M legislation open interviews were held with senior ministry officials and BEST BRU chief executive.
For primary data gathering, are there clear methodologies and methods?	Not clear, however, to what extent interview guides were used for field research.
Is the analysis complete?	Due to limited project duration and lack of baseline data it was difficult to establish comparative figures and trend analysis. There is still room for TCCIA to continue analysing the benefit on each level of the chain including the levy collected by the local authorities
Are the conclusions logical and justified by the analysis of the data?	Yes

Note: Criteria developed by Irwin-Grayson Associates.

Towards influencing at national level

As pointed out in the grant application form for the second phase of the project "the report of the impact assessment shall be the basis of dialogue with the government to implement changes". Changes are argued for with respect to the WMA mandate and capacity - and with respect to the process of reviewing the Act, which is expected to be completed in 2008.

The WMA headquarters in Dar es Salaam reports to have followed the entire process closely through the regional WMA manager in Iringa. The WMA sees the projects - and notably the report, as something benefitting the WMA. As they point out it will "strengthen their case" vis-à-vis their political masters and "assist us to point out our challenges". The agency also stresses that "although the issues are not necessarily new" the report adds value by clearly documenting the issues. With respect to the many recommendations detailed in the report, the WMA reports that they are currently being reviewed. Hence, it is still too early to tell whether the many proposals made in the report will be acted on.

With respect to the WMA capacity and role, the aspiration is that the Iringa case can inform Government of the need for reforms - and modalities for implementation in the most cost-effective way possible.

To make funds and expertise available for WMA, the CEO of the BEST Programme has followed the project closely, including joining a BEST-AC visit to TCCIA Iringa to help develop the phase II project. As a result of this visit the BRU has assessed the potential for including WMA in the BEST programme. To this effect a meeting was held in 2007 on the "extension of BEST programme support to WMA". In a letter from the Primary Secretary of the Ministry of Planning, Economy and Empowerment to the MITM, the parent ministry of the WMA, the inclusion of the WMA is supported. The letter expresses hope that the MITM and the WMA "be persuaded to champion reform in this area". BRU also attended the presentation of the impact assessment by MML, where the various recommendations for national roll-out and reform were presented.

The correspondence and interviews further indicate that BEST-AC has played a key role in promoting this important issue.

Immediately after the visit of the evaluation team an important milestone was reached: In a 13 May 2008 meeting held at the WMA, attended by the BRU and BEST-AC, it was announced that funds will be made available for the WMA to improve its capacity to increase usage of W&M nationally. The funds are expected to finance pilots in ten districts, building on the work of TCCIA Iringa. Moreover the WMA is expected to use the funds to help get appropriate improvements to the emerging Act and to build their capacity to raise awareness and sensitise all players in the value chain as to the benefits of using W&M. During the interviews, WMA demonstrated enthusiasm and a high level of commitment to the proposed activities. It is therefore expected that the inclusion of WMA will add value to the entire BEST programme.

5. Achievements - Advocacy Capacity and Relations

While support from BEST-AC to TCCIA Iringa serves to support their specific advocacy project (as discussed in the section above), the wider purpose is to strengthen the overall competence and capacity of PSOs to plan and implement advocacy work - now and in the future. This includes capacity to engage in dialogue with key stakeholders and influence public policy processes

Valuable information on the overall capacity and competency of TCCIA Iringa is available from the diagnostic tool that is regularly deployed by BEST-AC. The tool, developed by David Irwin with Annabel Jackson, reflects the key aspects of advocacy competence and asks questions on organisation development, relationships, advocacy outputs and outcomes (two dimensions are examined for each). For TCCIA Iringa an initial assessment was only carried out in April 2008. It shows that the Chamber's strongest side is its ability to manage and use relations - and its general organisational set-up is also assessed as relatively strong. With respect to the more direct advocacy measures, such as depth of advocacy measures and results, the Chamber gets a lower marking.

The Chamber's strong ability to manage relations has been clearly demonstrated in the project where the Chamber has worked closely - and effectively - with stakeholders such as the WMA, the regional administration and local governments. The above-mentioned letter of acknowledgement from the regional authorities is a sign that the Chamber's standing has been increased as a result of the project. Similarly, the MML report portrays the Chamber as a "dynamic and determined" organisation. The credibility of

the Chamber has also been recognised by the TCCIA headquarters, which in correspondence points to TCCIA Iringa's "consistency and [...] excellent work".

The Chamber's technical capacity is, according to the diagnostic assessment, more limited, but the Chamber has received support in the course of the project to strengthen its advocacy and organisational skills as well as financial management capabilities. The MML report further acknowledges that the project has served to increase the Chamber's skills in project management and advocacy. For example, the Chamber demonstrated talent for advocacy and engagement in advocating for reform of a national agency. Initially some level of discomfort was experienced at the national level in recognising the importance of the evaluation report from a regional project, but the Chamber proved to be strong in discussions with WMA headquarters.

6. Relation with the BEST Advocacy Component

The Chamber's relationship with BEST-AC goes all the way back to the 2005/06 pilot phase of BEST-AC. The development of a second phase of the project and the recent inclusion of WMA in the BEST programme are clear indications that the relationship has grown from being a funder-receiver interface to a much more substantial partnership.

The strong relation is also underlined by the fact that BEST-AC has been actively involved in giving technical support throughout. For example, BEST-AC played an important part in the decision to change the sensitisation approach in phase II and to involve BEST BRU, and ultimately the WMA headquarters directly.

At a more administrative level TCCIA Iringa points to the need for keeping a better balance between impact "creation" and impact "assessment": Under the current programme it is felt that a relatively large part of the funds were allocated to assessment, while a higher proportion could have been allocated to impact creation.

Finally, the Chamber also observes that any future project would need to make more substantial provisions for administrative costs and have more flexible mechanisms in place to deal with the impact of rising prices that may distort the budget.

7. Overall assessment and lessons learned

The TCCIA Iringa project has created significant results in the Region, and has set a sound basis for rolling these achievements out nationally. The Chamber has used the BEST-AC funds to demonstrate that there is a tremendous potential in increasing awareness of W&M. More strategically, the project has provided information and data that can be used to replicate the process nationally - and to strengthen the institutional and legal framework for weights and measures. Hence, the project may eventually provide a solid basis for the authorities to take a more decisive role in increasing awareness.

The project has also demonstrated the potential of cooperation between BEST-AC and BEST BRU. It has shown how the two players in the BEST programme can support, reinforce and complement one another. The inclusion of the WMA in the BEST programme is a clear testimony of this.

The key lessons learned from the TCCIA Iringa project are:

- The inclusion of a baseline at the outset would have strengthened the possibility of making subsequent impact assessments;
- Inclusion of funds for follow-up activities could have allowed for more continuous learning;
- The strong ownership and drive by TCCIA Iringa and its excellent partnership with the local authorities have been key factors in ensuring results;
- Networking and collaboration with press can be essential for a wider and deepened outreach - and thus greater impact.
- It takes time and consistency to achieve lasting impact. W&M has been recognised as a key issue for many years as evidenced by the 2003 business dinner organised by TCCIA Iringa; and
- Finally, the project demonstrates that an initiative, which starts at regional basis, can be the basis for a national reform programme. In this case, funds from the BEST programme acted as the catalyst.

References and Resources

BEST-AC Due Diligence Assessment

BEST-AC Application for TCCIA Iringa, Window II

Project Proposal Phase II (summary presented to the BEST-AC board)

Final Narrative Report for Weights and Measures Project by TCCIA Iringa, prepared by TCCIA Iringa for BEST-AC submission, 30 August 2006

Study Report on Impact Assessment for Weight & Measures Enforcement in Iringa for the National Enforcement of W&M technology and Procedures, draft report, March 2008, prepared by Match Maker Associates Ltd. for TCCIA Iringa,

Various newspaper articles including Nipashe Newspaper (02 November 2007); Mtanzania (25 January 2008) and Mtanzania (09 January 2008)



TCCIA Arusha

- advocacy for abolition of "nuisance" taxes

Key facts about the project

Title: Sensitisation, advocacy and lobbying for effective implementation of the government decision to abolish nuisance taxes in the Arusha region	Target authority(-ies): Local Government Authorities in Arusha Region
Project objective: To persuade Local Government Authorities in Arusha region to adhere to the 2003 Financial Act	Sector: Crosscutting with emphasis on small businesses
Advocacy stage: Identify issues >> Understand issues >> Develop responses >> Influence policy makers	Project period: February - July 2007
Area of intervention: Arusha region with data collection in Arusha Municipality, Monduli District and (former) Arumeru District	Project budget: USD 43,500 (first phase) + USD 13,750 (second phase) = USD 57,250

Key facts about TCCIA Arusha

No. of members/paid-up members: 700/250 (2008)	Total annual income: TZS 47m (2005)
Structure: Regional with headquarters in Arusha Municipality and District Offices	Sources of income/share of total: Certificates of origin (75%), donor (2%), membership fees (6%); donations (15%), secretarial services (2%) (2005)
Staff/professional staff (full-time equivalent): 4/ 3	Web: tccia.com

1. Introduction

The purpose of the BEST-Advocacy Component is *to sustainably enhance the quality and effectiveness of Tanzanian private sector advocacy for an improved investment climate*. BEST-AC started operations in November 2004. Since December 2005, BEST-AC has been assisting private sector organisations (PSOs) to develop their advocacy capacity, and supporting them to develop and implement advocacy initiatives. To date BEST-AC has supported 25 PSOs through 37 grants as well as training and technical assistance.

The current phase of BEST-AC is due to finish at the end of June 2008. To provide input to the review of the first phase, it has been decided to launch a number of evaluation case studies. The objective of the case studies is to develop learning from the programme and to provide detailed understanding of the progress (intermediate as well as final) of individual projects. In addition, the evaluation case studies may also be used as the basis for case studies and exercises in advocacy training to be delivered in the next phase of BEST-AC (2008-2013).

A total of seven projects have been selected for case studies, including Tanzania Chamber of Commerce, Industry, and Agriculture (TCCIA) Arusha (also referred to as 'the Chamber'). The case studies have been selected systematically with a view to cover a variety of sectors, different types of private sector organisations (apex, national, and regional), different stages of the advocacy process (from initial identification of issues to influencing and follow-up) and a mixture of ongoing and completed projects.

The evaluation of the advocacy projects implemented by TCCIA Arusha, a regional PSO, takes place at a critical juncture. The PSO has completed research on the issue, abolition of nuisance taxes, and is now approaching the influencing phase. The lessons learned from the project will furthermore be highly useful to TCCIA Mbeya which is currently embarking on a similar project.

Despite the fact that the project is still under implementation, an important report, currently in draft, has been produced by the project to document the scope of nuisance taxes in Arusha Region. Moreover, there are indications that the project has contributed to building a better relation between the Chamber and the authorities, at least with respect to Arusha Municipal Council (AMC).

Key lessons learned to date include the need for engaging the authorities as early as possible in the process to ensure that there is some degree of consensus on the issue at stake as well as the proposed course of action.

The envisaged solution, the introduction of a single business tax (or at least very much reduced number of taxes), and the establishment of a regular platform for public private dialogue, will potentially impact small and medium-sized businesses in the region - of which there are 10-15,000 according to the Chamber, with approximately 3,000 in the municipality and the rest distributed across the rural districts in the region. This includes a number of informal businesses although the exact proportion is not known.

The evaluation case study has been prepared by COWI A/S in close cooperation with BEST-AC and TCCIA Arusha. The methodology is briefly described in section 2 below. Section 3 introduces the advocacy project. Section 4 assesses the impact created by the project so far with respect to the business environment while section 5 considers achievements with respect to TCCIA Arusha's capacity to do advocacy. Section 6 assesses the interface between the TCCIA Arusha and BEST-AC. Finally, section 7 presents an overall assessment of the project as well as lessons learned.

2. Methodology

The evaluation of the TCCIA Arusha project is based on study of a number of documents listed at the end of this paper and interviews with key stakeholders. The interviews were based on two interview guides - one version tailored to the PSOs and another version customized to target authorities.

The interview with TCCIA Arusha included selected board members (Chairman and Vice-Chairman) the Executive Director and representatives from TCCIA district offices in Monduli and Arumeru districts¹. To validate information and include perspectives of other stakeholders, interviews were also carried out with the consultant employed by TCCIA Arusha (Taxplan Associates Ltd. and Corporate Business Advisory Company Ltd.) and revenue officials in Arusha Municipality, one of the authorities targeted by the advocacy project.

¹ Arumeru has now been split into Meru and Arusha Rural district councils (mcdgc.go.tz/ecd/Arusha.html)

Finally, interviews have been carried out with the relevant BEST-AC officers and the BEST-AC files on TCCIA Arusha have also been examined. TCCIA Arusha has also been helpful in providing copies of correspondence, minutes of meetings - and in setting up meetings with key stakeholders in Arusha.

3. The Advocacy Project

The Issue

The objective of the TCCIA Arusha project is to persuade Local Government Authorities (LGAs) in Arusha region to adhere to the 2003 Financial Act. The Financial Act of 2003 included a commitment to abolish 56 nuisance taxes. The underlying assumption, guiding TCCIA Arusha's advocacy work, is that local authorities in the region have not implemented the law effectively – either avoiding to abolish the taxes or replacing them with alternative taxes, fees, permits, or levies. Furthermore, it is felt that the multiplicity of taxes provides a difficult environment for small and medium-sized businesses. More generally, TCCIA wants to sensitise the LGAs to engage in a regular dialogue with members of the business community.

A related problem is the practice of tax collection agents, which are licensed by the authorities to collect revenue. According to the Chamber these agents have a strong incentive to maximise collection against what is legally required given that their own remuneration is calculated as a proportion of the total revenue collected. As pointed out in a note summarising issues previously raised by the Arusha Regional Business Council: "levies are collected haphazardly by agents who tend to harass the petty traders".

It is felt that both of these problems reflect a more fundamental problem of lack of understanding and dialogue between the authorities and the private sector - a problem rooted in a long tradition of state controlled development.

Bus Operators Paying their Dues - a Weigh Bridge



The issues, in no way specific to Arusha Region, have been identified over a long period through requests coming from members to the TCCIA regional offices in Arusha directly or routed through the TCCIA district offices as confirmed by the representatives from Monduli and Arumeru Districts. The actual number of complaints coming from businesses has not been recorded.

As backdrop it is worth noting that the issue of local government taxation of businesses is a long-standing issue. As pointed out by a representative from TCCIA Monduli, the District Chamber has tried since 2001, with support from a Dutch organisation (SNV), to engage the district authorities in a dialogue on taxation to avoid a situation where "taxes are introduced without the consent of the business community". According to the TCCIA officer from Monduli these efforts did pay off in the medium term, but the situation has now reversed to the outset - i.e. very limited interaction and consultation between the Chamber office in Monduli and the authorities.

To underline the general lack of trust and dialogue which historically has marked the relation between LGAs and business chambers, one TCCIA member pointed out that the creation of a TCCIA district office in one particular district in Arusha region caused the authorities to suspect it was a political opposition party.

Approach

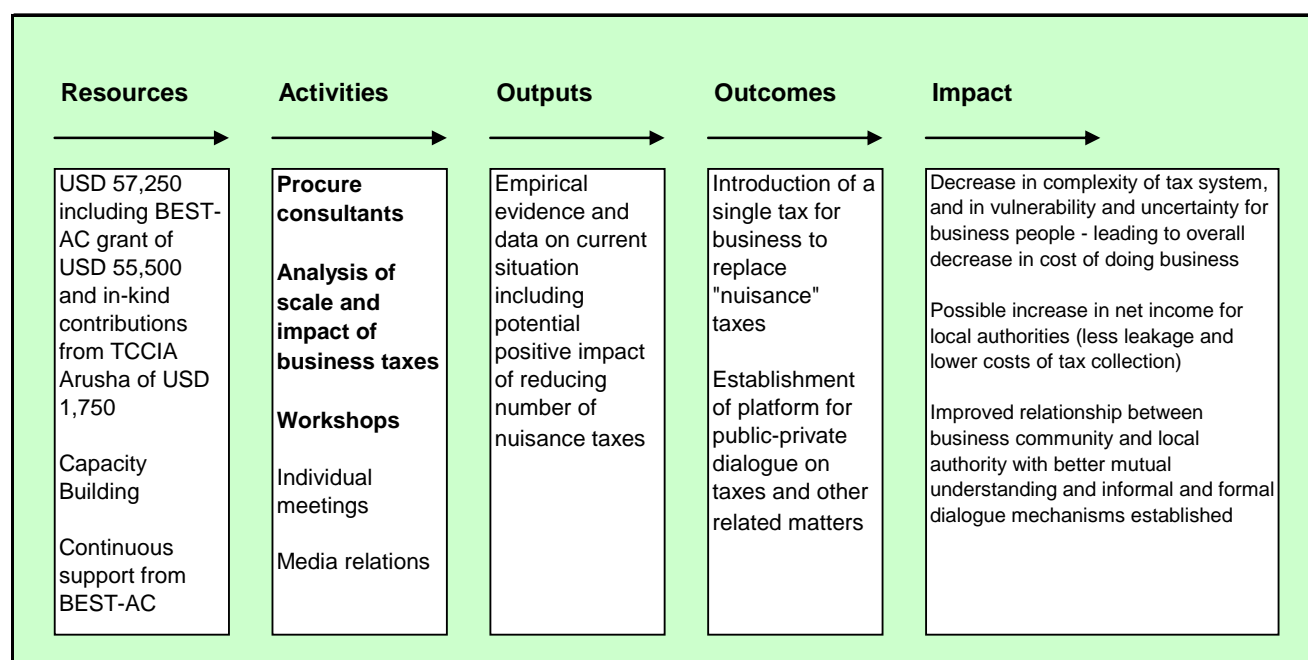
To address the issues, the following approach was developed by TCCIA Arusha in close collaboration with BEST-AC:

- **Conduct study** to assess prevalence of "nuisance taxes", abolished taxes and new taxes that may have been introduced to compensate for any abolished taxes. The study was further supposed to examine implications for key stakeholders and quantify impacts in terms of lost revenue, loss of business and investment opportunities, and make credible projections for effective abolition;
- **Arrange workshops** to present findings of study and promote idea of a single business tax and a structured public-private dialogue on taxes;
- **Individual meetings** to follow up any commitments made at the workshops; and
- **Use of media relations** to support the above activities.

According to the Chamber the underlying strategy was to provide evidence and create a sense of common interest among LGAs and the private sector. The project was agreed through several Chamber meetings and was discussed during the Annual General Meeting. According to the Chamber officials interviewed, there was wide consensus on the proposed course of action. The Chamber did not discuss the course of action with any other private sector organisations operating in the Arusha region, despite the fact that other businesses organised outside the Chamber were experiencing similar problems.

The logic of the intervention is presented in the model below. The model is presented to give a short visual account of the project and clarify assumptions. The logic model has been developed based on information obtained from project documents and interviews with BEST-AC and TCCIA Arusha. As illustrated by the model, the aspiration is that the approach will provide the necessary empirical evidence to convince the authorities to replace the multiple "nuisance" taxes with a single tax and engage in a regular dialogue with the Chamber.

Logic Model for the TCCIA Arusha Project



Note: Activities in bold have already been implemented/ are currently being implemented

The following assumptions, underlying the approach, can be identified:

- It is possible to document the issue, i.e. reliable and valid data on the types and volumes of "nuisance" taxes can be collected relatively easily;
- There appears to be a consensus, at least among TCCIA officials and members, that the perceived existence of "nuisance taxes" is a matter of design - i.e. that LGAs have made a conscious decision to keep nuisance taxes in place or to replace them with other types of fees and levies;
- The relevant authorities, i.e. the seven LGAs of the region plus the regional authorities will be willing to engage with the Chamber - and have the necessary time, resources and mandate to provide a satisfactory solution;
- The issue at stake is significant in terms of money and therefore worthwhile pursuing.

Status of implementation

The project is currently under implementation. The activities already implemented - or under implementation - are highlighted in bold in the logic model above. As can be seen the activities to date mainly relate to understanding the problem through the study. This has been followed by a 22 April 2008 workshop to corroborate the findings.

The next steps involve using the final study to influence the authorities and follow up through targeted workshops, bilateral meetings and use of media relations. Given that the Chamber is yet to implement the influencing stage, it is clear that outcomes (refer to logic model) cannot be expected at this stage. Hence, the evaluation focuses on the achievements related to the preparation of the study and the verification workshop.

All disbursements from BEST-AC to TCCIA Arusha had been made at the time of the evaluation.

In parallel to the above process, the Chamber has pursued a related issue with the Arusha Municipal Council (AMC): The AMC collects from businesses in the municipality a service levy calculated as 0.3 per cent of gross turnover. The levy is introduced through a 2004 by-law and is, according to sources quoted in the Arusha Times, backed by the 1982 Local Government Finances Act. The AMC sees this as an important source of revenue and is keen to expand the collection base as only a fraction of the companies currently pay the levy. The Chamber in turn has argued that the levy is too high for small traders with small profit margins. According to a summary prepared by TCCIA Arusha, the Chamber argues that the levy is "milking off the meagre profits of their members" - and they suggest that it is pegged on net profit rather than gross turnover. To solve the issue, a meeting was held on 29 January 2008 at the Chamber offices in Arusha. While this issue is not strictly within the scope of the advocacy project, the service levy is identified in the study report and the TCCIA Arusha response is therefore included in this case study.

Key Stakeholders

The target authorities for the advocacy project are the LGAs in Arusha Region, a total of seven, and the Regional Administration. In addition, key stakeholders include the business community, tax collection agents (private agents managed by the LGAs), and at central government level the Ministry of Finance and the Prime Minister's Office - Regional Administration and Local Government. Finally, the project is followed with interest by the Better Regulation Unit (BRU) under the BEST programme to assess its potential for replication. At the central, level the BRU assesses the scope for introducing a single business tax. A similar project, although at a less advanced stage, is being carried out by TCCIA Mbeya.

4. Achievements - Business Environment

This section assesses the degree to which TCCIA Arusha has produced their outputs, and achieved outcomes and impacts in accordance with the logic model.

The Study Report

The need for a study to substantiate the claims made by various business people was underlined right from the beginning by TCCIA Arusha. Following the grant agreement with BEST-AC, the Chamber initiated an open tender in April 2007 to procure consultants to carry out the study. TCCIA Arusha also reserved a significant role for themselves on the research team - with TCCIA district level officers being heavily involved in the collection of data at the district level. This has clearly contributed to TCCIA Arusha taking ownership of the study right from the outset.

BEST-AC played a very significant role in developing the TOR and ensuring that the right qualifications were present among the team members. The role played by BEST-AC is evident from the project file, where BEST-AC in response to a shortlisted proposal makes a strong case for including "the necessary research and analytical skills" on the team to do a proper impact assessment. As pointed out by the Chamber they "benefitted a lot from the involvement of BEST-AC". Such heavy involvement could - on the other hand - also risk eroding the TCCIA's ownership of the process but, as mentioned above, the TCCIA ownership appears to have been present throughout - partly because of commitment to the issue, partly because of the inclusion of TCCIA members on the team.

A total of four proposals were received and the contract to carry out the study was awarded to Taxplan Associates Limited, based in Arusha, in collaboration with a representative from the Economic Research Bureau (ERB) of the University of Dar es Salaam. The inclusion of expertise from the EBR followed the above-mentioned BEST-AC recommendation to broaden the expertise on the team.

The actual study involved interviews with a broad range of stakeholders, including business enterprises and LGAs in Monduli, Arumeru (both rural) and Arusha Municipality. In terms of approach, it is interesting to note that both the Chamber and the AMC report that the Chamber should have engaged with the authorities prior to data collection. While consultations with the target authorities could possibly have been more intense at the outset, the study was generally carried out in a professional way including a pilot study to fine-tune the methodology - and it involved substantial participation from the business community, including TCCIA district level representatives.

The draft report was submitted by the consultants in January 2008, and was assessed by the Chamber to "largely meet their expectations". According to one Chamber official it "confirmed the complaints" that caused the Chamber to commission the study in the first place.

The draft study clearly provides a lot of information and is well structured with a wealth of specific data tables - including details on taxes being introduced by each of the three target authorities since 2003 - often without the support of the required by-laws. The report also provides interesting tables giving details on abolished taxes still being charged by the authorities - and details on abolished nuisance taxes which have been reintroduced under new names.

The draft report does, however, not provide sufficient information on the potential impact of the "nuisance taxes". As pointed out by the Chamber and their consultants this was in large part due to the fact that many of those interviewed were hesitant to reveal exact information on incomes and taxes paid - allegedly because of a perceived risk that the data could end up in the wrong hands.

It should be mentioned that some of the information provided in the report is highly controversial in the eyes of the authorities - and in their mind subject to debate - but the fact remains that the report reflects the results of a wide consultation in the targeted districts; and on the whole it is assessed that the report contributes significantly to shedding more light on the degree to which the local authorities comply (or do not) with Financial Act No. 15 of 2003. It may, for example, serve to highlight that some taxes are being collected by agents without the full knowledge of the authorities.

A summary assessment of the draft report is available in the table below.

To further improve the draft report, the Chamber and BEST-AC have provided detailed comments, and a final report was expected at the time of the evaluation. Given that the final report has not been reviewed by the Evaluation Team, the above assessment is limited to the draft version and it should be kept in mind that the final report may have addressed the comments made above.

Table - Assessment of TCCIA Research Report

Criteria	Assessment
Is the issue for which research is required clearly articulated?	Yes - clear reference is made to Finance Act No. 15 of 2003 which lists the abolished nuisance taxes
Does the design of the research programme suggest that the results will cover all aspects of the issue?	Yes - TOR are comprehensive

Criteria	Assessment
Are the primary and secondary data collected or selected suitable evidence for the issue?	Yes - sample size is on the whole sufficient for robust conclusions to be made - with the exception of a few categories
Are the data sources sufficiently reliable?	Yes - although the hesitation of stakeholders to give full and precise information on taxes paid etc. may reduce reliability somewhat. This however is fully acknowledged in the report
For primary data gathering, are there clear methodologies and methods?	Yes - questionnaires have been developed and piloted
Is the analysis complete?	The above limitations (TOR and reliability of data) imply that coverage and analysis of leakages and economic implications of having/abolishing nuisance taxes are not clearly spelled out
Are the conclusions logical and justified by the analysis of the data?	Yes

Note: Criteria developed by Irwin-Grayson Associates.

The Validation Workshop

The draft report was presented at a 22 April 2008 workshop involving the Chamber, consultants, LGAs, members of the business community, BEST-AC, and a representative from the Better Regulation Unit. The purpose of the workshop was - officially at least - to validate the data. More importantly the validation workshop was an opportunity to have an open discussion with key stakeholders on the issues at stake. It is clear from the interviews with various stakeholders that the whole process of collecting the data and validating them has generated a lot of attention about the issue at hand - and it has served to raise the profile of TCCIA Arusha.

It is an achievement in itself that the report has caused the authorities to meet with the Chamber and other stakeholders to discuss the issue. According to the list of participants the workshop included 35 stakeholders, with roughly a third representing LGAs. It should be noted though that the level of representation from the authorities was not at the highest level. Key LGA officials were in Dar es Salaam attending budget negotiations. Although the purpose of the workshop was first and foremost to discuss the validity and reliability of the findings in the report - and not to make decisions in principle on the possible enforcement and abolition of "nuisance" taxes - it would arguably have been more valuable for the Chamber to be able to engage with high level officials from the beginning.

In TCCIA Arusha's own assessment, the process (data collection and validation workshop) has meant that trust has been built between the business community and the LGAs. This is based on the fact that authorities willingly made data available and took an interest in the process. As pointed out by the Chamber several of the representatives from the LGAs participated actively and effectively during the workshop. In the Chamber's assessment "we put a good basis upon which we are building". The workshop also served to bring light on issues such as the link between the authorities and the tax collection agents contracted to collect revenue on behalf of the LGAs. Based on interviews with both Chamber and the AMC, both parties have realised that these agents may need to be managed more effectively by the authorities.

The assessment that a good basis for dialogue has been created is backed up by observations made by the AMC that "to us the Chamber is very important" - mainly because it provides a common point of

entry for communicating with the business community - and for sensitisation purposes. The municipality also assesses that "the Chamber is on the right way" with clear reference to the study and the meeting on the service levy (see below). The municipality has also registered increased activity of the Chamber's Executive Director who is assessed to be "very active". Accordingly the advocacy project appears to have contributed to raising the profile of the Chamber.

Even so there is still a gap to be bridged in terms of nuisance taxes: While the report claims that a number of taxes are being unlawfully collected by AMC, this is to some extent being questioned by the Municipal Authorities. Hence, the workshop did not serve to create a common understanding about the nature and scope of the issue at stake.

Towards influencing and follow-up

Despite the momentum created by the report and the workshop, it is yet far too early to assess whether TCCIA Arusha will succeed in bringing about the envisaged policy changes. The next steps in the plan are to finalise and disseminate the report to key stakeholders and to arrange mini-workshops with the seven LGAs in the regions to advocate for change. To that effect, the Chamber has already been in contact with various authorities but schedules are not yet firmed up. The Chamber plans to use the media to bring the message across.

Clearly the above process of collecting data and the subsequent workshop have served to raise the issue with the authorities. Even so, there is still a long way to go to achieve the envisaged results. The issue at stake is high risk and difficult to achieve with several vested interests to manage. Key challenges include:

- Consensus on the nature and scope of the issue. The nature and extension of nuisance taxes is not yet agreed between the Chamber and the authorities;
- The final report may not be an adequate response for influencing authorities. More concise policy papers or similar will arguably be more effective vis-à-vis senior decision makers in the LGAs - and at central level in the event this is necessary (see below);
- The local authorities have limited manpower to respond to and deal with the Chamber. The lack of capacity also has implications for the authorities' ability to effectively manage tax collection agents;
- There may be a need to involve Central Government (notably Ministry of Finance and the Prime Minister's Office - Regional Administration and Local Government) in the overall revenue situation of LGAs. LGAs may only give up sources of revenue if they are guaranteed compensation from central government. The continued involvement of the BEST Better Regulation Unit is important in this respect.

A Target Authority - Arusha Municipal Authority



Despite these challenges, interviews with the AMC reveal a willingness to engage with the Chamber. The Chamber also has an interest in simplifying tax administration. AMC's key priority, in terms of revenue collection, is to maximise collection from the most critical sources of revenue, i.e. the service levy, property tax, and hotel levy. For the property tax only 1,500 out of 15,000 currently pay. Abolishing a host of other much smaller taxes and levies, which combined contribute much less, can only be an advantage for the authority. The critical point here is to improve management of tax collection agents - including a realignment of their incentives.

The Service Levy

As mentioned the Chamber has in parallel to the above process pursued the separate issue of the 0.3 per cent service levy. Here the Chamber has already made tangible achievements: In January 2008 the Chamber had its first ever meeting with the Director of the Municipality. The meeting was, according to both the Chamber and the municipality, a success and a commitment was expressed to have regular meetings. As pointed out by the Chamber "we have convinced the authorities that we do not want to fight them".

Moreover the meeting touched specifically on the service levy and it was eventually agreed to reduce the level to 0.03 per cent for small wholesalers in Arusha Municipality. According to officials from the municipality this reduction was accepted because the Chamber "had a point". No particular evidence was presented at the meeting but a small cross-section of businesses was visited by officials from the municipality.

5. Achievements - Advocacy Capacity and Relations

While support from BEST-AC to TCCIA Arusha serves to support their specific advocacy project (as discussed in the section above), the wider purpose is to strengthen the overall competence and capacity of PSOs to plan and implement advocacy work - now and in the future. This includes capacity to engage in dialogue with key stakeholders and influence public policy processes.

According to the BEST-AC due diligence form, completed at the time of the project agreement (February 2007), the Chamber had at the outset a relatively weak technical capacity (to do advocacy work).

Valuable information on the overall capacity and competency of TCCIA Arusha is also available from the diagnostic tool that is regularly deployed by BEST-AC. The tool, developed by David Irwin with Annabel Jackson, reflects the key aspects of advocacy competence and asks questions on organisation development, relationships, advocacy outputs and outcomes (two dimensions are examined for each).

For TCCIA Arusha assessments were carried out in both October 2007 and in May 2008. Over this period TCCIA Arusha has made notable progress on four dimensions, including the sophistication of its advocacy work, the processes used to build relationships - and the results achieved. For the rest of the dimensions the situation is status quo. This in turn suggests that the overall advocacy capacity of TCCIA Arusha is growing.

A specific testimony to this is the Chamber's dialogue with AMC outside of the immediate advocacy project. Moreover, it is also worth noting that the 29 January 2008 meeting with the AMC was followed by a well written summary by the Chamber and a follow-up letter to the Municipal Director to express satisfaction with the event and hopes for regular re-runs. The municipality's assessment that the Executive Director is "very active" is also an indication that the overall capacity of the Chamber is increasing.

It also appears that the Chamber has benefitted from being introduced to the various stages of the advocacy process. According to officials from the Chamber the methodology has made them approach advocacy issues in a more systematic way - for example by systematically trying to understand the issue (through research) before moving to the influencing phase.

On the same time, it would appear that there is scope for the Chamber to work more actively to build alliances with other PSOs. The Chamber works mostly alone despite the fact that some of the issues pursued are also relevant to other PSOs - including the service levy which has prompted both petrol stations and truck drivers to take actions vis-à-vis the municipality. Having alliances in place could also prove to be a major asset for future advocacy initiatives.

6. Relation with the BEST Advocacy Component

TCCIA Arusha became aware of BEST-AC through a newspaper advertisement and made the initial contacts to the BEST-AC office. The application process was assessed by the Chamber as being relatively straightforward.

The Chamber is very appreciative of the role played by BEST-AC - especially in terms of developing the idea together and getting the right team for the study.

The BEST-AC grant seems to be justified from the point of view that the Chamber could not easily have raised these funds from other sources. The Chamber has previously benefitted from support from other donors, including SIDA through the main TCCIA office, but BEST-AC appears to have filled a niche with this project.

7. Overall assessment and lessons learned

The TCCIA Arusha advocacy project is yet to demonstrate tangible policy achievements, but a solid basis has been created - as evidenced by a solid and convincing report, active participation from the authorities and recent, high-level meetings between the Chamber and the municipality.

However, a series of challenges present themselves in translating the basic agreements into specific policy achievements. A lasting solution may, for example, require intervention at central government level to strengthen the revenue situation of the LGAs, and involvement of the BEST BRU in the project is an important step towards this. However, the local authorities have demonstrated openness and willingness to work with the Chamber.

Moreover, the issue at stake is highly relevant for the economy in general and the project is therefore being followed by the BRU. It is, however, too early to determine the scope for replicability. A final assessment of the project in Arusha - and the sister-project undertaken by TCCIA Mbeya - will shed more light on this.

Meanwhile the key lessons learned from the TCCIA Arusha project are:

- The Chamber should have engaged with the authorities prior to data collection. It is important at the outset to create a common and basic understanding (and ideally acceptance) about the project. In the case of TCCIA Arusha it is clear that the simple notion of nuisance taxes (and their mere existence) continues to divide the Chamber and the authorities;
- Early interaction with the target authority is important for the authority to understand more about the PSO, its role and interests. Creating a vision of a "common interest" early on will help facilitate the process tremendously.
- More networking with likeminded PSOs could have proven useful - consultations with PSOs from other sectors could have added value to the process. Moreover, it could have reduced transaction costs from the authorities' point of view.

References and resources

Project Proposal Phase I & II (summaries presented to the BEST-AC board)

Study on current situation about the implementation of the government decision to abolish nuisance taxes - focused on Arusha Municipal Council and Monduli and Arumeru District Councils (draft)

Speech by Dr Job T. Laiser, Municipal Director, Arusha, given 29 January 2008 on the occasion of meeting with TCCIA Arusha

"Council enforces 'new' service delivery" Arusha Times, December 8-14 2007



Zanzibar National Chamber of Commerce, Industry and Agriculture - building capacity for advocacy

Key facts about the project

Title: BEST-AC support to ZNCCIA	Target authority(-ies): General focus
Project objective: 1. To build ZNCCIA's capacity to represent the interests and service the needs of its members effectively; 2. To help ZNCCIA build up its income streams; and 3. To leverage support from other funders	Sector: Cross-cutting with emphasis on small businesses
Advocacy stage: Identify issues >> Understand issues >> Develop responses >> Influence policy makers	Project period: July 2007 - ongoing
Area of intervention: Zanzibar (Unguja and Pemba)	Project budget: USD 350,000.- (including USD 25,000 for developing a strategic plan)

Key facts about ZNCCIA

No. of members/paid-up members: 126/80 (2008)	Total annual income: TZS 367m (2007)
Structure: Zanzibar Isles with headquarters on Unguja	Sources of income/ share of total: Donor (79%); Membership fees (1.6%); certificates of origin (1.3%); and other (18%)
Staff/professional staff (full-time equivalent): 5/1	Web: znccia.com

1. Introduction

The purpose of the BEST-Advocacy Component is *to sustainably enhance the quality and effectiveness of Tanzanian private sector advocacy for an improved investment climate*. BEST-AC started operations in November 2004. Since December 2005, BEST-AC has been assisting private sector organisations (PSOs) to develop their advocacy capacity, and supporting them to develop and implement advocacy initiatives. To date BEST-AC has supported 25 PSOs through 37 grants as well as training and technical assistance.

The current phase of BEST-AC is due to finish at the end of June 2008. To provide input to the review of the first phase it has been decided to launch a number of evaluation case studies. The objective of the case studies is to develop learning from the programme and to provide detailed understanding of the progress (intermediate as well as final) of individual projects. In addition, the evaluation case studies may also be used as the basis for case studies and exercises in advocacy training to be delivered in the next phase of BEST-AC (2008-2013).

A total of seven projects has been selected for case studies, including the Zanzibar National Chamber of Commerce, Industry and Agriculture (ZNCCIA). A complete list of case studies is available at the end of this paper. The case studies have been selected systematically with a view to cover a variety of sectors, different types of private sector organisations (apex, national, and regional), different stages of the

advocacy process (from initial identification of issues to influencing and follow-up) and a mixture of ongoing and completed projects.

The ZNCCIA caters to individuals and small businesses operating in trade, manufacturing, tourism, agriculture, clearing and service businesses. The Chamber is aspiring to become an apex organization for Zanzibar's private sector organisations. The BEST-AC support is, unlike most of the other BEST-AC grants, not designed to support a specific advocacy activity, but is proposed to build up the general capacity of the Chamber, including its advocacy capacity.

The evaluation of the project takes place halfway through implementation. Roughly half of the USD 350,000 BEST-AC grant had been disbursed at the time of the evaluation. The first USD 25,000 were used to finance the development of a strategic plan for the Chamber carried out by a Ugandan consultancy. USD 325,000 have subsequently been approved by the BEST-AC Project Board for direct quarterly disbursements to the Chamber. These funds have to date been used to upgrade the secretariat of the Chamber and to finance a policy study, which has already contributed to raising the profile of the Chamber vis-à-vis other PSOs and the Government.

The support to the Chamber is expected to create a better business environment for its members - and the private sector on Zanzibar in general. It should be noted that the Chamber exists in parallel with a number of other PSOs, including strong tourism PSOs. The private sector on Zanzibar is, according to 2006 figures, dominated by agriculture (30 per cent), industry or manufacturing (15 per cent) and services (43 per cent). In addition, the private sector is dominated by a large number of small businesses - the 2004 business census suggests that 80 per cent of companies have less than four employees.

The evaluation case study has been prepared by COWI A/S in close cooperation with BEST-AC and ZNCCIA. The methodology is briefly described in section 2 below. Section 3 introduces the advocacy project. Section 4 assesses the impact created by the project so far with respect to ZNCCIA's capacity to do advocacy while section 5 considers achievements with respect to the business environment. Section 6 assesses the interface between ZNCCIA and BEST-AC. Finally, section 7 presents an overall assessment of the project.

2. Methodology

The evaluation of the ZNCCIA project is based on a number of documents listed at the end of this paper and interviews with key stakeholders. The interviews were based on two interview guides - one version tailored to the PSOs and another version customized to target authorities.

Two interviews were held with ZNCCIA - one with the Executive Director and one with selected board members (including the Vice-Chairman). To validate information, interviews were also carried out with a representative from the Government of Zanzibar (the Registrar General), a number of other Zanzibar Private Sector organisations (ZATI and ZATO) and a consultant employed by ZNCCIA to produce the above-mentioned policy study.

Finally, interviews have been carried out with the relevant BEST-AC officers and the BEST-AC files on ZNCCIA have also been studied.

3. The Advocacy Project

The Issue

Unlike most of the other projects financed by BEST-AC, the objective of the ZNCCIA project is to build up the general capacity of the Chamber - and assist the Chamber to leverage additional funding from other sources.

The Chamber has had a turbulent history marked by internal conflicts and politicisation. The Chamber has, for example, been dissolved and re-established several times, most recently in 2002. The current leadership of the Board was elected to office in April 2007.

As a result of its turbulent history, the Chamber's credibility has been somewhat damaged. Arguably as a result of this the Chamber has had very little resources available and has worked out of a small office - and with no professional staff to manage its day-to-day business. It has consequently had to rely a lot on voluntary contributions from its Board members.

Moreover, the Chamber has historically operated within a very challenging context including an economy that has been micromanaged by the State and a political scene in which the two main political parties have been at loggerheads. Serious political issues on the relation between Zanzibar and the mainland have taken a lot of the attention away from issues such as private sector development and the need for economic reform.

With the most recent establishment in 2004 hopes were expressed that the Chamber could increase its image and standing with the authorities and develop into a professional Chamber, catering to and speaking on behalf of, as a first priority, the needs of the many small and medium-sized businesses on Zanzibar. To support the Chamber in this process, a grant from BEST-AC was made available to support its day-to-day operations as well as its specific advocacy activities.

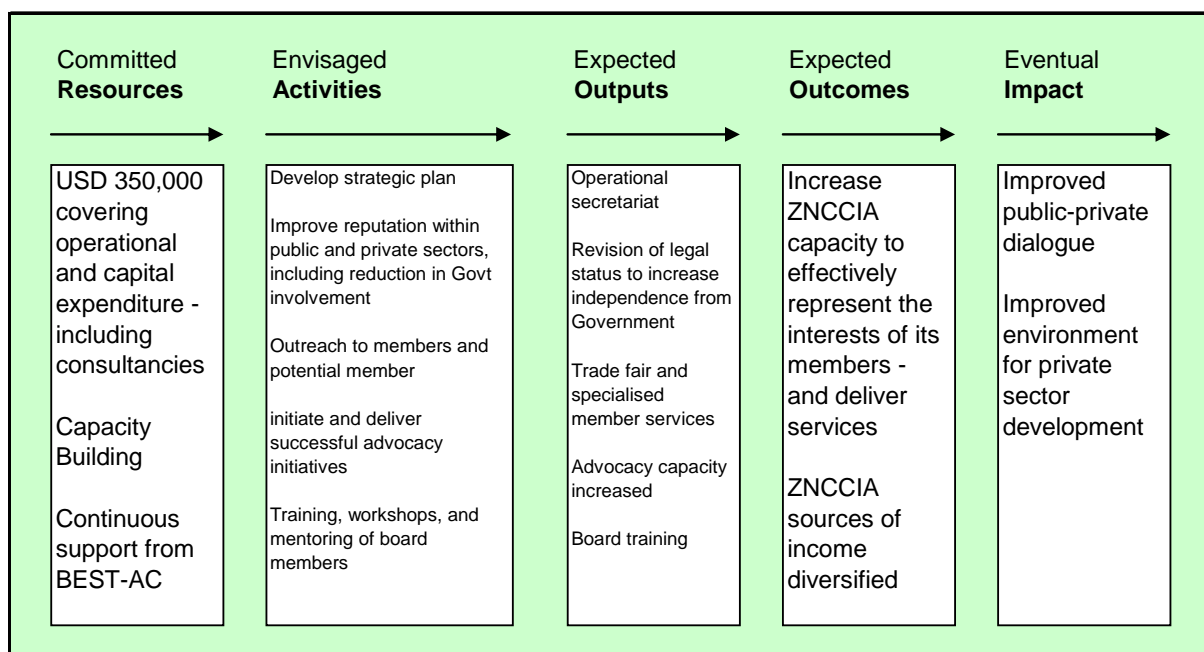
Approach

To support the Chamber the following approach was developed by ZNCCIA in close collaboration with BEST-AC and UMACIS, a Ugandan consultancy that was paid out of the USD project funds to kick off the project by developing a strategic plan:

- Establish operational secretariat and change the legal status of the Chamber to enable it to become fully independent from Government;
- Improve the credibility of the Chamber vis-à-vis public and private sector counterparts;
- Improve delivery of service to its members;
- Build up ZNCCIA capacity to advocate for reforms in the business environment; and
- Provide capacity building support (in particular training to management and board members).

The logic of the intervention is presented in the model below. The model is presented to give a short visual account of the project and clarify assumptions. The logic model has been developed based on information obtained from project documents and interviews with BEST-AC and ZNCCIA.

Logic Model for the ZNCCIA Project



The following assumptions, underlying the approach, can be identified:

- There is demand among private sector operators for a stronger Chamber that can defend its interests vis-à-vis the authorities. The Chamber currently exists in parallel with a number of other PSOs that are partly overlapping;
- The Government of Zanzibar has the necessary capacity (manpower and technical expertise) and willingness to engage in regular dialogue with the Chamber; and
- Opportunities for alternative sources of income will become available to the Chamber.

Key Stakeholders

The target authority for the project is broadly defined as the Revolutionary Government of Zanzibar (RGZ). The identity of the specific RGZ stakeholders will depend on the various advocacy issues being pursued but key stakeholders are expected to include Ministry of Trade, the port (ZIPA) and airport authorities (DCAZ) and the revenue authorities.

The Chamber will also in its work be addressing a number of PSOs including ZATI and ZATO. Private sector stakeholders on the mainland include the Tanzania Private Sector Foundation and the Tanzania National Business Council, the mainland equivalent to the Zanzibar Business Council currently being established.

Finally, stakeholders also include a number of international development partners and NGOs including Deutscher Entwicklungsdienst (DED), United Nations Development Programme (UNDP), the International Labour Organisation (ILO), the International Finance Corporation (IFC), and the Volunteer Services Overseas (VSO).

4. Achievements - Advocacy Capacity and Relations

The project seeks, first and foremost, to strengthen the general capacity of the Chamber. The expectation is that this in turn will put the Chamber in a position to identify, research and pursue specific advocacy issues in the future.

Valuable information on the overall capacity and competency of the Chamber is available from the diagnostic tool that is regularly deployed by BEST-AC. The tool, developed by David Irwin with Annabel Jackson, reflects the key aspects of advocacy competence and asks questions on organisation development, relationships, advocacy outputs and outcomes (two dimensions are examined for each). For ZNCCIA an assessment was carried out in April 2008. Compared to several of the other PSOs supported by BEST-AC it clearly emerges from the assessment that the Chamber is in a weak position. Its weakest dimensions are the depth of its advocacy tools and the results achieved from its advocacy work. On all the other dimensions the Chamber is given a higher score, but with ample room for improvement all the way round, especially on the organisational aspects.

The score from the diagnostic tool assessment thus confirms the overall rationale for the BEST-AC financed intervention, i.e. that the Chamber is in need of comprehensive capacity development. Subsequent diagnostic assessments will demonstrate to what extent the BEST-AC project has contributed to strengthening the Chamber.

However, a number of achievements have already been made with respect to strengthening the organisational aspects as elaborated below:

The Strategic Plan

The ZNCCIA project was kicked off by BEST-AC commissioning, in consultation with the Chamber, a consultancy to assess the Chamber and develop a strategic and action plan. The assignment was awarded to UMACIS, a private sector development consultancy based in Kampala, Uganda.

The consultancy worked with ZNCCIA in 2006 to develop a fairly comprehensive assessment focusing on status and challenges for the Chamber. The second part of the report presented recommendations, an activity plan and budget.

The report is generally assessed to have added substantial value through its sound analysis of the Chamber's situation and operating environment. Such a thorough assessment was clearly needed and was a logic first step to defining the rest of the project, which was to be implemented with the Chamber in the lead. The report was assessed as less strong in terms of its more forward-looking aspects, i.e. the recommendations and proposed work plan. The submission of the report was therefore followed by long deliberations by the Chamber, BEST-AC, and the consultants to further develop the strategy and action plan. The final design of the work plan is reflected in the logic model above.

Legal Status and Secretariat

Traditionally, the Chamber has been registered under the Societies Act. As pointed out in the UMACIS report this has undermined the Chamber's political independence - for example by giving the Registrar General discretion to dissolve the Chamber. Moreover, the registration under the Societies Act implied that the Chamber could not own property and borrow funds. Consequently, one of the quick wins identified in the action plan was to register the Chamber under the Companies Act, thus enabling it to own

property, borrow funds etc. This was an important first step towards raising the profile, credibility and independence of the Chamber.

In addition to the "upgrade" in legal status, the Chamber went through some relatively sweeping changes including the movement of its secretariat from its very modest offices in downtown Stone Town, for which no lease contract existed, to properly leased, larger, modern and much more comfortable offices in the financial area of Stone Town. This move, together with the recruitment of an Executive Director with a strong professional profile, signalled to the outside world that the Chamber was getting serious. For example, interviews with representatives from Government and with private sector organisations on Zanzibar have indicated that the new Executive Director is recognised as "someone qualified".

Despite these significant changes, the Chamber management and board members interviewed maintain that the Chamber remains understaffed - with the Executive Director allegedly taking on too much of a workload. It was argued for example that an officer dedicated to handling donor relations and an officer to manage a resource documentation centre would add value. The fact remains however, the Chamber is currently in a much stronger position than it was only a year ago and it is difficult to see why a full-time post would be necessary to handle donor relations. It therefore seems appropriate that BEST-AC is demanding tangible results from the investments made so far before the staffing situation is reconsidered. As BEST-AC also asserts, it is very important that the long term sustainability of the Chamber is considered when looking at the Chamber's staffing needs. At this stage in its development a lean and mean organisation structure is more appropriate and a large management and governance structure will be hard for the Chamber to sustain in the long term.

ZNCCIA, through the Executive Director and the President, has participated in the advocacy training offered by BEST-AC through UDEC. The training was assessed as useful and relevant - and specific lessons have already been applied in real life as evidenced by the container issue where the Chamber moved up one level in the government hierarchy to find the right point of entry. More generally the Chamber points out that the training taught them "when to press, and when to frown".

The ZNCCIA board members and Executive Director have also recently been exposed to corporate governance training. This involved a two day training course with nine modules including basic principles to risk management, human resources management and roles and functions of the board. The training was held on 23-24 April 2008 and was assessed as being useful in terms of general awareness and organisational development. As pointed out by the Chamber the training will be very instrumental in facilitating its conversion from a society to a limited company.

Service Delivery and Outreach

To increase its membership base, the Chamber's assumption is that more members will follow as and when they start to demonstrate tangible results. The Chamber elaborates the point by pointing out that the primary focus is not to "recruit new members" but to "service the existing ones".

The strategy is slowly starting to show results. According to the Chamber it was previously losing members but it has now entered a period where the number of paid-up members are increasing - for example from 105 in 2005 to currently 139. Moreover, the Chamber has seen an increase in the number of requests from members coming to the Chamber, which has climbed to a level of more than 50 per month. To assist in the development of improved service delivery options, the Chamber has already received support from Volunteer Services Overseas (VSO) of the UK. A second visit from VSO is

planned to help with developing service delivery options with particular emphasis on the trade fair option.

One of the main roles that the Chamber wishes to play is that of business development service provider. According to other PSOs, this is an area where the Chamber could play a role by promoting skills development, start-up loans, seed money etc. - especially to petty traders, farmers and other small businesses. A key consideration for the Chamber is to decide which (if any) services it can focus on delivering itself and which it should contract out and/or act as a link for members to private suppliers. Without specialist in house skills, focus is likely to be on encouraging financial institutions to focus on and see the market opportunity from these target audiences. Besides it is usually good practise to leave delivery of expert (including financial) services to key providers such as banks, micro-finance institutions, training companies etc. There is a risk that ZNCCIA would distort the market if it tried to deliver these services itself.

Relations

The Chamber's relations with Government and with the rest of the PSOs on Zanzibar (and beyond) are critical for its ability to undertake effective advocacy work. It is evident that the recent changes in the Chamber's organisation and secretariat have served to strengthen its standing and credibility with both groups. The changes are, however, only slowly starting to take place and more will be required to consolidate and further develop the relationships.

The relationship with the Government is particularly sensitive given the Chamber's long and controversial history. The challenge for the Chamber is to be seen as being truly independent, while at the same time asserting itself in its new role by developing a public-private dialogue between equal partners.

The growing relationship between the Chamber and the Government is exemplified by two recent high level meetings with the Finance and Economic Committee of the House of Representatives - one in March 2008 at ZNCCIA's initiative, and, significantly, another meeting in April 2008 at Government's request to obtain input on taxation and revenue in preparation for the FY2008/09 budget.

The relationship with the Government can also be measured by the number of institutional memberships in committees etc. Even prior to the BEST-AC project, the Chamber was represented on the Board of ZIPA. According to the Chamber's management, this has been followed by memberships of many other government committees - including fora dealing with tourism, trade, and employment, the MKUZA secretariat (including all clusters), the tax payers forum, the Zanzibar AIDS Commission, and the Drugs, Foods and Cosmetics Board. The Executive Director reports in this context that "it is realised that the people we send actually contribute".

These observations are to some extent backed up by the Government's observation that "they (the Chamber, red.) meet regularly and seem to become more serious". Moreover the Chamber is maintaining its relationship with the authorities by, for example, regularly inviting Government representatives to their Annual General Meetings. This, according to the Government, marks a break with the past.

Turning to the Chamber's relationship with the rest of the private sector on Zanzibar, the situation is one of reserved optimism. As pointed out by one PSO representative "we accept the Chamber not because it has done a lot of good - but because we expect it to do good".

Two tourism sector PSOs interviewed for the evaluation see the Chamber mainly as an organisation for small traders etc. Consequently, the Chamber is, at least according to these PSOs, far from being recognised as an apex body for the entire private sector in Zanzibar. This observation is also supported by the fact that none of the key PSOs represented on the new Zanzibar Business Council (more below) are members of ZNCCIA.

The fact that the Chamber mainly groups small traders is, on the other hand, largely a reflection of the Zanzibar economy as a whole. ZATI, which largely groups foreign investors in the tourism sector, is an exception in this context. Under any circumstances it is clear that the renewed momentum that kicked in in 2004 (funding started in 2007, and I think discussions in 2006?), and particularly the BEST-AC grant, have been contributing positively to increasing acceptability and respect of the Chamber.

In conclusion, the Chamber needs to do a lot more to nurture and develop its relations with the rest of the private sector and convince the PSOs that it has changed and that it can add value. This in turn also requires an open mind-set and a willingness to cooperate from the rest of the private sector. The need for improved services at Zanzibar International Airport is an obvious window of opportunity for collaboration between the tourist-based PSOs and the Chamber. ZNCCIA recognises this fully and is keen on the issues in the presentation at the ZBC.

Finally, also in reference to the airport issues, it is encouraging that the Chamber has started developing relationships with PSOs from the mainland including the Tanzania Air Operators Association (TAOA), a contact facilitated by BEST-AC (refer to Section 5 for more details). ZNCCIA has also re joined TPSF.

Financial Sustainability

Given the very significant resources currently available to the Chamber from BEST-AC the question remains how ZNCCIA can become more independent beyond the life of the project. The need for a more diverse and substantial source of income is recognised as one of the main project objectives. It is also realised in the work plan that "full sustainability cannot be expected in the lifetime of the project while noting that "the Chamber should have significantly increased its coverage and income" in the life of the BEST-AC project. For now, interviews suggest that ZNCCIA has its hopes pinned to the following sources:

- Membership fees: The Chamber is currently experiencing an increase at the rate of minimum 3/month - (105 paid-up members in 2005 against 139 currently). This in turn may provide an increasing albeit small source of income for the Chamber;
- Chamber members believe in fund raising dinners as a way forward. This is an activity already being carried out and is another likely source of a small but increasing income. Trade fairs have also been mentioned by the Chamber as a possible source of income;
- The Chamber further hopes to be able to develop and offer business development services that can be provided at a cost. The Chamber will need to decide a priori whether it is appropriate to engage in direct service provision or whether its role should be to facilitate development of these service providers and create linkages between them and members;
- Moreover, the board is hopeful that it will be able to generate a regular and sustainable source of income by developing a plot of land. Provided that the necessary permits can be obtained to allow

the work to begin, and the investment funds are available, this may indeed provide a substantial source of income for the Chamber; and

- Finally, the Chamber is hopeful that it will be able to secure funding from other international organisations such as the IFC, ILO, UN etc. The Chamber has for example had several exchanges and meetings with IFC, but no firm commitments had been made at the time of the evaluation.

It would indeed be very positive if the Chamber in the medium to long-term perspective would be able to increase its own sources of income - both in absolute and relative terms, but it does not seem likely that the Chamber would be able to raise enough resources from own sources to sustain the current level of activities made possible by BEST-AC funding. The ongoing efforts to develop relations with other international agencies are therefore particularly important for the short to medium-term financial sustainability.

5. Achievements - Business Environment

As already emphasised the main thrust of the project is to strengthen the general capacity of the Chamber as opposed to funding a specific advocacy issue. Advocacy work is, however, at the core of all aspects of the project and one of the budget lines in the work plan is dedicated exclusively to funding the development of technical papers in support of particular advocacy issues. The first of these papers has already been developed for the first meeting of the Zanzibar Business Council as elaborated below.

In addition, this section briefly mentions a few other advocacy issues that have been pursued by the Chamber in the lifetime of the BEST-AC project.

The Zanzibar Business Council

The Zanzibar Business Council (ZBC) was established by Presidential Decree in July 2005 but is yet to have its first full meeting. The ZBC is in many ways a window of opportunity for the Chamber, which the Chamber itself readily acknowledges. The belief is shared by other PSOs such as ZATI and ZATO, which are hopeful that the Chamber can play a lead role in pulling together the private sector and the government in the framework of the ZBC. The central role envisaged for the Chamber is underlined by the fact that the RGZ has invited them to make a presentation at the first Zanzibar Business Council.

To capitalise on this opportunity, ZNCCIA commissioned a study entitled "Accelerating Growth in Zanzibar". The idea was that this would help assess the economy and the role of the private sector in growing the economy and achieving the Zanzibar Growth and Poverty Reduction Strategy, MKUZA, goals. In particular the aim was to focus the ZBC discussion on key priority issues which the Government and private sector can collaborate to build growth in Z'abar economy. As acknowledged in the introduction to the report, the report was commissioned by the Chamber on "behalf of a broad range of private sector and civil society associations". This suggests that the report was used as an opportunity for the Chamber to demonstrate its ability to act as an apex organisation. Moreover, as pointed out by one observer, the paper arguably served to "rekindle" the Chamber's profile within government.

The study was carried out by the consultancy Serengeti Advisers, with BEST-AC facilitating the first contacts. Based on interviews it appears that there has been appreciation and full ownership of the report (and the process leading to it) from ZNCCIA. The approach of the paper, i.e. to take the Government's strategy as a point of departure and assess what the private sector can do to support the Government,

seems like a strategy that would go down well with most authorities. As pointed out by the Chamber "we are hoping to tell the Government, through the paper, where we can chip in in the implementation of the MKUZA". A key added value was the process ZNCCIA adopted for the development of the paper with the consultant, which involved Government and PSO and individual business input and helped develop good network relationships with ZNCCIA and position it as a coordinating, almost apex organisation.

The paper is well written, professionally layouted with key arguments supported by charts and graphs. Moreover the style is concise and to the point which also increases the likelihood for improved impact with authorities.

Unfortunately, the ZBC meeting, which set the deadline for the paper, was postponed and had not been held at the time of the evaluation. This is unfortunate as momentum had built up through the preparation of the report. In the meantime, a retreat was organised by ZNCCIA on 25 April 2008 on Zanzibar to discuss the report - and the role of PSOs more generally. The retreat was intended to identify issues of discussion for the first meeting of the ZBC

The retreat was attended by several government representatives - including the Minister of State in the President's Office responsible for Finance and Economic Affairs - and it was closed by the Minister for Tourism, Trade and Investments. The retreat also involved TPSF and TNBC representatives who reported on lessons learned from establishing the business council on the mainland.

As noted in a summary prepared by BEST-AC the retreat was appreciated by government representatives and could possibly help set the stage for a focused, first meeting of ZBC. However, the fact that the first ZBC is still to be held suggests that the RGZ has other issues on its plate which it sees as more urgent such as the ongoing MUAFKA negotiations on power sharing between the two main political parties.

With respect to the Chamber's relation with the rest of the private sector, it is clear that the report and the retreat have contributed to raising its profile. One PSO remarked, for example, that the presentation of the report "was brilliant" and it is generally acknowledged by the PSO representatives interviewed that the Chamber is pursuing a worthwhile initiative.

Specific Issues - Delays in Transshipments of Zanzibar Bound goods

As pointed out by the board members, there are many issues that need to be addressed to improve the business environment of Zanzibar including multiplicity of taxes, minimum wage, land rights, employment, energy, licensing, and infrastructure, including services delivered at the ports and airports.

In the life of the project the Chamber has been addressing the consistent delays in transshipments of goods from the Dar es Salaam port. The delay is clearly documented in a long exchange of e-mails running from August to October 2007 between the ZNCCIA and a private operator. Through the communication it is learned that the problem is partly related to low productivity at the Dar es Salaam port - and as suggested by one observer the low productivity may reflect an attitude problem among some of those responsible for port operations on the mainland side.

Eventually the Chamber decided to intervene. The first initial contacts with the Dar es Salaam-based operator did not provide results and the Chamber therefore decided to move up one step and target the higher echelons of the mainland government through the RGZ. To motivate the Zanzibar Government to

follow-up the issues on the other side of the channel, the Chamber emphasised economic implications and revenue foregone by the authorities as a result of the problem. The authorities also used the media to educate the general public. As pointed out by the Chamber "the media facilitated our intention".

Using the Zanzibar Ministry of Trade as a point of entry to the responsible ministry on the mainland - rather than approaching the port operators directly - turned out to be effective. According to the Chamber, containers are now moved more speedily from mainland to the Isles: Allegedly, the waiting time before the intervention was up to 4 months long with an average of 2-2.5 months, but it was subsequently reduced to 2-3 weeks. It should be emphasised that not all operators on Zanzibar have experienced such a significant decrease in waiting time.

The above examples suggest that the Chamber has a reasonable command of advocacy skills. It remains to be seen whether the Chamber will be able to capitalise on such skills, and its networking skills, to address other pressing issues such as the need for a more effective and better serviced airport on Zanzibar. As mentioned, this is an area where the Chamber would benefit from linking up with other PSOs, such as ZATI, and eventually this is the kind of issue that the ZBC would be expected to address.

Generally speaking, in terms of delivering results, the Chamber points out that bureaucracy is a real challenge. On the other hand, the Chamber points out that a lot of interaction, arguably of the more effective kind, takes place informally. As one Chamber representative reports: "Zanzibar is a small place and many people have either gone to school or studied together". The same observer concludes "it is not difficult to see officials on Zanzibar". As the credibility of the Chamber improves, informal dialogue is expected to become an even more valuable advocacy tool.

6. Relation with the BEST Advocacy Component

The cooperation between BEST-AC and ZNCCIA goes back a couple of years and was kicked off with the UMACIS report, where BEST-AC was in the lead.

The process that followed the submission of report, the prioritisation and development of a strategy and work plan, marked the beginning of close relationship. However, as pointed out by the Chamber, there has been some disagreement between BEST-AC and ZNCCIA with respect to its use of budget funds, outside the agreed budget. There have also been weaknesses in ZNCCIA's financial management and it is unfortunate that BEST-AC invited ZNCCIA to attend the financial management workshop in October 2007, a couple of months after the budget was agreed and the first disbursement made. This was partly because of the slow recruitment of the ZNCCIA Finance Manager. A subsequent visit to ZNCCIA by BEST-AC's Finance Manager has helped build the Chamber's financial management capacity but this is still a core weakness.

The Chamber is generally appreciative of the BEST-AC support and stresses that it has enabled a lot of changes that would not have been possible otherwise. In addition to being a funder, BEST-AC has clearly also been actively used by the Chamber to advise on issues such as the development of technical papers. Similarly, BEST-AC was heavily involved in the development of the work plan for the Chamber. It is thus assessed that a good basis for continued dialogue between the Chamber and BEST-AC has been established through the project.

7. Overall Assessment and Lessons Learned

The ZNCCIA project is in the middle of the implementation phase. To date the support to the Chamber has facilitated a very significant upgrade of the Chamber, which now has a much more professional set-up including a full-time secretariat with professional expertise. Hence there are clear signs that the Chamber is getting into gear - and this is being recognised by Government and its peer PSOs

For the Chamber to "stay in the game" beyond the BEST-AC project the overarching challenge for the Chamber is to identify alternative and sustainable sources of income. There are a number of options on the table but it appears that an agreement with another international partner is required in the short to medium term to sustain the current level of activity.

Whether the investment and organisational achievements will lead to more effective advocacy work and thus improvements in the business environment is still too early to tell. The Chamber has already showed that it can pursue advocacy issues in a professional and smart way, but the RGZ is yet to commit itself fully to public-private dialogue. The repeated postponements of the ZBC are a worrying sign in this context. The Chamber has for its part done a lot by commissioning the growth report, which has not only sparked a much needed dialogue, but has also served to raise the profile of the Chamber. Looking ahead, the immediate, most pressing challenges for the Chamber in terms of advocacy will be to push for the ZBC and follow-up to ensure that results are achieved. An obvious issue to test the effectiveness of the ZBC would be its ability to facilitate concerted action on the Zanzibar airport. The Chamber is keen to play a key role here.

References and resources

UMACIS Consulting (2006) *Strengthening the Zanzibar National Chamber of Commerce Industry and Agriculture - Strategic Plan*, December 2006.

Implementation and Disbursement Plan

ZNCCIA Work Plan, dated 19 March 2007

ZNCCIA (2008) *Concept Paper on Accelerating Growth in Zanzibar - A Private Sector Perspective - Final Report*, March 2008

Various letters and papers received from ZNCCIA

Tourism Confederation of Tanzania

- a quick response to a sudden decision

Key facts about the project

Title: TCT response to Government announcement of increases in park entrance fees and hunting block and trophy fees with immediate effect	Target authority/-ies: Ministry of Natural Resources and Tourism
Project objective: To persuade Government to delay immediate fee increases for tour operators, hotels, parks and hunting block concessions	Sector: Tourism
Advocacy stage: Understand the issue >> Develop responses >> Influence policy makers >> Follow-up	Project period: August - November 2007
Area of intervention: Nation-wide	Project budget and type of grant: USD 2,000.- (emergency grant)

Key facts about TCT

No. of members/paid-up members: 9 associations	Total annual income: TZS 57.1m
Structure: Apex with headquarters in Dar es Salaam	Sources of income/ share of total: Membership fees & Others (25%); donors (75%)
Staff/professional staff (full-time equivalent): 8/5	Web: www.tct.co.tz

1. Introduction

The purpose of the BEST-Advocacy Component is *to sustainably enhance the quality and effectiveness of Tanzanian private sector advocacy for an improved investment climate*. BEST-AC started operations in November 2004. Since December 2005, BEST-AC has been assisting private sector organisations (PSOs) to develop their advocacy capacity, and supporting them to develop and implement advocacy initiatives. To date BEST-AC has supported 25 PSOs through 37 grants as well as training and technical assistance.

The current phase of BEST-AC is due to finish at the end of June 2008. To provide input to the review of the first phase, it has been decided to launch a number of evaluation case studies. The objective of the case studies is to develop learning from the programme and to provide detailed understanding of the progress (intermediate as well as final) of individual projects. In addition, the evaluation case studies may also be used as the basis for case studies and exercises in advocacy training to be delivered in the next phase of BEST-AC (2008-2013).

A total of seven projects have been selected as case studies, including Tourism Confederation of Tanzania's (TCT) project to address the Government's decision to increase a number of fees with no advance notice - and with little consultation.¹ A complete list of case studies is available at the back.

The case studies have been selected systematically with a view to cover a variety of sectors, different types of private sector organisations (apex, national, and regional), different stages of the advocacy process (from initial identification of issues to influencing and follow-up), different grant types (normal versus emergency) and a mixture of ongoing and completed projects. The evaluation of the advocacy project implemented by TCT, an apex organisation for the tourism sector, takes place after completion of the project. Moreover, the evaluation concerns, as the only one of the seven case studies, a project financed through the so-called emergency grant mechanism under which BEST-AC can make limited funds available at short notice to enable PSOs to respond rapidly to immediate or sudden decisions made by Government. In fact the TCT emergency grant was the very first emergency grant to be awarded.

The TCT project has been highly successful: Following TCT's coordinated intervention, the Government decided to delay the Park entrance fee increase related to photographic safaris. And a couple of months later, following a very focused advocacy work by TCT and its partner PSOs, the government also gave concessions on the initial decision to increase fees for tourist hunting and hunting blocks.

In terms of lessons learned, the project has taught TCT the need for constant relationship building with the authorities. Although formally a public-private dialogue platform existed for dialogue with the authorities, the value of the platform had decreased over time and gradually the partnership between TCT and the Government weakened.

The issue at stake had serious consequences for tour operators (photographic and hunting), as well as hoteliers in the parks. The issue is also believed to have implications for the economy in general, specifically for all of the actors along the tourism value chain. It is important to keep in mind in this context that tourism is one of Tanzania's foremost earners of foreign income. The issue also had broader ramifications. The Government's decision to increase these fees with immediate effect had an impact on both local and international investors and painted a picture of a country in which it is risky to do business.

The evaluation case study has been prepared by COWI A/S in close cooperation with BEST-AC and TCT. The methodology is briefly described in section 2 below. Section 3 introduces the advocacy project. Section 4 assesses the impact created by the project so far with respect to the business environment while section 5 considers achievements with respect to TCT's capacity to do advocacy. Section 6 assesses the interface between TCT and BEST-AC. Finally, section 7 presents an overall assessment of the project and lessons learned.

2. Methodology

The evaluation of the TCT project is based on a study of a number of documents listed at the back of this paper and interviews with key stakeholders.

The interviews were based on two interview guides - one version tailored to the PSOs and another

¹ TCT has also been a beneficiary of other grants from BEST-AC.

version customized to target authorities. The interview with TCT included the Vice Chairman and the Executive Director. To validate information and include perspectives of other stakeholders, an interview was also carried out with the Ministry of Natural Resources and Tourism (MNRT), the key target authority for the project. Finally, the BEST-AC files on TCT have also been examined.

3. The Advocacy Project

The Issue

In July 2007 the Government announced, with retroactive effect, fee increases for hunting block concessions and trophy fees. Retroactive fee increases were also announced with respect to national parks along with a decision to introduce conservation fees in the Selous Game Reserve. Finally, retroactive increases in concession fees were also announced by the Tanzania National Parks (TANAPA) in August 2007 applicable to hoteliers in the national parks.

Most of the operators had no major problem with the fact that fees are adjusted from time to time. Some of the increases were, however, quite significant: The hunting block 6-month concession was proposed to increase from USD 10,000 to USD 50,000 in game reserves. Similarly there are examples of trophy fees increasing fourfold.

The real issues sparking a sharp reaction from the tourism industry were the following:

- The sudden announcement of fees with retroactive effect had serious implications for tour operators who generally take bookings 6 months to a year in advance. For operators in the EU, for example, there was no possibility for the operators to push the costs over to the consumer since EU regulations prohibit changing prices (beyond 2%) after signature of contract. Moreover, it was feared that any decision to change an agreement already made would reflect badly on the image of the tour operators and the Tanzanian tourism industry in general. Ideally, according to the industry, such increases should be announced 12 months in advance to allow operators to factor the increases into their prices;
- Moreover the decisions were taken without any measure of substantial consultation. Some consultation did take place in relation to the increase in the Selous Game Reserve and the northern zone chapter of the Hotel Association, but the consensus reached during these consultations was, according to TCT, not taken on board.. This lack of consultation and responsiveness indicated to the tourism industry that the Public Private Dialogue (PPD) previously established had lost momentum - and that Government was back in the 'old mode' of dictating policy and regulatory changes to the private sector;
- Finally, the industry feared for the wider repercussions to the tourism sector and to the economy at large. According to some, the suddenness of the decision could signal to international investors that the investment climate in Tanzania was becoming less predictable.

For the above reasons TCT and its member associations reacted sharply. The sense of urgency is underlined by the fact that letters went out to the authorities as early as 07 August 2007 from the Committee for the Selous Game Reserve Lodge Operators to the MNRT, on 10 August 2007 from the Tanzania Association of Tour Operators to the MNRT (addressed to the Minister), and on 15 August 2007 from the Hotel Association of Tanzania - also to the MNRT, in this case the Permanent Secretary.

The issue was also discussed by the Executive Secretary of the TCT and BEST-AC management, who were already cooperating on other projects. BEST-AC's Chairman and Development Partner representative on the BEST-AC Project Board agreed with management that a mechanism should be introduced to enable BEST-AC to support PSOs to respond to immediate Government decisions and that this could be a test case. They approved the emergency grant to TCT and at the next Project Board meeting, the emergency grant mechanism was approved.

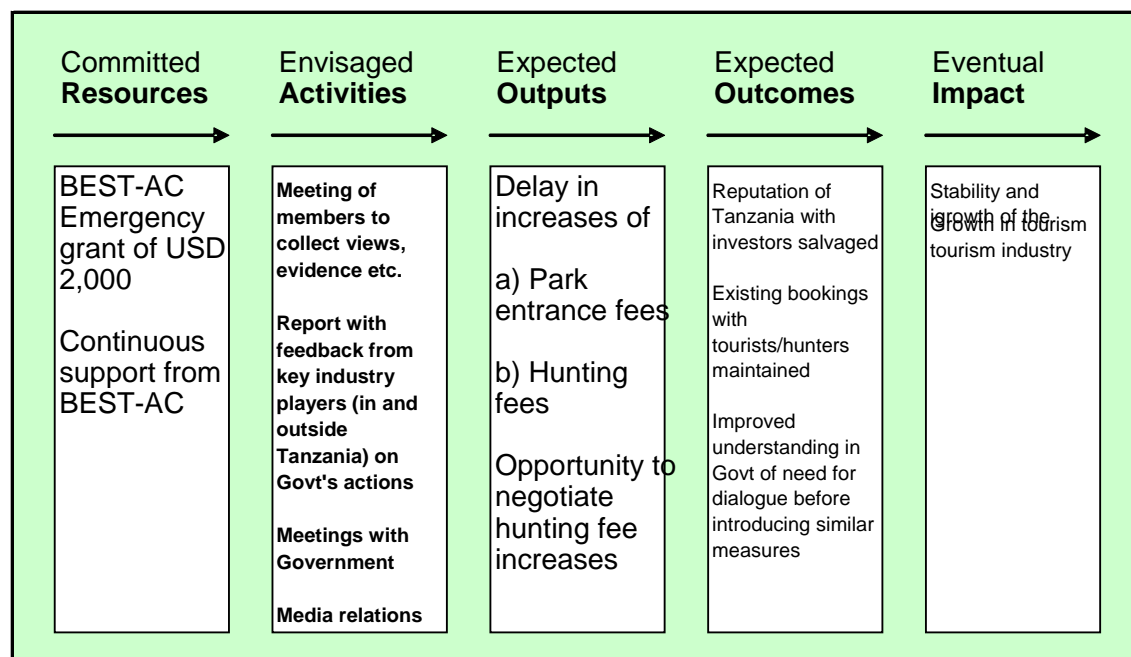
Accordingly, following a 14 August 2007 letter to BEST-AC formally requesting the grant, the letter of award was submitted to the Executive Secretary of TCT on 20 August.

Approach

To address the issues, the following approach, largely mirroring the five-step advocacy methodology, was adopted by TCT:

- Hold an extraordinary TCT governing council meeting;
- Collect evidence on the potential ramifications of the fee increases;
- Present the evidence to Government and hold meetings with a view to secure moratorium on the announced fee increases;
- In parallel a media campaign was suggested to support the campaign and if necessary "repair any damage done" to Tanzania's reputation as an attractive tourist (and investment) destination; and
- Finally, a need for continuous follow-up was foreseen.

Logic Model for the TCT Project



Note: Activities already implemented or under implementation in bold

The logic of the intervention is presented in the model above. The model is presented to give a short visual account of the project and clarify assumptions. The logic model has been developed based on information obtained from project documents and interviews with BEST-AC and TCT.

It is assumed that the PPD can be re-established which in turn presupposes a basic willingness, and stability, in the MNRT to establish such a dialogue. In the past the PPD has suffered from frequent transfers of top level officials.

Key Stakeholders

The target authorities for the advocacy project are Government bodies including State House, the Prime Minister's Office the Ministry of Natural Resources and Tourism (MNRT), and TANAPA.

On the other side of the table, key actors include TCT and its members, in particular TATO, the Tanzania Hunting Operators Association (TAHOA), HAT (notably its Northern Zone Chapter) and the Committee for the Selous Game Reserve Lodge operators.

A considerable role was played by international tour operators (and some of their clients), including the African Travel and Tourism Association (ATTA).

Finally, TCT also worked with the Tanzania Private Sector Foundation (TPSF) and the Tanzania National Business Council (TNBC).

4. Achievements - Business Environment

Mobilisation of Members and Collection of Evidence - A Good Beginning

The urgency of the situation was underlined by the fact that the TCT Governing Council was able to meet as early as 17 August 2008. At this meeting it was agreed to move straight to action and approach the MNRT as a matter of priority. Consequently, a meeting was organised for the following day with the Permanent Secretary of the MNRT.

At the meeting with the PS a 3-page document, prepared by the TCT Governing Council, was submitted to the PS to portray the TCT view on the issue together with a very preliminary assessment of effects on the industry, and the proposed way forward. At the meeting MNRT agreed to continue the dialogue and it was agreed that TCT should, as a matter of urgency, prepare a Rapid Impact Assessment (RIA).

The fact that TCT was able to organise a high level meeting with MNRT at short notice - and back it up with a short written response, is an achievement and arguably one of the reasons why the rest of the process went relatively well - having the MNRT on board from the very beginning ensured that they were more open to - and possibly even felt some ownership of - the RIA that followed.

Another sign of TCT's ability to act quickly was the ability to produce, in a matter of days, the fairly comprehensive RIA. TCT facilitated the process by activating its members who in turn responded quickly by providing ample and very persuasive pieces of evidence. The thing to note here is that TCT had already established efficient e-mail communication channels, which in this case enabled the Confederation to collect evidence at short notice. Also key was TCT's ability to involve and get support from all key member associations, who in turn helped compile the report.

The Interim Impact Assessment

The very substantial evidence provided by the TCT members (and their members) was packaged into a report, dated 28 August 2007, with the title: "Interim Impact Assessment of the Sudden Increase of Tourism Fees for Photographic Safari, Hunting Safari, and Hotel/Lodge & Camp Concession Fees Announced by the MNRT".

The report included a lot of primary evidence including a series of e-mails and letters from tour operators and clients. To quote from one 20 August 2007 letter submitted by a UK operator who was informing his customers of their extra cost as a result of the fee increase: *"the response we have had from our clients has been extremely negative"*. Another operator, involved in the hunting safaris, informs in an e-mail his Tanzanian counterpart that *"we are hereby cancelling ALL of our clients whom we have worked on for over a year....it's very difficult for us to book a hunt at one rate and then everything changes. That's just not the way we do our business"*.

There is a certain degree of consensus across the many interventions: They are not reacting to the principle of raising fees. It is first and foremost the modalities for doing so that causes them to react. As pointed out by TCT: "the goal is noble, the process is flawed".

The first part of the RIA clearly and succinctly describes the expected ramifications - distinguishing between implications to the economy in general (such as decline in revenue with multiplier effects along the value chain) and ramifications specific to the industry such as threat of legal action from tour operators.

The report is impressive - especially given the very short time taken to prepare it and the inclusion of a wide range of primary data makes it highly credible - especially because the conclusions are pointing in the same direction - and many of them are formulated in a respectful manner that is likely to go down well with the Tanzanian authorities. An assessment of the document is summarised in the table below.

Table - Assessment of TCT Interim Impact Assessment

Criteria	Assessment
Is the issue and potential implications clearly articulated?	Yes - the report is very focused with a clear, logical structure
Is there detailed evidence gathered through a formal research process, which demonstrates the impact of an existing policy or the potential impact of a proposed policy?	Partly - the evidence is mostly anecdotal and there is no specific estimation of how much the fee increase will cost the industry - and the economy in general
Does the policy paper use 'stories' to illustrate the issues?	Yes - to a large degree by including a series of specific letters written in reaction to the fee increase: 4 letters from photographic safari tour operators, 18 from hunting safari operators
Does the private sector position build logically on the research evidence?	Yes - although in a few cases it is difficult to assess the proportionality of some of the recommendations given that most of the data are anecdotal
Is the case succinct, comprehensive and compelling?	Yes - the report is brief and to the point - and includes a wide range of primary data which increase credibility and create a sense of urgency

Note: Criteria developed by Irwin-Grayson Associates.

Influencing and Follow-up

The interim impact assessment was presented to the Permanent Secretary of the MNRT on 30 August 2007. Soon after the meeting, it was announced by the Government that the increase in park fees would be postponed until July 2008.

On the hunting concessions, by contrast, the Government took no immediate action. In consequence TCT realised that there was a need "to change our strategy" and follow up continuously. The first alternative, led by TAHOA, was to collect additional evidence. This evidence in turn was, through TPSF, submitted to the TNBC (chaired by the President of the Republic) in the hope that an emergency meeting would be called. However, no response was forthcoming.

Eventually it was decided to send a petition to the President through TCT. The petition was signed by all TAHOA members as well as all TCT members. This in turn proved more effective: The President directed the Prime Minister to intervene. Accordingly, the Prime Minister met in November 2007 with TCT, TAHOA and MNRT to resolve the issue. At this meeting the MNRT announced a delay in increase in hunting fees - and a commitment was made to have a discussion on the level to be applied eventually.

Both of these announcements constitute a very significant achievement for TCT - and they have had a very tangible, monetary implication for many of its members. Arguably this allowed some businesses to continue who would otherwise have had to close.

The evidence produced by TCT no doubt played a role in persuading the Government to change its stance. The report includes, for example, a number of statements by EU-based operators who refer to the fact that EU regulations prevented them from increasing already agreed prices. As pointed out by the MNRT, this was one of the arguments that caused the Ministry to accommodate TCT. As mentioned by one MNRT official the decision to increase fees was to some extent a "technical mistake". The official also referred to "the power of the European companies" as being quite decisive.

However, given that the vast majority of the evidence in the assessment concerned ramifications for hunting operators, it is somewhat surprising that this is the area where Government was most hesitant to accommodate TCT. This in turn suggests that there are very different factors at play for photographic and hunting safaris. The MNRT points to the fact that the revenue to be derived from the increase in the hunting concessions was already factored into the national budget as presented by the MNRT Minister in Parliament in July 2007. This allegedly made it more difficult for the Government to backtrack. This in turn may also help explain why the hunting issue was not settled in what would have been a high profile meeting of the NBC. Instead the petition to the State House followed by a slightly more subtle meeting paid off.

At the same time, the Government's hesitation to give in on hunting may also be explained by the fact that hunting was receiving bad press in the national media - including stories based, according to TCT, on unrealistic figures about the "low prices" enjoyed by foreign hunters in Tanzania compared to some of the neighbouring hunting destinations. Whether the stories were based on facts or not remains to be seen, but it is clear that the media stories contributed to firing general concerns about the hunting industry.

On the other hand, in the final hour, it may have weighted in that many of the hunters coming to Tanzania are typically in the high-end segment - and their spending therefore has significant multiplier effects for the rest of the tourism industry.

Finally, there was a real threat that some of the hunting operators would go to court but this was avoided - thanks in part to TCT management. As TCT points out, a court case would have marked the point of no return, with dialogue as the other alternative - and much preferred by TCT.

TCT has not made a detailed assessment of the economic impact of the Government decision to delay the fee increases but it is clear that the returns on the USD 2,000 investment are staggering. The interim impact assessment submitted by TCT includes impact assessments developed by specific operators to estimate their expected losses as a result of the intervention. These suggest that individual businesses, depending on their size, could lose as much as several hundred thousand dollars for 2007 alone.

It should be kept in mind that the quoted numbers are only estimates based on a number of assumptions, but they serve to illustrate the point that the fee increase, if enforced by the Government, would have had serious implications for many operators.

The Public-Private Dialogue

As already noted the advocacy issue was about more than reacting to the sudden increase in fees. A key objective was also to get the PPD back on track. As pointed out in the impact assessment it was perceived that the ministry had "sidelined the partnership" by announcing the sudden fee increases. Getting the process back on track, it was believed, would reduce the likelihood that such a scenario would repeat itself.

As pointed out by both TCT and the MNRT, the Public-Private Dialogue has suffered in part due to frequent changes in the top leadership of the MNRT with two ministers and two permanent secretaries being replaced in less than two years.

During the discussions with the authorities, commitments were allegedly made from both sides to revive the PPD, but there is no solid evidence (yet) to substantiate that this commitment will be followed up by action. In December 2007, TCT (with BEST-AC support) initiated a public/private dialogue meeting with the Ministry, which was attended by a relatively new Permanent Secretary. The aim of this session was to build on the successful dialogue on the fee increases and also to ensure that the Government was aware of other activities undertaken by TCT and its partners, which are intended to support development of the tourism industry. Feedback from both sides was positive, however, the limited degree to which the private sector was able to influence the Government to make amendments to the proposed Tourism Act a few months later, indicates that there is still much work to be done in this area.

5. Achievements - Advocacy Capacity and Relations

While support from BEST-AC to PSOs generally serves to support their specific advocacy project (as discussed in the section above), the wider purpose is to strengthen the overall competence and capacity of PSOs to plan and implement advocacy work - now and in the future. This includes capacity to engage in dialogue with key stakeholders and influence public policy processes.

However, given that the TCT project concerns a small grant - and given that TCT has received other, more substantial support from BEST-AC and other organisations in parallel to this process - it is not possible to attribute any organisational changes to the emergency grant. However, in general terms there are clear indications that TCT's advocacy capacity and competency is on the increase.

Valuable information on the overall capacity and competency of TCT is available from the diagnostic tool that is regularly deployed by BEST-AC. The tool, developed by David Irwin with Annabel Jackson, reflects the key aspects of advocacy competence and asks questions on organisation development, relationships, advocacy outputs and outcomes (two dimensions are examined for each). For TCT diagnostic tool assessments have only been carried out once in July 2007. It emerges clearly from the assessment that TCT has a fairly strong organisation although it has challenges related to long-term financial sustainability. In terms of its command of advocacy tools, TCT appeared to be relatively weak - but was nevertheless given a fairly strong assessment in terms advocacy-related achievements. Finally, with regard to relations, TCT was doing relatively well, especially in terms of depth.

Based on the approach taken and the results achieved by TCT through the emergency grant it would appear that their understanding of advocacy tools has increased somewhat. Their decision to change strategies in the course of the projects to get a favourable result on the hunting issue is a clear testimony to this.

Moreover, there are also indications that TCT's ability to develop and manage relations has improved: With respect to relations with the Government, it is worth noting that MNRT recently approached TCT asking the Confederation to prepare inputs for a meeting with TRA. In TCT's own assessment "this is monumental as we (MNRT and TCT, red.) are going in there together". The MNRT itself also points out that it is appreciative of TCT - in part because it reduces transaction costs for the Government by providing a single point of entry to the sector. There are, however, examples to the contrary - i.e. that TCT relations with Government are far from consolidated. For example, the MNRT's willingness to consult with and respond to TCT has apparently been extremely limited in the recent process to draft a new tourism act.

While the evidence on TCT's relation with the Government is somewhat inconclusive, the advocacy project has clearly strengthened TCT. In terms of communication, TCT has seen an increase in number of requests coming to the TCT website. Moreover, members are taking TCT more and more seriously and TCT is increasingly "kept in the loop". The level of communication within TCT has increased significantly: the Executive Secretary reports that the number of emails flowing to his inbox has almost doubled from a year ago.

6. Relation with the BEST Advocacy Component

As indicated in the introduction, BEST-AC management and its Board reacted quickly to the request coming from TCT. Even though the emergency grant modality was not in place, BEST-AC showed flexibility and speed in developing a mechanism which could help TCT deal with the situation it faced. This flexible, result-oriented approach is highly appreciated by TCT.

While USD 2,000 does not seem like a lot, it would, according to several stakeholders, have taken too long time for the TCT to raise these funds from its own members - despite the urgency of the situation. Accordingly, TCT remarks about the emergency grant that "it should always exist".

It should be noted that there was already an ongoing dialogue between TCT and BEST-AC prior to the project since TCT was a recipient of BEST-AC funds. Through this dialogue the idea to make use of the emergency grant was born and the whole procedure of mobilising the funds is described as a "good process" with a few focused meetings and PowerPoint presentations to focus the discussion.

The interviews also suggest that the relationship between TCT and BEST-AC has developed into a partnership. The Chairman of TCT, interviewed in another capacity, reports that the projects funded by BEST-AC have generally been developed through a series of discussions in which BEST-AC has played a constructive and "very patient" role.

Looking to the future of private sector advocacy in Tanzania, TCT notes that more could be done by BEST-AC to raise awareness about the basic concepts of private sector advocacy. Reportedly, the concept is still poorly understood by many in the public and private sector alike.

7. Overall Assessment and Lessons Learned

The TCT Advocacy Project was a highly successful trial run of the BEST-AC emergency grant scheme. Through quick and decisive action, TCT created tangible results and also managed to bring the sector closer together. This in turn suggests that TCT is well positioned for future challenges of a similar character.

The key lessons learned from the emergency project are:

- Early involvement of high-level authorities (18 August 2007 meeting) created a solid basis for the advocacy intervention;
- Effective communication channels to members (preferably e-mail based) are a major asset for collecting evidence at short notice;
- Primary evidence (copies of communication from operators and clients) can be very persuasive in the eyes of the Government, especially when proposing changes to single, very specific issues, and it is definitely a cost effective approach;
- At the same time it is worth noting that the primary evidence was presented in a concise package highlighting in clear language the implications of action versus no action;
- The success is due to the TCT members as much as to TCT itself. In fact the level of coordination - and commitment from members - proved to be decisive in creating quick results; as pointed out by TCT: "the intervention has unified the industry and made us stronger";
- To minimise the risk of similar issues cropping up in the future, it is important to have a continuous engagement with key counterparts in Government;
- As mentioned, it is likely that public perceptions of the tourism industry (and in particular of the hunting industry) have impacted on Government decisions. Influencing these perceptions, for instance through ongoing media relations activities, is a legitimate long-term goal for the private sector;
- By adopting a flexible strategy and through continuous follow-up, it is possible to achieve very significant results; and
- Finally, the feedback suggests that BEST-AC should maintain its emergency grant mechanism as it allows BEST-AC to respond appropriately to PSOs' needs and enables PSOs to deal with immedi-

ate Government decisions in a timely fashion. BEST-AC has used the mechanism to make three further 'emergency grants'.

Reference is made to the brief TCT case study prepared by TCT and BEST-AC in which further lessons learned are available.

References and Resources

Interim Impact Assessment of the Sudden Increase of Tourism Fees for Photographic Safari, Hunting Safari, and Hotel/Lodge & Camp Concession Fees Announced by the MNRT, TCT, August 2004

Tanzania Travel and Tourism Directory 2008 Including Zanzibar and Pemba, published by ZG Design, TCT and the Tanzania Tourist Board (available online at tanzaniatourisonline.com)

Tourism Confederation of Tanzania (TCT) Case History

BEST-AC letter approving emergency grant, dated 20 August 2007

Tanzania Air Operators Association

- creating momentum for change

Key facts about the project

Title: Reforming TCAA, TAA and DCAZ and improve private sector involvement in TCAA and TAA decision making

Target authority/ies: TCAA, TAA, DCAZ

Project objective: To establish constructive relationship between TCAA and air operators to facilitate productive and meaningful dialogue (phase one). To increase transparency of TCAA, TAA and DCAZ operations (phase two)

Sector: Air transport

Advocacy stage: Understand the issue >> Develop responses >> Influence policy makers >> Follow-up

Project period: June 2007 - ongoing

Area of intervention: Nation-wide including Isles

Project budget: USD 62,995 (phase one) + USD 30,818 (phase two) = USD 93,813

Key facts about TAOA

No. of members/paid-up members: 35/ 16

Total annual income: TZS 0.4m (2007 and TZS 10m expected for 2008)

Structure: National with headquarters in Dar es Salaam

Sources of income/share of total: Membership contributions (100% for 2007)

Staff/professional staff (full-time equivalent): 1/1

Web: taoa-tanzania.com

1. Introduction

The purpose of the BEST-Advocacy Component is *to sustainably enhance the quality and effectiveness of Tanzanian private sector advocacy for an improved investment climate*. BEST-AC started operations in November 2004. Since December 2005, BEST-AC has been assisting private sector organisations (PSOs) to develop their advocacy capacity, and supporting them to develop and implement advocacy initiatives. To date BEST-AC has supported 25 PSOs through 37 grants as well as training and technical assistance.

The current phase of BEST-AC is due to finish at the end of June 2008. To provide input to the review of the first phase, it has been decided to launch a number of evaluation case studies. The objective of the case studies is to develop learning from the programme and to provide detailed understanding of the progress (intermediate as well as final) of individual projects. In addition, the evaluation case studies may also be used as the basis for case studies and exercises in advocacy training to be delivered in the next phase of BEST-AC (2008-2013).

A total of seven projects has been selected for the case studies including the projects implemented by the Tanzania Air Operators Association (TAOA). A complete list of case studies is available at the end of the document.

The case studies have been selected systematically with a view to cover a variety of sectors, different types of private sector organisations (apex, national, and regional), different stages of the advocacy process (from initial identification of issues to influencing and follow-up), different grant types (normal vs. emergency) and a mixture of ongoing and completed projects.

The evaluation of the advocacy project implemented by TAOA, a national organisation for predominantly small air operators, takes place at a critical juncture. The project is aimed at improving dialogue with TAOA's key government stakeholders and promoting initiatives that will increase transparency and effectiveness in the Government's management of the air transportation sector. The project has produced a major report that takes a comprehensive look at the sector and comes up with a series of recommendations. The challenge is now for TAOA to build on this achievement and follow up with the authorities to argue for tangible changes.

Air transport in Tanzania has been growing rapidly in recent years, roughly twice as fast as the economy. The number of passengers in the five major airports in the country increased from 1.96m in 2004 to 2.47m in 2006 - a 26 percent increase over two years. The issues at stake have implications not only for air operators based in Tanzania, or to 14 predominantly foreign scheduled airlines, but also for many other sectors notably tourism and mining. An improved business environment for air operators will for example contribute greatly to the Government's goal of increasing the number of tourists from 600,000 to 1,000,000 per year. As pointed out by one of the Association's members, it is critically important to convince the authorities and the public in general that the supply and quality of air transportation services play a role in determining the volume of tourism coming to the country - not the other way round, as is commonly believed.

The evaluation case study has been prepared by COWI A/S in close cooperation with BEST-AC and TAOA. The methodology is briefly described in section 2 below. Section 3 introduces the advocacy project. Section 4 assesses the impact created by the project so far with respect to the business environment while section 5 considers achievements with respect to TAOA's capacity to do advocacy. Section 6 assesses the interface between TAOA and BEST-AC. Finally, section 7 presents an overall assessment of the project and lessons learned.

2. Methodology

The evaluation of the TAOA project is based on a number of documents listed at the end of this paper and interviews with key stakeholders.

The interviews were based on two interview guides - one version tailored to the PSOs and another version customized to target authorities. Interviews with TAOA included the Chairman, the Executive Director and individual members. To validate information and include perspectives of other stakeholders, interviews were also carried out with two of the target authorities, the Tanzania Civil Aviation Authority (TCAA) and the Tanzania Airports Authority (TAA). One of the consultants employed by TAOA in the course of the project has also been interviewed. Finally, the BEST-AC project manager has also been interviewed and the files on TAOA have been examined.

3. The Advocacy Project

The Issue

The relationship between air operators in Tanzania, represented through TAOA, and its target authorities, notably TCAA, has been poor and suffered from limited dialogue.

The poor relationship, according to the Association, has resulted in a deterioration of the business environment for air operators. TAOA points for example to lack of transparency in the way TCAA manages allocation and use of fees and levies. The modalities for establishing specific fees are seen as arbitrary - often without a clear connection to the actual costs. In consequence some TAOA members suspect that they are being overcharged by the authorities. This issue in turn reflects a more general concern about lack of transparency in the way TCAA, TAA and the equivalent on Zanzibar, the Department for Civil Aviation on Zanzibar (DCAZ) manage their business. Only very limited financial information is published by each of these authorities, especially in the case DCAZ. TAOA also questions the justification for some regulations and license currently in place, such as the Air Service License. Another issues, that has become more prominent through the life of the project is the need for improved infrastructure and services at the country's main airports, especially Dar es Salaam and Unguja.

Passengers departing from Zanzibar International Airport



While TAOA sees the need for a more responsive public sector, the Association has also recognised the need for strengthening its own organisation. TAOA has been struggling with very limited resources at hand and no secretariat trying to create a common ground among its members.

The many and complex issues have been identified over a period of time through discussions among TAOA members and other PSOs. Later on BEST-AC also became involved and facilitated further discussion. The approach outlined below was agreed unanimously by the TAOA Board.

Approach

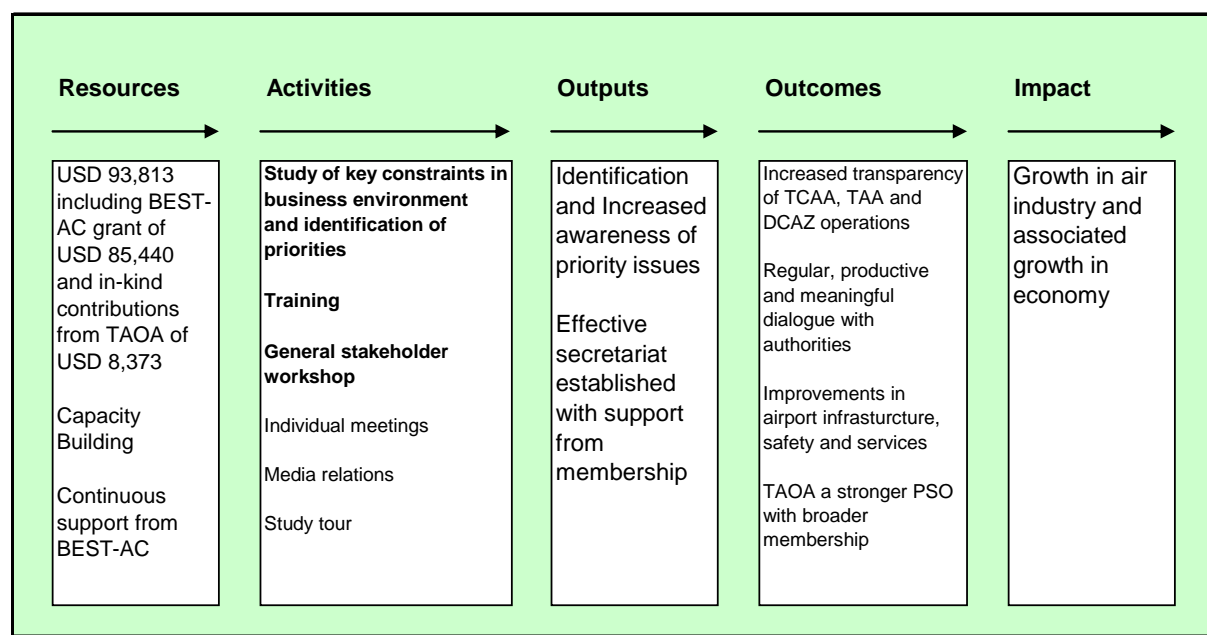
To address the above issues, TAOA has been keen to develop a more constructive relationship with the TCAA, TAA and DCAZ. The aspiration is that a closer dialogue will lead to better, more informed decisions taken by the authorities, and eventually an improved business environment.

The TAOA project consists of two phases. The first BEST-AC grant to TAOA served to finance a study (understand the issues and develop responses). The rest of the activities have been addressed under Phase 2 (influencing phase). The approach adopted by TAOA, in consultation with BEST-AC, involves the following:

- Study to identify appropriate regulatory framework, to recommend changes to target authorities' role and remit, to identify meaningful dialogue mechanisms and to clarify financial position;
- Training to support the development of an effective secretariat for the Association;
- General stakeholder workshop to present, discuss and prioritise the many issues raised in the study;
- Individual follow-up meetings;
- Media relations to raise awareness; and
- Study tour for key decision makers in Government to see how South Africa has made some of these reforms and the associated benefits.

In addition, outside the budget, the development of a training strategy for the sector is envisaged.

Logic Model for the TAOA Project



Note: Activities already implemented or under implementation in bold

The logic of the intervention is presented in the model above. The model is presented to give a short visual account of the project and clarify assumptions. The logic model has been developed based on information obtained from project documents and interviews with BEST-AC and TAOA.

The following assumptions, underlying the approach, can be identified:

- TAOA members can agree on priority actions;
- Authorities have interest, capacity and expertise to engage in constructive dialogue;
- Resources are available to fund proposed improvements; and
- TAOA members will agree to, in the medium to long term, to fund a functional TAOA secretariat. Tangible results achieved through this project are expected to facilitate this.

Key Stakeholders

The target authorities for the advocacy project are TCAA, TAA, and their parent ministry, the Ministry of Infrastructure Development. On the Zanzibar side target authorities include the DCAZ and the Ministry of Communications and Transport.

Key private sector stakeholders include the tourism apex body, Tourism Confederation of Tanzania (TCT) and its members, notably the Tanzania Association of Tour Operators (TATO) and the Hotels Association of Tanzania (HAT). In addition to continuous interactions with TCT on advocacy issues, TCT has also agreed to provide mentoring support to the TAOA secretariat in the context of the project.

On Zanzibar, TAOA has been in contact with the Zanzibar National Chamber of Commerce, Industry and Agriculture (ZNCCIA), and through ZNCCIA also ZATI.

TPSF, currently assessing a number of regulatory and licensing agencies in Tanzania to make recommendations for improved industry effectiveness, is also monitoring the project with interest.

Finally, the World Bank finances a number of feasibility studies on TCAA that are relevant to the work carried out by the TAOA advocacy project.

4. Achievements - Business Environment

Study Report: Towards Improving the Air Transport Industry in Tanzania

As pointed out above, the point of departure for the project was to develop a report to get a clearer view of the issues at stake. The report was developed by a team of consultants: an air transport expert, a regulatory agency expert, with civil aviation specialism, and a finance expert. The final team included a regulatory expert recruited from overseas and two domestic experts. The study was carried out in the last quarter of 2007.

The assignment was not staffed through a formal procurement process, but was instead hand-picked with the assistance of BEST-AC and after review of several CVs: Given the very specific expertise required for the team, this approach seems appropriate and all of the stakeholders interviewed have ex-

pressed overall satisfaction with the team. One of the domestic experts served as Team Leader and had an extensive network to facilitate appointments. The consultancy team interviewed a wide range of stakeholders and conducted physical inspections of a number of airports.

As reported by the consultants, the authorities interviewed, TCAA, TAA, TCAA CCC, MNRT, MID and DCAZ, were generally open to the researchers and shared (most of) the required data. In the case of DCAZ the team was however not able to obtain data at the required detailed level. The team also met with a range of air operators, but as noted by the Team Leader some operators "did not have the time to see the consultant team". This in turn, could suggest that TAOA business is still not highly prioritised by all of the members - or possibly the aim and purpose of the assignment was not well understood by all stakeholders.

The report produced by the team is generally of high quality and has been appreciated by most of the stakeholders met by the evaluation team. An assessment of the report is summarised in the below table.

Table - Assessment of TAOA Report

Criteria	Assessment
Is the issue for which research is required clearly articulated?	Yes - clear demarcation of the various aspects of the study - regulation, infrastructure, finance, institutional, training and TAOA
Does the design of the research programme suggest that the results will cover all aspects of the issue?	There is no methodology section in the report so it is difficult to assess but composition of research team brings together relevant expertise in all major areas
Are the primary and secondary data collected or selected suitable evidence for the issue?	Yes - broad range of stakeholders consulted, but more hard data would have further strengthened the report
Are the data sources sufficiently reliable?	Yes -
For primary data gathering, are there clear methodologies and methods?	Methodologies have not been described in the report
Is the analysis complete?	Yes
Are the conclusions logical and justified by the analysis of the data?	Yes - the report had added real value by drawing attention to the problem of services and infrastructure at major airports

Note: Criteria developed by Irwin-Grayson Associates.

TAOA members and board members see the report as a major achievement and point out that "they (the consultants, red.) have produced something that would take us a long time to achieve". Through the preparation of the report it was found, contrary to the original belief, that (poor) infrastructure and (lack of) services were more serious stumbling blocks than the regulatory regime. The Association acknowledged that the report had helped to focus on the "real problems".

At the same time, the Association believes that the report could have benefitted from inclusion of more hard data such as cost of operations, movements etc., but it is acknowledged at the same time that this kind of information is generally difficult to obtain. One member of the Association has also pointed out that the report could have been more direct to get the messages across - for example, the report could have emphasised the increase in TAA staff expenditure from TZS 1.8 to 3.8bn which took place without a corresponding increase in number of staff. These data were included in the report but not emphasised. Despite these reservations all members agree that the "money was well spent". As one member points

out, the data are likely to become useful in a number of ways, not only limited to the scope of the BEST-AC advocacy project.

The authorities are generally also appreciative of the report, which is seen as a useful starting point for dialogue. At the same time, it is felt by some that the report overlooks to some extent "the real situation of resource constraints and organisational structure". However, based on the interviews carried out by the evaluation team, it is not clear to what extent the authorities had actually read the full report - or only seen the PowerPoint presentation made at the workshop. If the understanding of the full report is indeed limited among the authorities, this may be explained by the fact that the report is fairly dry and very comprehensive. If the report was indeed meant to be used as a "response" more could possibly have been done to make it more accessible, for example by producing a short and more "punchy" version with more concise messages. It has been learned that fact sheets are now being planned to address exactly this issue.

Stakeholder Workshop

To formally launch the report a half-day workshop was held on 02 April 2008 in Dar es Salaam. The workshop included all key target authorities with a total of 64 in attendance including 52 TAOA members. The workshop was opened by the Deputy Minister for Infrastructure Development (MID), who, after opening the workshop, left for other business. Permanent Secretaries from both MID and the Ministry of Natural Resources and Tourism were, however, in attendance throughout as were Director Generals of TCAA and TAA. In consequence, the workshop managed to engage the target authorities at a fairly high level.

The MID Deputy Minister and the TAOA Chairman at the Workshop



Photo courtesy of TAOA

In the Association's view media presence was one of the key reasons why they succeeded in getting high-level attendance at the workshop including a Deputy Minister. The following day the Deputy Minister could see himself on the front page of the Guardian daily newspaper. Similarly, the workshop was covered with a picture and text in the Daily News, and reports also appeared in the Citizen and in a number of Swahili newspapers. Hence, both the Association and the MID received a lot of exposure

through the workshop. Moreover, the articles were generally supportive inasmuch as they faithfully reported the various issues highlighted in the report.

One of the purposes of the workshop was to solicit feedback on a number of prioritised actions that, on the basis of the report, had been identified by TAOA in collaboration with BEST-AC and the consultants. These were:

- TCAA reforms to increase transparency and responsiveness, assessment of financial costs, and introduction of cost-benefit analyses of air service license regime and all new rules and regulations;
- TAA and DCAZ reforms to increase transparency including publication of financial information, establishment of a more business-like footing for their operation and development of a short-term plan to address issues of immediate concern (including poor services and infrastructure at major airports in mainland and on Zanzibar);
- Skills development including long-term plan for access to quality training.

In the opinion of some of the authorities, TAOA went too far in its recommendations, for example, by being unrealistically tough in its call for doing away with regulations. Even so, there was a general consensus expressed at the workshop that the report had thrown light on a number of important issues.

There was, however, one particular issue that turned out to nearly derail the entire workshop by provoking a long, heated debate: The proposal to liberalise the sector through an "open skies policy" was met by fierce resistance from several operators, who feared that such a policy would lead to the entry of strong and possibly more competitive operators from abroad. Given the commotion caused by this topic, most stakeholders have pointed out that it would have been more productive to completely avoid the issue - especially since it was not among the recommendations prioritised by TAOA.

Despite this intermezzo, the workshop achieved two main things:

- First of all, it put life to the association by bringing the members closer together. Most of the participants were very engaged and according to TAOA it was the "largest gathering of the industry's stakeholders since TAOA was founded in 2002". It became clear to the members that they "must take action to support the association" as pointed out by one of the consultants; and
- Secondly, the workshop provided forum for a discussion with the authorities (and acknowledgement) of the key issues facing the sector, such as the need for improved services at the Zanzibar International Airport the proposal to have TAOA representation on TCAA and TAA boards, the need for training, and, more generally, the need for a forum for future consultations.

No tangible achievements and firm commitments were, however, made at the workshop and so this is the main challenge for the subsequent influencing and follow-up phase. As reported by one government representative, the Government is keen to implement some of the recommendations so there is good reason for TAOA to follow up consistently and persuasively.

Building Relations with Key Stakeholders

One of the key objectives of the project is to improve TAOA's relationship with the authorities notably TCAA, TAA and DCAZ. In addition, the TAOA relationship with the MID was also addressed although

this was not seen as problematic. Generally the report and the workshop have gone some way to open up and sensitise the authorities to the need for engaging more substantially with TAOA. According to the consultant team, TCAA and TAA were very cooperative throughout the process and TCAA expressed its satisfaction with the process and hopes of seeing "a much stronger TAOA". MID officials interviewed by consultants were also sympathetic to the overall approach and rationale for the project.

The TCAA representative was of the view that the expert assigned to deal with regulation was highly capable, which is expected to reflect positively on TAOA's credibility and image. On the other hand, TAOA's credibility was somewhat damaged by the public open skies policy discussion at the workshop, which, at least in the view of some authorities, exposed differences of opinion within TAOA.

TAOA and TCAA have met frequently in the past 15 months according to the Association. TCAA likewise confirms that the frequency of interaction has been increasing and that "TAOA is our main stakeholder". The Authority also reports that it regularly consults TAOA when new regulations are prepared. For example, to assess the scope for liberalisation of airport ground handling services, TCAA organised a 05 July 2007 Public Hearing Meeting with all stakeholders. It should be noted though that TCAA is legally required to arrange such hearings. No concrete examples could be identified where the Authority has taken specific TAOA requests on board.

TAOA interactions with TAA headquarters have started to develop in the past year. As pointed out by TAA, "we didn't know much about their (TAOA, red.) existence until last year...but we came to know more of them through the report". TAA has, however, some doubts as to whom TAOA represents and how they are different from other fora such as the Airlines Operator Committee. It seems that here is scope for a communication campaign from TAOA to explain whom they represent and why they exist.

TAA Headquarters, Old Terminal, Julius K. Nyerere International Airport



Judged by the feedback (or rather lack of) from the workshop, there is no indication that TAOA will be allowed on to the boards of TCAA and TAA - although this is the case in other countries such as South Africa. It seems that such a decision would require a major change of mind-set on the part of the Tanzanian authorities - and possibly a clearer communication of what TAOA represents. A study tour is fore-

seen in the project but is yet to take place. This could be a window of opportunity for TAOA to further develop relations with its target authorities.

Another goal of the project was to promote transparency and effectiveness - especially in relation to TAA and DCAZ. No results have been achieved to date, but it should be noted that the influencing strategy is yet to be rolled out. None of the authorities interviewed disagrees with the notion that they could benefit from more business-like management, but at the same time they point out that they form part of the government system and therefore have limited degrees of freedom. Here it would seem necessary for TAOA to engage with the political masters of the various authorities to discuss the possibility of a more autonomous and result-oriented management style for TAA and DCAZ. None of these is, however, likely to be a quick win.

Towards Tangible Results - Specific Advocacy Issues

While the Association is still working to develop an effective, substantial, and regular dialogue with the key target authorities, TAOA can already point to a number of advocacy issues where it has made some impact:

- TCAA has recently finalised TOR for a Civil Aviation Master Plan which is expected to be implemented in FY 2008/09. According to the Authority TAOA has played a key role in pushing for this study and this can therefore be seen as an achievement;
- TAOA has pushed TCAA to bring to the Kenyan authorities' attention the fact that only 3-month licenses are issued to Tanzanian operators. As documented by a letter dated 10 April 2008 from TCAA to the Director General of the Kenya Civil Aviation Authority, "the authority is concerned that Tanzania operators now receive licenses of 3 months duration which is very inconvenient". This letter was by at least some TAOA members seen as a result of the pressure made by TAOA. One member replied to the TAOA secretariat in email that "TAOA is really becoming the voice of the operators";
- TAA has started to prepare and present their budget to indicate more clearly expenditures planned or made on various airports and services of interest to TAOA; and
- TAA has initiated moves to the Government to restructure itself along the lines suggested by the report.

TAOA is pursuing many other specific advocacy issues, including the need for improvements at the airport on Zanzibar (in cooperation with ZNCCIA, no results yet), the development of a new tourism bill (submission of written petition arguing against too heavy regulation, no results yet) and the recent TRA proposal to introduce 20% VAT on some previously exempted categories of expenditures related to the tourism industry (TAOA contributed to private sector discussion in TCT, no results yet).

On balance, TAOA appears to be very active in terms of its advocacy work - especially in view of its very limited capacity as the following section will describe. Moreover, it should be acknowledged that in most of its advocacy campaigns TAOA is up against a significant number of vested interests, very complicated issues, a government mind-set favouring regulation and control, and occasional changes in top political leadership, notably in MID, where a new Minister was to be appointed at the time of the evaluation.

5. Achievements - Advocacy Capacity and Relations

While support from BEST-AC to TAOA serves to support its specific advocacy project (as discussed in the section above), the wider purpose is to strengthen the overall competence and capacity of PSOs to plan and implement advocacy work - now and in the future. This includes capacity to engage in dialogue with key stakeholders and influence public policy processes.

As pointed out by the TAOA board the Association was "toothless" at the outset. Valuable information on the overall capacity and competency of TAOA is available from the diagnostic tool that is regularly deployed by BEST-AC. The tool, developed by David Irwin with Annabel Jackson, reflects the key aspects of advocacy competence and asks questions on organisation development, relationships, advocacy outputs and outcomes (two dimensions are examined for each).

For the TAOA diagnostic tool, assessments were carried out in July 2007 and on 16 May 2008. The 2007 assessment of TAOA reveals that the PSO is fairly strong with respect to relations, both in terms of depth and breadth, and it is also assessed to be fairly strong in terms of the breadth of its advocacy tools. On all the remaining five dimensions, organisational development, advocacy results and depth of advocacy tools TAOA is assessed as being very weak. The picture does, however, change dramatically: In May 2008 TAOA has improved significantly on all dimensions - especially with respect to the results derived from its advocacy work.

In conclusion, the diagnostic assessments suggest that the advocacy capacity and competency have improved quite significantly in the course of the past 10 months, i.e. the period of the BEST-AC project. In turn, this is to some extent in line with the observation that the advocacy project has brought momentum to TAOA and has helped to revive its organisation. The sustainability beyond the life of project is, however, uncertain.

Specific changes with respect to organisation, relations and capacity development are further discussed below.

Secretariat

The TAOA secretariat has very limited resources. Its office and equipment are on loan from member companies and private contributions from a few individuals finance the work of the secretariat. This clearly does not provide a sound basis for the organisation. The big weakness, as pointed out by the Association, is (lack of) commitment from its members.

However there are some indications of a growing commitment. Small-scale operators are apparently starting to join the Association, allegedly because "we are delivering" as the Executive Secretary points out. Hence, the expectation is that the more results TAOA can demonstrate, the greater the likelihood that the number of paid up members will increase.

Another reason for optimism is the current management of the Association which is generally considered to be active and competent. The work of the Chairman and the Executive Secretary is acknowledged and appreciated - also by the authorities. TAOA is expected to hold an Annual General Meeting shortly which may give an indication of the commitment of its members.

Relations

TAOA's relations to its key target authorities are comprehensively addressed in the previous section. In summary the relations have been strengthened significantly, but the Association can further strengthen the relations through targeted and clear communication about its role etc. In terms of accessing authorities, the Association benefits from the fact that several of its members and management are previous employees of TCAA - including the Chairman, and the acting Executive Secretary

TAOA has a strong relationship with other PSOs and is an active member of TCT. The Chairman of TAOA is also the TCT Chairman. The TCT forum is used to discuss specific advocacy issues such as taxation, policy etc. TAOA also works closely with HAT and TATO, two other TCT members.

Capacity development

TAOA has through the project access to funds for capacity build with the specific aim of strengthening its secretariat. One of the capacity development measures implemented so far is an April 2007 study trip to South Africa for the Chairman and the Executive Secretary. The study trip was useful in drawing TAOA's attention to the fact that the private sector can play a much more central and assertive role than is currently the case in Tanzania. It is clear from the interviews that the visit to South Africa has equipped the TAOA representatives with strong arguments and a strong belief that the public and private sector should be "working hand-in-hand" in Tanzania and that TAOA could eventually be represented in high level committees and boards, including TCAA and TAA.

6. Relation with the BEST Advocacy Component

The support from BEST-AC has been crucial in getting TAOA up on its feet, and it is highly unlikely that the PSO would have been able to raise the funds from internal sources given the difficulties in raising funds for the core expenditures of the organisation.

The process of developing and implementing the project has involved several meetings with BEST-AC, and it is clear from interviews with TAOA members that the role of BEST-AC has been appreciated. The members point out that BEST-AC has been actively involved in developing and testing ideas. The application process is assessed as straightforward.

7. Overall Assessment and Lessons Learned

The TAOA project has to date mainly been about process. The commissioning of the report has started a development in which target authorities are gradually sensitised to TAOA and the issues that it wants to resolve. Moreover, momentum has been created among the TAOA members, which creates hope that the organisation will be able to strengthen its internal organisation and secretariat. Tangible achievements related to the business environment are on the other hand yet to materialise.

It has to be realised in this context that the project is in the middle of implementation with a lot of the influencing work still pending. It remains to be seen whether the responses developed by TAOA will serve, in combination with its advocacy skills, to convince the authorities on some of the key issues. Some of the recent achievements related to KCAA and the Master Plan suggest that TAOA can be quite an effective organisation.

So far the key lessons learned from the project are:

- It is important for PSOs, especially new and/or recently revived ones, to clearly and consistently communicate its rationale and goals to its key stakeholders;
- PSOs should be selective in terms of what issues are selected for workshop discussion. The session should be focused on the key messages; and
- Finally, although too early to tell, the report developed through the project clearly served well as a piece of research but may be less appropriate for influencing purposes. Responses for influencing purposes should be short and to the point.

References and Resources

Project Proposal Phase I & II (summaries presented to the BEST-AC board)

BEST-AC Grant Application Form (Phase I)

Various correspondence from TAOA

Towards Improving the Air Transport Industry in Tanzania - Final Report, prepared for TAOA, Dar es Salaam

TCAA Bulletin, various issues

Various newspaper articles

Workshop proceedings for 02 April workshop