Business Environment Strengthening for Tanzania (BEST) Advocacy Component

Baseline Survey: Advocacy Capacity and Competency of Grantee Private Sector Organisations

Final Report

February 2006

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BEST - AC
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List of Abbreviations

ACT	Agriculture Council of Tanzania (formerly known as Tanzania Chamber of Agriculture and Livestock)
BDSP	Business Development Service Provider
BEST-AC	Business Environment Strengthening in Tanzania - Advocacy Component
CIPE	Center for International Private Enterprise
CTI	Confederation of Tanzania Industries
DANIDA	Danish Agency for International Development Assistance
DFID	Department for International Development (UK)
GoT	Government of Tanzania
HAT	Hotel Association of Tanzania
ICISO	Iringa Civil Society Organisation
KILICAFE	Association of Kilimanjaro Specialty Coffee Growers
LGA	Local Government Authorities
LHRC	Legal and Human Rights Centre
MDA	Ministries, Departments, Agencies
PSA	Private Sector Advocacy
PSO	Private Sector Organisations
RNE	Royal Netherlands Embassy
RULU	RULU Arts Promoters
SCC	Same Chamber of Commerce
SIDA	Swedish International Development Agency
TACECA	Tanzania Civil Engineering Contractors' Association
TAFFA	Tanzania Freight Forwarders' Association
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TCT	Tanzania Confederation of Tourism
TNBC	Tanzania National Business Council
TPSF	Tanzania Private Sector Foundation
TRA	Tanzania Revenue Authority
Tsh.	Tanzania Shilling (Tsh. 1168 to USD 1, 30 January 2006)
USD	United States Dollar
VAT	Value Added Tax

Executive Summary

The baseline survey aims to provide a narrative account of the point of departure for National and Regional Private Sector Organisations (hereinafter referred to as Grantee PSOs) approved for grants funding from the **Private Sector Advocacy (PSA) Fund**. The fund is managed by BEST-AC. The aim of the fund is to empower the private sector in Tanzania through interventions that strengthen the advocacy work and capacity of PSOs.

The baseline survey is based on **personal interviews** with the PSOs that submitted successful applications to the PSA Fund, as approved by the Grant Allocation Committee in October 2005. They comprise seven PSOs with nationwide coverage and three regional ones. The survey covers capacity and competency in business advocacy.

In terms of **advocacy capacity**, the baseline focuses on the organisational set-up of the PSOs, their leverage in terms of members, funding and relations to public and private entities, and finally, their ability to define advocacy and specific advocacy tools

The PSOs approved for funding are generally committed to advocacy and considerate it one of their main tasks. They also tend to have a good theoretical understanding of advocacy and advocacy tools.

In terms of organisation, they distinguish themselves from the average PSO by having slightly higher budgets, multiple sources of funding (including donations from third parties) and secretariats with full-time staff employed. Moreover, all of them have interaction with the State. In addition, most of the Grantee PSOs have build up networks with other private sector entities and institutions, but mostly restricted to their respective sector.

In terms of **advocacy competency**, the survey focuses on the ability of PSOs to apply their general advocacy capacity to specific advocacy activities and issues and to achieve tangible results as a consequence thereof.

None of the Grantee PSOs have specialised training staff at their disposal. Likewise, only few of them take a strategic approach to advocacy and do not plan ahead. The typical pattern is to address issues as they arise throughout the year, i.e. reactive advocacy rather than proactive. Nevertheless, the findings show that all of the PSOs have undertaken specific advocacy issues, typically to have taxes or levies reduced or to have non-tariff barriers to the sector in question removed or simplified.

In terms of outcome, only few of the PSOs have succeeded in getting tangible, specific results. In most cases the issues are still pending, awaiting decisions and/ or feedback from third parties. In the PSOs' own analysis, this is mostly because of lack of funds and poor technical expertise in the area of advocacy. Finally, the Government mindset is identified as the most important challenge to the advocacy work of the PSOs.

Consequently, capacity building in the area of advocacy is in high demand but will need to be combined with a change in government mindset and an improved, sustainable flow of funds to the PSOs for the overall situation to improve to any meaningful extent.

The findings of the baseline survey are compared to a larger sample of Reference PSOs to show how the Grantee PSOs compare to the national average. The National Grantee PSOs are largely comparable to the National Reference PSOs, whereas the differences between Regional Grantee and Reference PSOs are more significant.

1 Introduction

The Business Environment Strengthening in Tanzania - Advocacy Component (BEST-AC) was started in October 2004. BEST-AC is responsible for the effective and efficient design, development and delivery of the Private Sector Advocacy (PSA) Fund.

The PSA Fund is provided through grants from the governments of Denmark (through Danish International Development Assistance, Danida), the Royal Netherlands Embassy, Sweden (through Swedish International Development Agency, SIDA) and the United Kingdom (through the Department for International Development, DFID).

1.1 BEST-AC and the Private Sector Advocacy Fund

The aim of the fund is to empower the private sector in Tanzania through interventions which strengthen the advocacy work and capacity of private sector organisations (hereinafter referred to as PSOs). By providing direct financial and technical support to existing and emergent business advocacy organisations, the fund and BEST-AC (the fund manager) are aiming to:

- Strengthen the capacity and competency of business advocacy organisations in Tanzania;

- Support more efficient and effective linkages between business advocacy organisations; and

- Provide quality advice and other support on specific and important private sector advocacy issues.

BEST-AC has been brought into existence to improve the quality and the effectiveness of private sector advocacy, thereby having a direct and positive impact on public policy, legislation, regulations and the external business environment, insofar as they relate to the Tanzanian private sector.

Overall, the BEST-AC team have created three "windows" differentiating between three target "markets" for the PSA fund:

- Window I: National PSOs;

- Window II: Regional PSOs; and

- Window III: District PSOs.

During the inception phase of BEST-AC, the need for a baseline survey of capacity and competency in business advocacy was identified. The assignment was undertaken by

COWI AS and COWI Tanzania Ltd. from September 2005. It covered a total of 28 National PSOs and 19 Regional PSOs, all selected by stratified, random sampling (hereinafter referred to as National and Regional Reference PSOs). The final report for this consultancy, "Baseline Survey: Advocacy Capacity and Competency of Private Sector Organisations and Business Development Service Providers", was submitted to BEST-AC on 30 November 2005.

The BEST-AC Grants Allocation Committee (GAC) met in October 2005 to review the first batch of eligible applications submitted for funding under the three Windows. A total of seven National PSOs and three Regional PSOs were approved for funding under Windows I and II respectively. BEST-AC subsequently signed contracts with each of these PSOs (hereinafter referred to as National and Regional Grantee PSOs).

Following the decision of GAC, it was agreed between BEST-AC and COWI Tanzania Ltd. (hereinafter referred to as the Consultant) to do another baseline survey focusing exclusively on the ten Grantee PSOs.

1.2   Purpose of the Baseline Survey

The purpose of the survey is to establish a baseline on the current situation with regard to advocacy planning and advocacy initiatives among the Grantee PSOs. The objective is to articulate the point of departure for the BEST-AC, and simultaneously provide input to understanding reasons for success and failure of advocacy initiatives, and provide input on advocacy training and capacity building needs of the PSOs.

No separate Terms of Reference has been produced for this assignment. It was agreed with BEST-AC that the survey will cover areas and methodology similar to those followed in the baseline survey of the National and Regional Reference PSOs (hereinafter referred to as the Reference Survey).

To put the results of the survey into a larger context, the findings will be compared to the results relating to the Reference Survey.

This report is organised as follows:

Chapter 2 presents the conceptual framework for the assignment, i.e. definitions and indicators for advocacy capacity and competency.

Chapter 3 sets out the methodology for the assignment including methodology for data collection.

Chapter 4 presents the findings for the Grantee PSOs.

Annex 1 has the interview guide developed for data collection.

Annex 2 presents the National and Regional Reference PSOs.

Annex 3 includes references for the report.

2   Conceptual Framework

To ensure complete consistency and comparability, the conceptual framework is similar to the one used in the Reference Survey.

2.1   Definitions

For the purpose of the survey, **business advocacy** is defined as: Actions to influence the authorities with a view to create and maintain a favourable environment for private sector business. As mentioned, "business advocacy" can also be strictly between private organisations, but this is not systematically examined in this survey.

Typical **advocacy tools** that can be mentioned are:

•   Lobbying;

•   Use of media;

•   Issuing of publications to influence public opinion;

•   Seminars/ workshops/ conferences;

•   Coalition building/ networking (horizontally and vertically);

•   Analytical reports; and

•   Training/ capacity building.

Advocacy capacity is defined as the general ability of PSOs to influence target groups. For PSOs this mainly concerns the strength of the organisations (staff, budget, members etc.), networks and access to decision makers, as well as their ability to define and conceptualise advocacy in general terms.

Advocacy competency, in turn, is defined as the ability of PSOs to apply their general knowledge to specific advocacy activities with a view to achieve desired results. It also concerns the ability to analyse and explain success and failure.

2.2   Advocacy Indicators

To facilitate systematised data collection, a list of indicators for capacity and competency in business advocacy has been developed. The indicators are mainly of a qualitative nature. However, attempts have been made to quantify and/or categorise data emanating from qualitative indicators wherever possible. This data is presented in chart form throughout section 4. The indicators are listed in the two sections below.

2.2.1   Advocacy Capacity

The capacity indicators relate mainly to the organisational set-up of the PSOs, their leverage in terms of members, funding and relations to public and private entities, and finally, their ability to define advocacy and specific advocacy tools:

- **organisation:** regular budget for the organisations and any specific allocations for advocacy; funding scores; representation of the organisations in the sector in percentage; having staff devoted to advocacy and their seniority in organisation; senior management being involved in advocacy;

- **access to decision makers:** frequency of meetings with decision makers; being member of government/ regional committees; being invited for policy dialogue; effectiveness of policy dialogue;

- **networks:** meeting regularly with other business organisations to discuss policy issues and mutual interests;

- **definition of business advocacy:** basic understanding of advocacy; and

- **advocacy tools:** basic understanding of advocacy tools.

2.2.2   Advocacy Competency

The indicators for advocacy competency serve mainly to illustrate the ability of PSOs to apply their general advocacy capacity to specific advocacy activities and issues and to achieve tangible results as a consequence thereof.

- **advocacy systems and planning:** workplan with appropriate schedule, budget and time allocation; activities linked to strategy and analysis; definitions of responsibility within the organisation/ coalition;

- **experience:** previous experience with specific advocacy activities;

- **approach:** comprising the following sub items:

    - **situation analysis**: an effective analysis of the problem as it effects members; including who are affected (stakeholder analysis);

    - **analysis of policy environment and process:** which decision-makers can take the decision on the issue; administrative change process;

    - **advocacy strategy:** including strategies for win-win situations; building of alliances; clear target group/ persons identified; and

    - **effective communication**: selection of spokesperson; clear requests; branding of policy.

- **output/ outcome:** having carried out advocacy activities that were successful; and

- **analytical ability**: why some advocacy initiatives fail and others succeed.

3 Methodology

The survey covers all PSOs whose applications to BEST-AC were selected for funding at the first GAC meeting, i.e. seven National and three Regional PSOs.

3.1 Data Collection

Data has wherever possible been collected through individual face-to-face interviews on the basis of a semi-structured interview guide to ensure that qualitative data are captured. This is considered the most relevant and effective approach, compared to other data collection methods such as group interviews, postal questionnaires etc.

The interview guide is similar to the one used for the Reference PSOs and is based on the indicators for capacity and competency mentioned in section 2.2 above.

The interviews have not been recorded on tape or other media. Given the nature of the subject this was considered to be a potential constraint on the willingness of interviewees to speak freely.

Moreover, to facilitate openness of information, the interviewees were informed prior to the interviews that data collected is for BEST-AC use only.

Interviews have been conducted in English with either the chairman of the board, and/or the Executive Secretary (where s/he exists). In some cases other board members and/ or administrative staff have also been present.

All Grantee PSOs have deliberately been interviewed prior to contract signature with BEST-AC.

The Reference sample included, by coincidence, five PSOs which were subsequently approved by GAC for funding. These are therefore included among the Grantee PSOs and in the Reference sample and have not been re-interviewed as part of this assignment. They have remained in the Reference sample to ensure that it is representative of PSOs in Tanzania. Their removal from the Reference sample could have caused bias in other words.

The list of Grantee PSOs, name and title of interviewees and date of interview is presented in Table 1 overleaf. A possible fourth Grantee Regional PSO was negotiating with BEST-AC at the time of the assignment. It was agreed with BEST-AC to disregard it.

Table 1   National and Regional Grantee PSOs

Level	PSO	Interviewee	Date
National	Agriculture Council of Tanzania (ACT)* †	E. R. K. Mushi, Chairman	11 November 2005
	Hotel Association of Tanzania (HAT) †	Mr. Damasi Mfungale, Chairman	16 November 2005
	KILICAFE – Association of Kilimanjaro Specialty Coffee Growers	Mr. Adolph Kumburu, Executive Director	05 December 2005
	RULU Arts Promoters	Mr. Ruyembe C. Mulimba, Director for Arts Promotion and A G M Luhala, Director for Administration and Training	05 December 2005
	Tanzania Civil Engineering Contractors Association (TACECA) †	Mr. Clement P. Mworia, Executive Secretary and Mr. S. Dhiyebi, Hon. Treasurer	18 November 2005
	Tanzania Freight Forwarders Association (TAFFA)	Mr. Otiendo O. Igoro, President, Mr. Manfred P. Mtitu, Vice-President, Mr. Walter Mndeme, Secretary General, Mr. Senkoro Aziz, National Treasurer, Mr. David Swicca, Councillor, Mr. Shaban Geva, Councillor, Mr. Solomon A. Kasa, Councillor	02 December 2005
	Tourism Confederation of Tanzania (TCT)	Mr. Richard Rugimbana, Executive Secretary	07 December 2005
Regional	Same Chamber of Commerce (SCC) ○	Mr. John A. Ngomoi and Mr. Mkongo	13 January 2006
	Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), Iringa Region†	Mr. Dunstan Mpangale, Executive Officer	13 October 2005
	Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), Kilimanjaro Region†	Mr. Boniface Mariki, Executive Officer	8 November 2005

* Formerly known as Tanzania Chamber of Agriculture and Livestock
○ Face-to-face interview not conducted, interviewees have filled out questionnaire
† Interview conducted as part of survey for Reference PSOs

3.2   Presentation

For analytical purposes, the information collected has been standardised and categorised to illustrate the main themes emerging from the interviews. To ensure transparency of the interpretation of such data, the original hardcopy questionnaires and a data matrix with all the original responses and categories will be handed over to BEST-AC upon completion of the assignment.

Data reflect interviewees' own assessments, and have not been systematically verified by information from third parties. Accordingly, some of the data on capacity, competency

and particularly output/ outcome may be biased under the assumption that interviewees prefer to talk about success rather than failure.

As mentioned, findings from the survey of Reference PSOs covering 28 National and 19 Regional PSOs will be used throughout as a reference. Please refer to Annex 2 for more details on this survey. The reader is also referred to the full report submitted 30 November 2005 to BEST-AC.

4   Findings

The findings of this baseline study of the Grantee PSOs is presented in three main sections: Section 4.1 sets out findings related to advocacy capacity, section 4.2 focuses on advocacy competency and, finally, section 4.3 describes findings with regard to capacity building needs. Section 4.4 summarises the findings.

Throughout, the findings for the National Grantee PSOs are presented first, followed by presentation of findings for the Regional Grantee PSOs.

4.1   Advocacy Capacity

As mentioned in section 2.2, advocacy capacity is for the purposes of this report defined as issues related to *organisation* (subsection 4.1.1), *access to decision makers* (subsection 0), *networks* (subsection 4.1.3), the *conceptual understanding of advocacy* (subsection 0), and the ability to *define advocacy tools* in general terms (subsection 4.1.5).

4.1.1   Organisation
The subsection presents the main findings with regard to the organisational set-up of the PSOs. It focuses on their primary activities, availability of secretariats, outreach to members, budget, and funding source.

By way of introduction the Grantee PSOs' perception of their own role with respect to advocacy will be presented. This information is assumed to be an important indicator of the overall awareness and priority of business advocacy. As the survey of the Reference PSOs showed, not all PSOs necessarily think of themselves as being advocacy organisations *per se*. Other tasks such as marketing, credit provision, and service delivery to members may have higher priority.

As demonstrated by Chart 1, the picture for the seven National Grantee PSOs is similar to the Reference PSOs: six of the seven PSOs exist primarily with a view to advocate and represent the interests of its members. ACT, for example, has been formed with the sole purpose of advancing the interests of the agricultural sector through lobbying. The only National Grantee PSO which does not label itself as an advocacy organisation *per se* is KILICAFE, which sees itself mostly as a marketing organisation (for specialty coffee growers).

Chart 1   Primary Activities of National PSOs
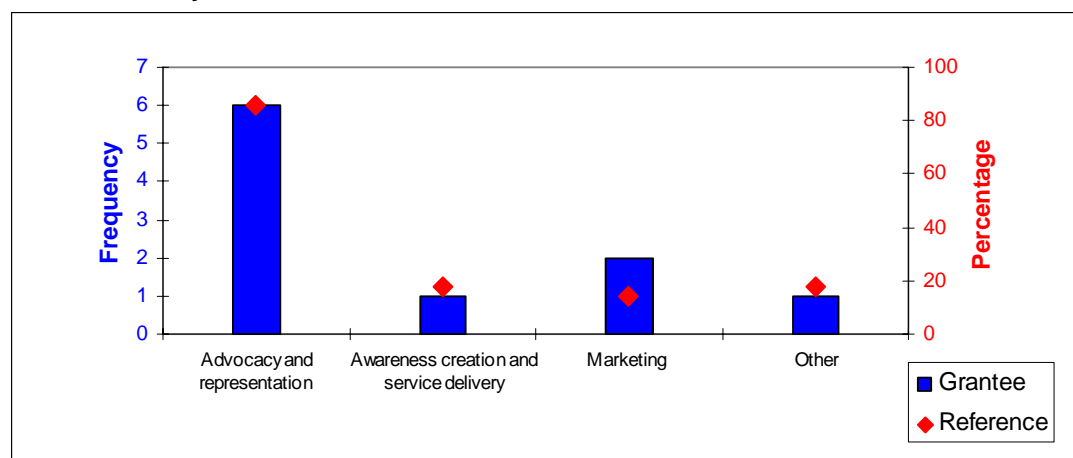
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

For the Regional Grantee PSOs, Chart 2 shows that they are all essentially advocacy organisations, much more so than the Reference. In other words, the Regional Grantee PSOs can be assumed to give advocacy issues high priority.
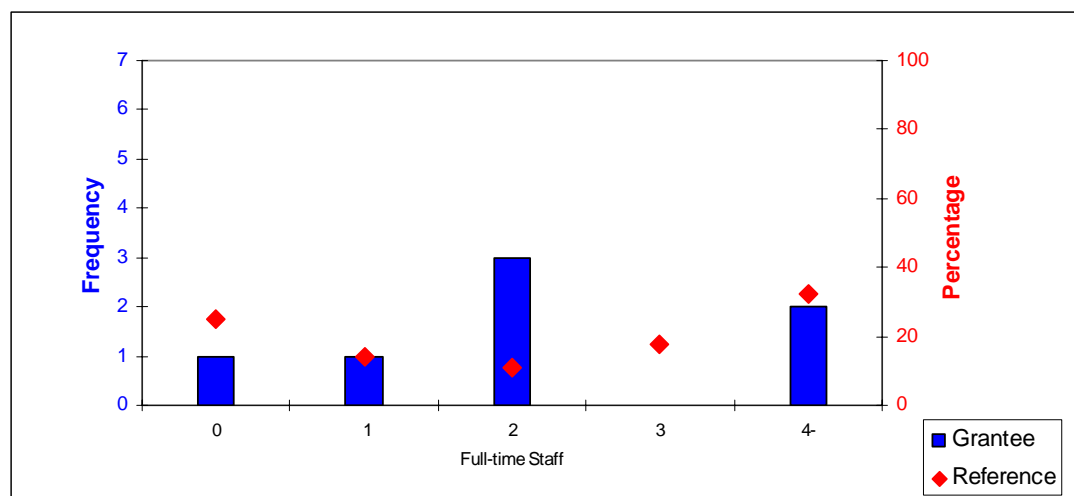
Chart 2   Primary Activities of Regional PSOs
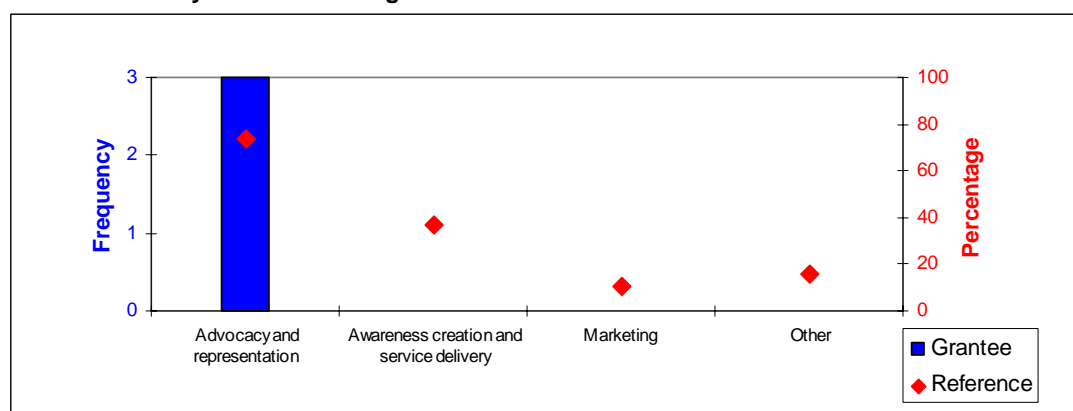
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Secretariat

A sizable and organised secretariat is believed to impact on the capacity of PSOs to properly prepare and organise advocacy issues.

As Chart 3 demonstrates, five of the seven National Grantee PSOs have two or more staff at their disposal. As the table also shows, only 50 percent of the Reference PSOs have secretariats of similar size. Whether the relatively higher staffing of the Grantee PSO secretariats had had a positive impact on the quality of their applications to BEST-AC has not been ascertained.

Chart 3   Secretariat Size for National PSOs

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.
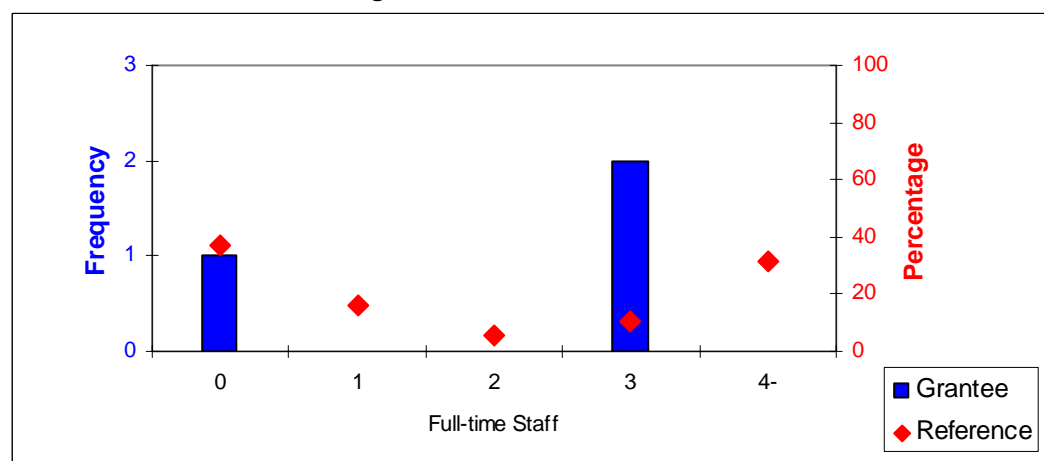
For the Regional Grantee PSOs it can likewise be seen from Chart 4 that two of them (TCCIA Iringa and Kilimanjaro) enjoy secretarial support from three staff, and thus have considerable resources to draw upon. SCC by contrast has no manned secretariat available, and relies on volunteers from among its members.

Chart 4   Secretariat Size for Regional PSOs

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Finally, it should be mentioned that the capacity and quality of secretariat staff is an important factor which does not feature in the above Charts. However, as subsection 4.2.1will demonstrate, none of the Grantee PSOs employ advocacy specialists in their secretariats.

Outreach

Outreach is defined as the number of members a given PSO has in relation to the total population of existing and potential members in that given sector. Outreach is believed

to be an important factor in determining the leverage PSOs have, as PSOs with high membership coverage can credibly speak for their sector.

Outreach for National Grantee PSOs is illustrated in Chart 5 below: The seven Grantee PSOs are evenly distributed with two of them having outreach below 20 percent, another two around 50 percent, and finally, two Grantee PSOs which covers more than 80 percent of the potential membership base.

TAFFA is one of the Grantee PSOs with outreach close to 100 percent. TAFFA represents freight forwarders of which only a limited number exist, concentrated in urban areas. This makes it easy for TAFFA to identify and approach all potential members. From the potential members' point of view, the expected benefits from joining may also be perceived as greater if the absolute number of members is low.

RULU in turn also has outreach near 100 percent, but this is due to RULU's organisational association with the National Arts Council, where all artists are required to register. KILICAFE, by contrast, has below 20 percent as the number of potential members is high and geographically dispersed. Moreover, the members may not be in a position to pay for membership and/or may not see the long-term benefit from joining an organisation with high number of members in absolute terms but with limited outreach.

Chart 5   Outreach for National PSOs
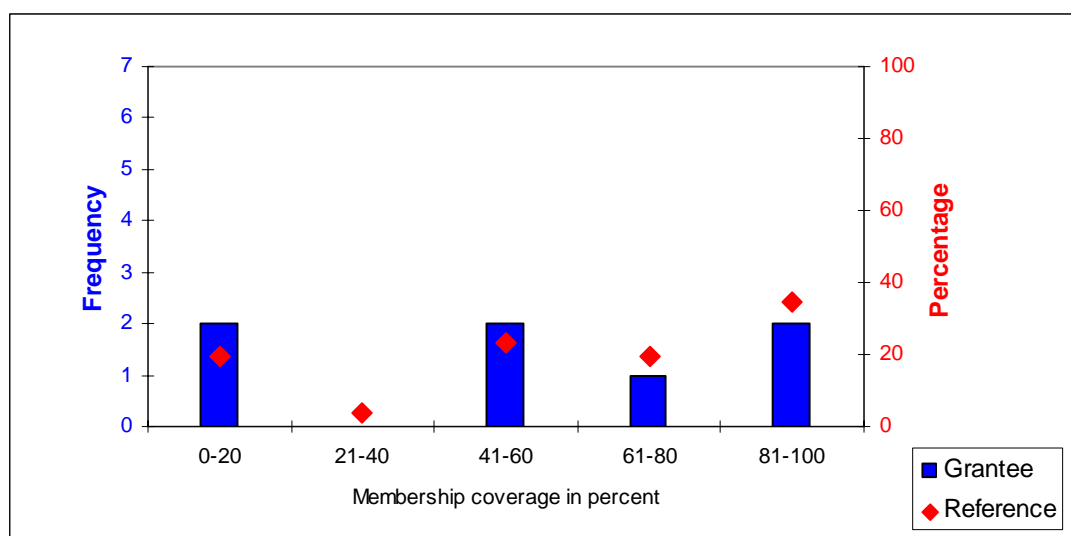
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise a sample of 26 National PSOs stratified by sector. Two Reference PSOs did not have estimates of their outreach. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

In absolute numbers all the Regional Grantee PSOs have a sizable number of members (from 200 to 1000). Given the fact that they are general Chambers speaking for all private sector activities in fairly large geographical areas, their overall outreach is still relatively low as Chart 6 shows: For the two regional TCCIA offices, outreach is estimated at around 10 percent.
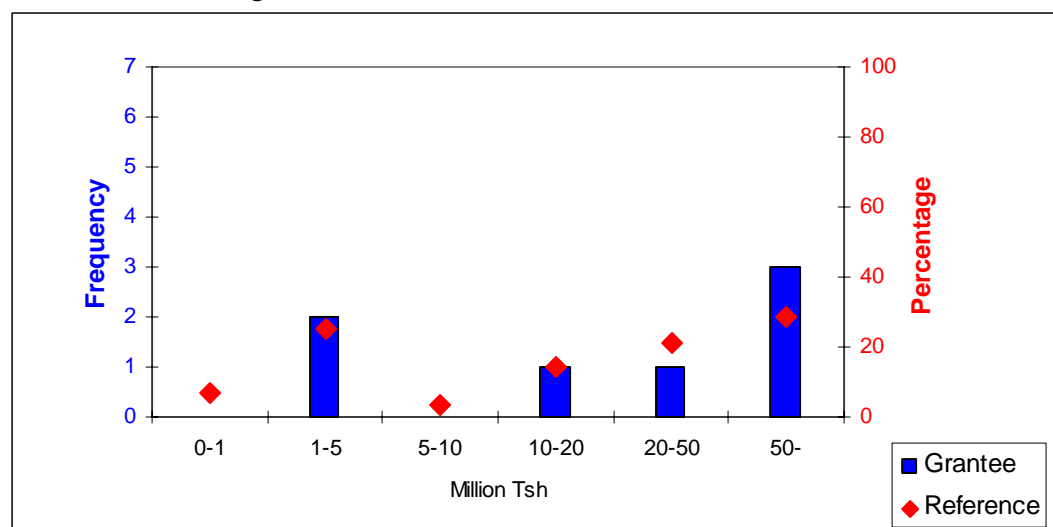
Chart 6   Outreach for Regional PSOs
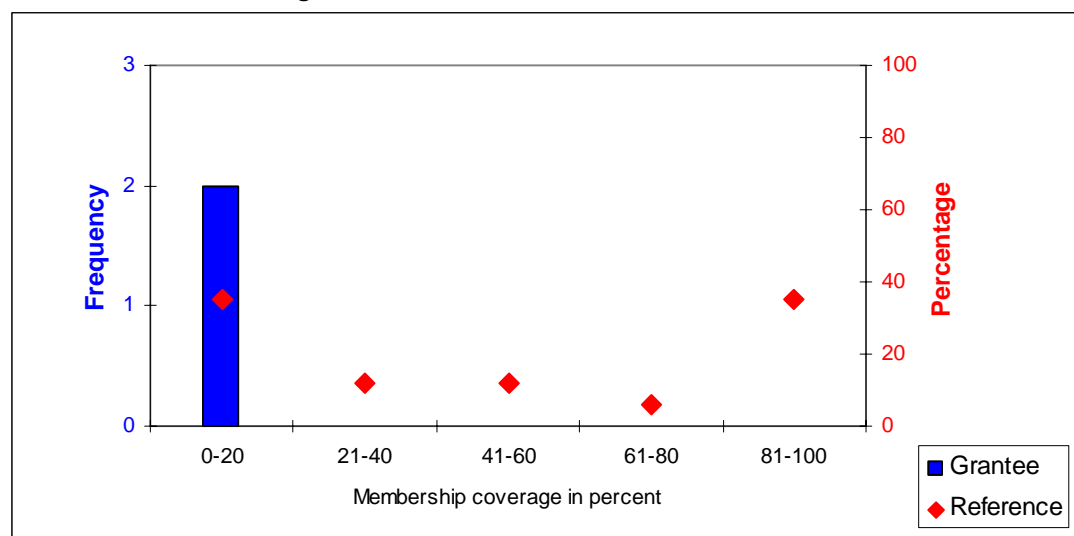
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise a geographically stratified sample of 17 Regional PSOs as two PSOs did not have estimates of their outreach. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Funding

The annual budget for the National Grantee PSOs is demonstrated in Chart 7 below. TCT has the largest budget available at approximately Tsh 90m, closely followed by KILICAFE at Tsh 80m, and TAFFA at Tsh 70m. It can be seen from the table that the proportion of National Grantee PSOs with budgets of Tsh 50m and above is slightly higher than for the Reference PSOs.

At the other end of the range, National Grantee PSOs such as RULU and ACT has Tsh 5m or less available per year. Still, unlike the Reference PSOs, all of the National Grantee PSOs have at least some budget at their disposal.

Chart 7   Annual Budget for National PSOs

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Part of the reason why some of the National Grantee PSOs have sizable budgets at their disposal can be seen from Chart 8. Four of seven receive donations/funding from external parties in addition to regular member subscriptions. TCT for example is subsidised directly by the Government and TAFFA has been working with donors such as USAID (and has a possible World Bank funded activity is in the pipeline). KILICAFE is also supported by external parties, although in-kind, as *TechnoServe* has been providing technical assistance at no cost to the organisation.
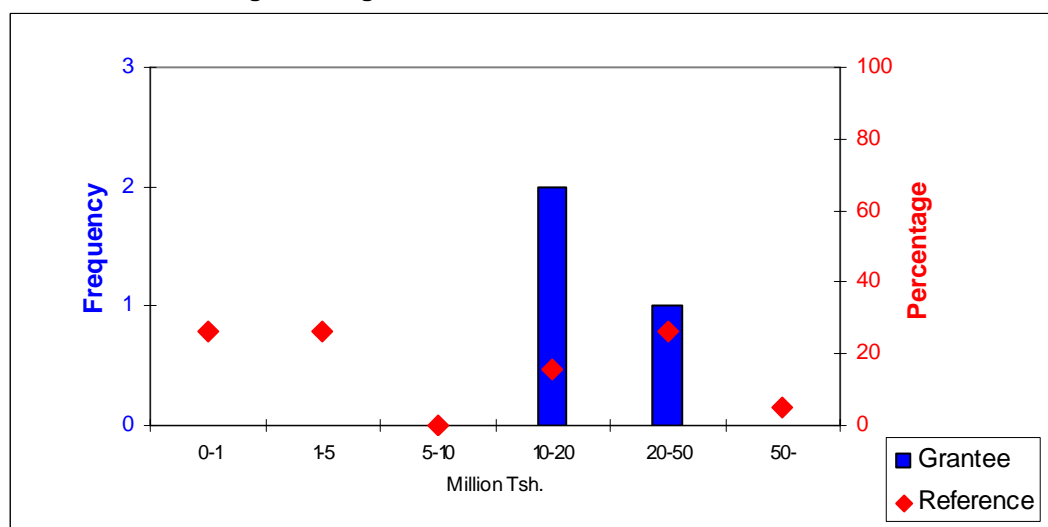
Chart 8   Source of Funding for National PSOs
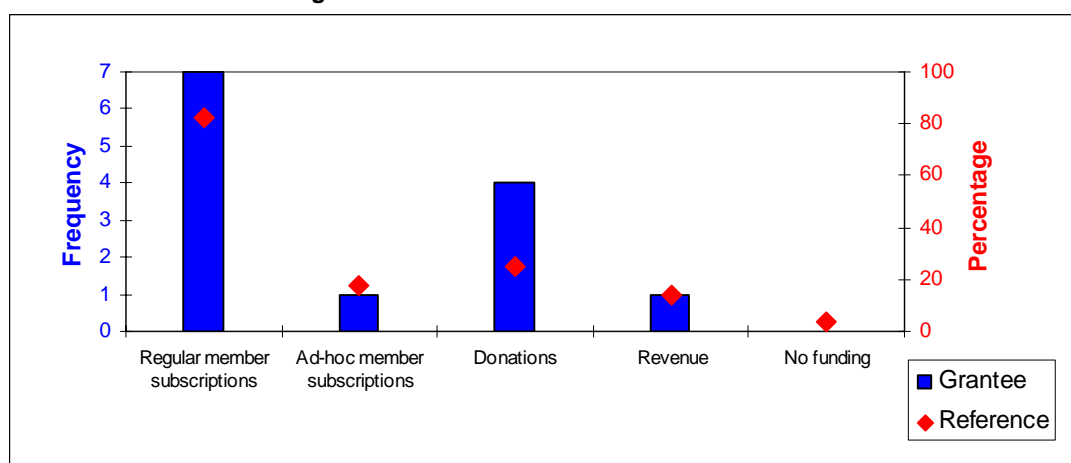
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

As illustrated in Chart 9 below, the Regional Grantee PSOs do relatively well in terms of annual budget when compared to the Reference PSOs. While all of the Regional Grantee PSOs have budgets of Tsh 17m and above, with TCCIA Kilimanjaro peaking at Tsh 45m, more than half of the Reference PSOs have annual budgets of Tsh 5m or less.

Chart 9   Annual Budget for Regional PSOs

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Again it can be seen from Chart 10 below, that the Regional Grantee PSOs benefit from external donations, while this is only the case for 60 percent of the Reference PSOs: For example, the two regional TCCIA offices receive funding from SIDA through TCCIA headquarters. TCCIA Kilimanjaro has also been supported by the Wiesbaden Chamber of Commerce. The TCCIA offices moreover raise their own revenue from issuing of export licenses, a task the Government has entrusted to them.

Chart 10   Source of Funding for Regional PSOs
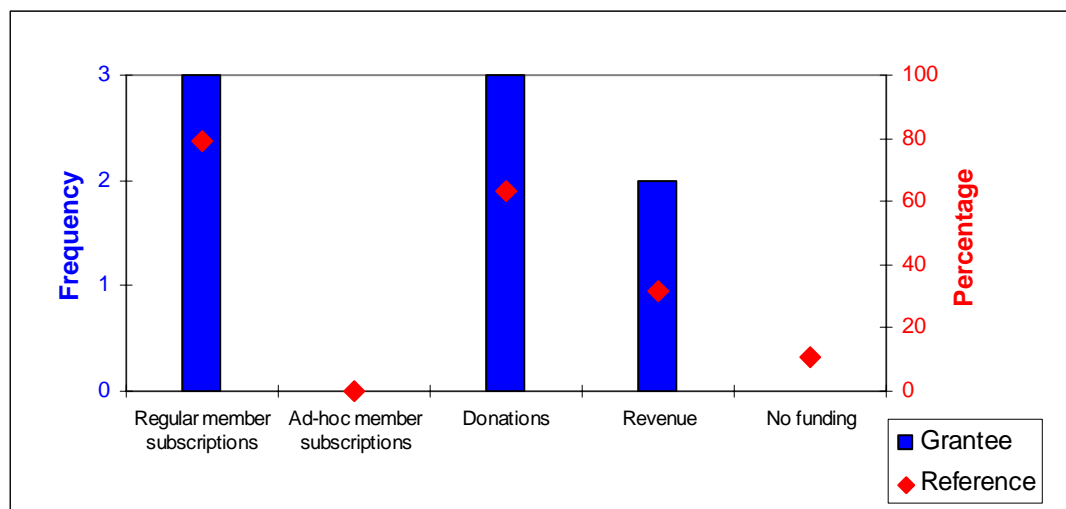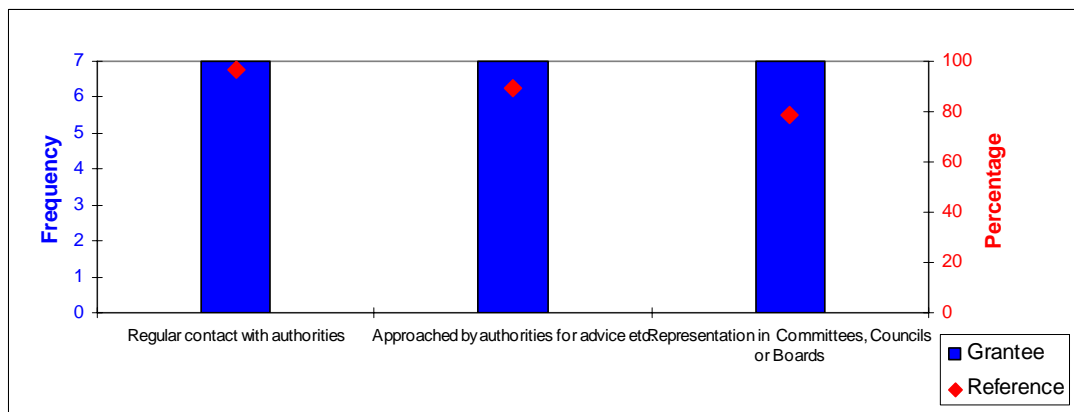

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.1.2   Access to Decision Makers

All of the National Grantee PSOs are in regular contact with the authorities, as demonstrated by Chart 11 below. The dialogue is two-way, with all of the PSOs having been consulted, at some stage, by the authorities. They also enjoy access to Government officials through permanent representation in various committees, councils or boards. One example is TACECA which is represented in the National Building Agency.

Chart 11   National PSO Outreach to Authorities

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Chart 12 demonstrates that the Regional Grantee PSOs also have frequent interaction with the authorities, typically at District level. Due to their mandate as overall spokes-person for the private sector, they are positioned as key partners for the local government authorities (LGA) in their respective areas. SCC for example meets regularly with the District Trade Officer and is represented in the relevant District Advisory Committee.
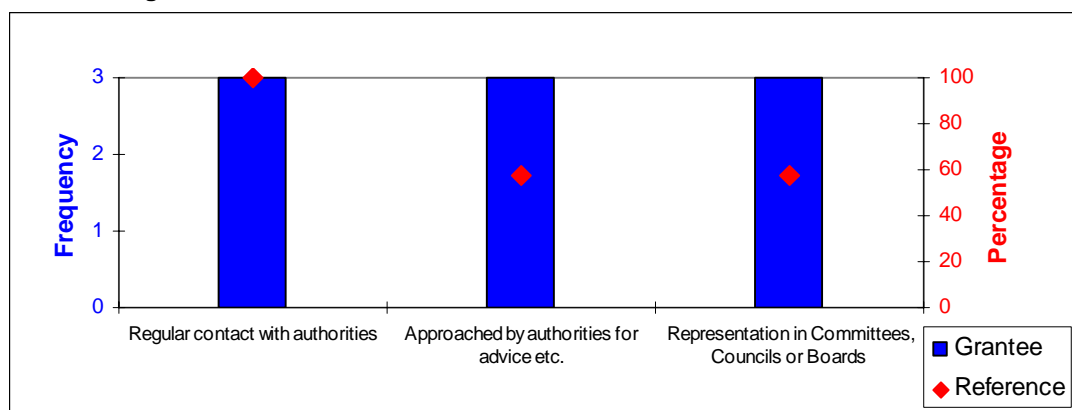
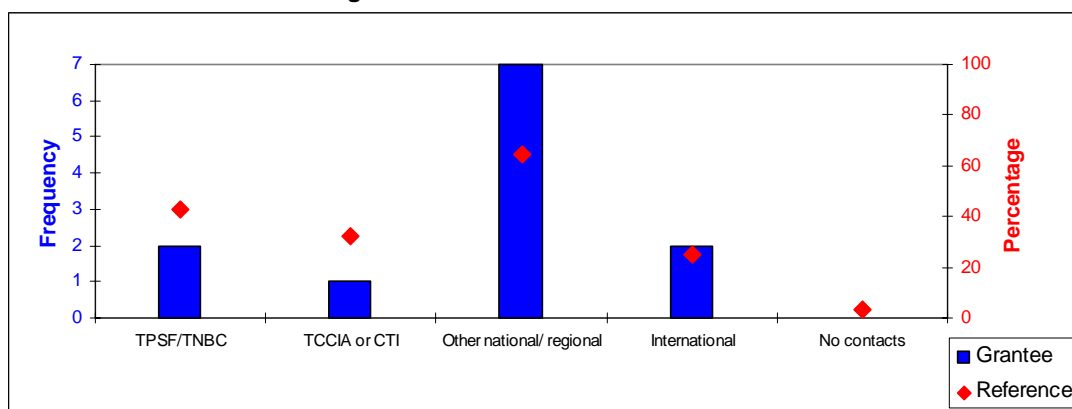**Chart 12   Regional PSO Outreach to Authorities**

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Subsection 4.2.4 presents the Grantee PSOs' assessment of the outcome from the various discussions and dialogue with the authorities.

4.1.3   Private-Private Networks

As Chart 13 demonstrates, all of the National Grantee PSOs interact with other PSOs. For TCT and ACT, which are both apex organisations, this interaction includes the day-to-day work in building up a strong coalition of sub-sector PSOs within their specific area.

Chart 13   Private-Private Dialogue for National PSOs

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

The Tanzania Private Sector Foundation (TPSF) and the Tanzania National Business Council (TNBC) have, according to the data, limited relevance for the Grantee PSOs.

Only two of the seven Grantee PSOs cite TPSF/ TNBC as partners for private-private dialogue.

In addition to interaction with other domestic private bodies, KILICAFE and TAFFA are also members of the East African Fine Coffee Association (EAFCA) and the Federation of East African Freight Forwarders Associations (FEAFFA) respectively. According to TAFFA, the formation of EAC has made such regional bodies increasingly relevant.

Chart 14 describes the Regional Grantee PSOs' relations with other private organisations. The two TCCIA regional offices in Iringa and Kilimanjaro have regular contact with their headquarters as well as the TCCIA District Offices in their regions. Hence, they benefit from the fact TCCIA has established the most elaborate structure for any PSO in Tanzania. The relevance of the TCCIA network is also documented by the fact that SCC interacts frequently with different TCCIA offices situated in the area.

The regional TCCIA offices also interact with other regional PSOs. Examples are TCCIA Iringa which works with Iringa Civil Society Organisation (ICISO) and TCCIA Kilimanjaro which has co-arranged a workshop with the Association of Kilimanjaro Tour Operators. None have dialogue with TPSF/ TNBC or international organisations.

Chart 14   Private-Private Dialogue for Regional PSOs
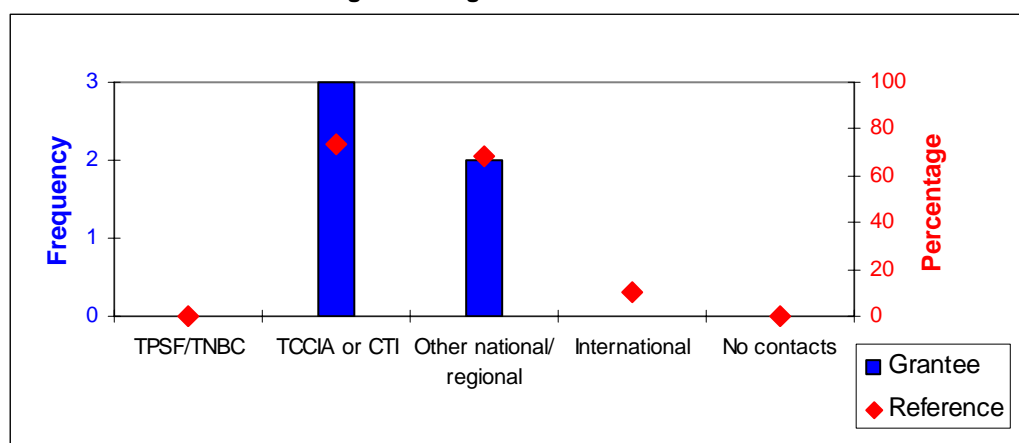
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.1.4   Definition of Business Advocacy

As for the Reference Survey, all of the Grantee PSOs were asked to define the concept of business advocacy in general terms and identify what they associated with the concept. The question was asked in an open way and the answers have subsequently been analysed and grouped into i) process, ii) the target or addressee for advocacy actions, and iii) objective. Chart 15 summarises the results obtained from this exercise.

The definitions obtained from National Grantee PSOs are presented in Chart 15. The responses largely correspond to the definition adopted in this report (see section 2.1) and also correspond to the responses given by the Reference PSOs. I.e. six out of seven National Grantee PSOs associate advocacy with the act of dialogue and influencing. Among those who specified target audience, two out of three pointed to the authorities and

among those who specified objective, three out of four specified the establishment of a conducive business environment.

Chart 15 National PSO Definition of Business Advocacy

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.
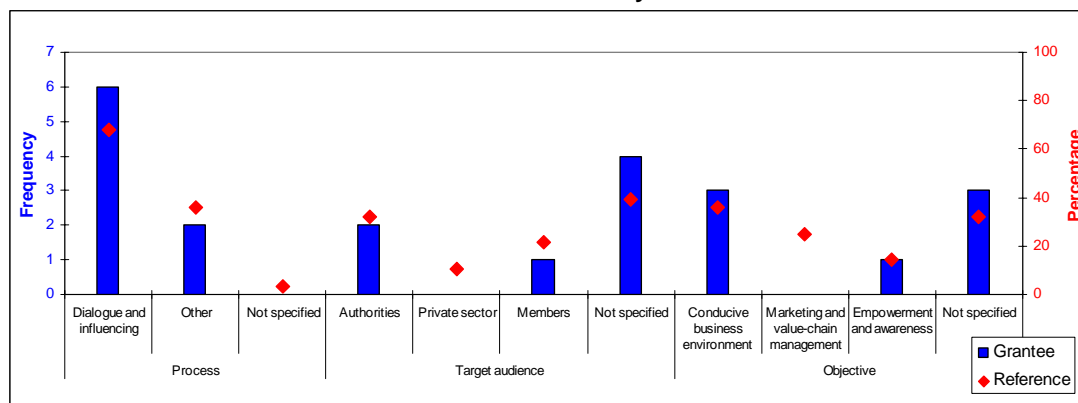
The responses obtained from the Regional Grantee PSOs were even more focused and also in line with those given by the Reference PSOs as evidenced by 0: All three of them saw advocacy as being about dialogue and influencing with the authorities as the main target group. There was also consensus that advocacy concerns the advancement of a better environment for business.

Chart 16 Regional PSO Definition of Business Advocacy
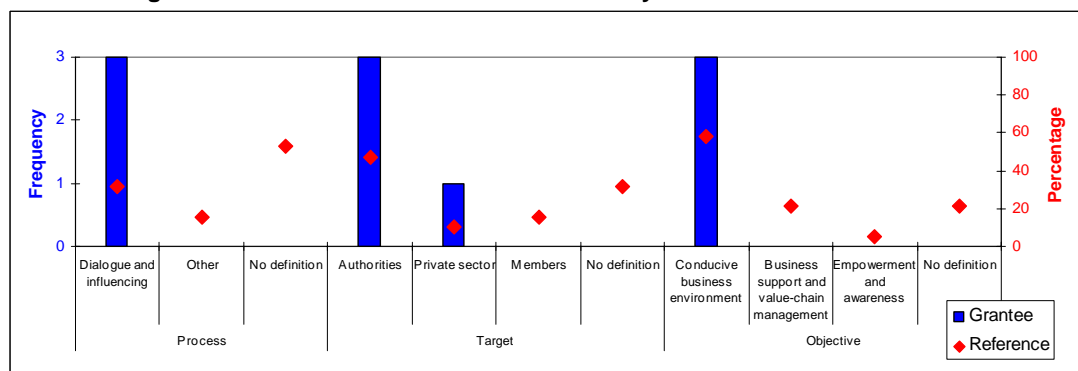
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.1.5   Business Advocacy Tools

Further to the above question, the interviewees were asked to give examples of tools or measures for business advocacy. The tools mentioned have not necessarily been applied or endorsed by the interviewees, but the interviewees' ability to mention different tools is believed to be indicative of their overall awareness of advocacy. It also illustrates which tools they typically associate with advocacy. The replies have been categorised and the results for National PSOs are presented in Chart 17 below.

'Workshops, conferences and seminars' are the tools most frequently mentioned by target PSOs. Other tools cited by more than half of the National Grantee PSOs are 'use of media' and 'analytical reports'. By contrast, only one third of the National Reference PSOs have pointed to these tools.

On the other hand it is surprising that only one National Grantee PSO mentions 'lobbying' as a tool for advocacy, while 25 percent of the Reference PSOs single this out.

Chart 17   National PSO Perceptions of Tools for Advocacy

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.
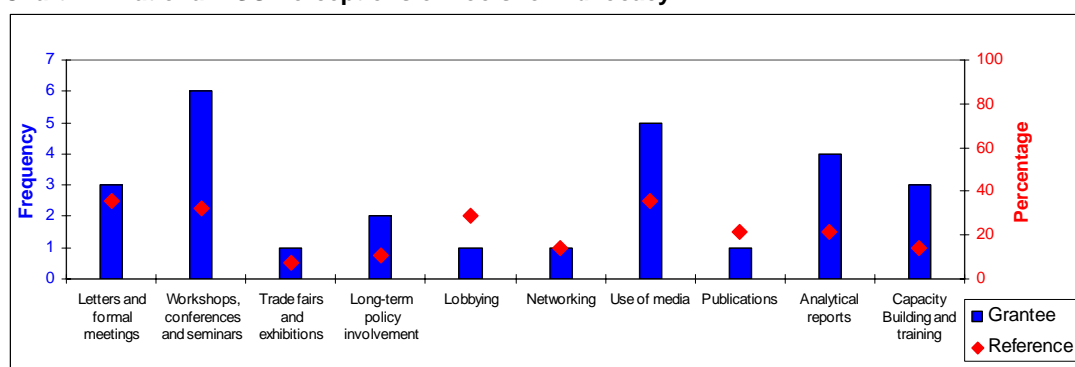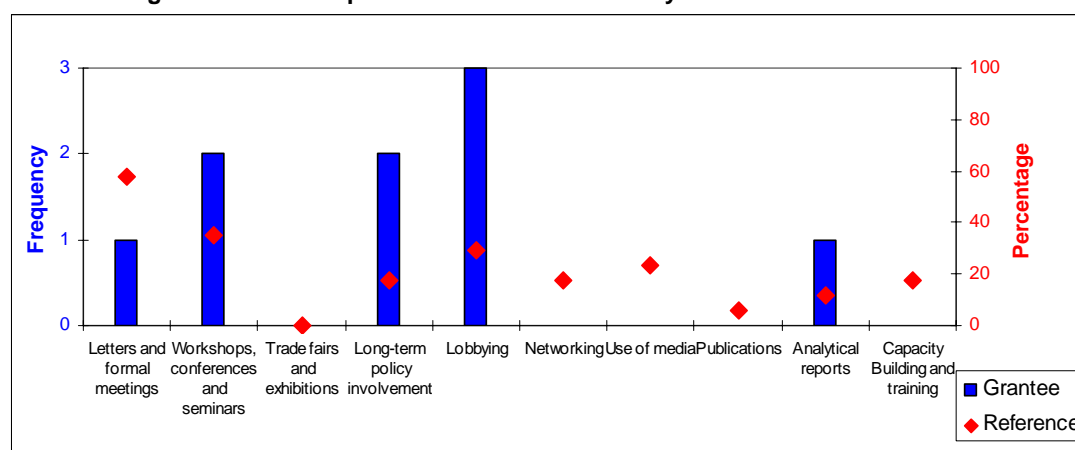
For the Regional PSOs, the answers are presented in Chart 18. Unlike their National counterparts, all of them point to 'lobbying' as a tool for advocacy. Moreover, two out of three point to 'workshops, conferences and seminars' and 'long-term policy involvement' as tools for advocacy.

Chart 18   Regional PSO Perceptions of Tools for Advocacy

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.2   Advocacy Competency

As mentioned in section 2.1, advocacy competency is, for the purpose of this baseline, defined as the ability of PSOs to apply their general advocacy capacity to specific advo-

cacy activities and issues and to achieve tangible results as a consequence thereof. The section will focus on the existence of general *systems and planning tools for advocacy* (subsection 4.2.1), specific *advocacy experience* (subsection 4.2.2), how any specific advocacy issues have been *approached* (subsection 4.2.3), the *outcome* of the specific activities and projects (0), and finally the PSOs own *analysis* of their advocacy experiences, including identification of main strengths, weaknesses, opportunities and challenges (subsection 4.2.5).

4.2.1   Advocacy Systems and Planning

Advocacy systems and planning concerns any general systems set up by PSOs to address advocacy issues, including the existence of strategic plans, workplans, specialised staff for advocacy, and the existence of funding earmarked for advocacy purposes.

Planning

Chart 19 below summarises the approach taken by National PSOs to advocacy planning: It can be seen that the pattern is largely similar to that observed for the Reference PSOs, i.e. half of the Grantee PSOs work on an ad-hoc basis, addressing issues as they arise in a mostly reactive manner, However three of those asked have developed strategy documents, some with explicit reference to advocacy documents. Both TCT and TACECA have developed strategies that actively address advocacy. In the case of TACECA, the strategy even specifies indicators for monitoring purposes. TAFFA is in the process of developing a strategy, and it is expected that ACT, another recently established PSO, will soon do so.

Chart 19   National PSO Advocacy Planning
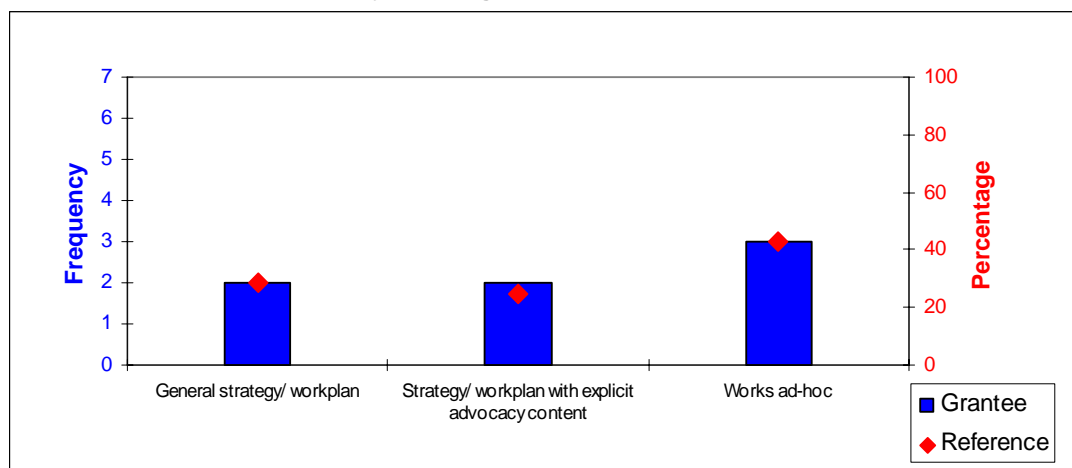
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

As Chart 20 shows, two of the Regional Grantee PSOs, the TCCIA offices, have developed business plans to guide their work, although the plan developed for TCCIA Kilimanjaro expired at the end of 2004 and a new one was still to be developed at the time of the interview (November 2005). Unlike the two regional TCCIA offices, SCC works on an ad-hoc basis.

Chart 20 Regional PSO Advocacy Planning
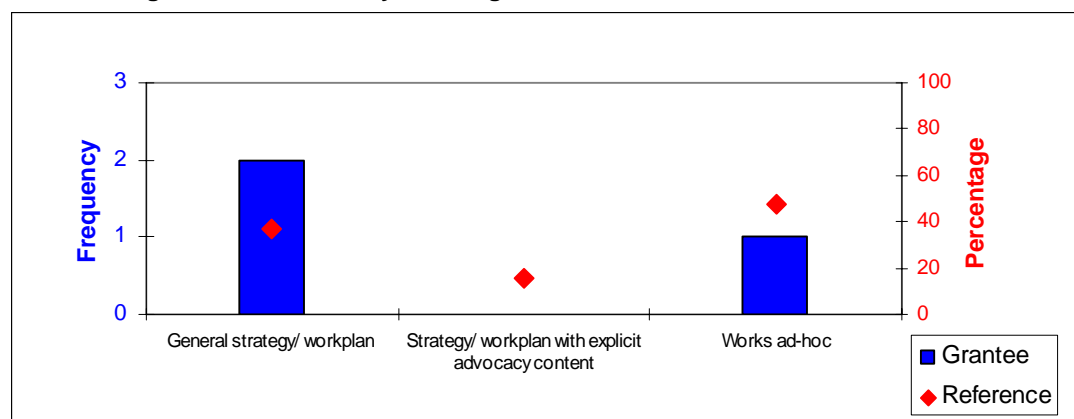
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Advocacy Staff

None of the interviewed PSOs employ advocacy professionals in their secretariats, but RULU has a number of journalists working for the organisation on a voluntary basis. In the absence of full-time advocacy expertise, the PSOs typically rely on voluntary contributions from senior board members. To organise this process, TAFFA and TACECA have formed committees dealing specifically with advocacy.

In terms of training, RULU staff have been exposed to various advocacy-related courses through Danida and the Legal and Human Rights Centre (LHRC). No other National Grantee PSOs have benefited from such training.

The picture is somewhat different for the Regional Grantee PSOs. All three PSOs have benefited from advocacy training. This has included courses provided through the Centre for International Private Enterprise (CIPE) to TCCIA Iringa, and through Wiesbaden Chamber of Commerce of Germany to TCCIA Kilimanjaro. Hence, all of the Regional PSOs already have a capacity base on which to build.

Budget

With respect to budget for advocacy activities, two of the seven National PSOs have specific budget entries in their workplans for advocacy, namely TCT and TACECA. As mentioned above, these were also the only PSOs to have strategies with explicit advocacy content. Similarly, PSOs working on an ad-hoc basis have raised the funds along the way, including RULU through functions. The fact that advocacy activities are not planned and budgeted in a systematic way suggests that this is either not seen as an effective approach by many PSOs or that PSOs do not think of advocacy in a strategic way. It may also be a combination of both.

4.2.2 Experience

Whereas the previous sections have described general characteristics of the PSOs, this section deals with the specific advocacy experience of the PSOs, i.e. whether they have actually advocated on any issues.

All of the seven National Grantee PSOs have carried out one or more advocacy activities in the preceding 24 months. Most National Grantee PSOs have pursued three issues, while ACT exceptionally has pursued seven issues. The distribution of issues is shown in Chart 21 below. The picture is largely similar to the one observed for the Reference PSOs. The issues most frequently addressed by National Grantee PSOs concern taxes, levies and VAT. A case in point is ACT's move to have various imported capital input used in the agro-processing industry exempted from VAT. Likewise, TAFFA campaigns for the authorities to scrap what TAFFA believes are a range of unjust levies and taxes imposed upon its members.

Other salient issues are sector policy questions and matters concerning licenses, market entry regulations and standards. KILICAFE has, for example, been trying to gain access for itself and its members to trade coffee in various districts, where regulations currently prevent this.

Three Grantee PSOs have also addressed marketing issues and value-chain management questions. Unlike most advocacy issues which are related to the Government in some way or the other, these issues are more likely to relate only to private sector entities.
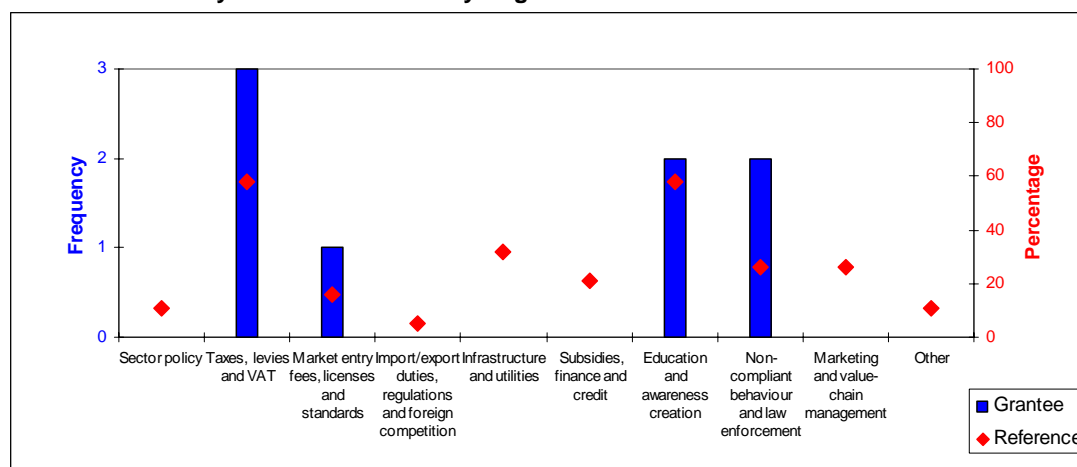
Chart 21   Advocacy Issues Addressed by National PSOs
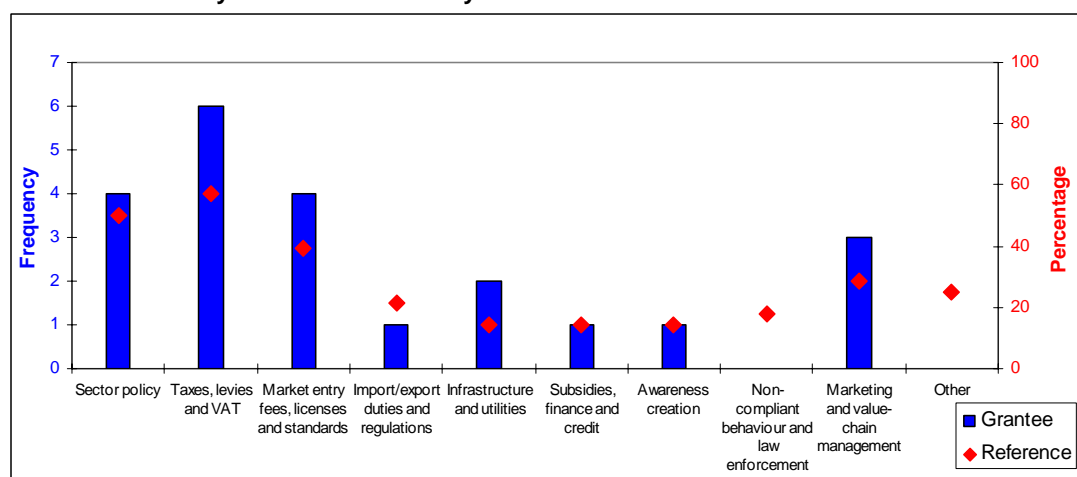
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Among the three Regional Grantee PSOs the pattern is, as demonstrated by Chart 22, similar inasmuch as all of them have experience with tax issues. The regional TCCIA office in Iringa has for example been involved in convincing the local government authorities in Njombe District to remove a number of so-called 'nuisance taxes' which were seen as harmful to local farmers.

Two of the Regional Grantee PSOs have also addressed issues relating to non-compliant behaviour and education and awareness rising. In Kilimanjaro region for example, the TCCIA office was reacting to a number of complaints from its members that the local revenue authorities were not applying rules and regulations in a fair and equal manner. In terms of education, SCC has been working with the local revenue authorities to educate its members on tax procedures.

Chart 22   Advocacy Issues Addressed by Regional PSOs

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.2.3   Approach

The previous subsection summarised the character of advocacy issues carried out by National and Regional Grantee PSOs in Tanzania. This subsection will describe the approach taken by the PSOs in addressing these issues.

It can be seen from Chart 23, that the large majority of the National Grantee PSOs have made use of initial consultation and analysis.

Four of the seven National Grantee PSOs have also made use of consultants in their advocacy work and a similar proportion has prepared analytical papers to support their case. This is a relatively high share compared to the National Reference PSOs where only ten percent do so. TCT has, for example, contracted a specialised consulting company to assist in the preparation of a tax reform proposal.

Formal letters, meetings and presentations are the preferred communication method. Lobbying is used only by one National Grantee PSO. This does not necessarily imply that the PSOs themselves do not make use of lobbying, but could indicate that the PSOs feel uncomfortable talking openly about lobbying as the concept may still be regarded with some scepticism by authorities in Tanzania.

Some PSOs participating in the Reference Survey have indicated that the most effective way to press for a certain issues is to prepare the ground through lobbying, and then follow up by use of formal methods such as letters. They argue that the still relatively bureaucratic public service require formality before a request can be acted upon

Finally, none have used the media. Several PSOs have pointed out that using the media is seen as counterproductive as it may cause the authorities to take a defensive position if they are characterised negatively by newspapers or other media. Moreover, use of national media, if done through advertising, is costly and consequently out of reach for some PSOs.

Chart 23 National PSO Approach to Advocacy Issues
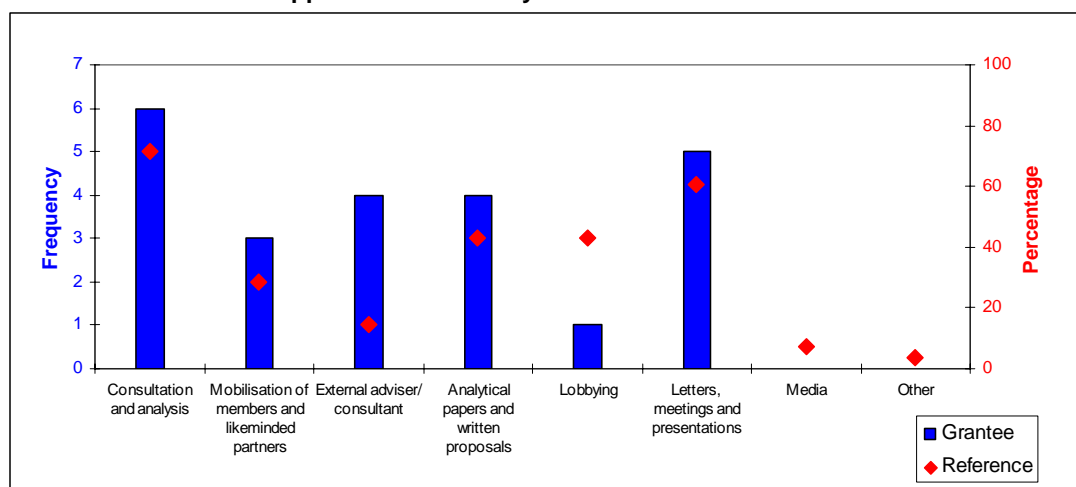
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Chart 24 shows that the three Regional Grantee PSOs prepare themselves, like their National counterparts, by doing introductory analysis. TCCIA Kilimanjaro has relied on technical expertise for preparation. Again the preferred mode of communication is through traditional methods, i.e. formal letters and meetings with the authorities. As mentioned before, this arguably reflects a perception among the PSOs that such methods are required to effectively approach the authorities, while more aggressive methods such as lobbying and use of media may be frowned upon.

Chart 24 Regional PSO Approach to Advocacy Issues
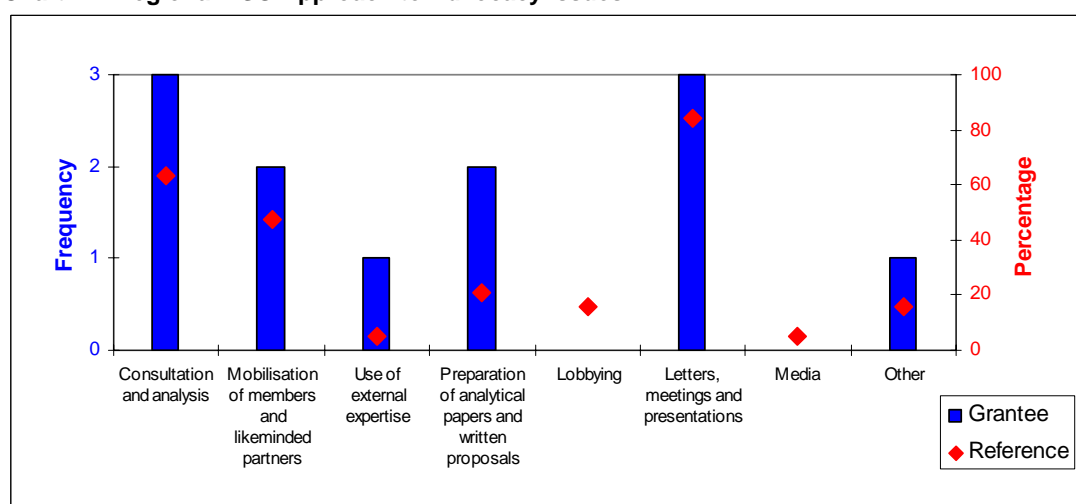
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.2.4   Outcome

The advocacy issues addressed by the various National and Regional PSOs have been discussed in the previous two subsections. This subsection will provide the PSOs' own assessment of their achievements. The interviewees were asked to evaluate the outcome

of their efforts in a general and a specific way. First of all they were asked to assess the general outcome of their contacts with the authorities, assuming that this has a major impact on the overall effectiveness of their advocacy work. Secondly, they evaluated the results from all of the specific activities described in the previous sections.

Ideally, the number of successful advocacy issues should also be adjusted to take the complexity of the relevant issue into account as well as the strength of any vested, opposed interests. Due to time constraints, it has not been possible to collect this kind of information in a systematic way.

Chart 25 shows the National Grantee PSOs' assessment of the outcome of their relations with the authorities. As can be seen, their assessment corresponds to the one given by the National Reference PSOs. The majority describe the outcome as partially successful, while two describe the outcome as (entirely) successful.

Chart 25   Outcome of National PSO Dialogue with Authorities
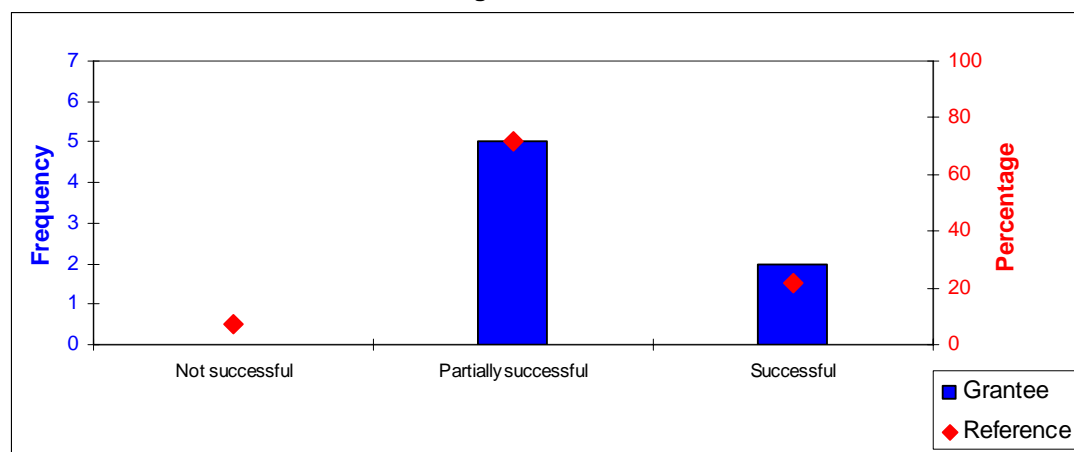
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

In terms of specific results achieved, Chart 26 overleaf shows that five of the National Grantee PSOs have succeeded in getting limited concessions within a particular issue, while two have been successful with regard to one entire issue or have caused (limited) progress across a range of different issues. Considering that all of the Grantee PSOs have pursued a minimum of three issues each, the success rate is therefore, on average, below 50 percent.

Typically, most of the issues pursued by the National Grantee PSOs are awaiting feedback of some kind from the authorities. ACT for example discusses a broad range of issues with the authorities but is yet to get any firm decisions on these issues, except for reduction of a few nuisance taxes. Likewise, limited reduction in certain levies/ taxes is the most tangible result achieved by KILICAFE thus far.

This raises the question whether the National Grantee PSOs take the right approach to advocacy issues? It is interesting to note for example that only one of the seven reports to have made active use of lobbying (Chart 23). Instead they tend to operate through

more formal channels presenting formal papers and proposals through scheduled meetings and presentations to the authorities.

Among the National Grantee PSOs who consider themselves more successful, TACECA considers its impact on the formation of a national construction policy as entirely satisfactory while other issues are pending. TCT cannot point to one tangible issue which has been achieved, but it has achieved concessions across a wide range of issues such as the Government's decision to establish a committee to take a proposed tourism strategy forward. As previously mentioned, it is interesting to note that TACECA and TCT were the only ones to take a strategic approach to advocacy by developing strategies with explicit advocacy content and budget allocations. This approach may have contributed to their success, but it has not been examined in detail.

Chart 26 Successful National PSO Advocacy Activities
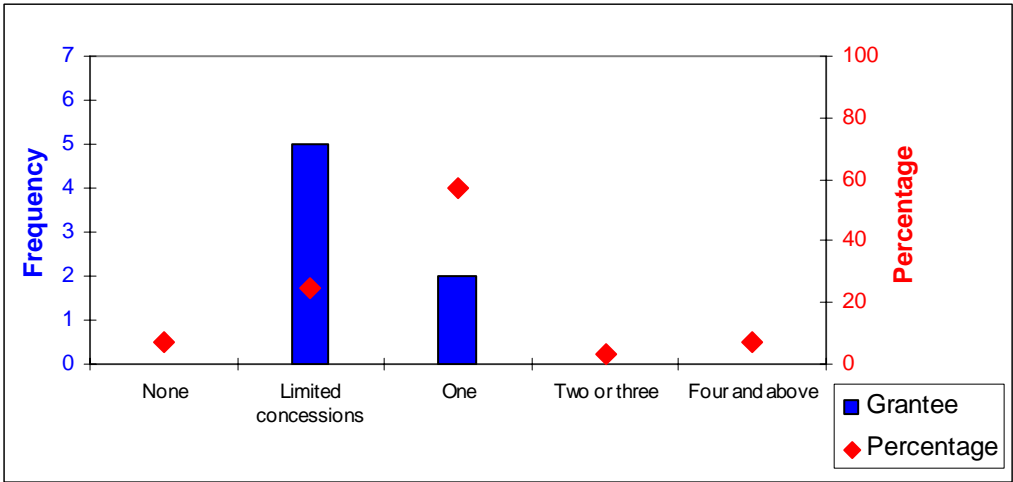
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

For the three Regional Grantee PSOs, Chart 27 overleaf shows that two of them describe their relations with the authorities as having a successful outcome, while the third one characterises the outcome as partially successful. The three Regional Grantee PSOs therefore appear to have productive relations with the authorities.

Chart 27   Outcome of Regional PSO Dialogue with Authorities
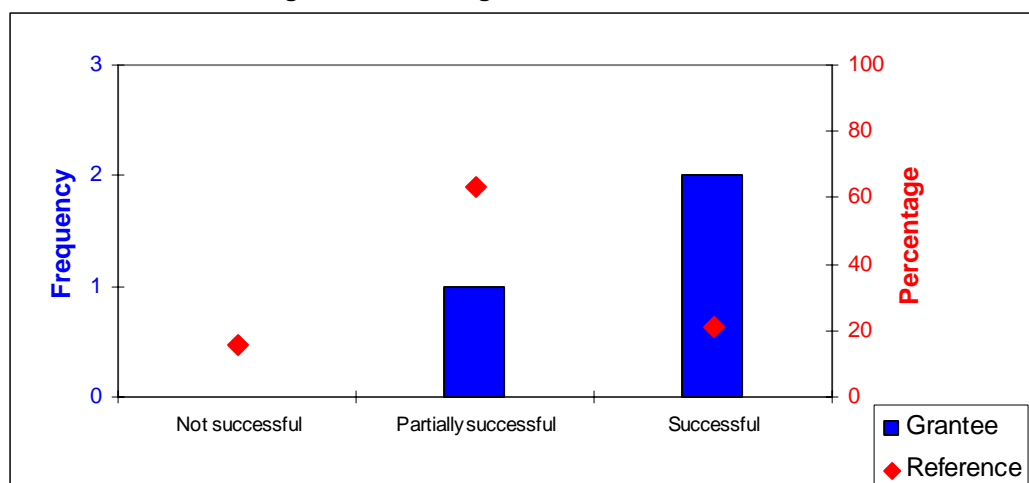
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

In terms of specific results obtained, the Regional Grantee PSOs also have a positive outlook as demonstrated by Chart 28. Two of the three Regional Grantee PSOs claim to have succeeded in getting an entire issue through: TCCIA Kilimanjaro reports that it has been successful in convincing the local revenue authorities (TRA) of the need for introducing a standardised tax assessment procedure. TCCIA Iringa in turn claims that it has been successful in convincing the Njombe district authorities of the need for removing the before mentioned levies and taxes.

SCC has obtained only limited concessions in its efforts to reduce/remove rents imposed by the local authorities for vendors at the local market. In this case it is worth noting again that the two TCCIA offices, unlike SCC, have manned secretariats and business plans to manage and guide their work. This may have had a (positive) impact on the quality and effectiveness of their advocacy work.

Chart 28   Successful Regional PSO Advocacy Activities
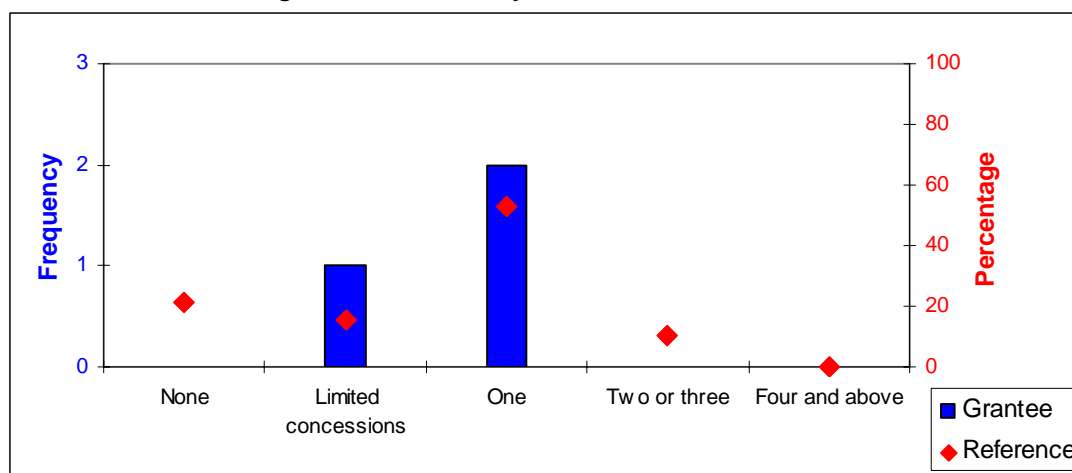
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.2.5   Analytical Ability

This subsection describes the PSOs' analysis of their strengths and opportunities, weaknesses, and threats. The objective is to evaluate their analytical ability and to explain why some advocacy efforts fail and others succeed. Strengths and weaknesses concern characteristics internal to the PSO, while opportunities and challenges (or threats) relate to the external environment.

Strengths and Opportunities

Chart 29 presents the National Grantee PSOs' own assessment of their strengths and opportunities.

Chart 29   National PSO Analysis of Strengths and Opportunities
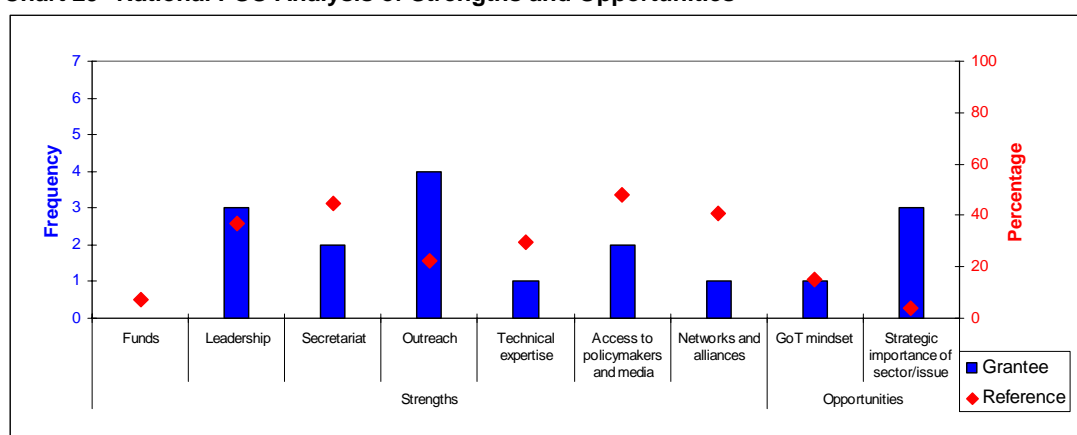
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

With regard to strengths, four out of seven PSOs point to outreach as a major asset. HAT for example claims that it is respected by the relevant line Ministry since it is seen as the credible representative of all hotels, large and small. This also suggests that PSOs with large outreach may still have direct access to their respective line ministries even though a government backed apex, in this case TCT, is in place. Arguably, not all interests will be effectively aggregated by apex bodies and sub sector PSOs therefore still have an important advocacy role to play.

Leadership has also been singled out as a strength by three out of seven National Grantee PSOs. TAFFA is a case in point where several board members claim to take a very active interest in advocacy issues and free up the necessary time from other duties to analyse and prepare advocacy issues. RULU likewise sees the commitment and vision of their leadership as being a key reason why it is respected for its work.

In terms of opportunities, three out of seven point to the strategic importance of their sector. Two of these three represent the tourism sector: HAT and TCT. They find it relatively easy to get access to the authorities as earnings from the tourism sector, at USD 746.1 million in 2004, is equivalent to roughly half of Tanzania's total export earnings (URT, 2005).

At the same time it can be seen that networks and access to policymakers are only highlighted by a few Grantee PSOs, whereas 40-50 percent of the National Reference PSOs

point to these. This is consistent with the findings previously reported (Chart 25) that only two of seven National Grantee PSOs characterise the outcome of their interaction with the authorities as successful.

Chart 30 describes strengths and opportunities for the three Regional Grantee PSOs. Two point to networks and alliances, which is arguably explained by the fact that they are apex organisations for business interests in their respective geographical areas. For example, TCCIA Iringa explains that it was successful in one particular case in Njombe District by mobilising a number of farmer organisations, which also shows that it is important to have a strong local voice for dealing with local authorities.

Chart 30   Regional PSO Analysis of Strengths and Opportunities
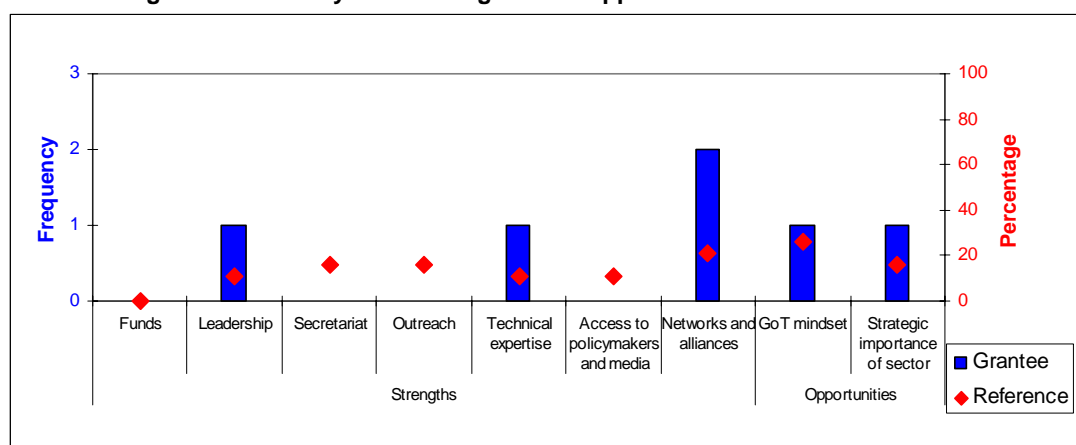
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Weaknesses and Challenges

Chart 31 illustrates the main weaknesses for National Grantee PSOs, as identified by the PSOs themselves: Six out of seven PSOs point to (lack of) funds as being a main weakness for their advocacy work (and work in general).

Chart 31   National PSO Analysis of Weaknesses

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Five of seven also point to infrastructure as a main weakness, notably lack of telecommunications, transport and office facilities. Obviously this is closely associated with the reported lack of funds of the PSOs, as well as among their stakeholders. Three of them also mention lack of technical expertise, arguing that they do not have the necessary skills to present issues effectively.

Looking at challenges, Chart 32 shows that four of the National Grantee PSOs single out the GoT mindset. Typically, they argue that some Government officials are (still) operating according to a socialist mindset with inadequate consideration for the needs and rights of the private sector. This problem is acknowledged by the BEST programme, which includes a separate component, 'Changing the Culture of Government', to address it (URT, 2003).

Two of the National Grantee PSOs also point to lack of awareness among members and potential members with regard to the benefits of joining PSOs as being a challenge. According to ACT, this applies for example to the agricultural sector, where only few fully appreciate the potential for building up a strong agro-processing industry in Tanzania; something ACT vigorously advocates. Accordingly, ACT finds it difficult to mobilise a critical mass of members and investors.

Chart 32 National PSO Analysis of Challenges

Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

As can be seen from Chart 33, the Regional Grantee PSOs are entirely typical of the Regional Reference PSOs. The three Regional Grantee PSOs all single out (lack of) funds as a main weakness hampering their advocacy work. To analyse the reasons why this is so, both of the TCCIA regional offices point to a vicious circle where lack of tangible results and limited outreach makes it difficult to recruit new paying ('live') members, as the benefits associated with membership are seen as limited. The reported lack of funds is followed by lack of technical expertise, thus the main National and Regional weaknesses are the same.

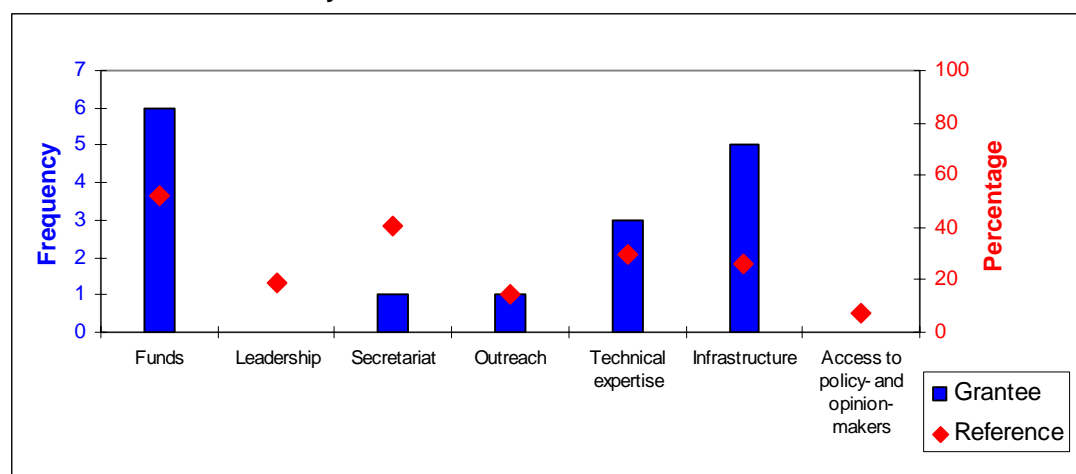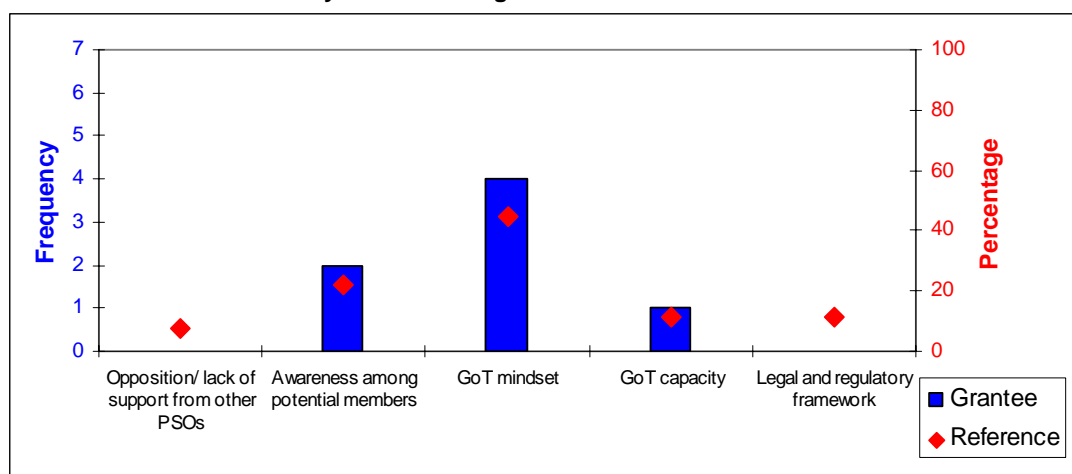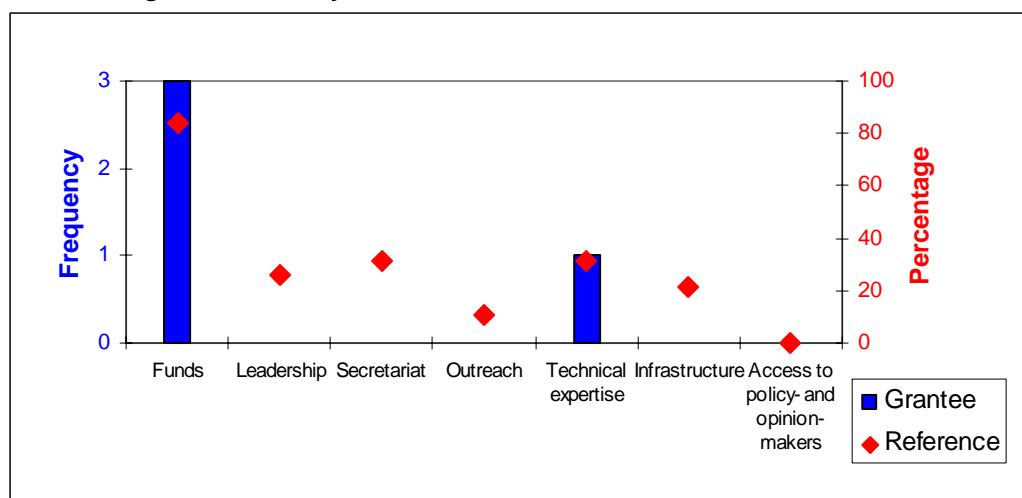**Chart 33   Regional PSO Analysis of Weaknesses**

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

With regard to challenges, Chart 34 demonstrates that the three Regional Grantee PSOs are in agreement with the Reference PSOs inasmuch as they identify the GoT mindset as a challenge for their work. This in turn appears to be the only major (external) challenge for the three Regional Grantee PSOs.
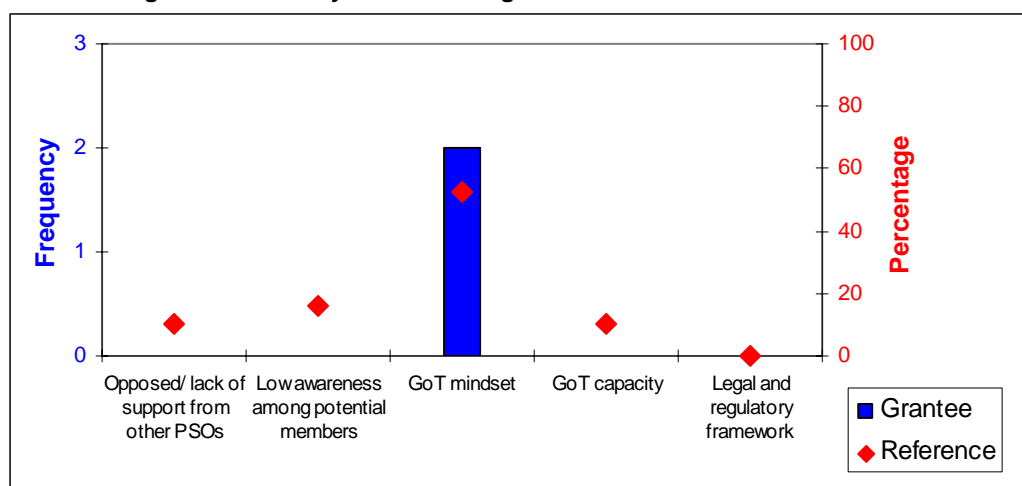
Chart 34   Regional PSO Analysis of Challenges

Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

4.3   Capacity Building Needs

Further to the above analysis, this section presents the Grantee PSOs' views on capacity building needs.

Chart 35 presents the main priorities for the National Grantee PSOs and it is clear that advocacy skills are in demand; six out of seven National Grantee PSOs prioritise this. This corresponds with the above finding (Chart 31) that lack of technical advocacy ex-

pertise in the area of advocacy is identified as a weakness by three of the seven Grantee PSOs.

Specifically the PSOs demand training on issues such as effective communication and, as mentioned by TACECA, 'how to present a case'. TCT is moreover looking for guidance how to negotiate and dialogue with the authorities.

Two of the seven have also pointed to analytical capacity and research methodologies as areas for further capacity building. Only one, ACT, has identified membership recruitment and fundraising as areas for capacity building. This is somewhat surprising given that most of the PSOs have identified (lack of) funds as a key problem to their work (Chart 31).

Chart 35   National PSO Priorities for Capacity Building
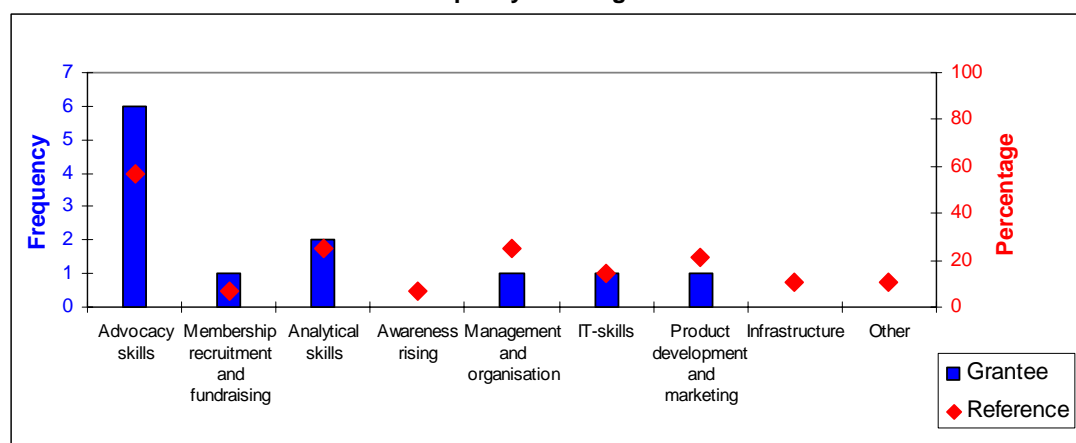
Note: Grantee PSOs comprise seven National PSOs qualified for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 28 National PSOs stratified by sector. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

Chart 36 shows that two of the Regional Grantee PSOs also emphasise the need for additional training on advocacy skills. More specifically, SCC pointed to the need for training on how to build a public-private partnership with the local authorities. TCCIA Iringa is demanding more training along the lines of that previously offered by CIPE, but with the important condition that it should be delivered in Swahili, rather than English. Finally, TCCIA Kilimanjaro is looking for training on how to set up and manage a one-stop shop for business information for the region.

Chart 36 Regional PSO Priorities for Capacity Building
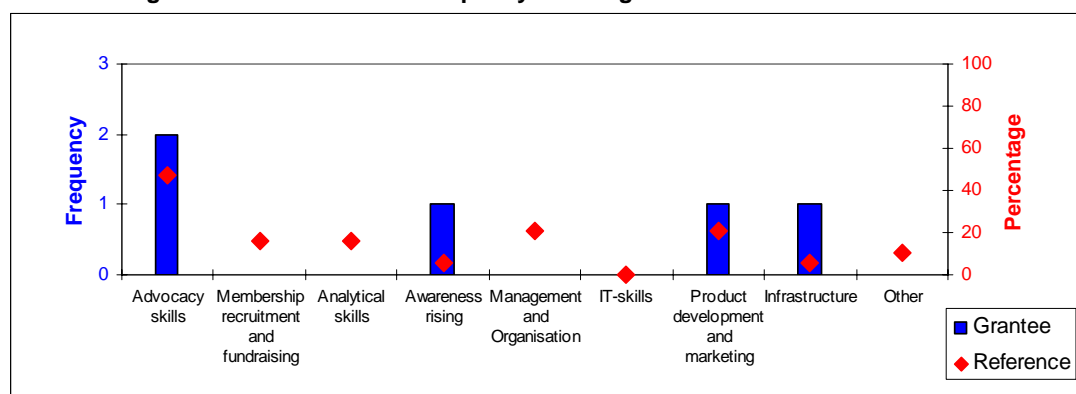
Note: Grantee PSOs comprise three Regional PSOs approved for BEST-AC funding. Refer to Table 1 page 6 for details. Reference PSOs comprise 19 Regional PSOs stratified by region. Refer to Annex 2 for details. Frequency for Grantee PSOs is indicated by blue columns and measured on left y-axis. Percentage distribution for Reference PSOs is indicated by red markers and measured on right y-axis.

In short, all of the Grantee PSOs have a strong motivation for further developing their advocacy skills. At the same time, as pointed out on page 20, most of them, especially the Regional Grantee PSOs, have participated in advocacy training sessions before and any new capacity building programs need not start from the beginning.

4.4   Summary

This final section summarises the main findings related to *advocacy capacity* and *competency* of the National and Regional Grantee PSOs. It also concludes on the *comparison* between Grantee and Reference PSOs.

4.4.1   Advocacy Capacity

The PSOs with applications approved for BEST-AC funding are generally committed to advocacy and considerate it one their main tasks. They also tend to have a good theoretical understanding of advocacy and advocacy tools. Their understanding of advocacy issues has for some, especially the Regional PSOs, been further strengthened through specific advocacy training courses.

In terms of organisation, the Grantee PSOs distinguish themselves from the Reference PSOs by having slightly better budgets, multiple sources of funding (especially donations from third parties) and secretariat with full-time staff employed.

In terms of outreach the seven National Grantee PSOs differ considerably among themselves. This in turn implies that some of them may have limited leverage vis-à-vis the authorities. Still, they all claim to have access to central and/ or local government authorities. Most of the Grantee PSOs have built up networks with other private sector entities and institutions. TPSF/ TNBC appear to play a fairly small role in these networks; the networks and alliances are mostly restricted to the sector in question.

4.4.2   Advocacy Competency

Like most PSOs, none of the Grantee PSOs have specialised training staff at their disposal. Likewise, only few of them take a strategic approach to advocacy and do not plan ahead. The typical pattern is to address issues as they arise throughout the year (i.e. re-

active rather than proactive). Those typically in charge are senior board members who often have no specific budget at their disposal to fund such activities.

Still, the findings show that all of the Grantee PSOs have undertaken specific advocacy issues, typically to have taxes or levies reduced or to have non-tariff barriers to their sectors removed or simplified. In terms of specific issues, only few of them have succeeded in getting tangible, specific results. In most cases the issues are still pending, awaiting decisions and/ or feedback from third parties.

In the PSOs' own analysis, the following issues emerge as the key determinants for effective PSO advocacy:

- In terms of strengths, they point primarily to outreach, leadership and strategic importance of the sector in question. Hence, a PSO which is strong in all of these areas, can be assumed to be an effective player. In addition, the Regional PSOs also see their networks and alliances as a significant strength;

- In terms of weaknesses, there is broad consensus that lack of funds and infrastructure is the most serious obstacle to their work. In addition, lack of technical expertise in the area of advocacy is also seen by some as an important weakness;

- Finally, the Government mindset is identified as the most important challenge to the advocacy work of the PSOs.

In conclusion, efforts to strengthen the advocacy capacity and competency are an important step forward, but they need to be combined with a change in Government mindset and, critically, efforts to break the vicious financial circle that many PSOs currently experience.

4.4.3   Grantee PSOs vs. Reference PSOs

The findings relating to the Grantee PSOs have continuously been compared to those of the Reference PSOs. This has been done with a view to assess whether the Grantee PSOs are representative of the PSOs included in the Reference Survey.

On the whole, the National Grantee and Reference PSOs are comparable. Still, in comparison to the National Reference PSOs, the National Grantee PSOs:

- have slightly higher staffing and slightly higher budgets;

- are more likely to have multiples sources of income;

- are more likely to use external consultants/ advisers and considerably less likely to make (or at least report) use of lobbying as a tool;

- are slightly less successful in terms of outcome;

- are more likely to see outreach as a strength and less likely to see access to authorities and alliances as strengths;

- are more concerned with lack of funds and infrastructure; and

- have a slightly higher demand for training in advocacy skills.

For the Regional PSOs in turn, the differences between the Grantee and Reference PSOs seem more significant. In comparison to the Regional Reference PSOs, the Regional Grantee PSOs:

- are more focused on advocacy;

- have more manpower at their disposal;

- have less outreach;

- have higher budgets and are more likely to receive external donations;

- have more frequent and more institutionalised interaction with the authorities;

- have a more focused definition of advocacy and are more aware of tools such as long-term policy environment and lobbying;

- make more use of analytical papers and external expertise;

- have slightly better results from their interactions with the authorities; and

- are more likely to see networks and alliances as their strengths.

Annexes

Annex 1 Interview Guide

Interview Guide for Private Sector Organisations, Final version (20.9.2005)

1 Name, organisation, position, e-mail and telephone number for the person being interviewed

2 Primary activities, number of staff, yearly budget and funding source of the organisation?

3 How many members do you have? How many percent of your sector would you say you represent?

4 Definition of business advocacy

4a How would you define advocacy?

4b Can you give us examples of tools for advocacy?
      Check for:
      - long-term policy involvement
      - lobbying
      - networking
      - use of media
      - publications
      - analytical reports

5 General Advocacy Capacity

5a Within the last 12 months, have you:
    ☐ held meetings with gvt/regional authorities
    ☐ been invited by gvt/regional authorities to take part in business policy dialogue
    ☐ been a representative in gvt/regional committees

5b Do you generally feel that your meetings with the authorities have a successful outcome?

5c Within the last 12 months, how often have you meet with other organisations to discuss mutual interests in policy issues?

5d Do you have a strategy for advocacy activities?

5e Do you have a workplan for advocacy activities?

5f For your advocacy initiatives, do you allocate specific budget?

5g For your advocacy initiatives, do you allocate specific staff

5h Have you or any staff received specific advocacy training/ capacity building?

6 Advocacy competency and output I (respondents with experience in advocacy)

6a Within the last 12 months, on how many issues have you carried out advocacy activities to improve the business conditions for your members?

Affirmative = Go to Q6b Negative = Go to Q7.

6b If affirmative, please tell us about one of the issues and what you did?

Check for:
     □ situation analysis (as data background; stakeholder analysis)
     □ policy environment and process (other players position and 'road map' to change)
     □ strategy (as win-win situations; long-term policy dialogue; alliances; a good case;)
     □ effective communication (as selecting spokesperson; written policy request;)
     □ project management (as defining work-plan, a budget, time schedule)

6c What was the outcome?

6d Which factors lead to this outcome? (positive/negative)

GO TO 8

7 Advocacy Competence and Output II (respondents with no experience in advocacy)

7a If you have not carried out any activities, why is that?

If no answer is forthcoming, prompt eventually with the following reasons:
- no problems related to gvt policies/regulations?
- uncertain how to go about it?
- no access
- no documentation
- don't believe in advocacy
- time

7b If you were to prepare an advocacy campaign for a given issue, how would you go about it?

Check for:
- □ situation analysis (as data background; stakeholder analysis)
- □ policy environment and process (other players position and 'road map' to change)
- □ strategy (as win-win situations; long-term policy dialogue; alliances; a good case;)
- □ effective communication (as selecting spokesperson; written policy request;)
- □ project management (as defining work-plan, a budget, time schedule)

8 What are the main obstacles that you are facing as regards advocacy for your members?
- Eventually prompt with:
- uncertain how to go about it?
- lack of time?
- lack of access to key persons?
- inability to document problem?
- no belief in advocacy?

9 What are the most pressing advocacy capacity building needs in the sector you are working?

10 What kind of advocacy capacity building do you believe would be most beneficial to your organisation?

- check for use of BDS providers/consultant for advice

Annex 2 List of Reference PSOs

Sample of National Reference Private Sector Organisations

The 28 National Reference PSOs have been selected from a sample frame of 66 National PSOs, stratified by sector to ensure representation of the most dynamic and salient sectors of the economy. The information given is name of organisation followed by name and title of person(s) interviewed and date of interview. PSOs marked with an asterisk (*) have subsequently had their applications approved for funding from BEST-AC.

Agriculture

*Tanzania Chamber of Agriculture and Livestock (now: ACT): E. R. K. Mushi, Chairman, 11 November 2005

Tanzanian Smallholder Tea Growers' Association: George O. Kyejo, Chairman, 5 October 2005

Tanzania Cotton Growers Association: Lazaro Nduta, Chairman and Francis J. Shakanyi, Treasurer, 15 November 2005

Tanzania Coffee Association: Mr. William Harris, Chairman, 7 November 2005

Manufacturing

Tanzania Pharmaceutical Manufacturers Association: Mr. Dipen Shah, Executive Director, 11 October 2005

Union of Tanzanian Arts and Crafts: Origenes K. Uiso, Chairman, 4 October 2005

Mining

Tanzania Mineral Dealers' Association: Sammy Mollel, Chairman and Alli S. Zullu, Executive Secretary, 11 November 2005

Tanzania Chamber of Mines, Minerals & Energy: Emmanuel W. Jengo, Executive Secretary and Theonestina Mwasha, Technical Officer, 1 November 2005

Tanzania Women Miners Association: Martha J. N. Bitwala, Chairperson, 11 November 2005

Tourism

Intra-African Travel Tourism Association: Hilary Biduga, Chairperson, 4 October 2005

*Tanzania Hotel Keepers' Association (now HAT): Damasi Mfungale, Chairman, 16 November 2005

Tanzania Association of Tour Operators: Mr. Mustapha Akunaay, Chairman, 10 November 2005

Transport

Tanzania Association of Port Services: Mr. A J. Temba, Shipping Freight Consultant, 16 November 2005

Tanzania Motor Traders Association: Michael C. Roussous, Chairman, 17 November 2005

Other

Tanzania Association of Oil Marketing Companies: Thomas F. M. Masili, Executive Secretary, 17 November 2005

Association of Tanzania Employers: Mark Mfungo, Executive Director, 17 November 2005

Industrial Fishing & Processors' Association: Harko Bhagat, Chairman, 1 November 2005

Association of Tanzania Insurers: Steve Bonney, Chairman, 31 October 2005

Media Owners Association of Tanzania: Henry Muhanika, Executive Secretary, 1 November 2005

Publishers Association of Tanzania: Daudi Kilasi, Executive Secretary, 10 October 2005

Tanzania Association of Consultants: Aloyse Peter Mushi, Chairman, 11 October 2005

Tanzania Association of Women Lawyers: Ms. Tumaini Silay, Executive Director, 17 November 2005

*Tanzania Civil Engineering Contractors Association: Clement P Mworia, Executive Secretary and S Dhiyebi, Hon. Treasurer, 18 November 2005

Tanzania Confederation of Co-operatives: Mr. Mbogoro, Director of Cooperative Development, 4 October 2005

Tanzania Exporters' Association: Peter G. O. Lanya, Chairperson Agriculture, 30 September 2005

Association of Consulting Engineers in Tanzania: Exaud Mushi, Chairman, 2 November 2005

Tanzania Private Sector Foundation: Louis P. Accaro, Executive Director, 3 October 2005

Tanzania Fishers Association: Demai John, Programme Officer, 14 November 2005

Sample of Regional Reference Private Sector Organisations

The Regional Reference PSOs have been selected from a sample of 23 Regional PSOs. The sample is stratified to ensure representation of the BEST-AC pilot areas. The information given is name of organisation followed by name and title of person(s) interviewed and date of interview. PSOs marked with an asterisk (*) have subsequently had their applications approved for funding from BEST-AC.

Arusha

TCCIA Arusha: Mr. Edwin W. Shetto , Regional Executive Officer, 9 November 2005

AREMA: Hamisi I. Lyoba, Chairman, & Omary Manyendi, Treasurer, 11 November 2005

CHAWASOKU: Phillip Kullaya, General Secretary, Simbo Munisi, Chairperson, 10 November 2005

UWEMA: Anette Tanhmulai, Chairman, & Happiness Doughsulai, Secretary, 9 November 2005

CTI Outreach for Arusha and Kilimanjaro: Anup L. Modha, Outreach Chairman, 10 November 2005

Iringa

Iringa Taxi Drivers Associations: Masoud Mursali, Chairman and Silver Kalinga, Secretary, 13 October 2005

TAFOPA Iringa: Flora Hera Sumaye, Vice-Chairperson, 13 October 2005

Iringa Civil Society Organisations: Mr. Saleh Hamis Masoli, Treasurer, 12 October 2005

*TCCIA Iringa: Mr. Dunstan Mpangale, Executive Officer, 13 October 2005

Kilimanjaro

Kilimanjaro Cabs Association: Mr. Moses Mrisha, Secretary, 8 November 2005

*TCCIA Kilimanjaro: Mr. Boniface Mariki, Executive Officer, 8 November 2005

Northern Forest Industry Association (added after sampling, replacing Kilimanjaro Tourists Association): Mr. William Jimbe, Chairman and Frank Kanonye, Secretary, 08 November 2005

Kilimanjaro Tour Operators Association (added after sampling, replacing Kilimanjaro Hotel Association): Musa H. Kopwe, Secretary/Administrator, 7 November 2005

Mwanza

Mwanza City Butcheries: Itimbula Robert Itimbula, Chairman, 14 November 2005

TCCIA Mwanza: Hassan Karambi, Executive Officer, 14 November 2005

Tanzania Association of Women's Entrepreneurs, Mwanza Region: Eunice Bangili, President, Margareth Kazi, Asst. Chairperson, Daisy Mboneko, Founder Member, and Elizabeth Shawa, Secretary, 15 November 2005

Mwanza Women's Development Association (added after sampling, replacing Tanzania Micro-Enterprises Association): Joseline Juma, Board Member and William Yolaye, Facilitator, 14 November 2005

Mwanza Press Club (added after sampling): Abubakar Hassan, Chairman, 14 November 2005

SIDO Mwanza Region (added after sampling): Damian J. M. Chang'a, Regional Manager, 15 November 2005

Annex 3 References

Literature

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CIPE (2005) *Improving Governance in Tanzania: The Role of Business Advocacy Coalitions*, Economic Reform Casestudy No. 0504, Washington D.C.: Center for International Private Enterprise

Gibbon, Peter (2005) *Options for Interaction between BSPS II and Tanzanian Exporter Associations,* with assistance from Margaret R. Ikongwe, Ministry of Industry and Trade, commissioned by Royal Danish Embassy, Dar es Salaam.

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