

TMEA Tanzania Country Programme Evaluation: Final Report

Presented by MarketShare Associates



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Acronyms and Abbreviations

AGOA	African Growth and Opportunities Act
CCTFA	Central Corridor Trade and Transit Facilitation Agency
DFID	Department for International Development
DQA	Data quality assessment
DSMGP	Dar es Salaam Maritime Gateway Project
EAC	East African Community
EASSI	Eastern African Sub regional Support Initiative for the Advancement of Women
EPA	Economic Partnership Agreement
ESIA	Environmental and Social Impact Assessments
EU	European Union
FGD	Focus Group Discussion
IBM	Integrated Border Management
KII	Key Informant Interview
MDB	Multilateral Development Banks
M&E	Monitoring and Evaluation
MEAC	Ministry of East African Cooperation
MEL	Monitoring, Evaluation and Learning
MFAEAC	Ministry of Foreign Affairs, and East African Cooperation
MITI	Ministry of Industry, Trade and Investment
MSA	MarketShare Associates
MSME	Micro, small, and medium enterprises
NOC	National Oversight Committee
NQIRR	National Quality Infrastructure Regulatory Regime
NTB	Non-Tariff Barriers
PAR	Project Appraisal Report
PSO	Private sector organization
O&M	Operations and maintenance
OSBP	One Stop Border Post
OSIS	One-stop Inspection Stations
PPP	Public Private Partnership
ROI	Return on investment
S	Strategy
SIDA	Swedish International Development Agency
SIDO	Small Industries Development Organisation
SO	Strategic Objective
SWIFT	Single Window Information for Trade
TAFFA	Tanzania Freight Forwarders Association
TANCIS	Tanzania Customs Integrated System
TBS	Tanzania Bureau of Standards
TCCIA	Tanzania Chamber of Commerce and Industry
TCP	Tanzania Country Programme
TDV	Tanzania Development Vision
TFDA	Tanzania Food and Drugs Authority
TLP	Tanzania Logistics Platform
TMEA	TradeMark East Africa

ToC	Theory of Change
TPA	Tanzania Ports Authority
TPSF	Tanzania Private Sector Foundation
TRA	Tanzania Revenue Authority
TWCC	Tanzania Women's Chamber of Commerce
USD	United States Dollars
VfM	Value for Money
WB	World Bank
WTO	World Trade Organization

Executive Summary

ES1. TradeMark East Africa (TMEA) commissioned MarketShare Associates (MSA) to conduct a formative evaluation of the Tanzania Country Programme (TCP). TMEA has been working with the Tanzanian government since mid-2010. The programme consists of a portfolio of 22 projects worth USD \$93 million from 2010 to June 2017. As a formative evaluation, its purpose is to foster a better understanding of performance thus far, and to identify areas for improvement with a view to improving the remainder of Phase I implementation and deepening Phase II programming. MSA conducted the evaluation between April and November 2017.

ES2. To achieve this purpose, MSA tailored its evaluation methodology to derive answers to the key evaluation questions. The evaluation analyzed the overall TCP portfolio and examined seven projects in additional detail. It used several research methods, including secondary source review and primary data collection via focus group discussions, in-depth interviews and an e-survey. The evaluation team used the OECD-DAC standard evaluation criteria of relevance, impact, effectiveness, efficiency and sustainability to assess the projects' progress. Each criterion was provided with an overall assessment using a sliding scale from 1 (low) to 6 (high). Confidence levels of low, medium or high indicate the available level of evidence to support the evaluation team's assessment. Table 1 below summarizes the evaluation findings and the assessment of the TCP according to the evaluation criteria.

Table 1: Overall TCP Assessment against the Evaluation Criteria

Evaluation Category:	Category score (1 = low, 6 = high)	Confidence level (low, medium or high)
Relevance	4	High
Strategic clarity and logic	<p><i>The TMEA ToC proposes that reducing the time and cost to trade will increase trade. It makes critical assumptions about the ability of private sector to produce competitively to trade, as well as of the political will of the government to promote regional trade. The experience of the TCP during Strategy 1 has demonstrated the inter-dependence of TMEA strategic objectives, as well as the critical nature of these assumptions.</i></p> <p><i>During Strategy 1, the TMEA ToC has remained a centrally defined fixed set of shared objectives, rather than living up to its potential as a dynamic strategic management tool. The ToC process could be strengthened by further testing and validation at the country level, with particular consideration of the Tanzanian country context; also related assumptions and risks. The regular, participatory review of the TMEA ToC, also at country level, should be introduced as a new process for TMEA Strategy 2, along with the regular review of project results chains, as a part of the new more adaptive and learning oriented orientation of the organisation.</i></p>	

Alignment with TMEA, partner, beneficiary, the Tanzanian Government and EAC interests and priorities	<p><i>Despite the rhetorical commitment to EAC regional integration, the new Fifth Phase Government prioritises the domestic industrialisation strategy, over the regional (and international) trade agenda. A more nuanced assessment relying on the familiarity of the TCP team with the local political economy, identifying the champions and potential spoilers of the EAC regional integration agenda inside the new government could support the effectiveness and efficiency of the TMEA programme as a whole. This should include revisiting the overall TMEA governance structure in Tanzania to ensure that the most influential ministries are represented at the right level of the hierarchy (ideally Permanent Secretaries) as well as considering individual partnerships during Strategy 2.</i></p> <p><i>DFID influence over the strategic direction, governance and operational management of TMEA has been significant; not least due to the comparatively large contribution of DFID to the budget. The particular needs of other donors may have received less attention.</i></p> <p><i>DFID has recognised the role that TMEA has played as a catalyst and facilitator of the major infrastructure investments in Tanzania, notably the Dar port. At the same time, TMEA cannot deliver infrastructure investments of the magnitude of the European Union (EU) or multi-lateral development banks. There is a need to assess and more explicitly demonstrate TMEA added-value as a catalyser and facilitator of major infrastructure investments and how these investments can translate to more sustained business and trade related reforms by the Fifth Phase Government to donors, including DFID but also the EU.</i></p> <p><i>TMEA has also served the needs of major logistics players and even more marginalised groups, such as women cross border traders, through the recent introduction of targeted programming.</i></p>	
Impact	3	Medium

Achievement of impact	<p><i>Both import and export trade flows are down, as compared with 2012, due to significant exogenous factors, namely the global economy, additional charges to transit cargo, export bans and the general unpredictability of Fifth Phase Government policy. While transit time has actually increased in the last three years, transportation costs have been declining for all major Central Corridor routes, except Dar es Salaam – Bukavu. The challenges faced in achieving the sought impact on the time to trade, as well as increasing trade in general demonstrate the multiple factors that inhibit substantial TMEA achievements from influencing these overall objectives. Some TMEA projects have also only recently come “live”, such as the OSBP in Holili¹ and others are still under construction, such as the two OSIS. 3/7 of projects selected for the evaluation have only recently commenced.</i></p> <p><i>Low awareness, misperceptions and artificially high expectations of the auxiliary benefits of infrastructure investments have contributed to the main unintended negative impacts of the TCP, such as high expectations for potential business opportunities at and around the OSIS, and traders potentially leaving the business altogether as a result of the formalisation through the OSBP. Project partners are nevertheless conscious of the need for even greater awareness raising and training of male and female beneficiaries on the benefits of the reduced time and cost to trade at the border. During Strategy 2, automation of processes needs to factor in accompanying measures (e.g. re-training of staff), learning from the experience of the TFDA.</i></p>	
Systemic Change and Scale	<p><i>TMEA and CCTFA have had substantial influence in fostering the concept of integrated border management, notably through the OSBPs and OSIS. TMEA has not explicitly monitored its systemic impact or copying and replication effects during Strategy 1, which is planned to change during Strategy 2.</i></p>	
Effectiveness	5	Medium
Achievement of Outcome Target	<p><i>Evaluation findings are in line with the conclusions of the latest DFID Annual Review, with good progress demonstrated on SO1, mixed progress on SO2 and limited progress on selected SO3 projects. Based on the TCP Annual Reports starting from 2014/15, on average 80% of outputs have been delivered as planned. Assessing the achievement of outcomes for selected projects was complicated by the fact that 3/7 selected projects have only begun implementation recently.</i></p> <p><i>While gender awareness and mainstreaming has not been strongly reflected in the overall TCP strategy or individual programmes the recently completed regional Gender Audit and launch of gender specific programming contribute to the TMEA ambition to become a pioneer in the field of women and trade. Gender is nevertheless not sufficiently mainstreamed in TMEA Monitoring, Evaluation and Learning (MEL) efforts, with little evidence of gender specific indicators and the disaggregation of data.</i></p> <p><i>While there appears to be great regional trade potential for Tanzania in cleaner energy, including renewables, so far, energy and climate change have not been a focus area for the TCP.</i></p>	

¹ Notably, the Holili-Taveta crossing would influence the transit time from Mombasa port to in-land destinations in Burundi, DRC and Rwanda.

Efficiency	4	Medium
Value for Money	<p><i>While TMEA's focus to date has been on corporate-level VfM, there has been less of a focus on country-specific and particularly project-specific VfM. This impedes TCP's ability to track rapidly how the VfM of its programming is evolving and make adjustments accordingly. Procurement is handled centrally in Nairobi with large numbers of bidders for each contract. TMEA economy has been improved by a reduction in salary scales. Project management costs of TCP as a percent of total spending is the third highest among TMEA's country offices and project timelines and costs have both significantly exceeded estimates. Some of the OSBPs may have been overbuilt relative to requirements.</i></p> <p><i>The CBA results indicate a highly beneficial programme with superb value for money at \$4.10 returned for every \$1 invested. The 35% rate of return indicated is well in excess of the 10% discount rate. By 2025/26, the programme is projected to return \$118 million beyond the cost of investment and added O&M and will have broken even by 2019 in terms of the benefits returned relative to expenditures made.</i></p>	
Management structures and processes	<p><i>While generally the TCP management structures and processes are fit for purpose, improvements still could be made in the governance structure, relationship between TMEA headquarters and country offices, contractual, financial and risk management, as well as improving data quality and reporting.</i></p>	
Innovation and Learning	<p><i>TMEA is more flexible, nimble and willing to take risks than multilateral development banks (MDBs), for example, readily expanding the scope of projects (e.g. OSIS, One stop border posts (OSBPs), Tanzania food and drug administration (TFDA)) to take on additional needs. TMEA is also monitoring the impact of its interventions after the completion of implementation. At the same time, TMEA could benefit further from the economies of scale and unique opportunities for mutual learning in the framework of regional programmes, such as in the case of the now parallel TWCC and Eastern African Sub regional Support Initiative for the Advancement of Women (EASSI) SMS platform for cross border traders. While the Tanzanian experience with the NTB SMS reporting platform can bring valuable previous experience to the design of the SMS platform for cross-border traders, it could be brought to scale through coordinating and sharing a single platform, benefiting also from input of the ICT for Trade team. More efforts could also be made to exploit economies of scale on data collection efforts, where various independent initiatives collecting similar data could be consolidated to result in more robust sampling and rigorous methods. TMEA has not been very good at coordinating data collection efforts, often also not learning from methodological challenges, such as those relating to the measurement of time and turnover, especially at firm level.</i></p>	
Additionality	<p><i>Despite the external factors that have reduced the TCP impact on increasing trade, arguably, particularly the OSBPs have had a substantial effect on the reduction of the time and cost to trade in the region. Most of the investments, such as the OSBPs, Tanzania Logistics Platform and new focus on women cross border traders would not have happened, certainly at this speed and scale (e.g. OSBPs) without TMEA support.</i></p>	
Sustainability	3	Medium

Sustainability addressed and likely to be achieved	<p><i>Three of the selected projects, the OSBP (2) and Tanzania Food and Drugs Authority (TFDA) have demonstrated the continuity of benefits after the end of TMEA support. They provide valuable examples of significant ownership and capacity of TMEA partners to continue project benefits also after funding comes to an end; though concerns remain about the availability of budget to continue running the OSBP Holili at its current level of operations and maintenance. However, ICT systems are particularly vulnerable when TMEA partners do not have the human and/or financial resources to continue to maintain and operate ICT-based systems. The end of the award-winning mobile NTB monitoring system and electronic Certificates of Origin by the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) brings to question the sustainability of TMEA funded technical assistance and ICT based solutions.</i></p> <p><i>5/7 selected projects have concerns over the institutional capacity of the selected partner organisation. There are greater concerns about the capacity of the CCTTFA and TBS, the latter being still only in the beginning of the implementation of a major organisational reform effort with support from technical assistance funded by TMEA. Private sector associations, such as the Tanzania Private Sector Foundation (TPSF) and Tanzania Women's Chamber of Commerce (TWCC) will continue to remain donor dependent.</i></p>
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ES3. The following table outlines the priority recommendations for the TCP. A complete set is included below in the full report.

Table 2: TCP Final Evaluation Recommendations

Relevance	Recommendations on Strategic Direction for TMEA Strategy 2	Responsible
	Recognising the demonstrated achievements from support to trade processes (e.g. OSBPs, TFDA SWIFT) , identify areas where this experience can be brought to scale, recognising also opportunities in the local political environment. Build also on the demonstrated benefits of coordination and synergies across the TMEA portfolio, the synergies between hard and soft infrastructure investments (e.g. OSBPs) and between policy advocacy interventions and the TMEA trade facilitation agenda. Leverage infrastructure investments (e.g. port, SWIFT) to generate political buy-in for institutional reform and productivity , such as the success of the TFDA SWIFT.	TMEA HQ TMEA TCP
	Recommendations on Taking Advantage of Political Awareness of TCP Team	Responsible
	Take advantage of the political awareness of the TCP team and conduct thorough political economy analysis to identify the most relevant and effective champion for trade facilitation and regional integration in the Fifth Phase Government. This would need to be done with a view toward adjusting also TCP governance structures and chosen partnerships in Strategy 2.	TMEA TCP
	Recommendations on Donor Relations	Responsible
	Improve management of donor relations with and beyond DFID, including the identification and communication of TMEA value-added in catalysing and facilitating major infrastructure investments.	TMEA
Effectiveness	Recommendations on Partnerships	Responsible

	Gather the lessons learned from strong Strategy 1 partnerships, such as the one with TRA for the implementation of the OSBPs, TANROADS on the OSIS, as well as TFDA on SWIFTS. Choice of partners should be more flexible , depending upon demonstrated political and institutional management capacity or alternatively, a conscious capacity-building strategy with a clear exit strategy (e.g. end of technical assistance at MIT, MEAC and TCCIA)	TMEA TCP
	Recommendations on Risk Management	Responsible
	More dynamic management of risks through the regular revision of the ToC and more adaptive management. Establish a country level risk register, with regular updating. Developing specific risk management strategies for high-risk investments should also be considered in light of experience, particularly with the Dar es Salaam Port.	TMEA TCP
	Recommendations on Gender & Climate Change Mainstreaming	Responsible
	The TCP should match its ambitions to pioneer gender sensitive programming in the field of trade facilitation, by strengthening its gender specific programming and the mainstreaming of gender in the design and implementation during Strategy 2, particularly the disaggregation of gender indicators and related data collection, with a view to understanding gender differential effects and subsequently reviewing implementation plans. The TCP could explore the relationship between climate change and trade, notably the potential of the East and Southern African regional energy market, with attention also to improving the mainstreaming of climate change issues in the sector and geographic selection of future support areas.	TMEA & TCP
Efficiency	Recommendations on Vfm & Management Structures	Responsible
	Strengthen TMEA's decentralised management value proposition by strengthening the role of the Country Director and clarifying the roles between staff at headquarters and TCP. Replicate the Stakeholder Satisfaction Survey on procurement and financial management procedures.	TMEA SLMT
	Recommendations on Adaptive Management, Monitoring & Learning	Responsible
	Promote more adaptive and flexible programme management; strongly embedded in the Tanzanian context, based on a dynamic Theory of Change (ToC) process, with regular review of sound data and evidence , emphasising the identification of assumptions and management of related risks . Promote a more adaptive, flexible, learning culture , based on sound evidence; also with space to allow and recognise the merits in failure.	TMEA SLMT TMEA TCP
	Reduce the number of indicators, harmonising key concepts and definitions (e.g. revenue/turnover, formality), increasing the rigour and coordination of primary data collection efforts, notably from beneficiary firms. A single, more scientifically rigorous survey, coordinated across a number of TMEA projects , with a larger sample size could serve a number of projects. Data quality and verification by the TCP is critical, considering the observed data discrepancies.	TMEA Results Team
Sustainability	Recommendations on fostering the continuation of project benefits	Responsible
	The TCP is well placed to capture lessons learned in areas such as automated systems, financial autonomy, institutional capacity and technical assistance and implement these recommendations in more recent projects and the roll-out of Strategy 2.	TMEA TCP

1. Introduction

1. With the increased focus on demonstrating and rigorously proving the results of development investments, TMEA's push to understand the performance of its Tanzania Country Programme (TCP) is a wise strategy that will validate results and impacts that have been reported, indicate results and impacts that are likely to be achieved, and identify strategic lessons to support TMEA's resource mobilisation capacity and future developmental impacts. Conducting a formative evaluation at this critical stage offers an opportunity to determine, from an independent perspective, what challenges and opportunities exist for future programming investments.
2. This evaluation used an iterative design to capture the perspectives of key stakeholders. This approach enabled a "360-degree evaluation," incorporating the views and perspectives of a variety of stakeholders including TMEA staff, implementing partner staff, project beneficiaries and others. These multiple lines of evidence provided the considerable breadth of data and insight needed to assess the relevance, efficiency, effectiveness, impact and sustainability of the country programme and inform potential programmatic decisions for TMEA and development actors.

2. Background to TMEA and the Tanzania Country Programme

3. TradeMark East Africa (TMEA) was officially launched in February 2011 as a specialist not-for-profit agency to promote trade growth in East Africa Trade. It aims at improving trade competitiveness and regional integration in East Africa. TMEA's Theory of Change (TOC) is anchored on three key strategic objectives: Increased Physical Access to Markets (SO1); Enhanced Trade Environment (SO2) and Improved Business Competitiveness (SO3). By 30 June 2017, TMEA seeks a 10 % increase in the total value of exports from the EAC region; 25 % increase in intra-regional trade exports, 15 % reduction in average time to import or export a container from Mombasa or Dar es Salaam to Burundi and Rwanda and 30 % decrease in the average time a truck takes to cross selected borders. TMEA is currently funded by the UK, Belgium, Canada, Denmark, Finland, Netherlands, Sweden and USA. TMEA's secured budget to date totals about \$560m. The first phase of the programme officially ended on 30th June 2017, though some activities have received extensions beyond this point. Plans for defining Strategy 2 (S2) are well under-way and will also significantly benefit from this evaluation.²

Tanzania Programme

4. Tanzania's long-term strategy, National Vision 2025 plans to turn the country into a middle-income, competitive economy that will provide improved socio-economic opportunities, public sector performance and environmental management. The

² Tanzania Country Programme Evaluation Terms of Reference (ToR)

competitive export-led growth strategy is the main pillar of the Tanzania National Trade Policy. In the last 5 years, Tanzania's economy grew on average close to 7%. The economy is driven largely by communications, transport, financial intermediation, construction, agriculture and manufacturing.

5. TMEA has been working with the Tanzanian government since mid-2010. The programme consists of a portfolio of 22 projects worth USD \$93 million from 2010 to June 2017. The projects cut across the three strategic objectives. Under Strategic Objective One (SO1), increasing capacity and efficiency of the Dar Port forms a large part of the portfolio. This is through the institutional strengthening of Tanzania Ports Authority (TPA), improving operational efficiency at Dar es Salaam Port, improvement in spatial efficiency of the port, and the Dar Port Channel improvement. At the same time, TMEA support to the Dar es Salaam Port has been frequently reviewed and evaluated; also through the major, on-going Independent Evaluation funded by DFID.
6. Other projects under Strategic Objective One (SO1) include the development of One-stop border posts (OSBPs) and the development of One-stop Inspection Stations (OSIS). The programme also aims to improve Trade Standards and reduction of Non-Tariff Barriers (NTBs) under Strategic Objective Two (SO2) as well as assisting the Ministry of East African Cooperation (MEAC) in following up on the country's commitments for regional integration. The programme further works with the private sector associations, women associations and government and non-government agencies to enhance Tanzania trade logistics and the investment climate under Strategic Objective Three (SO3).³

The Evaluation

7. TMEA is undertaking a formative evaluation of the Tanzania Country Programme to gain a better understanding of its performance thus far, and to identify areas for improvement. One year of implementation was left in phase I of the programme, which ended in June 2017. The main emphasis therefore was on the results that were achieved or were likely to be achieved. MarketShare Associates⁴ (MSA) was selected to conduct the evaluation. MarketShare Associates is a socially-driven global consulting firm. We provide innovative solutions for the private sector, government and civil society to improve, measure, and communicate the economic and social impacts of their investments. We believe market dynamics have a strong impact on how people live their lives. Our vision is to improve economic systems in order to reduce poverty. We recognize complexity and as such, use a systems approach to design solutions that work within dynamic environments. We work collaboratively with our clients, serving as brokers of creativity to help catalyse systemic change. We take a bespoke approach to every engagement, developing tailored and contextually rooted services for clients across our core service areas: Research, Perform, Empower and Measure.

³ Tanzania Country Programme Evaluation Terms of Reference (ToR)

⁴ www.marketshareassociates.com

8. MSA has an extensive background conducting evaluations. We have previously conducted country programme evaluations of TMEA's Uganda and Rwanda operations, and are simultaneously evaluating TMEA's Tanzania country programme and two TMEA challenge funds.

3. Background and Purpose of the Evaluation

9. As a formative evaluation, the evaluation's purpose was to generate usable insights and lessons learned from Strategy 1 that can inform Strategy 2 of TCP programming. MSA designed a methodology that used a formative approach to answer questions that build upon core evaluation categories. The formative nature of the evaluation means that the evaluation did not independently collect data that in most cases meets a representative sample to compare against the data collected by TMEA, which would be characteristic of a summative approach. Given that there is an Independent Evaluation being conducted of TMEA simultaneously, this evaluation has complemented that evaluation's efforts with its formative approach. A second purpose was to inform the conclusions of the other evaluations that TMEA has simultaneously procured. In doing so, this evaluation may also help to inform TMEA's thinking about how it sequences and designs the evaluations that it procures.
10. The evaluation analysed the overall portfolio of the country programme, as well as sampled projects selected for deeper review. The evaluation assessed coherence of the portfolio as it relates to TMEA's overall Theory of Change, as well as Tanzanian national priorities. The evaluation also examined the organisational context and procedures, as well as governance and management structures – including programme cycle management and strategic partnerships. The evaluation intended to additionally propose potential partnerships in Tanzania, as well as emerging high value opportunities and priorities to address gender, poverty and environmental issues. Particular emphasis was given to the assessment of the sustainability of TMEA support, as Strategy 1 comes to an end. The primary audience of the evaluation findings and recommendations are TMEA, project partners, the Tanzania Country Programme National Oversight Committee (NOC), the Evaluation Committee, and development partners.

4. Evaluation Methodology

11. The evaluation took place from April to November 2017⁵ and covered the programme period from 2011 to June 2017. A set of broad strategic evaluation categories,⁶ with relevant sub-questions, were formulated to provide information about the extent to

⁵ The contract timelines did not include the delays that occurred during the inception phase, nor for the anticipated times required for TMEA review. Therefore we have adjusted the implementation period accordingly, from September to November 2017. The updated evaluation timeline is presented in Annex 7.

⁶ OECD. DAC Criteria for Evaluating Development Assistance. OECD website, viewed at: <http://bit.ly/1TxgXX2>

which the programmes have been implemented, as well as the likelihood that they will achieve their objectives. The evaluation team sought to determine:

- **Relevance:** The extent to which a development intervention conforms to the needs and priorities of target groups, the policies of the Tanzanian government and donors and TMEA's strategy.
 - **Impact:** The totality of the effects of development interventions, positive and negative, intended and unintended. The impacts are the tangible long-term outcomes to which the country programme contributed.
 - **Effectiveness:** The extent to which development interventions have achieved their objectives, taking their relative importance into account.
 - **Efficiency:** The value for money of TMEA's investments.
 - **Sustainability:** The extent to which the positive impacts and benefits of programming are likely to create an enduring legacy that furthers strategic objectives.⁷
12. The evaluation drew from a desk review of the updated monitoring plans, quarterly and annual progress reports of individual programmes, as well as the TCP as a whole. The desk review also included reviews and evaluations conducted to date.
13. The evaluation is rooted in the overall TMEA Theory of Change, as well as the individual results chains of the selected projects. Evidence on the sought results and logical linkages tracing the contribution of project achievements to sought outcomes was gathered through both secondary sources and primary research to conduct an attribution analysis of the plausible contribution of TMEA achievements. This included also testing assumptions and identifying any un-expected, negative effects, particularly through more open questions during Focus Group discussions. Interviews with Focus Groups and Key Informants were held with all main stakeholder groups of the selected projects. Primary data was gathered on the clients of TBS and TFDA through an electronic e-survey distributed to 880 companies, which had obtained a TFDA export/import certificate or the TBS Mark certification. Out of the 880 companies, 31 responded to the e-survey; 4.5% had non-functioning email addresses. Four of the respondents were from the healthcare sector, which is very likely to have had an impact on the obtained cost and time data for the TFDA. The purpose of the e-survey was not to obtain a representative sample of the population, but simply to verify the data presented by the earlier SWIFT Evaluation and the TBS Baseline Survey. Notably, these surveys ultimately had a similar response rate for the same population (38 respondents on TFDA from SWIFT Evaluation, and in the TBS Baseline survey, out of 18 firms claiming to have TBS certification, only 9 were verified by TBS). The sample size, difficulties in defining key concepts such as cost and time, as well as significant differences in data pose concerns about the internal validity of the data; the main conclusion of the verification exercise.
- There was significant overlap among stakeholders and the supported projects, whereby interviews were frequently used to enquire about multiple project results. Only the

⁷ MSA looks at dynamic sustainability, which expands on the definition to include not just sustained benefit for end beneficiaries, but the sustainability of the delivery system itself in cases where that it needed to ensure the ongoing delivery of benefits.

telephone interviews with final beneficiary firms proved to be a challenge, with one interviewee refusing to participate and two not returning answers on evaluation questions shared by e-mail. We also conducted a significant data collection exercise with 6 FGDs and 15 interviews at the Holili/Taveta border, which was not originally foreseen in the inception report. The following table outlines the anticipated and achieved data collection efforts.

Figure 1: TCP Evaluation Sample Size Summary

Respondent Type	Direct Project Contacts	Government	Beneficiaries			Total Planned	Total Completed
Research Method	KII	KII	KII	FGD	E-Survey	Qualitative	
Project Type							
OSBP 1515, & 1113	2	4	9	6		15 KII, 5 FGDs	15 KIIs (2 Direct Project Contacts, 10 beneficiaries (local businesses), 3 Government), 6 FGDs
Logistics 1122	2		4			9 KII	6 KIIs (2 Direct Project Contacts, 4 Beneficiaries) (rest refused to participate)
TWCC 1122d & CBT 1138	4		3	8		8 KII, 3 FGDs	7 KIIs (4 Direct Project Contacts, 3 Beneficiaries), 8 FGDs
TBS Testing 1117	2	3	3	8	31	6 KII, 15 Survey Respondents	8 KIIs (2 Direct Project Contacts, 3 Government, 3 Beneficiaries), 8 FGDs, 31 E-Survey Respondents
CCTA 1116	2	3	4			12 KII	9 KIIs (2 Direct Project Contacts, 3 Government 4 Beneficiaries) (rest refused to participate)
TFDA SWIFT	1	3		8	31	15 Survey Respondents	4 KIIs (1 Direct Project Contact, 3 Government),

							8 FGDs, 31 E-Survey Respondents
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14. Standard analytical tools, namely coding of qualitative data based on the indicators in the Monitoring Plans, as well as the evaluation criteria, were deployed. Due to the volume of data and opportunity to triangulate data sources, the data was consolidated into a more in-depth case study on the perceived benefits and challenges to cross-border trade at the OSBP at Holili (Annex 2). An assessment rubric on a Likert Scale from 1-6 was also utilised on the portfolio and project level to obtain a score for each of the evaluation criteria. This is largely in line with the DFID Annual Review grading system (A++, A+, A, B, C), with the addition of greater granularity for B performance, which can be “somewhat satisfactory (3) or unsatisfactory (2)” on the six-point scale. The evaluation assessment rubric also has a much broader scope than the DFID Annual Review process across the evaluation criteria and sub-questions, rather than focusing on mainly output performance. In any cases of divergent performance on sub-questions, the overall score was determined by a simple average. Further details on the assessment rubrics are provided in the Inception Report.
15. In conducting its analysis, the evaluation team reviewed a Sida audit report of TMEA’s performance (and its value for money) to inform its analysis and incorporated those findings into the first draft of this evaluation report. Upon reviewing the draft report, TMEA asked the evaluation team to remove the Sida study from its consideration and from this evaluation’s findings. TMEA expressed its concerns about the study. Consequently, this report makes no reference to the Sida report.

5. Evaluation Findings

5.1 Relevance

16. In terms of relevance, the TCP has earned a score of 4 out of 6. Our confidence in this rating is high.

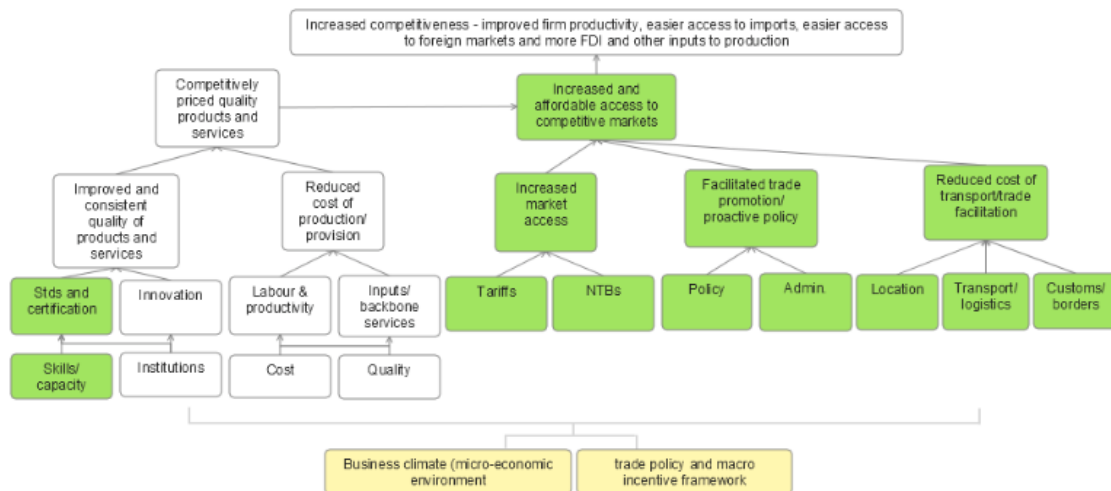
Evaluation Category:	Category score (1 = low, 6 = high)	Confidence level (low, medium or high)	
Relevance	4	High	

Strategic clarity and logic	<p><i>The TMEA ToC proposes that reducing the time and cost to trade will increase trade. It makes critical assumptions about the ability of private sector to produce competitively to trade, as well as of the political will of the government to promote regional trade. The experience of the TCP during Strategy 1 has demonstrated the inter-dependence of TMEA strategic objectives, as well as the critical nature of these assumptions.</i></p> <p><i>During Strategy 1, the TMEA ToC has remained a centrally defined fixed set of shared objectives, rather than living up to its potential as a dynamic strategic management tool. The ToC process could be strengthened by further testing and validation at the country level, with particular consideration of the Tanzanian country context; also related assumptions and risks. The regular, participatory review of the TMEA ToC, also at country level, should be introduced as a new process for TMEA Strategy 2, along with the regular review of project results chains, as a part of the new more adaptive and learning oriented orientation of the organisation.</i></p>
Alignment with TMEA, partner, beneficiary, the Tanzanian Government and EAC interests and priorities	<p><i>Despite the rhetorical commitment to EAC regional integration, the new Fifth Phase Government prioritises the domestic industrialisation strategy, over the regional (and international) trade agenda. A more nuanced assessment relying on the familiarity of the TCP team with the local political economy, identifying the champions and potential spoilers of the EAC regional integration agenda inside the government could support the effectiveness and efficiency of the TMEA programme as a whole. This should include revisiting the overall TMEA governance structure in Tanzania to ensure that the most influential ministries are represented at the right level of the hierarchy, as well as considering individual partnerships during Strategy 2.</i></p> <p><i>DFID influence over the strategic direction, governance and operational management of TMEA has been significant; not least due to the comparatively large contribution of DFID to the budget. The particular needs of other donors may have received less attention.</i></p> <p><i>DFID has recognised the role that TMEA has played as a catalyst and facilitator of the major infrastructure investments in Tanzania, notably the Dar port. At the same time, TMEA cannot deliver infrastructure investments of the magnitude of the European Union (EU) or multi-lateral development banks. There is a need to assess and more explicitly demonstrate TMEA added-value as a catalyser and facilitator of major infrastructure investments and how these investments can translate to more sustained business and trade related reforms by the Fifth Phase Government to donors, including DFID but also the EU and other donors.</i></p> <p><i>TMEA has also served the needs of major logistics players and even more marginalised groups, such as women cross border traders, through the recent introduction of gender targeted programming.</i></p>

Strategic Clarity and Logic

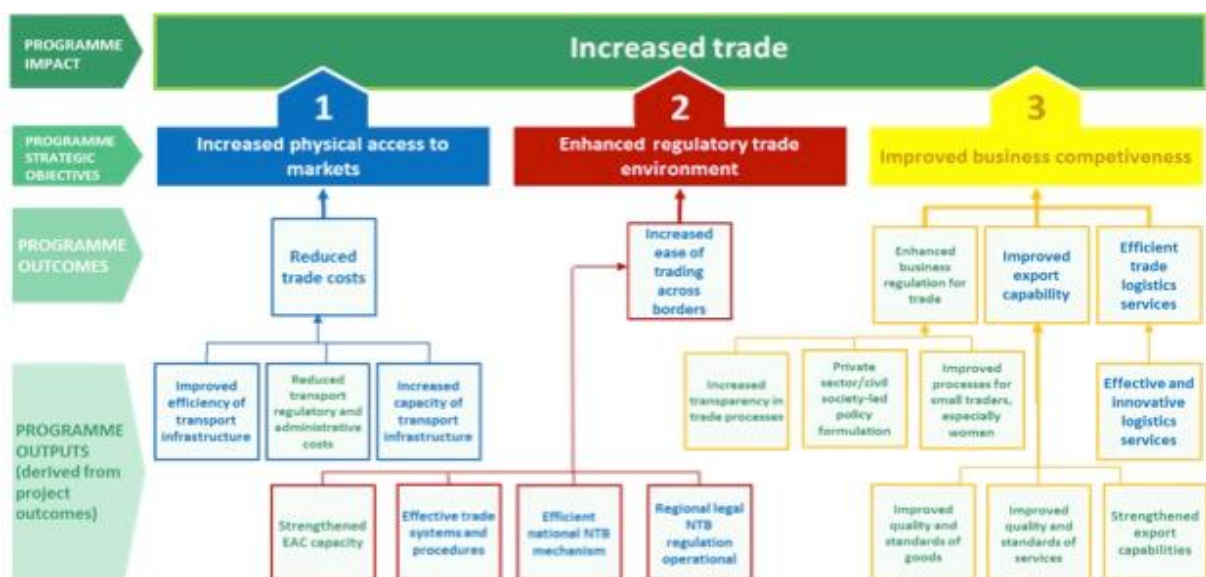
17. The Tanzania Country Programme logic stems from the overall TMEA Theory of Change (ToC).⁸ The TMEA ToC has been revised a number of times during Strategy 1. Figure 1 & 2 below depicts the original Tanzania Country Programme ToC, as well as the latest revision during Strategy 1.

Figure 2: Original TMEA Theory of Change



Source 1: Tanzania Country Programme Strategy 2012, p. 23

Figure 3: Updated TMEA Strategy 1 ToC



⁸ The Tanzania Country Programme section on the Theory of Change actually refers to the particular circumstances in Uganda, rather than Tanzania.

18. The latest version of the TMEA ToC consolidated results and interventions under three main Strategic Objectives 1) Increased physical access to markets, 2) Enhanced regulatory trade environment and 3) Improved business competitiveness. Arguably, there is a logical, sequential relationship between the reduced time and costs associated with improving physical access to markets and improved business competitiveness, which is not depicted in the ToC visual. Improvement in the business and policy environment is required for both improving physical access, as well as business competitiveness; also not represented in the visual. The concept of trade competitiveness highlights the relationship and interdependencies between the three Strategic Objectives and is central to the TMEA approach.

Text Box 1: Definition of Trade Competitiveness

“Increasingly, (trade competitiveness) is the result of strong interdependencies between imports and exports, as well as international flows of capital, investment, and know-how. In addition, modern, competitive services are vital as intermediate inputs to a high-performing private sector. Indeed, the interactions between all of these factors determine firm productivity. Through trade and foreign investment, developing countries can benefit from a range of ideas that come from abroad: intellectual property, trademarks, managerial and business practices, marketing expertise, and organizational models. The flows of goods, services, people, ideas, and capital are now interdependent and should be assessed jointly... The flow of know-how from developed to developing countries often takes place in the context of vertical trade and production chains that cross many borders from raw material to finished product. Taking advantage of that structure is a key determinant of industrial development in the 21st century. Developing countries can now industrialize by joining GVCs instead of building their own value chain from scratch...”

source 2: <http://www.worldbank.org/en/topic/trade/brief/trade-competitiveness>

The TMEA ToC has also been revisited as a part of the development of TMEA Strategy 2, where these logical relationships and interdependencies between the three Strategic Objectives were further elaborated. The concept of Trade Competitiveness, which highlights the relationships and interdependencies between TMEA objectives would be particularly helpful in improving the understanding of the TMEA logic, enhancing coordination across programmes and testing the logic in a given country context, such as Tanzania. Exploring the inter-relationship between the three main strategic objectives and related programmes was also a task of the evaluation.

19. The overall TMEA ToC is premised on the hypothesis that the reduction of trading time will reduce trading costs to the private sector and therefore increase trade; contributing to overall growth and well-being. It makes critical assumptions about private sector production capacity to deliver quality goods, on time, at the right price point, to clients. The TMEA ToC also assumes that the local business environment will remain conducive

to regional and international trade. The Fifth Phase Government has challenged particularly the latter assumption, with significant policy changes introduced since the latest election in Tanzania. Another major concern is that while TMEA interventions at the port, the OSBPs and along the Central Corridor may contribute to the reduction in the time and cost to trade, if other factors reduce the actual volume of trade, TMEA will not have an impact upon growth and ultimately poverty alleviation in Tanzania and the region. The overall TMEA ToC could be therefore be further strengthened through testing and validation at the country level.

20. All country programmes are expected to demonstrate their linkage to the overall TMEA ToC. While the TMEA ToC has been occasionally reviewed centrally, the ToC process has not been used as a management tool at the country level to review and revise the TCP logic, as the country has changed (e.g. through elections). According to interview data, including from donors, the TMEA ToC, assumptions and risks have been defined centrally, with insufficient consideration of the particular Tanzanian country context. For example, great emphasis was placed on the work in Dar es Salaam port, which has struggled with implementation, affecting the overall performance of the TCP. TMEA could seek to strengthen the TCP logic with greater attention to the local political economy and identifying windows of opportunity generated in the new political context, with a view to increasing its impact. This process is inherently dynamic. The opportunity to work in the port may just be opening up, as Strategy 1 draws to a close. Reviewing the TCP logic, especially the assumptions made would also support the more dynamic management of risk.
21. The TMEA ToC has remained a centrally defined fixed set of shared objectives, rather than living up to its potential as a dynamic strategic management tool. The annual TCP Business Plans do not refer to the TMEA ToC at all. Considering the particular challenges of the Tanzanian context, using the TMEA ToC as a dynamic, adaptable and flexible process, could bring significant value added to the definition of the most impactful and feasible interventions for Strategy 2, as well as demonstrating the inter-dependencies and linkages between different programmes.
22. Despite it being a TMEA requirement, a number of Results Chains are missing for individual projects, notably the CCTTFA, Tanzania Women Chamber of Commerce and Logistics and Advocacy, among those projects selected for this evaluation. This demonstrates a missing appreciation of the Results Chain as a project management tool. Where Results Chains have been prepared, they usually reflect the generic logic developed at the regional programme level (e.g. TFDA SWIFT, Capacity Building for Women Cross Border Traders) and/or have not been updated since the first version. Where Results Chains were available for selected projects, they are further reviewed under the evaluation findings on effectiveness, where necessary. While the addition of the OSIS into the Central Corridor Trade and Transit Facilitation Agency (CCTTFA) project

demonstrated the flexibility of the intervention, it was not based upon the original project logic. The project logic was also not subsequently amended to reflect the overall ambition of facilitating movement through the Central Corridor, rather than focusing on access to data about the cost and time to trade in the corridor alone. Similarly, the Tanzania Logistics Platform (TLP) ToC needs to be amended, now that the Big Results Now initiative is no longer guiding the new Fifth Phase Government policy. Therefore, there is also a need to review and revise the individual project logics, most notably of the CCTFA and TLP projects.

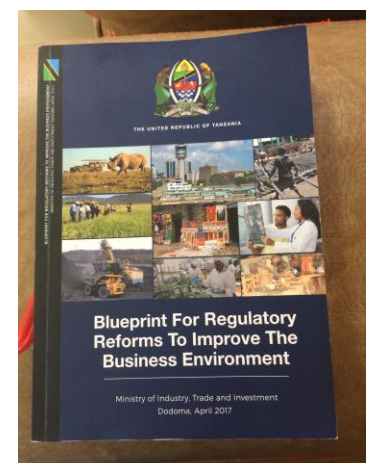
Alignment with TMEA, partner, beneficiary, the Tanzanian Government and EAC interests and priorities

Alignment with needs of Government and Tanzanian Beneficiaries

23. According to the various DFID annual reviews and evaluations, the alignment of the TCP with the evolving strategic priorities of the previous and current government has been challenging, though at times also successful. The MEAC evaluation noted the particular challenges posed by Tanzanian membership in both the Southern African Development Community (SADC) and the EAC, along with the on-going tripartite negotiations and the general reticence of also the previous government toward regional integration. Most notably, the TCP team successfully participated in the former governments' Big Results Now (BRN) initiative, with particularly the Dar Port programme, One Stop Inspection Stations (OSIS) and the Tanzania Electronic Single Window (TeSW) being well aligned with this former initiative.

24. Tanzania does not lack policies on which to base programmes, with a number of documents elaborating the industrialisation and development vision of the country, including the Tanzania Development Vision (TDV) 2025 and Sustainable Industrial Development Policy 2020. However, as noted by the MEAC Evaluation, EAC integration does not factor dominantly in any of these key strategic documents. The main challenge has been with implementing their recommendations, with the strategic and implementation drive – Big Results Now! of the previous government – now officially ended. The new Fifth Phase Government has emphasised industrialisation and employment, “Tanzania ya Viwanda”, as its main direction. The main focus sectors are agricultural goods (cotton, textiles, sunflower and cassava), hardware such as cement and tiles, as well as consumer goods (e.g. bottled water and soda drinks).

Figure 4 : Latest Tanzanian Policy Document on the Business Environment



25. The government has finalised a new “Blueprint for Regulatory Reforms to Improve the Business Environment”, but it has not yet been officially approved and circulated. According to the Permanent Secretary of the Ministry of Industry, Trade and Investment (MITI), it provides concrete actions that can be implemented as quick wins by ministries and agencies to improve the business environment in Tanzania.
26. While the TCP Annual Report 2016/17 reiterates the government’s commitment to the EAC and regional integration, it is quite clear that the domestic industrialisation strategy is prioritised over the regional trade agenda by the top leadership; also at MITI. The decision to withdraw from the Economic Partnership Agreement (EPA) negotiations with the European Union (EU) and more recent tensions with African Growth and Opportunities Act (AGOA) relating to the used clothing ban has set the tone on trade. The import bans on used clothing are linked to the promotion of the local garment industry. Officials have also called for the broadening of the TMEA agenda beyond the East African Community (EAC) to the tripartite trade negotiations and World Trade Organisation (WTO) issues according to interviews. A more nuanced assessment relying on the familiarity of the TCP team with the local political economy, identifying the champions and potential spoilers (e.g. through stakeholder and power analysis) of the EAC regional integration agenda inside the Fifth Phase Government could support the effectiveness and efficiency of the TMEA programme as a whole. The Dar Port programme may be a case in point, according to various interviews, where shifting interlocutors may be crucial for forging ahead on port reforms.
27. During interviews, government representatives were very pleased with TMEA support particularly on cross-border trade, the Dar es Salaam Port and directly to the MITI. The Permanent Secretary of the MITI nevertheless emphasised that TMEA “needs to do what the government wants to accomplish”. It is now up to the TCP to identify the areas and actors together with the government that align the interests of the Fifth Phase Government with East African integration.
28. According to many interviews with larger logistics players in the private sector, TMEA has served their interests, particularly through the interventions in the port and through the OSBPs at the borders. Through the gender-targeted programming of Capacity Building for Women Cross Border Traders (1138), TMEA is also reaching more women and disadvantaged traders. However, the differential analysis of large versus small players and their particular needs is necessary even in this targeted intervention, where there is great variety in the size, needs and capacity of the beneficiaries.

Alignment with Donors and East African Integration efforts

29. There is general concern over the evolving business environment in Tanzania since the latest national election by the donor community, especially on private sector development and trade (see Economic Partnership Agreement negotiation deadlock with the EU). Some donors also retain strong business interests in the country (e.g. oil & gas, farming inputs).

30. TMEA, more generally but also in Tanzania, has had a very close relationship with its main donor, DFID. Based on a number of interviews, catering to the particular interests and needs of DFID may have reduced the attention of the TCP toward other donors. A number of the interviewed donor organisations were either neutral or highly critical about TMEA achievements, internal management and capacity at the country office.
31. Most donors perceive TMEA largely as an infrastructure programme. DFID emphasised that infrastructure investments should be used to leverage government cooperation, especially on business environment reform. Considering that TMEA cannot leverage investments on the same level as multilateral development banks (MDBs) or the EU, its role as a catalyst and facilitator of these investments would require further attention. The EU appears to see little added-value of TMEA as an intermediary in its own infrastructure investments. The complicated project management structure of the OSIS construction, implemented by the EU but supervised by TMEA, is a case in point.
32. During Strategy 1, TMEA's approach emphasised the effective implementation of the regional East African Community (EAC) agenda at country level, with a related management structure. Some of the interviewees called for a closer alignment between TMEA and the regional EAC agenda and secretariat, even particular implementation modalities (e.g. travel allowances) to strengthen regional and national ownership of trade facilitation. Closer cooperation with German development cooperation, specifically GIZ, which has worked intensely with the EAC Secretariat, could be a way to strengthen this EAC relationship when direct TMEA support to the EAC Secretariat has reduced in emphasis.

Complementary and Synergy across TMEA Portfolio

33. TMEA programmes have tended to operate as separate streams, with limited coordination across interventions during Strategy 1, according to interview data. Earlier Strategy 1 support to civil society advocacy efforts (e.g. Tanzania Private Sector Foundation (TPSF), Civil Society Foundation and Tanzania Association of Non-governmental Organisations (TANGO) was a case in point, as their advocacy work was not necessarily strategically aligned with the rest of the TMEA portfolio, namely hard and soft infrastructure investments, such as the port and OSBPs. However, there has been increasing coordination and synergies demonstrated by more recently inaugurated programmes (e.g. Tanzania Bureau of Standards (TBS), Women Cross Border Traders (WCBT), Tanzania Logistics Platform (TLP)). Evaluation findings on synergies between hard and soft infrastructure investments (e.g. OSBPs) and between policy advocacy interventions and the TMEA trade facilitation agenda (e.g. fluid movement through the Central Corridor) have demonstrated increased relevance and effectiveness of interventions with shared objectives, as well as potential economies of scale in implementation modalities (e.g. shared, more rigorous baseline surveys).

5.2 Impact

34. In terms of impact, the TCP has earned a score of 3. Our confidence in this rating is high.

Evaluation Category:	Category score (1 = low, 6 = high)	Confidence level (low, medium or high)	
Impact	3	Medium	
Achievement of impact	<p><i>Both import and export trade flows are down, as compared with 2012, due to significant exogenous factors, namely the global economy, additional charges to transit cargo, export bans and the general unpredictability of Fifth Phase Government policy. While transit time has actually increased in the last three years, transportation costs have been declining for all major Central Corridor routes, except Dar es Salaam – Bukavu. The challenges faced in achieving the sought impact on the time to trade, as well as increasing trade in general demonstrate the multiple factors that inhibit substantial TMEA achievements from influencing these overall objectives. Some TMEA projects have also only recently come “live”, such as the OSBP in Holili⁹ and others are still under construction, such as the two OSIS. 3/7 of projects selected for the evaluation have only recently commenced.</i></p> <p><i>Low awareness, misperceptions and artificially high expectations of the auxiliary benefits of infrastructure investments have contributed to the main unintended negative impacts of the TCP, such as high expectations for potential business opportunities at and around the OSIS, and traders potentially leaving the business altogether as a result of the formalisation through the OSBP. Project partners are nevertheless conscious of the need for even greater awareness raising and training of male and female beneficiaries on the benefits of the reduced time and cost to trade at the border. During Strategy 2, automation of processes needs to factor in accompanying measures (e.g. re-training of staff), learning from the experience of the TFDA.</i></p>		
Systemic Change and Scale	<p><i>TMEA and CCTTFA have had substantial influence in fostering the concept of integrated border management, notably through the OSBPs and OSIS. TMEA has not explicitly monitored its systemic impact or copying and replication effects during Strategy 1, which is planned to change during Strategy 2.</i></p>		

Achievement of Impact

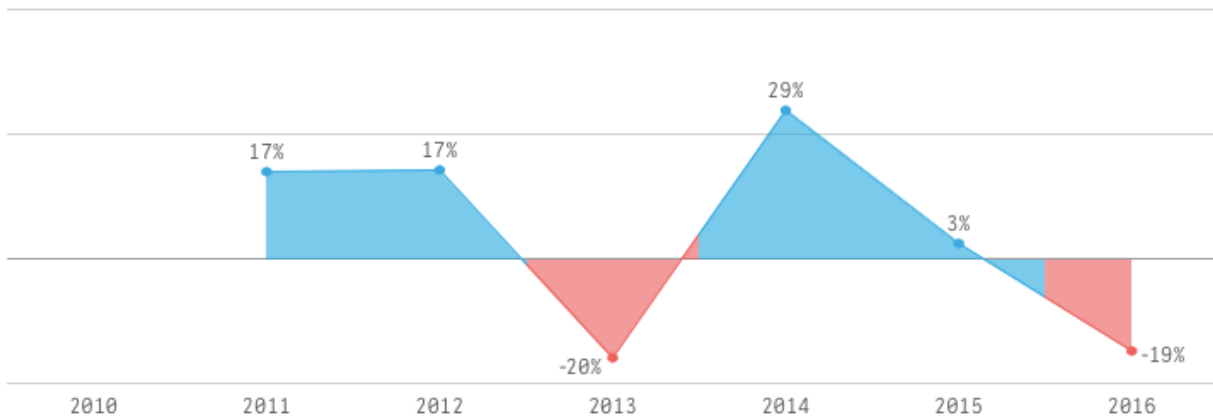
Trade Flows

35. According to the Tanzania Country Programme, the sought impact is increasing exports and intra-regional trade, reducing transport transit times, and their contributions to growth and poverty reduction.¹⁰

⁹ Notably, the Holili-Taveta crossing would influence the transit time from Mombasa port to in-land destinations in Burundi, DRC and Rwanda.

¹⁰ Trademark East Africa Tanzania Country Programme Strategy, 7

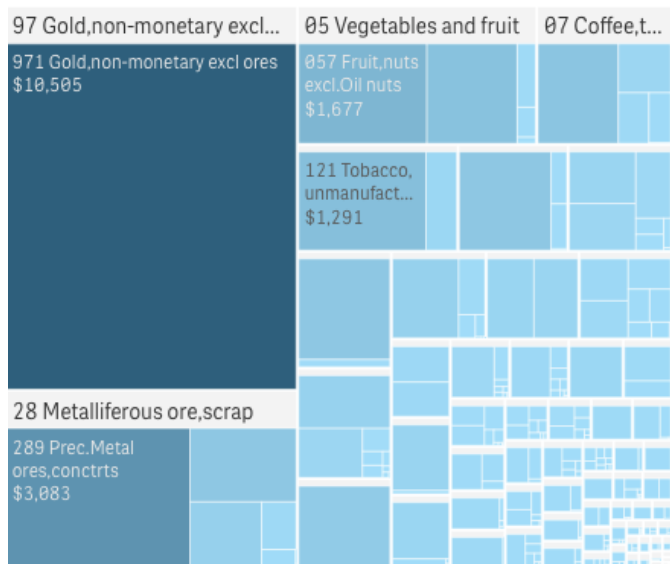
Figure 5: Average Annual Rate of Growth in Exports from Tanzania



source 3: COMTRADE Visualisations

36. Export trade flows are down, as compared with 2011 (see figure above for exports). Exports were a further 6% down in Q1 2017 compared with 2016.¹¹ Similarly, imports were down 46% between 2015 and 2016.¹² Minerals, namely gold but also copper remained the most important exports (see figure below), being sensitive to world commodity prices and especially the Chinese market.

Figure 6: Main Export Commodities from Tanzania 2010 - 2016



37. Significant external forces have been at play, largely diminishing any contribution from TMEA trade facilitation interventions. Interviewees attributed the reduction in trade

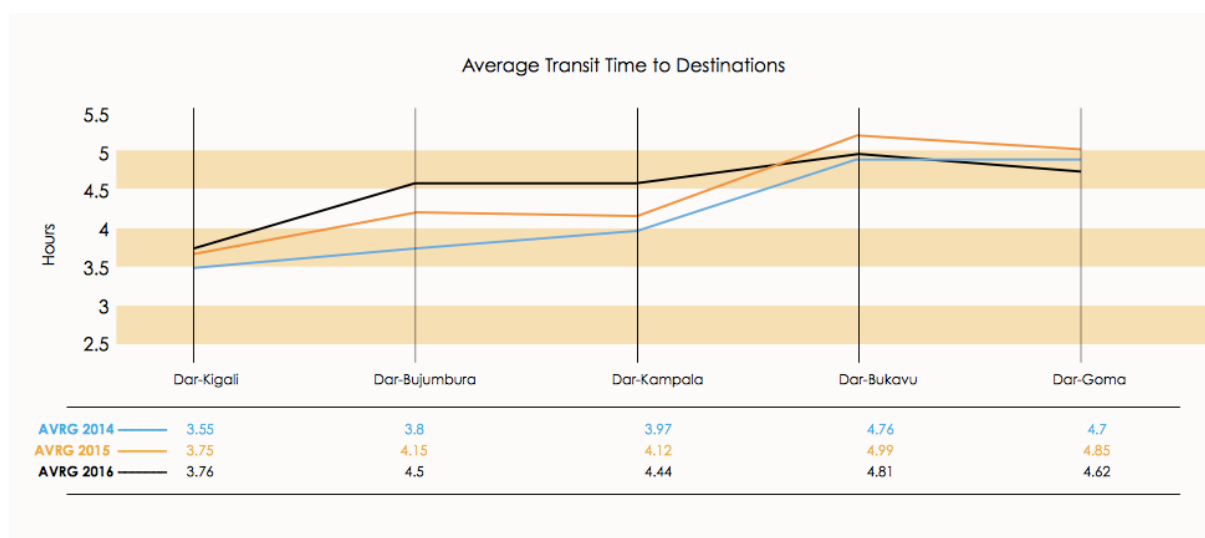
¹¹ Bank of Tanzania (BOT) Monthly Economic Review for May 2017

¹² COMTRADE

values to problems at the port, additional charges to transit cargo, export bans and the general unpredictability of Fifth Phase Government policy. Assumptions made about the market for Tanzanian products (e.g. oil & gas price, Chinese market for copper) and the stability of government policy have not held, significantly reducing the expected impact of time and cost reductions on total trade.

Time to Trade

Figure 7: Average Transit Time through Tanzania to key Destinations (hours)



Source 4: CCTO GPS/Road Surveys 2016

38. The CCTTFA has been monitoring transit times from Dar es Salaam port to the main land-locked capitals. The concluding claim in the 2016 Annual Report suggesting a substantial reduction of transit times from an earlier baseline of an average of 7 days could not be verified. As demonstrated in the figure above, the transit time has increased on all Central Corridor routes, with the exception of the Democratic Republic of Congo. As the time has not improved on the route to Rwanda, presumably these time-savings did not happen in Tanzania. According to the CCTTFA, the increase in transit time from 2014 to 2016, is attributable to the stronger enforcement of the 50km/hour speed limit by the government.¹³
39. While TMEA has the ambition to measure time savings beyond the transportation transit time, notably the time required for documentary preparation during Strategy 2, capturing these preparatory delays is challenging. For example, on standards, total duration needs to be disaggregated by product type and measured from the moment of application (e.g. Small Industries Development Organisation (SIDO) letter) to the granting of the license. Time is also a function of how fast the companies take corrective action.

¹³ CCTTFA Annual Report 2015

Reduced Cost

40. Transportation costs for a 40" container per km have been declining for all major Central Corridor routes, except Dar es Salaam – Bukavu (see Figure 5).

	2014 (\$/km)	2016 (\$/km)
Bujumbura	2.7	2.69
Kigali	2.8	2.62
Kampala	3.09	2.52
Bukavu	3.64	3.67
Goma	3.76	3.54

41. In addition to the trade facilitation measures at the port and at the borders, costs have reduced also due to Chinese transportation company entrants to the market, according to interviewees.
42. However, recently a number of additional fees and taxes have been imposed and some subsequently removed, generating unpredictability for the private sector. For example, according to transporters there is apparently a brand new sticker charge of USD 40 imposed at weighbridges, which is not yet reflected in the CCTTFA reporting. Also, private companies took an immediate decision to circumvent the Dar es Salaam Port given the imposition of the auxiliary VAT on transit trade. It will be difficult to attract clients back to the port, which is now a shared objective for the logistics and transportation sector. According to interviews with related operators, 60% of transit cargo was lost. Copper exports also substantially reduced, but this was also due to reduced demand from China.
43. The Ease of Trading Across Borders sub-indicator of the Ease of Doing Business Index of the World Bank provides a useful, comparable data source on trade facilitation in the region. Unfortunately, the data is not comparable between 2014 and 2015 due to a change in methodology. Since 2015, changes have been positive but not substantial. Over time, also during TMEA Strategy 2, the index will provide a useful data source, also for triangulating data from the CCTTFA and national sources.
44. The challenges faced in achieving the sought impact on the time and cost to trade, as well as increasing trade in general demonstrate the multiple factors that intervene in the causal pathway between TMEA achievements and these overall objectives. Some TMEA projects have also only recently come "live", such as the OSBP in Holili¹⁴ and others are still under construction, such as the two OSIS. Separating the attributable effect of the TMEA contribution to the feasibility and design, as well as supervision (approximately \$2M) from the EU construction (approximately \$20M) is also challenging. The lack of a sound ToC/Results Chain development process has also hindered the establishment and testing of project level hypotheses and related changes. For 3/7 selected projects, it is

¹⁴ Notably, the Holili-Taveta crossing would influence the transit time from Mombasa port to in-land destinations in Burundi, DRC and Rwanda.

simply too early to assess impact, as they have only commenced implementation in the past year. Rigorous impact evaluation was also not a part of the ToR of the evaluation.

Management of Unintended/Negative Impacts

45. Despite the recorded benefits, there have also been unintended, even negative impacts of TMEA interventions namely at the community level, where artificially high expectations may have been raised about the auxiliary benefits of particularly infrastructure investments, notably the OSBPs and OSIS. It is also difficult to assess the net impact of greater formalization of trade in small volumes through the OSBPs, as data on the use of informal crossings is difficult to gather. Small traders may have left the business altogether rather than paying the formal border duties or risking the crossing via informal routes, according to FGDs held with cross border traders. For example, some warehouse owners have had to close their businesses due to the greater efficiency of border procedures. This qualitative data appears to have been reflected in the latest OSBP Time & Traffic Survey 2016-17, which suggests a rather negative perception of available services and business opportunities at the Holili border as a result of the OSBP.¹⁵ Poor awareness and related misperceptions are a final, negative consequence, requiring even greater awareness raising and training of male and female beneficiaries on the benefits of the reduced time and cost to trade at the border and remaining challenges that are beyond the control of the border officials.
46. Major infrastructure investments, such as the OSBPs and OSIS, risk generating artificially high community expectations about auxiliary benefits. According to interview data, this was the case with the EU construction of the OSIS, which has referred to potential generation of major economic opportunities, such as catering and lodging. Meanwhile, the actual benefits may be limited to the direct employment of local labour during OSIS construction.
47. Additional agencies at the border (eg. Weights and Measures Agency) implies more controls and potentially more charges (e.g. pre-packaged goods) and may result in more circumventing of the border with a view to tax evasion. It is not possible to assess the extent to which the type and volume of trade across this border crossing would result in additional fees. However, often just the perception of additional controls results in circumventing the formal route, even for goods below the prescribed threshold amounts. TRA is working toward reducing the tax burden on consignments below the value of USD 2,000. There is a need to harmonise various additional fees and taxes in both countries, not just the administrative procedures to facilitate trade according to a border user.
48. Generally, poor awareness about rights and obligations of companies and traders is the main reason for any un-expected, negative effects in the sample of TMEA projects reviewed. Negative effects included misunderstandings about the application of the simplified procedure, as well as the continuing or even increasing use of the informal

¹⁵ TMEA OSBP End-line Survey Summary Report 2016-17

route. It is the biggest concern for the operation of the OSBP; also for managing negative perceptions and impacts of the OSBP. While awareness-raising events were held, the sessions supported by TMEA might have been lacking in quantity (particularly the OSBP awareness raising efforts) and not sufficiently targeted. This applies particularly to trainings held for cross-border traders, where the capacity of individual traders varies from companies trading in large volumes of certified products, to highly informal trade in small consignments, based on interviews. It also needs to be an on-going process, which implies recurrent costs to the government.

49. With regard to mandatory and voluntary standards, companies also have limited awareness and understanding about quality requirements, with products at times failing the micro-organism test four times. The misperception that inspection equals certification, whether by the TBS or TFDA, is prevalent and requires management. Also, the private sector is still very focused on cost versus quality, which is a challenge for any standards related support of TMEA. Greater cooperation and engagement with the private sector is required by the agencies, also in partnership with private sector associations. TMEA can play a facilitating role, working also across its portfolio of support instruments. At the same time, according to interviews, there are concerns that the TWCC may be duplicating the functions of organisations such as TANTRADE and SIDO, with training not sufficiently targeted to traders' needs.
50. Another potential negative impact of TMEA interventions, especially those introducing ICT solutions, is that increasing automation requires organisational changes and reform and may result even in redundancies. This potential negative effect has been managed at TFDA. Despite significant automation of four major business processes, staff has been retained and up-skilled. Firing staff would have resulted in the rejection of the system according to interview data. Similar accompanying measures need to be designed into Strategy 2 support for automation of processes, most immediately in the TBS reform efforts.

Data Quality Assessment

51. MSA performed a data quality assessment (DQA) to determine a level of confidence in the data that the TCP relies on to report its impact. The evaluation team decided to scrutinize the data generated from the 2015 Time and Traffic Survey for the Holili-Taveta border crossing. This survey was selected given that it is a key dataset used by the TCP's monitoring and reporting system. Broadly, the DQA found a moderately high level of confidence in the numbers reported. The data collection methods used and survey design are by-and-large strong. The DQA revealed a few weaknesses in the data however, related to the sampling strategy. One was that the time survey data (from one of four surveys) had a high rate of non-response, the reason for which could not be sufficiently ascertained from the consultancy firm that conducted the survey. This affects the *Frequency of Arrivals*, *Border Crossing Time Studies* and any other calculations that

aggregate from the time survey data, reducing the sample for those calculations. The timing of the surveys also does not take into account seasonality. The surveys were undertaken when the border posts were deemed to be in a “state of readiness,” delinked from any seasonality consideration. This would potentially skew the figures should the border be subject to spikes in cross-border trade at various points during the year, such as at harvest season if there is significant cross-border trade of these commodities. However, given the expense of surveying it would be challenging to effectively resolve this issue. Finally, although the calculations performed with the datasets are perceived to be accurate, the detailed calculations were not revealed to the evaluators – the consultancy firm that led the surveys considered those to be trade secrets. As a result, MSA was not able to scrutinize the formulas utilized for any errors. Despite these concerns, MSA is generally satisfied with the quality of the data emanating from the border crossing survey.

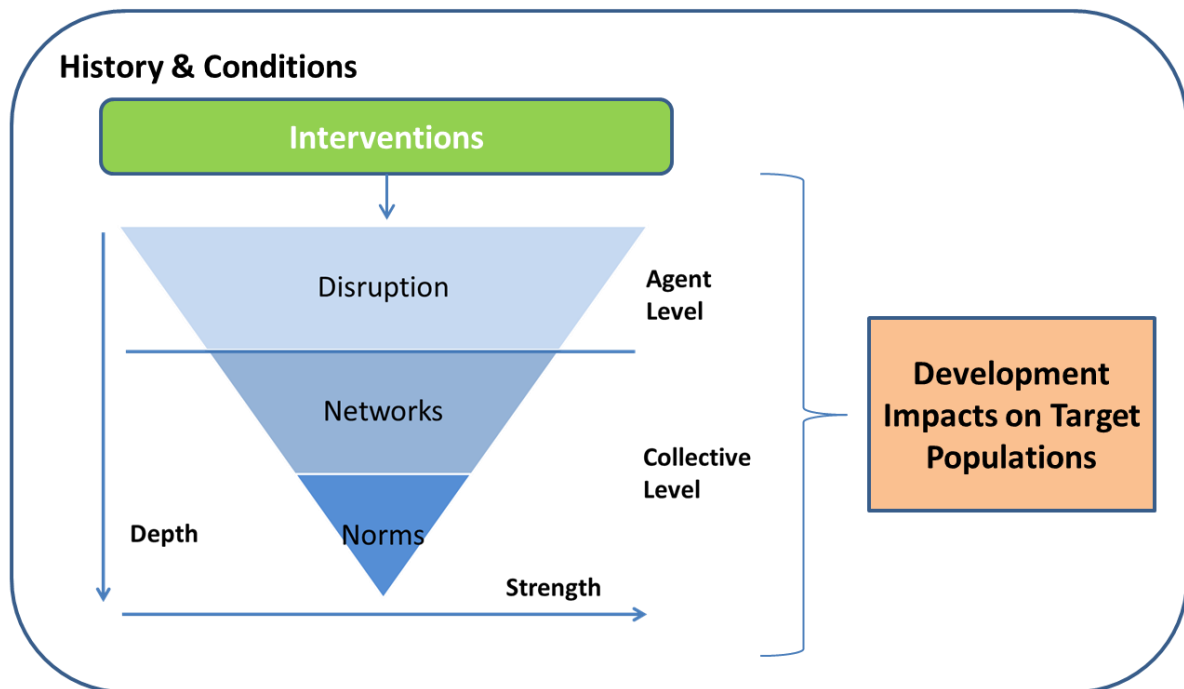
Systemic Change

52. Systemic change is increasingly recognized as critical to assessing the broader impacts of development programming. While impacts on target beneficiaries are important, sustainable results cannot be understood without reference to the systems in which they operate.
53. MarketShare Associates’ Disrupting system Dynamics (DSD) framework¹⁶ is a method to identify leading and lagging indications of systemic changes at various levels of depth and strength. The DSD framework is presented in the following figure. It distinguishes between three major types of systemic changes that suggest increasing depth of change: disruptive changes, changes in networks, and changes in norms. Changes in networks and norms – which are collective-level changes – are the deepest and ‘stickiest’ in that they are difficult to reverse. While a lot of donor funding evokes disruptions within target systems, systemic change efforts should aim to affect changes in networks and norms to ensure greatest impact.

¹⁶ MarketShare Associates. [Disrupting Systems Dynamics: A New Systems Change Framework](#). USAID. 2016.

Figure 8: Disrupting System Dynamics (DSD) Framework

Boundaries



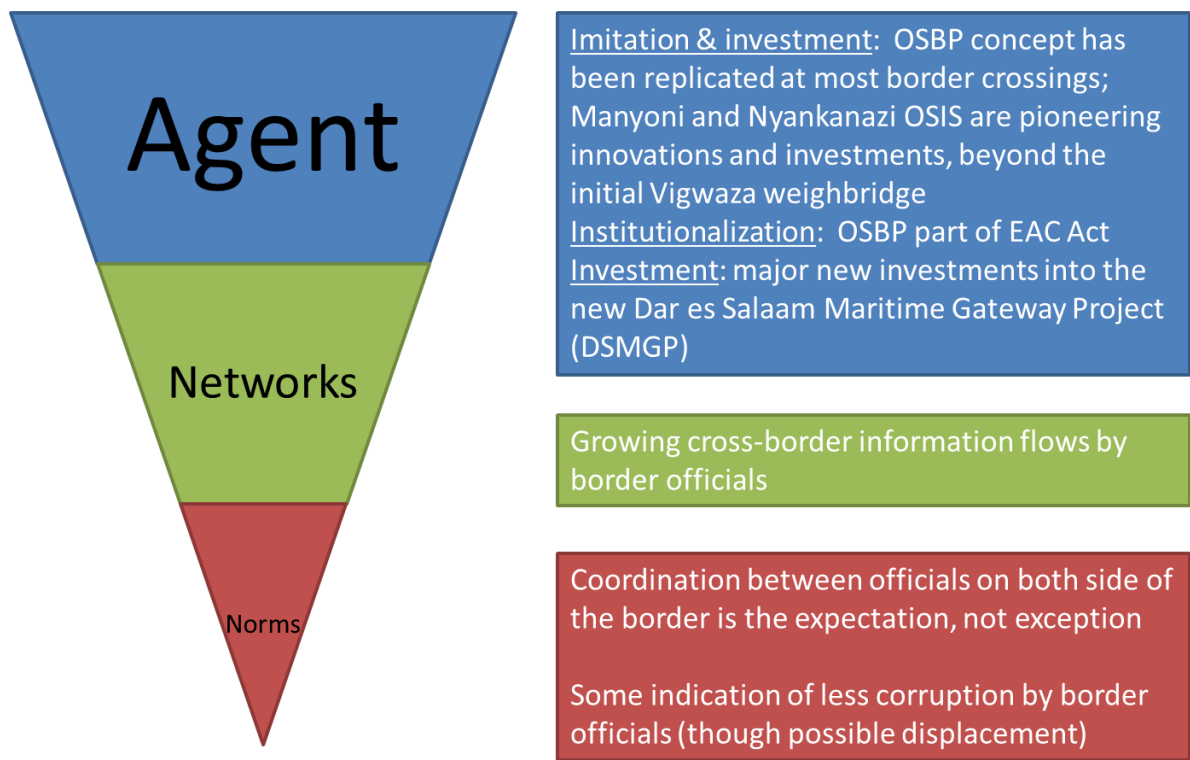
source 5: MarketShare Associates, 2016

54. TCP did not explicitly outline what it meant by systemic change ex ante, and has no explicit strategy for provoking systemic change or for monitoring them. There was no initial systems analysis conducted, interventions were not defined with systemic change in mind and there is limited evidence of the adaptation of interventions, particularly based on interaction with beneficiaries along the way. Therefore MSA had to review TCP's portfolio to identify aspects of their work and results that may be important signs of systemic change. This was impeded by the fact that a lot of TCP's investments are ongoing, and so those investments have yet to create their desired changes let alone create deeper systemic change. Monitoring of systemic effects has also been considered during Strategy 2 development.
55. Among all of the areas that TCP has worked to date, the area that seems to have created the greatest momentum towards systemic change is around TMEA's investments in introducing and sustaining the concept of integrated border management in Tanzania. This is despite the fact that this was not an explicit strategy. The CCTFA and TMEA have had substantial influence in fostering and sustaining the concept of integrated border management, notably through the OSBPs and OSIS.

56. TMEA has supported the development of OSBPs at Mutukula, Kabanga, Holili and Tunduma. Almost all Tanzanian borders now have OSBP plans under way. The World Bank, in particular, was effusive in its praise of TMEA's successes in IBM implementation, TMEA's understanding of the importance of trade systems, relative to infrastructure, and the potential for even better IBM with reduced agency presence and more cross-agency authority. Some of the interviewees questioned installing OSBPs at most official border posts, suggesting that there could have been better prioritisation of high volume border posts, such as Tunduma, which remains under construction, versus quiet border posts, such as Holili. The first OSBP was constructed on an initiative by the EAC, COMESA and SADC with funding from DFID and MDBs on the Zambia-Zimbabwe crossing at Chirundu. TMEA therefore played an important role in rolling-out this innovation across East Africa.
57. Similarly, the OSIS concept was introduced by the CCTFA and initially funded by the WB. While Vigwaza was originally a WB investment, it is only a weighbridge. Arguably, therefore the Manyoni and Nyankanazi OSIS are pioneering investments into OSIS. There are now plans to expand Vigwaza to incorporate also other functions, along the OSIS concept.
58. While the Dar es Salaam port was not selected as a project for inclusion in this evaluation, with the inauguration of the new Dar es Salaam Maritime Gateway Project (DSMGP), supported by a \$345 million WB credit and a \$12 million grant from both the WB and DFID, a number of interviewees referred to the substantial role of TMEA in paving the way of these major, additional infrastructure investments into the port; also recognised during official speeches at the inaugural event.
59. TMEA has had less sustained impact on the market through the SO3 investments. While there have been some policy wins (see Effectiveness Section Logistics and Advocacy (1122), particularly para. 112 -114 and Text Box 2), their sustained impact has been overshadowed by other regulatory initiatives, such as the blanket ban on the export of cereals.
60. Changes have occurred most notably at the agent level in the form of disruptions, as should be expected given the pace at which change occurs in many systems. However, there are some preliminary signs of change at the collective level in terms networks and norms. The figure below maps these changes in integrated border management against the DSD framework.

Figure 9: Disrupting Systemic Dynamics in Integrated Border Management in Tanzania

Boundary: Integrated Border Management in Tanzania



5.3 Effectiveness

61. In terms of effectiveness, the TCP has earned a score of 4 out of 6. Our confidence in this rating is medium

Evaluation Category:	Category score (1 = low, 6 = high)	Confidence level (low, medium or high)	
Effectiveness	4	Medium	

Achievement of Outcome Target	<p><i>Evaluation findings are in line with the conclusions of the latest DFID Annual Review, with good progress demonstrated on SO1, mixed progress on SO2 and limited progress on selected SO3 projects. Based on the TCP Annual Reports starting from 2014/15, on average 80% of outputs have been delivered as planned. Assessing the achievement of outcomes for selected projects was complicated by the fact that 3/7 selected projects have only begun implementation recently.</i></p> <p><i>While gender awareness and mainstreaming has not been strongly reflected in the overall TCP strategy or individual programmes the recently completed regional Gender Audit and launch of gender specific programming contribute to the TMEA ambition to become a pioneer in the field of women and trade. Gender is nevertheless not sufficiently mainstreamed in TMEA Monitoring, Evaluation and Learning (MEL) efforts, with little evidence of gender specific indicators and the disaggregation of data.</i></p> <p><i>While there appears to be great regional trade potential for Tanzania in cleaner energy, including renewables, so far, energy and climate change have not been a focus area for the TCP.</i></p>
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Results Achieved by Evaluated Projects

62. This section assesses the effectiveness of the TCP through a desk review of progress reports, as well as existing reviews and evaluations and by summarising the results achieved by the seven evaluated projects.
63. Overall, the findings are in line with the established trend in the series of DFID Annual Reviews. See the summary of conclusions of the 2015/16 Annual Review conducted in October 2016 below:

Strategic Objective 1: **Increased physical access to markets** has made good progress and targets are likely to be achieved by end of project.

Strategic Objective 2: **Enhanced trade environment** shows mixed progress.

Strategic Objective 3: **Improved business competitiveness** has made limited progress.

The overall scoring of the outputs is B.

64. The annual review gave the TCP an overall output score of B and increased the risk rating from medium to major. This evaluation concurs with the DFID Annual Review conclusion that the tendency is toward improving implementation, with particularly encouraging signs of movement on the Port Programme and the implementation of relatively new commitments with the Tanzania Bureau of Standards (TBS), Women Cross Border Traders and the Tanzania Logistics Platform. These new projects were included in the evaluation (see conclusions below).
65. According to the TCP Annual Report 2014/15 6/8 outputs were delivered (80%). According to the TMEA TCP Annual Report 2015/16, 27 out of 33 planned outputs have been delivered during the financial year, marking an 82% achievement; with a budget

spend of US\$ 12.7 million against a reviewed forecast of US\$ 12.3 million. According to the TMEA TCP Annual Report 2016/17, 31 out of the 38 planned outputs were delivered; meaning 82% of outputs were achieved. This entails an average performance of 80% annually against planned outputs. This data could not be independently verified by the evaluator beyond the data from the sample of selected projects. There is no data on the overall spend against budget in the latest annual report (see section on Value for Money).

Figure 10: Summary of Selected Project Achievements

Project Name	Likelihood to achieve outcome targets	Rationale
OSBP Construction (1515) and Integrated Border Management (IBM) (1113)	High	The overall dwell time for all trucks has been reduced by 89% (target 30%) to 2 hours 55 minutes hours since the baseline of 26 hours 57 minutes was established in 2011. ¹⁷ Traffic volume has also increased by 25% since 2011, from 490 to 666 vehicles. However, the volume of trucks and containerised traffic has actually reduced from a total of 268 trucks in 2011 to only 170 trucks in 2017. Reforms appear not to have attracted additional trade; also due to the export ban on cereals from Tanzania. This was echoed by the community perception that the OSBP had not resulted in additional business opportunities or services at the border. Nevertheless, approximately 81% of respondents were satisfied with the operations of the OSBP at Holili/Taveta. FGDs recorded significant benefits in terms of improved access, reduced distance and thereby significantly reduced border-crossing times, as well as related costs.
CCTTFA (1116)	Medium	The OSIS Manyoni construction began on 9 March and Nyakanazi on 12 May 2017. The consolidation of the three check-points (the two supported by TMEA and Vigwaza) has not yet been implemented in practice, with many more check-points still hindering the flow of goods through the Central Corridor for the foreseeable future. The data gathering and management by CCTTFA is excellent and hindered namely by the absence of adequate office facilities with electrical supply. The live service is basically never “on-line” due to lack of power.

¹⁷ TMEA OSBP End-line Survey Summary Report 2016-17

Tanzania Bureau of Standards (TBS) Testing (1117)	Uncertain	The project only began with delivery of the Inception Report by BSI in March 2017. Implementation is underway in at least 3/4 components, namely through the delivery of initial, related outputs, notably the draft e-curriculum, NQIRR study, Road Map for TBS Management Change and ISO self-assessment tool to assess the standards development process in TBS. The Installation of the Local and Wide Area Network at Ubungu and the imports office located in the Business District and zonal offices in the Northern and Lake zones are now connected to headquarters via a Virtual Private Network (VPN).
TFDA SWIFT	High	11,586 import clearance transactions through e-portal. The system is able to process between 20-30 permits per day. There are substantial time and cost savings to clients, with the average time for import clearance processing reduced from 135 hours to 2 hours and the average cost from US\$80 to US\$10. This data could not be verified through the e-survey. This applies to products that are already registered by TFDA. For un-registered products, samples must be submitted to the TFDA lab, requiring additional time. TFDA has demonstrated capacity and willingness to take up and use the new technology, with a desire to also expand the import/export module to other TFDA services.
Support to Tanzania Women Chamber of Commerce (1122d) & Capacity Building for Women Cross Border Traders (1138)	Uncertain	1822 ¹⁸ women have been trained by the two projects, with 88% of participants recording relevance of the training for their business. Earlier training efforts have had an impact upon the turnover of supported SMEs. It is simply too early to assess if the more recent training has had an impact on the chosen trade route (formal versus informal) and the volume of trade by participants.
Logistics and Advocacy (1122)	Uncertain	Early, quick policy wins recorded on release of logging trucks, revocation of ancillary VAT on transit trade, as well as the more controversial 24/7 regulation on port operations. Considering challenges of the volatile policy environment, governance concerns over the Tanzania Logistics Platform and the inevitable capacity constraints of a new civil society advocacy initiative, capacity to deliver on a shared advocacy agenda remains uncertain, with significant risks.

OSBP Construction (1115) and Integrated Border Management (IBM) (1113)

¹⁸ This consists of 177 women traders trained on rules and regulations of trade in the EAC, 550 trained on standards for TBS, TFDA and bar codes, and 1095 trained on rules and regulations of trade in the EAC region.

66. The OSBP Construction (1115) and Integrated Border Management (1113) have an integrated Results Chain and Monitoring Plan, but had separate Work Plans during Implementation. The Results Chain has a somewhat artificial separation of OSBP efficiency and capacity and it is somewhat activity rather than results-oriented. However, considering that the OSBP is already operational, no specific recommendations are made in this regard.
67. Both projects have been completed and the One Stop Border Post Holili/Taveta was officially launched in February 2016. However, it was already operational prior to the official launch. The main issue has related to the external factors that affect the throughput at this particularly quiet border, with trade volumes remaining low despite the OSBP, due particularly to the Tanzanian export ban on maize, but also the poor condition of roads on the Kenyan side. The latter issue will be shortly resolved with the completion of the Mwatate –Taveta road. The latest export ban on cereals has brought trade from Tanzania to Kenya almost to a halt based on direct observation of activities at the border over two days. Some interviewees questioned the strategic choice of constructing the OSBP at Holili due to these low trade volumes, suggesting only high volume crossings should have been supported or that infrastructure investments should have been more proportional with expected trade volumes. Based on the latest Time & Traffic Survey 2016-17, the overall traffic volume has been steadily increasing through the border, with an approximately 25% increase in traffic volume in 2017 (666 vehicles) as compared to the baseline in 2011 (490 vehicles). What is more of concern is that the volume of trucks and containerised transportation has actually declined from a total of 268 containers and trucks in 2015 to 170 containers and trucks in 2017, reinforcing the evidence for the quite a drastic decline in trade referred to above.
68. The overall dwell time has been reduced by 89% (target 30%) to a total remaining dwell time of 175 minutes (or 2 hours and 55 minutes) since the baseline of 1,617 minutes (26 hours and 57 minutes) for all trucks. After some fluctuations on the containerised traffic crossing, the overall dwell time for containerised transportation was also reduced to 358 minutes (5 hours and 58 minutes).¹⁹

¹⁹ TMEA OSBP End-line Survey Summary Report 2016-17

Figure 11: Border Crossing Time at Holili Border

Measure	Baseline	Impact	Endline	Variance from Baseline	% Variance
Traffic Count (Trailer Trucks)	74	52	79	5	0.07
Traffic Count (Other trucks)	194	103	91	-103	-0.53
Traffic Count (Passenger)	175	310	416	241	1.38
Traffic Count (Buses)	47	72	80	33	0.70
Traffic Count (Total)	490	537	666	176	0.36
Time Survey (All Trucks)	26:57	20:13	2:55	-1442	-0.89
Time Survey (Containers)	26:57	49:48	5:58	-1259	-0.78
User Satisfaction		80%	81%	1	0.01

Source 6: TMEA OSBP End-line Surveys Summary Report 2016-17 for Holili-Taveta

69. Benchmarking with other OSBP and non-OSBP borders, the Holili crossing was by far the best performer, according to the latest Time & Traffic Survey 2016-17, with a reduction in overall dwell time of about 24 hours for all trucks and 21 hours for containerised transportation, as compared with between .78 – 17 hours and .72-16 hours at the other borders.²⁰ Again, this can be at least partly attributed to the low volume of transactions at the border.
70. According to interview data, prior to the OSBP, clearing goods could take up to two weeks, due to the travel and paper work required from scattered agencies in both countries. Based on interviews, large consignments now accomplish this clearance process within approximately 2 hours. Small traders would spend at least an entire day clearing their goods, while now this is done in 1-2 hours. This is in line with the data from the latest Time and Traffic Survey at Holili. The previous problem with containerised traffic appears to have been resolved. According to officials, any longer dwell time is now due to problems on the clients' side, such as waiting for money transfers to pay for requisite fees and taxes.
71. Based on the latest Time & Traffic Survey 2016-17, approximately 81% of respondents were satisfied or very satisfied with the OSBP at Holili/Taveta.

²⁰ TMEA OSBP End-line Survey Summary Report 2016-17

Figure 12: OSBP User Satisfaction

User Satisfaction	Baseline	Impact	Endline	% Variance from Baseline
Busia-Kenya		59%	79%	0,34
Busia - Uganda		75%	86%	0,14
Holili		80%	81%	0,00
Taveta		75%	81%	0,08
Mirama		89%	97%	0,08
Kagitumba		89%	91%	0,02
Mutukula - Uganda		65%	71%	0,10
Mutukula - Tanzania		73%	79%	0,08

source 7: TMEA OSBP End-line Survey Summary Report 2016-17

The FGDs recorded significant benefits in terms of improved access, reduced distance and thereby significantly reduced border-crossing times, as well as related costs.

CCTTFA (1116)

72. No Results Chain has been developed for the CCTTFA project. The Monitoring Plan refers to the availability of corridor performance information as the sought outcome and institutional strengthening and construction of the One Stop Inspection Stations (OSIS) as the outputs of the project. There is a clear need to revisit the project logic, as presumably the OSIS are expected to have a positive impact upon the transit time through the Central Corridor, not only the availability of corridor performance information. The CCTTFA produces valuable, robust data collection services that are distributed through an annual report, as well as theoretically through a live data dashboard. The capacity of the CCTTFA is a major concern, with its ability to deliver live performance information hindered by the lack of electricity (whether generated by the grid or generator) at its offices. Data access challenges are somewhat overcome by the availability of regular data summaries on the website.

OSIS

73. The OSIS Feasibility Study was conducted in 2011-2012 and completed March 2013. The detailed design was done in 2014-15 and completed in March 2016. There are mixed views on the quality of the feasibility and design documents, depending on the perspective of the interviewee. The majority of those consulted considered the quality of the plans good. The scope of works was significantly reduced when the EU came on-board to finance the actual construction of both sites.
74. The OSIS Manyoni construction began on 9 March and Nyakanazi on 12 May 2017. TMEA continues to fund the supervision of the works, through the local firm NIMETA. The slight delay at Nyakanazi was due to delays in changing the contractor due to concerns raised by TANROADS, as well as compensating and relocating the local community by the

Ministry of Works. However, the site has now been cleared and work has begun. Work appears to be on schedule.

75. According to the baseline gathered in 2011, there were 54 blocks by the police, 3 by the TRA and 8 weighbridges (CCTFA Monitoring Plan). While the OSIS supported by TMEA have only begun construction in 2017, the government has already called for the consolidation of roadblocks to the three agreed weighbridges at Vigwaza, Manyoni and Nyakanazi.
76. According to CCTFA data, the transit times through Tanzania have already significantly decreased as a result, as already noted in the previous section on impact.
77. According to interviews, the cost reductions are particularly due to automation at the port (e.g. introduction of TANCIS), improved facilities at the port and borders, and better roads. The introduction of ICT solutions has also reduced corruption according to big logistics firms. These reductions cannot be attributed to the OSIS, as they are still under construction.
78. In practice, most interviews indicated that the consolidation of the three check-points has not been implemented in practice, with many more check-points still hindering the flow of goods through the Central Corridor. The authorities retain the right to install temporary check-points for various issues, such as to fight crime. During the mission, there were four road blocks on the 35km between Moshi and Holili, alone. The official from the police familiar to the evaluation team indicated that they were looking “for all kinds of things”. The new governmental enforcement culture may increase impunity.

Tanzania Bureau of Standards (TBS) Testing (1117)

79. The Tanzania Bureau of Standards Testing (1117) project has a well-developed Results Chain. The relationships and interdependencies of some of the outputs and outcomes, for example, between the efficient administration of SQMT and the actual use of these services by Tanzanian companies can be further developed; also with a view to identifying related assumptions. The fact that the private sector is almost exclusively oriented toward price, rather than quality is a major assumption that requires further exploration and mitigation as a risk of the project.
80. According to the baseline study, there was great variance in the required time for different steps of the TBS Mark process starting from initial application to actual certification. The time required varied greatly for different kinds of products, ranging from a total of 95 days for leather shoes to 944 days for mushrooms and 825 days for honey according to the baseline study. None of the respondents (11) to the e-survey recorded more than 180 days for the process. There was also great variance in the perceived time required by companies and the actual time recorded in TBS records, based on eight verified records of the baseline survey, with some companies overstating the time required (in the case of mushroom processing by 500 days) and others

perceiving less time required for the process than recorded by TBS in their records. On average, TBS recorded about 220 days being required for the process across a number of product groups. As the in the case of the TFDA, defining the cost of certification was challenging, with the e-survey reporting costs between TSH 50,000 to TSH 3,775 million for the TBS Mark process.

81. 66% of the baseline survey respondents (8) and 53% of e-survey respondents (15) whom had applied and/or obtained a TBS Mark were very or somewhat satisfied with the services of TBS. According to both instruments, about 6% were very dissatisfied with the services provided. According to the e-survey, cost remained the main challenge for 67% of respondents. Time was much less of a concern, with 66% considering it less of a challenge than cost, access to TBS premises or technical compliance. One respondent went out of his/her way to record corruption, particularly during the inspection process as a major hurdle. The time require to obtain certification was a much greater challenge according to the baseline survey, where 48% of respondents considered it a major issue.
82. The TBS project financing agreement was signed in 2015/16. Besides the ICT procurement, it only began implementation in earnest in March 2017, with the completion of the Inception Report by the technical assistance team, BSI. Phase I of this support took place from March – June 2017, with phase II foreseen for July 2017 – March 2019. BSI is engaged in 3/4 of the components, excluding the procurement of the foreseen hardware under the SQTM Platform. Implementation is underway in 3/4 components, namely through the delivery of initial, related outputs, including the installation of the Local and Wide Area Network, connecting also two zonal offices to headquarters. According to interview data, management is committed to the ambitious and comprehensive reform effort. There is some confusion as to the responsibility for component 2, SQMT Platform and activities under component 4 are only foreseen for phase II.

Component 1: SME Certification

83. Support to SME certification is on track, in cooperation with the Small Industries Development Organisation (SIDO). A first draft and structure of the e-learning modules has been developed and been shared with TBS. In the meanwhile, training on standards requirements has been conducted in 5 locations for prioritised products. According to the baseline survey, 70% (121) of respondents had received training from SIDO, while according to the e-survey, about the same proportion 69% (13) respondents who had obtained the TBS Mark had never received training from SIDO. This would indicate that the project is well directed to capturing more applications from SMEs. At the same time, the pre-requisite TFDA certification for food products may remain a significant obstacle to applying for the TBS Mark. The partnership with SIDO facilitates the identification and attraction of SMEs, as they already benefit from free training. SIDO is also better represented at the district level across the country, whereas TBS only has zonal offices.

84. According to the FGDs and various interviews, certification of products and premises remains a complex and costly challenge for SMEs. However, most remarks were directed at the mandatory TFDA certification of food products, rather than the TBS Mark.

Component 2: SQMT Platform

85. While TBS seems to understand that BSI is also working on the SQMT Platform, the BSI Inception Report clearly states that the procurement of hard and soft IT infrastructure is outside of its remit and the responsibility of TBS. Installation of the Local and Wide Area Network has been completed centrally and in the Northern and Lake Zone offices according to the TCP Annual Report 2016/17.

Component 3: National Quality Framework (and Policy)

86. The BSI desk review of the National Quality Infrastructure Regulatory Regime (NQIRR) concluded that “there are a number of overlaps and duplications of responsibilities among the country’s regulatory authorities and quality infrastructure institutions that could form an ideal basis for the development of a National Quality Policy and its implementation” (BSI Legal Review). The study included meetings with all the relevant national quality stakeholders from the private and public sector, according to the TCP Annual Report 2016/17. Beyond this initial desk study, related work, namely technical assistance to TBS, is designated for phase II.
87. The mini-labs component is contested and has not taken off, with no lab in place at the Holili OSBP. TBS appears to prioritise the strengthening of its zonal presence rather than the mini labs.

Component 4: Harmonisation & Accreditation

88. Likewise, component 4 on harmonization and accreditation has not been prioritized in Phase I. According to TBS, it is more important for other NQIRR partners than for TBS.
89. The emphasis has been on strengthening internal TBS capacity. According to the TCP Annual Report 2016/17, this included the Road Map for TBS Management Change and ISO self-assessment tool to assess the standards development process in TBS. While according to interviews, there is great management enthusiasm for the reform process, it is nevertheless too early to assess if any of the recommendations have been implemented.

TFDA SWIFT

90. The TMEA SWIFT evaluation assessed the generic SWIFT Results Chain, including assumptions made on the relevance and uptake of the new systems by related agencies, as well as required coordination between different agencies under the Single Window

concept, among others. These assumptions made on the capacity and willingness of TFDA as an agency to take up and use the new technology have held, even after the completion of the project, with a desire to also expand the import/export module to other TFDA services. Interconnectivity between various systems and the Single Window remain a challenge in Tanzania.

91. According to the regional TMEA SWIFT evaluation, the TFDA e-portal was launched in October 2015. Previously, TFDA client had to prepare and process import and export permits on paper forms, in person, at TFDA headquarters in Dar es Salaam. This service was not available at zonal offices.
92. By the time of the earlier SWIFT evaluation there had been 11,586 import clearance transactions through e-portal.²¹ The system is able to process between 20-30 permits per day and is therefore running at full capacity. Notably, the number of permits processed is not the best indicator, as for one, there may be more than one product licensed under a single permit. Obtaining data on cost to businesses is also challenging. Some companies refer only to the statutory fees of the permits. Others refer to all of the costs incurred in adjusting their production processes. This makes it very challenging to compare the cost of obtaining TFDA certification between different companies and products. This challenge was also demonstrated by the results of the e-survey, which questions the quality of the earlier survey data gathered. The evaluator was not able to review the raw data from the SWIFT evaluation.
93. The SWIFT support to the TFDA has resulted in substantial time and cost savings to clients, with the average time for import clearance processing reduced from 135 hours to 2 hours and the average cost from US\$80 to US\$10, according to the SWIFT evaluation. This applies to products that are already registered by TFDA. For un-registered products, samples must be submitted to the TFDA lab, requiring additional time.²² According to the e-survey, the process is still taking on average 2.7 days, with only two respondents indicating performance of the system at below four hours.

	Baseline	SWIFT Evaluation	E-Survey
Average Time to process import/export permits	6 days	2 hours	2,7 days (66 hours)

Depending upon the type of product, the cost of obtaining the required import or export permit ranged from TSH 24,000 to greater than TSH 2 million. Clearly companies were reporting costs beyond the average processing fees indicated at about TSH 20,000 after

²¹ This does not match the list of multiple import and special import transactions shared by TFDA, which has a total of 1979 unique entries. TFDA did not share an updated figure of the complete transactions in the system since the evaluation.

²² Formative Evaluation on Single Window Information for Trade (SWEIFTs) Projects (Phase I) April 2017

the intervention in the SWIFT evaluation. Responses however were generally in line with the statutory fee schedule of the TFDA for different kinds of products.

94. 42% of respondents were either very satisfied or somewhat satisfied with the services provided by TFDA, referring to the significant gains in efficiency through the automated system, so long as the permit could be processed through the electronic window. A number nevertheless referred to continuing delays and high costs particularly for some products (pharmaceuticals) that are subsequently passed on to the consumer. One respondent also mentioned internet outages as a problem. 88% of respondents felt that the automated system had simplified their work. There was less perceived impact on improved business operations (62% perceived a slightly or moderately significant impact of the SWIFT), quality of products (33% felt there was no significant impact) or the cost of doing business (43% felt no significant impact), though 22% felt the impact on costs had been extremely significant.
95. Both FGDs and interviews repeatedly highlighted the complex and costly requirements of TFDA certification for the export of products as a key impediment to trade their agricultural goods.
96. The final report of the contractor highlighted the need for massive awareness-raising and training. At least 103 trained stakeholders are able to transact on e- portal, according to the SWIFT evaluation. Internet access remains a concern.
97. Some of the modules that were originally in the plans were not yet concluded, namely the registration of premises. The import/export licensing was prioritized due to the number of users affected. TFDA plans to finalise these additional modules with TMEA support during Strategy 2; insisting that they should be implemented by the same contractor, which is reasonable considering need to ensure the compatibility of the modules.
98. One of the remaining challenges is acceptance of on-line payments. According to interviews, there is limited trust and fear of falsification of both electronic signatures for documentation, as well as electronic payments. For the moment, clients must still pay for services in person either in Dar es Salaam or in a zonal office. However, this problem is being addressed and a solution should be found soon according to interview data.
99. In addition, the TFDA SWIFT is not yet linked to a broader Tanzania Single Window; a process that has been delayed due to political and policy issues for many years. A related issue is joint inspection at the port. According to some interviewees, the problem with the Single Window delays has been choice of partner. Now that leadership over the Single Window has been taken up by TRA, progress is expected, highlighting the need to identify effective and politically powerful implementation partners for TMEA.

Support to Tanzania Women Chamber of Commerce (1122d) & Capacity Building for Women Cross Border Traders (1138)

100. While there was no Results Chain for the original support to the Tanzania Women Chamber of Commerce (1122d), a generic Results Chain has been developed for the Capacity Building for Women Cross Border Traders (1138) project. The Results Chain is strongly premised on the assumption that solving awareness and information asymmetries will result in increased trade by the targeted women. As the latter project has only recently begun, it is premature to assess the degree to which this has been the case. Obtaining data on the value of trade, especially on informal cross border trade by women, is a significant challenge. It has been further complicated by the different definitions and survey questions, which will not allow comparison between various baseline and on-going data collection efforts.
101. Baseline data was gathered by a consultant, Mesia Ilomo, through a survey of women cross border traders from a sample of 154 women at three main border crossings and from six main regions of the country. The survey questionnaire is only available in KiSwahili and no raw data was shared with the evaluators.
102. Both projects have focused on the provision of training to women entrepreneurs and more recently also informal, cross border traders.

Figure 13: Total Number of Women Trained by TWCC²³

Location	Number of Women	Date
Dar es Salaam	85	Q1, 2013
Singida and Dodoma	74	Q1, 2015
Dar es Salaam, Arusha, Dodoma, Mwanza and Mbeya	550	2016/17
Total	709	

103. According to the TCP Annual Report 2016/17, a total of 933 women have been trained with support from TMEA. The same report later refers to up to 1649 cross border women traders and entrepreneurs having been trained on the EAC Trading rules and regulations/procedures as well as on standards (TBS, TFDA and GSI/Bar Codes). These figures do not match the totals calculated from individual training reports reviewed by the evaluator, summarised in Figure 14.
104. 79% of the 2013 training participants in Dar es Salaam agreed that the training was useful to them and their business 4% left the answer blank). 96% of the participants in Singida and 97% of those in Dodoma in 2015 agreed that the training was relevant for

²³ Note: additional figures for 2013 still to be added if they can be identified.

their business. In the latest training in Dar es Salaam at the end of 2016, 51 women were trained, with the majority recording satisfaction with the training content and methodology. 41/51 participants also recorded satisfaction with the training relevance for their knowledge and understanding.²⁴ The same training evaluation question was unfortunately not replicated and reported uniformly from the latest round of training.

105. These initial sessions focused on general awareness-raising about the EAC as a market and administrative requirements to trade in the region. Generally, the level of satisfaction with the trainings was high. However, the recommendation to conduct and provide related materials in Swahili was not implemented from 2013 to 2015. The trainings in 2016-17 were conducted in Swahili, to the satisfaction of participants. Also, according to interviews, trainings should be more targeted to the trading requirements of specific sectors and products, as well as being more tailored to the awareness and capacity level of participants. Participants highlighted that challenges remain with business basics (e.g. finance, production skills). There is also a recognised need to address training in areas such as aggregation, value-addition, packaging & improved quality. Notably, at least some of these dimensions have been taken up in similar training sessions by SIDO/TBS, also supported by TMEA.
106. The measurement of the effect of training on increased revenue (e.g. sales, profit, capital, revenue/turnover) is challenging and has been addressed in different ways by various surveys. This affects the comparability of baseline information. The FGDs and KII recorded increases of turnover up to TSH 3.5M. A number of interviewees referred to the fact that they are now able to cover the cost of school fees, provide housing and regular meals to their families. The definition and methodology used to measure business turnover would need to be harmonized for TMEA Strategy 2, particularly with a view to the growing emphasis of support to business competitiveness.
107. Another measurements challenge relates to the formalisation of trade routes, as most traders are not willing to admit to the use of illegal “panya” routes.

Logistics and Advocacy (1122)

108. The Logistics and Advocacy (1122) project does not yet have a Results Chain. The project design could benefit from further consideration on how best to influence the Fifth Phase Government policies related to the sector, strengthening both the project logic, as well as forming strong basis for the advocacy plan of the Tanzania Logistics Platform (TLP). There is also a need to remove reference to the former Big Results Now initiative, which still figures in the Monitoring Plan.

²⁴ Cabo Consulting Training Report

109. The TLP was only established in November 2016, including 13 key freight and logistics associations. Nevertheless, interviews with the chair and members suggested that significant policy achievements could already be traced to the work of TLP, or at least its individual members, such as the negotiated release of logging trucks held at the Zambian border. Ultimately, the extent to which this was thanks to the establishment of the TLP versus the individual influence of its members is difficult to discern. Considering that the TLP was only established at the end of 2016, it is more likely a result of interventions by individual members.

Text Box 2: Case of Ancillary VAT on Transit Cargo

The government imposed an 18% Value Added Tax (VAT) on ancillary services for transit goods/cargo that had been zero-rated from 1998 to 2015. The affected services include loading and unloading of a ship (stevedoring), securing cargo, inspection, preparation of customs documentation, container handling and storage of goods. According to the Annual Port Performance Report in June 2016, the VAT increased clearance cost per container at Dar Port by US\$ 70, making the port uncompetitive. Due to the additional cost on trade, transit trade diverted to Mombasa, Beira and Durban. Tanzania Port Authority revenues declined. Transport businesses from trucking to rail services scaled down and even went out of business. According to interviews, the ancillary VAT was strongly opposed by the logistics industry players and associations forming the membership of the TLP. The VAT was again zero rated in the Budget Speech 2016/17; considered at least partially a result of pressure from the main logistics associations. However, according to interviewees, it may still be applied under certain conditions. The details on implementation will be elaborated in the Finance Bill 2017.

110. More controversial has been the introduction of the 24/7 services at ports of entry, namely Dar es Salaam Port where particularly the chair of the TLP has played a formative role. According to interviews, there is a need to review evidence on the costs and benefits of 24/7 services for more evidence-based decision-making by the government.
111. These initial policy-wins appear to indicate the relevance and effectiveness of the TPL, suggesting that it could grow even more influential, as it gets more formally organised and capacitated, beyond the currently hired coordinator housed at TPSF. Nevertheless, based on some interviews, there are concerns about the governance arrangements and capacity to deliver on basic advocacy and project management requirements, such as shared advocacy plans. Some also questioned the relevance of TPSF for hosting the TPL, considering it has no particular exposure to the freight and logistics sector.
112. According to some of the members of individual associations, the main challenge remains the capacity of the staff of the associations and budget. While some even referred to the need for the associations to raise their own funds, no concrete ideas were tabled as to what additional services members would be willing to pay for. Sustained funding for recurrent costs of associations has remained a perennial challenge

for TMEA SO3 interventions and has not been solved beyond identifying other donor funding to sustain these associations work.

Risk Management

113. The TMEA TCP risk management strategy was outlined in the TCP Strategy 2012 – 2016. Overall risk management remains the responsibility of the TMEA Board, while the SLT is responsible for the design, implementation, monitoring and updating of the Risk Management Plan across the organisation. Risk management is supported by the internal audit function, providing independent assurance of the plan and internal controls; now taken over by PwC.
114. Initial risks were outlined in the TMEA Tanzania Country Strategy²⁵ and these strategic, programme wide risks are reviewed and updated annually in the TCP Annual Reports and TMEA Business Plans. Risks are also included in the Results Framework, though it is run in parallel and not regularly updated. Risks are also assessed through the DFID Annual Review process, where the level of risk was adjusted from Medium to Major during the last review conducted in October 2016 because some of the external political risks and in particular those relating to the port, and associated institutions have increased.
115. The main risks were perceived to be exogenous, namely concerning the global and regional political and economic environment and more specifically the political momentum of the Tanzanian government behind regional integration. There have also been concerns over the capacity of TMEA partner institutions in the country, namely the Ministry of Foreign Affairs and East African Cooperation, as well as the Tanzania Port Authority. Subsequent Annual Business Plans have not made significant adjustments either to the outlined risks, their perceived impact or probability, nor mitigation strategies. Despite the major concerns over TPA capacity, both the definition of the risk, as well as its mitigation through the establishment of the Technical Oversight Committee and increased TMEA staff capacity have remained largely the same over time.
116. According to the DFID Due Diligence Report, functional and country level risk registers were not in place. A country level risk register should be introduced and regularly updated.
117. Overall, risk management has remained rather static and could be significantly improved through more adaptive project management and related tools. More dynamic management of risks, linked also to more adaptive management would require a more active and frequent monitoring of these risks. More thorough development of the TCP ToC and individual programme Results Chains, with related assumptions could strengthen the identification of country specific risks and the identification of relevant

²⁵ One of the risk sections actually referred to risks in Uganda and Kenya, rather than Tanzania. The risk management table nevertheless did identify some Tanzania specific risks.

mitigation measures. Developing specific risk management strategies for high-risk investments should also be considered in light of experience, particularly with the Dar es Salaam Port.

Institutional Partnerships

118. TMEA works officially in partnership with the Ministry for Foreign Affairs and East African Cooperation (MFAEAC). The TMEA Formative Evaluation of the Capacity Building programmes on Regional Integration for the Ministries of East African Community Affairs referred to various weaknesses of MEAC in Tanzania, including the fact that it is was a relatively young and weak ministry, with a mandate namely for intra-governmental coordination, with the actual content of many issues falling rather under the competence of MITI. MEAC was absorbed into the Ministry for Foreign Affairs (MFA) at the end of 2015. The formative evaluation encouraged thorough political economy analysis to be conducted after the elections to identify the most relevant and effective champion for trade facilitation and regional integration in the government. This would need to be done with a view toward adjusting also TCP governance structures.
119. TMEA is premised on a strong partnership with local agencies, with a mixed picture of the strength of these partnerships in the selected projects; good examples provided by the partnership with the TRA on the OSBPs and with TFDA.
120. The selected projects of the evaluation demonstrated the importance of ownership by the partner agency for project success. The OSBPs are strongly embedded inside the Tanzania Revenue Authority (TRA), with clear commitment and leadership demonstrated both centrally and locally to the OSBPs, including allocation of regional funding to critical maintenance of the facilities.
121. The TFDA provides another example of a strong and capable agency continuing to run a project initiated with TMEA funding. The project also enjoyed management support internally at TFDA, according to interviews though change management related to automation is always challenging. Now TFDA is looking to expand the project to additional modules. The TFDA SWIFT serves also a best practice in the discussion on the benefits of a Single Window.
122. Both the TRA and TFDA also fall under relatively strong ministries, Ministry of Finance and Health, respectively that can provide the necessary political backing to their initiatives. With the TRA taking leadership on the Single Window, the related integration of automated systems may now also move forward as TMEA enters Strategy 2.
123. It remains to be seen if MITI and the TBS will provide similar support to the project. The fact that TBS and SIDO are both under the responsibility of MITI should ensure and strengthen cooperation. The proposed partnership with SIDO appears to be a natural one. However, the MOU is not yet signed. According to interview data, SIDO is fully

committed to the project. The capacity of SIDO to ultimately follow-up training also remains a concern, according to interviewees.

124. The CCTTFA /OSIS has a complex management structure, There are multiple layers of responsibility, between the Ministry of Works, Transportation, the National Authorising Officer of the Ministry of Finance and TANROADS, as well as the EU, TMEA and contractors on the other, which risks resulting in implementation delays during construction. According to interviews, despite this complexity, communication is flowing with the various governmental agencies, with strong leadership and capacity at TANROADS and works are now progressing on schedule.
125. In general, as a regional organisation, the CCTTFA is not very powerful. There are concerns about the basic capacity of the organisation. For example, the physical infrastructure of their office is very weak, with rarely sufficient power. The evaluator was not able to access the live on-line data dashboard a single time during the implementation of the evaluation (3 month period).
126. With regard to non-governmental bodies, there are concerns about the relevance and capacity of TPSF to host the TLP, not least due to the fact that it is not particularly specialised in the logistics sector. There are significant tensions in the governance structure of the TLP, which risk affecting its impartiality and the quality of its advocacy.
127. According to interviews, TWCC may be significantly hampered by its weak implementation capacity.
128. There have been concerns about the sustainability of technical assistance (e.g. TMEA support to MIT, MEAC, TCCIA) as outlined in the TMEA formative evaluation on NTBs and TMEA and Formative Evaluation of the Capacity Building programmes on Regional Integration for the Ministries of East African Community Affairs. The strong role of BSI in the implementation of the support to TBS may threaten ultimately the sustainability of the reform efforts and should be carefully managed. The evaluator was not able to verify the sustainability of support to the NTB National Monitoring Committee of MFAEAC, as these projects were not included in the sample of projects for the evaluation. Outside of the sample of projects, the sustainability of the award winning mobile NTB platform is threatened due to the departure of the TA.

Gender & other cross-cutting issues

129. While gender awareness and mainstreaming has not been strongly reflected in the overall TCP strategy or individual programmes during Strategy 1, TMEA has ambitions to become a pioneer in the field of women and trade. TMEA recently completed a Gender Audit of the organisation as a whole, with a number of recommendations for improving gender mainstreaming of the TMEA strategy, organisational structures and processes

and well as monitoring and evaluation. Gender specific programming was strengthened by the inauguration of the Capacity Building for Women Cross Border Traders (1138) project. Mainstreaming of gender disaggregation of indicators and data collection is also not yet sufficiently established inside the TCP. While gender specific training was conducted for OSBP officials at Holili, the data on trained staff was not disaggregated by gender. It is particularly difficult to retain female staff in the border areas, according to male interviewees. The OSBP Communication Plan also had an explicit gender mainstreaming objective and resulted in a partnership with TWCC for awareness raising and sensitisation activities. There is no reference to gender targeted programming or gender disaggregated data in the monitoring plans of the CCTFA, TBS, and TFDA projects, though the companies forming the client pool of the latter agencies should be considered from the gender of the owner of the business.

130. Current climate variability and extreme events are imposing major economic costs on Tanzania. Around 60% of GDP is associated with climate sensitive activities, including agriculture, forestry, energy and tourism. Rainfall variability and extreme events, such as droughts and floods, occur frequently; with major events costing in excess of 1% of GDP. Climate change costs vary significantly, depending upon geography and socio-economic status; hot-spots being the large populations in drier zones and semi-arid areas, as well as in coastal zones and on low-lying islands, such as Zanzibar. At the same time, the country has large renewable potential in hydro, wind, solar and geothermal power, with also great potential in regional markets in East and Southern Africa. Unfortunately, while Tanzania published a National Climate Change Strategy in 2012, and a Zanzibar Climate Change Strategy in 2014, the institutional framework is fragmented and there is limited leadership on climate change issues, with Tanzania's 15 year development vision (Long Term Prospective Plan) anticipating a continuation towards industrialisation, including coal use and heavy industry. ²⁶ The emphasis on climate change and environmental issues appears to have further diminished. While Environmental and Social Impact Assessments (ESIAs) have been conducted in line with government regulations on all evaluated projects, where relevant, they will no longer be a requirement by the government during the early stages of new investments. This may also result in minimal government monitoring of related commitments.

5.4 Efficiency

131. In terms of efficiency, the TCP has earned a score of 4. Our confidence in this rating is medium.

²⁶ Economics of Climate Change in Tanzania. (2010). Report to the Government of Tanzania by the Global Climate Adaptation Partnership. Funded by DFID; Economics of Climate Change in Zanzibar (2012). Report to the Revolutionary Government of Zanzibar by the Global Climate Adaptation Partnership. Funded by DFID.

Evaluation Category:	Category score (1 = low, 6 = high)	Confidence level (low, medium or high)	
Efficiency	4	Medium	
Value for Money	<p><i>While TMEA's focus to date has been on corporate-level VfM, there has been less of a focus on country-specific and particularly project-specific VfM. This impedes TCP's ability to track rapidly how the VfM of its programming is evolving and make adjustments accordingly. Procurement is handled centrally in Nairobi with large numbers of bidders for each contract. TMEA economy has been improved by a reduction in salary scales. Project management costs of TCP as a percent of total spending is the third highest among TMEA's country offices and project timelines and costs have both significantly exceeded estimates. A relatively modest portion of total procurement has been public. Some of the OSBPs may have been overbuilt relative to requirements.</i></p> <p><i>The CBA results indicate a highly beneficial programme with superb value for money at \$4.10 returned for every \$1 invested. The 35% rate of return indicated is well in excess of the 10% discount rate. By 2025/26, the programme is projected to return \$118 million beyond the cost of investment and added O&M and will have broken even by 2019 in terms of the benefits returned relative to expenditures made.</i></p>		
Management structures and processes	<p><i>While generally the TCP management structures and processes are fit for purpose, improvements still could be made in the governance structure, relationship between TMEA headquarters and country offices, contractual and financial management, as well as improving data quality and reporting.</i></p>		
Innovation and Learning	<p><i>TMEA is more flexible, nimble and willing to take risks than MDBs readily expanding the scope of projects (e.g. OSIS, OSBP, TFDA) to take on additional needs. TMEA is also monitoring the impact of its interventions after the completion of implementation. At the same time, TMEA has not been very good at coordinating data collection efforts, often not learning from methodological challenges, such as those relating to the measurement of time and turnover, especially at firm level.</i></p>		
Additionality	<p><i>Despite the external factors that have reduced the TCP impact on increasing trade, arguably, particularly the OSBPs have had a substantial effect on the reduction of the time and cost to trade in the region. Most of the investments, such as the OSBPs, Tanzania Logistics Platform and new focus on women cross border traders would not have happened without TMEA support.</i></p>		

Value for Money

132. In order to assess VfM, it is critical that a common set of VfM indicators exists. At the corporate level, TMEA has established a set of VfM indicators as outlined in the following table:²⁷

Figure 14: TMEA VfM KPIs

Focus area	Key Performance Indicators
Value for money	Overall Annual Review score (EFFECTIVENESS)

²⁷ TradeMark East Africa. Undated.

Focus area	Key Performance Indicators
	Annual Review assessment of VFM (VFM)
Procurement	% value of procurement which is subject to open competition (ECONOMY)
	Average value of contracts (EFFICIENCY)
Consultants	Average daily fee rate (\$) (ECONOMY)
Infrastructure	Cost benefit analysis (EFFECTIVENESS)
Overheads	% spent on indirect costs (EFFICIENCY)
	% spent on programme management (EFFICIENCY)

133. TMEA's 2016 annual review judged TMEA's overall VfM performance to be satisfactory, but noted that targets had not yet be set for the above indicators although measurement had started.²⁸ The evaluation team requested TMEA's corporate-level analysis of VfM across its country programmes. This information was partially received at the time of submission of this draft and has been incorporated as feasible.
134. While TMEA's focus has been on corporate-level VfM, there has been less of a focus on country-specific and particularly project-specific VfM. This impedes TCP's ability to track rapidly how the VfM of its programming is evolving and make adjustments accordingly. For example, a recent DFID due diligence report noted "For all SOs, PARs reviewed were noted to contain wording on value for money but did not include any substantive cost information or analysis with regard to budget justification; or any cost calculations that would allow for tracking/ monitoring of expenses to ensure cost efficiency as well as effective and economic use of resources for activities undertaken as a basis for ensuring value for money."²⁹

Economy

135. At the TCP level, economy can be examined in terms of the strength of the procurement processes to maximize good value given that procurement makes up nearly 75% of the overall TMEA budget. Procurement at TMEA has been centralized at the head office in Nairobi, Kenya, and is headed by the Procurement Director who reports to the COO. Financial management and control at TMEA is governed by Finance Policies and Procedures manual, which was updated in July 2016. Accounting and financial management functions at TMEA have been centralized at headquarters in Nairobi with finance officers located at each country offices. All bookings in the system and approvals are done in Nairobi. TMEA has been awarded a certification standard by the Chartered

²⁸ bkp. Annual Review 2016 of the TradeMark East Africa Programme. 15 December 2016.

²⁹ Deloitte & Touche Kenya. TradeMark East Africa Due Diligence Report. August 2017. Draft report.

Institute of Procurement and Supply in late 2015, which demonstrates the quality of TCP's procurement processes. To date 47% of the value of procurements for the TCP has been subject to open competition since 2010. This has improved since 2014 when competitions started to be open to competition; since then 76% of the value of procurements have been open. Among the 39 procurements that TMEA managed corporately in FY16-17, an average of 9.5 responses were received. Just two firms received multiple contracts.

136. Another important aspect of economy is TMEA's spending on staffing. In its response to the report, TMEA noted that a revised rewards policy was agreed by the Council in May 2017. The new salary scales are based on the results of a salary survey conducted in 2016, which included a set of comparators, which was approved by the TMEA's donors. In addition, TMEA will conduct a further salary survey in accordance with terms of reference agreed by the Board of Directors at a time to be agreed with the Council. The resulting reduction in TMEA salaries has undoubtedly increased its economy relative to before.

Efficiency

137. The following table from the 2016 TMEA annual review demonstrates that TCP's spending on project management as a % of country programme budgets has on average been higher than most of the other country programmes. Even excluding Tanzania's first two years of operations on the assumption that it took longer to get set up there than elsewhere, Tanzania's average percentage spent on project management exceeded all other countries besides South Sudan. This may be due to delays in the implementation of work with the Tanzania Port Authority, which was expected to consume a significant proportion of the TCP's budget.

Figure 15: TMEA Country Programmes' Project Management Expenditures as % of Total Budgets

Country	Actual 2010	Actual 2011	Actual 2012/13	Actual 2013/14	Actual 2014/15	Budgeted 2015/16	Actual 2015/16	Average (excluding first 1 or 2 years) ³⁰
Kenya	56.5	18.7	14.2	7	5.2	5	4.6	10
Uganda	73.6	31.6	10.8	11.8	13.1	7.2	6.7	15
Tanzania	100	86.6	24.8	15.2	12	15.5	18.1	18
Rwanda	51.9	16.7	13.4	18.1	9.2	8.4	7.3	13
Burundi	2.4	10.2	6.2	6.7	10.2	12.5	14	9
South Sudan	n/a	65.8	22.7	37	25.8	18.9	23.2	27
DRC	n/a	n/a	n/a	n/a	n/a	100	100	100

³⁰ The first year was excluded for all countries except Tanzania, for which the first two years were excluded.

138. Additional information on variance in project budgets and duration will be added in the next version once data are received.

Effectiveness

139. The evaluation team conducted a cost benefit analysis (CBA) to assess the effectiveness of TCP relative to the resources invested. The purpose of the CBA is to assess current performance of the country programme and compare that performance to the estimates originally promulgated by TMEA in 2012 for the DfID business planning process. The current CBA results are based on observed and expected improvements at key nodes where TCP investments have direct, attributable impact, or, in the case of Dar port, where a proportional contribution can be estimated.
140. The current CBA compares actual and expected benefits to actual expenditures through 2016/17 and planned expenditures for 2017/18. To estimate benefit streams for the current CBA, we estimate the value of performance improvements over the same counterfactual utilized in the TCP CBAs conducted in 2012/13. This approach ensures comparability of the analyses. Performance estimates for the current CBA, are, to the extent possible, based on observed, measured results. For port and border post improvement projects a baseline traffic level is first defined, inclusive of expected diverted traffic, where relevant. A baseline dwell or processing time, depending on the investment type, is also defined. Both of these baseline conditions are then forecasted over the analysis period based on an assumed rate of average annual traffic growth regionally and a direct relationship between traffic growth and wait time growth. These baseline (which differ from counterfactuals) may have, in some cases changed from the 2012/13 estimates, where improved data was collected and made available.
141. The intervention cases are generally based on the TMEA programme indicators as specified in the TMEA Programme Results Framework and project-specific studies. They are specific to the interventions included in the analysis. For certain projects, as identified by TMEA, incremental operations and maintenance (O&M) costs are also estimated based on an assumed factor of 5% of total investment costs required for operations and maintenance annually which is based on straight line funded depreciation over a 20-year useful asset life, with no variable costs -- typical of a road. The true incremental O&M cost will, of course, vary greatly with the type of asset. These are specified in the economic model as costs, not disbenefits, and are therefore added to the denominator in the benefit/cost ratio.
142. Each intervention has a specified lifecycle and start date. The TRADE model calculates benefits over this lifecycle by project. However, the CBA metrics are based on the portion of each project's costs and benefits that fall between 2010, the first year of TMEA expenditure, and 2025, the same time frame use for the 2012/13 CBAs.

143. Costs and benefits are discounted based on a base year of 2012 and a discount rate of 10%.³¹ NPV and B/C ratio metrics are computed based on these discounted values. The IRR metric, often described as the rate of return, calculates the discount rate necessary to bring the flow of costs and benefits back to a present value of zero. Estimated IRR should therefore be compared to a “hurdle rate,” a rate that indicates the minimum necessary return to make a project worthwhile. Given the high discount rate applied in this analysis, a hurdle rate of 10% is recommended, however the reader may assess the reported IRRs based on their own criteria. The table below presents a comparison of the key CBA metrics for the 2013 and current CBAs

Figure 16: CBA Metrics Comparison

CBA Version	NPV (USD, in millions)	IRR	B/C Ratio	Payback Year	# Nodes Estimated
2012 ³²	\$673	126%	13.5	2015	4
2013	\$889	127%	17.5	2015	4
Current	\$118	35%	4.1	2019	5

144. While the comparison of the results may appear to some as programme failure, the updated CBA maintains that the TCP remains a beneficial programme delivering value for money at \$4.10 returned for every \$1 invested. The forecasts provided by the 2012/13 were overly optimistic. The 35% rate of return indicated is well in excess of the 10% discount rate. By 2025/26, the programme will have returned \$118 million beyond the cost of investment and added O&M and will have broken even by 2019 in terms of the benefits returned relative to expenditures made. The current CBA is robust to all sensitivity tests performed. Additional information on the CBA approach used is presented in Annex 8.

Management structures and processes

145. TMEA has undergone various organisational reviews in the past two years. According to the Independent Evaluation, their quality is mixed and recommendations may have been over-taken by the low budget scenario for Strategy 2. The overall, organisation-wide recommendations of these reviews, most notably the most recent Independent Evaluation and DFID Due Diligence report are not repeated here, but the ones with resonance among interviewees and with particular implications for the TCP at country-level are highlighted.
146. TMEA operates on a relatively centralised governance structure, based on the Council and Board whose roles are stipulated in the TMEA constitution. The National Oversight Committee (NOC) has an advisory role. According to the Impact Evaluation, the NOCs are

³¹ As the analysis relies on a base year of 2012, TMEA expenditures in 2010 and 2011 are subjected to an inverse discounting to generate a present value for costs in those years.

³² Note that the 2012 CBA was conducted using an alternative methodology to the 2013 and current CBA and therefore comparison of results must consider that some differences are driven by methodology and analysis and not performance differences.

broadly effective and fit for purpose, comprising of influential, experienced and well-networked members. In Tanzania, the NOC is chaired by the MFAEAC. According to interviews, there are concerns of insufficient technical representation on trade issues in the NOC. The Impact Evaluation also recorded the willingness to encourage participation by resident TMEA Board members in NOC meetings. With the transition from TMEA Strategy 1 to Strategy 2 and the changes in the Tanzanian political landscape, there may be an opportunity to revisit the structure of the NOC, also from the perspective of the political economy, to ensure the right breadth, capacity and level of representation.

147. The decentralised TMEA implementation structure is one of its greatest value propositions. Greater clarity, delegation and enforcement of roles and responsibilities within the matrix management structure, particularly between the regional and country level would be necessary based on the document review and interviews. This applies both to clarifying division of labour between regional advisors and national programme managers on project management, as well as strengthening the management role of the Country Director. A number of interviewees noted that decision-making culture is highly centralised, with little space for operational staff to question management decisions, which poses also a major challenge for instilling a learning culture across TMEA. The low budget forecast for Strategy 2 will require organisational restructuring, where these issues should be addressed.
148. According to the Impact Evaluation, various TMEA systems and procedures, including procurement and financial management are fit for purpose, but would gain from greater integration through the new Trademark Integrated Management System (TRIMS) initiative, which is however at risk, due to the forecast Strategy 2 budget scenario. This is not fully in line with feedback from most interviewees, who perceived procurement and financial management as overly centralised, cumbersome and slow. All of the selected project partners raised concerns about the centralisation of procurement and financial management by TMEA in Nairobi. This is in line with the results of the 2015 Stakeholder Satisfaction Survey results quoted in the Independent Evaluation, which may merit replication.
149. The quality of reporting, namely through quality assurance by the TCP and data verification, including through field visits can still be improved. According to the DFID Due Diligence Report, quarterly reports are submitted to the project steering committee. The report highlighted that the country office, notably project officers, may not have the financial background required for reviewing and signing off on regular financial and audit reports. A review of the related procedures and templates, also the design of a standard field visit reporting template would also be recommended.

Innovation & Learning

150. According to the Independent Evaluation, there is management commitment and the policies and plans are in place for the promotion of TMEA organisational learning; though this remains work in progress. TMEA is more flexible, nimble and willing to take risks than MDBs on infrastructure projects. For example, TMEA has more readily expanded the scope of projects to take on additional needs, such as the addition of the OSIS into

the CCTTFA project, the added scope of the TFDA project and the construction of the Holili OSBP borehole. TMEA is also monitoring the impact of its interventions after the completion of implementation, as in the case of the Time & Traffic survey at Holili/Taveta and the inclusion of the TFDA project in this evaluation.

151. TMEA could benefit further from the economies of scale and unique opportunities for mutual learning in the framework of regional programmes, such as in the case of the now parallel TWCC and Eastern African Sub regional Support Initiative for the Advancement of Women (EASSI) SMS platform for cross border traders. While the Tanzanian experience with the NTB SMS reporting platform can bring valuable previous experience to the design of the SMS platform for cross-border traders, it could be brought to scale through coordinating and sharing a single platform, benefiting also from input of the ICT for Trade team.
152. More efforts could also be made to exploit economies of scale on data collection efforts, where various independent initiatives collecting similar data could be consolidated to result in more robust sampling and rigorous methods. A lack of coordination has affected the quality and resource efficiency of data collection efforts, among others. Rather than individual projects coordinating their data collection needs, they have commissioned separate initiatives. The regional women in trade programme, OSBPs and various evaluations gather similar data from the same group of beneficiaries, often not learning from methodological challenges, such as the earlier description of challenges relating to the measurement of time and turnover; causing also evaluation fatigue among stakeholders.

Additionality

153. Despite the external factors that have reduced the TCP impact on increasing trade, arguably a number of the TCP programmes have had a substantial effect on the reduction of the time and cost to trade in the region. Besides the intervention at the port, from the selected projects for this evaluation, this is particularly the case for the OSBP and the SWIFT at TFDA.
154. The OSBPs would not have been built without the substantial injection of resources from TMEA. In the case of the OSIS, where TMEA provided rather stop-gap support for the design and supervision of the works funded by the EU, this is less of a case. The value-added of TMEA in the management of major infrastructure works contracts in relation to the EU and MDBs can be questioned, according to a few interviewees. Others disagreed, suggesting that TMEA is even more nimble at the management of works contracts.
155. In the case of the TLP, all interviewees confirmed that the initiative would not have been catalysed or financed internally, due to tensions between the logistics associations. The shift in emphasis toward women cross-border traders by TWCC is also thanks to TMEA attention to this distinct stakeholder group of traders.

5.5 Sustainability

156. MSA rates the TCP as 4 out of 6 on sustainability, with a confidence level of medium given that 3/7 selected projects have been completed and the remaining five are based

on projections, as the projects have not yet been completed. The score also takes into consideration the secondary evidence that the TMEA-supported SMS-based NTB monitoring systems and electronic Certificates of Origin are no longer operational at the Tanzania Chamber of Commerce and Industry (TCCIA).

Evaluation Category:	Category score (1 = low, 6 = high)	Confidence level (low, medium or high)	
Sustainability	4	Medium	
Sustainability addressed and likely to be achieved	<p><i>Three of the selected projects, the OSBP (2) and TFDA have demonstrated the continuity of benefits after the end of TMEA support. They provide valuable examples of significant ownership and capacity of TMEA partners to continue project benefits also after funding comes to an end though concerns remain about the availability of budget to continue running the OSBP Holili at its current level of operations and maintenance. ICT systems are particularly vulnerable when TMEA partners do not have the human and/or financial resources to continue to maintain and operate ICT-based systems. The end of the award-winning mobile NTB monitoring system and electronic Certificates of Origin by the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) brings to question the sustainability of TMEA funded technical assistance and ICT based solutions.</i></p> <p><i>5/7 selected projects have concerns over the institutional capacity of the selected partner organisation. There are greater concerns about the capacity of the CCTTFA and TBS, the latter being only in the beginning of the implementation of a major organisational reform effort with support from technical assistance funded by TMEA. Civil society organisations, such as the Tanzania Private Sector Foundation (TPSF) and Tanzania Women's Chamber of Commerce (TWCC) will continue to remain donor dependent.</i></p>		

Project-Level Sustainability

157. The sustainability of the achievements of the TCP is largely a function of the capacity and ownership of partner agencies. Among the selected projects for this evaluation, there were examples where capacity and ownership were in place, at least to some degree, most notably the OSBP and TFDA SWIFT. There is some concern that a similar degree of capacity and/or ownership may not be in place at the CCTTFA and TBS, the latter being only in the beginning of the implementation of a major organisational reform effort with support from technical assistance funded by TMEA. The greatest capacity and sustainability concerns relate to TMEA-supported civil society organisations. With broader experience of support to such associations during TMEA S1, sustainability is an alarming concern. While not among the selected projects, it was regrettably noted that the award winning SMS monitoring system set-up and run by the Tanzania Chamber of Commerce and Industry (TCCIA) was no longer operational, after the departure of the TMEA-funded technical assistant running the system. TCCIA also no longer issues electronic Certificates of Origin, as it previously did with TMEA support. The sustainability of TMEA technical assistance is therefore brought into question.

OSBP

158. The OSBP as a concept was introduced from the outside, through a donor-funded initiative, which could challenge its sustainability. The OSBP is legally enshrined in the

EAC Act, but some officials are concerned that the legal basis is not strong enough, according to the interviews. The relationship with the local government does not form a part of the OSBP procedures and can be a risk, in case of any conflict between the two parties. The local government representative was not initially invited to attend the evaluation related sessions but was eager to come, once we suggested the invitation. There is a prevalent perception that the fancy new building is only for government officials. The relationship with the local community could be strengthened by sharing services, such as the new borehole.

159. The sustainability of major infrastructure investments, such as the OSBP at Holili is a particular concern, due to the reliance upon a steady budget commitment to both their operational and maintenance expenses. For the moment, the commitment of the TRA has been maintained. Notably, the Holili OSBP appears to benefit from greater attention and commitment from TRA than its counterpart on the Kenyan side. However, it is clear from interviews that the financial burden experienced by TRA both centrally and locally is significant, with burden sharing suggested with other agencies (e.g. immigration).

TFDA & TBS

160. Similarly, there are inherent sustainability concerns over TMEA introduced technology, such as the SWIFT platforms. National counterparts do not necessarily have the capacity, human or financial resources to continue to maintain and operate ICT-based systems. The case of the TFDA seems to be one where the ICT platform has continued to operate even after the end to TMEA funding and TFDA is planning on expanding the system to their other services, such as the accreditation of working sites. The capacity, political strength and ownership of the project by TFDA were key factors in this success. It can be questioned why TMEA was not able to utilise TFDA procedures for the implementation of the project, when the organisation is ISO certified.
161. While TBS is a similar government agency, it is only in the beginning of the implementation of a major organisational reform effort with support from technical assistance funded by TMEA. While according to interviews, management has high expectations from the project and is fully committed to its implementation, it is too early to tell if these reforms will be undertaken and if they will be sustained. Sustainability is strengthened through the foreseen close working relationship with Small Industries Development Organisation (SIDO), as this will ensure institutionalisation and a close relationship with final beneficiaries.
162. A negative example is the case of the TCCIA mentioned above. The difference appears to be that the TFDA is a well-established, respected and resourced government institution providing a critical public health related service.

CCTTFA

163. The capacity of the CCTTFA is also a concern. While the data gathering and provision function of the CCTTFA is central and even technologically advanced, access to this

service is severed due to the lack of electricity, with no access to a generator, at the CCTTFA office and server location. We were not able to access the live data platform a single time during the three-month evaluation. However, the data is available in weekly updates. The CCTTFA also remains very dependent upon donor support. TMEA provided stop-gap funding to salaries when support from the African Development Bank ended in 2013. 1-2 additional positions would be required at CCTTFA, according to interviews.

164. Financial sustainability will continue to rely on donor funding, as the resources from the Road Levy (30c/ton) are restricted due to limited movement of volume in the corridor. While the CCTTFA has a good relationship with logistics firms established through data gathering, these firms are not considered a potential source of funding, based on interviews.
165. There are plans to establish a Public Private Partnership (PPP) to operate the OSIS. While TANROADS also referred to this possibility, there is nevertheless a keen interest to retain their control of the OSIS. There are concerns that while the government is frequently discussing the possibility of operating infrastructure through PPP arrangements, there are few if any successful PPP examples in the country. Operational costs could also be supplemented by attracting businesses around the OSIS infrastructure. However, one needs to be realistic about attracting business interest in the remote regions of Tanzania. Based on interview data, the expectations of the EU project plans to attract such businesses did not necessarily match the reality on the ground. The greatest auxiliary benefit of the OSIS may be in hiring local workforce for basic tasks during the construction phase.

TLP & TWCC/CBT

166. The sustainability of support to TMEA supported CSOs is of the greatest concern. While TMEA has a long established relationship with the TPSF, the organisation continues to be very donor dependent. The TLP is still a very young platform and highly dependent upon support from its members. According to interview data, members are not willing or able to fund the TLP. The members themselves struggle with obtaining membership fees.
167. The capacity of TWCC, particularly access to resources, both at the central and regional level also remains a concern. Membership requests have recently peaked at TWCC, but this may simply be due to the influence of the Saba Saba Trade Fair in July.

Capacity & Training

168. As demonstrated by 5/7 of selected projects above, institutional capacity is a concern for sustainability.
169. While the efficiency and productivity of the officials operating at the OSBP or OSIS are as important, if not more important than the physical infrastructure, the capacity building component of the OSIS has not yet been defined. This needs to be a major priority for Strategy 2.

170. For all projects providing training support, the sustainability of training outcomes remains a challenge. For both the OSBP and TWCC, it was noted that there was a need to train also operational, not only management staff; perhaps unique to the Tanzanian context characterised by sitting allowances distorting incentives. The OSBPs struggle to retain talent, due to frequent staff turnover caused by a purposeful rotation policy of customs officials by government and difficult working conditions, particularly for women. Awareness raising and training of border users is also an on-going, operational requirement, needing training capacity, retaining of relationships with relevant organisations and funding. While it is premature to assess the impact on the sustainability of training when it is provided free of charge, as in the case of SIDO during the first three years of a new, small firm, this dimension should be further assessed in due course.

Comparative TMEA Advantage

171. TMEA has had a unique focus upon trade facilitation in East Africa with a clear definition of its strategic objectives and related indicators on the time and cost to trade. The TCP portfolio has focused on these key indicators, particularly through its infrastructure and trade process related investments.
172. Tanzanian private sector has unequivocally felt that TMEA represents their interests in the country according to interviews and FGDs.
173. Considering the regional integration agenda, one of the main strengths of TMEA has been the focus on implementation at country level. As compared to particularly the EAC Partnership Fund, TMEA has had an actual impact upon the reduction in the time and cost to trade, according to interviewees.
174. The TCP has also been firmly embedded in-country, resourced with capable, Tanzanian staff with a thorough understanding of the local political economy. A number of interviewees remarked that the recent change in Country Director has reinforced the link to the government with concrete examples of TMEA influence also during the recent inauguration of the major Port Project funded by DFID and the WB. Some interviewees were more critical and questioned the visibility, presence and capacity of the country office.
175. Considering that TMEA is perceived to be more flexible and nimble than either the MDBs or the EU and that all project partners nevertheless complained about cumbersome, centralised contractual and financial management, further attention to the reform of procurement and financial management procedures should be a high priority.

6. Lessons Learned and Recommendations

6.1 Strategic Lessons Learned

176. **Familiarity with the Tanzanian political economy is a particular strength** of the TCP and the team at the country office. However, this **political awareness could be made more explicit**, challenging also the strong assumption made on the commitment of the Tanzanian government to EAC integration.
177. TMEA programmes have tended to operate as **separate streams, with limited coordination across interventions during Strategy 1**. However, there has been **increasing coordination and synergies** demonstrated by more recently inaugurated programmes (e.g. TBS, CBT). Evaluation findings on **synergies between hard and soft infrastructure** investments (e.g. OSBPs) and between **policy advocacy interventions and the TMEA trade facilitation agenda** (e.g. fluid movement through the Central Corridor) have demonstrated **increased relevance and effectiveness of interventions** with shared objectives, as well as **potential economies of scale** in implementation modalities (e.g. shared, more rigorous baseline surveys).
178. TMEA has been **very focused on DFID, as its main donor**, also on its strategic direction and accountability. Communication and management of donor relations more widely in Tanzania has received less attention, resulting in either ambivalent or critical opinions about the TCP among other donors in the country.
179. Support to trade infrastructure and trade facilitation processes and systems, such as the **OSBPs and TFDA SWIFT have had a significant, demonstrated impact on the time and cost to trade** in the region.
180. **Institutional support to MFAEAC and CSOs** has been the most risky and least effective component of TMEA support.³³ At the same time, the achievements of TMEA support to trade facilitation systems and processes are at risk due to the political impulses of the new Fifth Phase Government, making fostering of **institutional relationships and policy advocacy to support TMEA objectives even more relevant**. The assumption of political commitment has resulted also in the **continuity of the TCP governance structures** (composition of the NOC), as well as impacting the **choice of implementing partners**. These governance arrangements have not necessarily been the most effective. Reliance on initially agreed implementation partnerships could have benefitted also from greater adaptation and flexibility, when partnerships did not deliver (e.g. MEAC, some civil society partnerships).

6.2 Strategic Recommendations with a view to TMEA Strategy 2

³³ See MEAC Evaluation

Table 3: TCP Final Evaluation Recommendations

Relevance	Recommendations on Strategic Direction for TMEA Strategy 2	Responsible
	Recognising the demonstrated achievements from support to trade processes (e.g. OSBPs, TFDA SWIFT) , identify areas where this experience can be brought to scale, recognising also opportunities in the local political environment. Build also on the demonstrated benefits of coordination and synergies across the TMEA portfolio, the synergies between hard and soft infrastructure investments (e.g. OSBPs) and between policy advocacy interventions and the TMEA trade facilitation agenda. Leverage infrastructure investments (e.g. port, SWIFT) to generate political buy-in for institutional reform and productivity , such as the success of the TFDA SWIFT.	TMEA HQ TMEA TCP
	Recommendations on Taking Advantage of Political Awareness of TCP Team	Responsible
	Take advantage of the political awareness of the TCP team and conduct thorough political economy analysis to identify the most relevant and effective champion for trade facilitation and regional integration in the Fifth Phase Government. This would need to be done with a view toward adjusting also TCP governance structures and chosen partnerships in Strategy 2.	TMEA TCP
Effectiveness	Recommendations on Donor Relations	Responsible
	Improve management of donor relations with and beyond DFID, including the identification and communication of TMEA value-added in catalysing and facilitating major infrastructure investments.	TMEA
	Recommendations on Partnerships	Responsible
	Gather the lessons learned from strong Strategy 1 partnerships, such as the one with TRA for the implementation of the OSBPs, TANROADS on the OSIS, as well as TFDA on SWIFTS. Choice of partners should be more flexible , depending upon demonstrated political and institutional management capacity or alternatively, a conscious capacity-building strategy with a clear exit strategy (e.g. end of technical assistance at MIT, MEAC and TCCIA)	TMEA TCP
	Recommendations on Risk Management	Responsible
	More dynamic management of risks through the regular revision of the ToC and more adaptive management. Establish a country level risk register, with regular updating. Developing specific risk management strategies for high-risk investments should also be considered in light of experience, particularly with the Dar es Salaam Port.	TMEA TCP
	Recommendations on Gender & Climate Change Mainstreaming	Responsible

	<p>The TCP should match its ambitions to pioneer gender sensitive programming in the field of trade facilitation, by strengthening it gender specific programming and the mainstreaming of gender in the design and implementation during Strategy 2, particularly the disaggregation of gender indicators and related data collection, with a view to understanding gender differential effects and subsequently reviewing implementation plans.</p> <p>The TCP could explore the relationship between climate change and trade, notably the potential of the East and Southern African regional energy market, with attention also to improving the mainstreaming of climate change issues in the sector and geographic selection of future support areas.</p>	TMEA & TCP
Efficiency	Recommendations on Vfm & Management Structures	Responsible
	Strengthen TMEA's decentralised management value proposition by strengthening the role of the Country Director and clarifying the roles between staff at headquarters and TCP. Replicate the Stakeholder Satisfaction Survey on procurement and financial management procedures.	TMEA SLMT
	Recommendations on Adaptive Management, Monitoring & Learning	Responsible
	Promote more adaptive and flexible programme management; strongly embedded in the Tanzanian context, based on a dynamic Theory of Change (ToC) process, with regular review of sound data and evidence , emphasising the identification of assumptions and management of related risks . Promote a more adaptive, flexible, learning culture , based on sound evidence; also with space to allow and recognise the merits in failure.	TMEA SLMT TMEA TCP
	Reduce the number of indicators, harmonising key concepts and definitions (e.g. revenue/turnover, formality), increasing the rigour and coordination of primary data collection efforts, notably from beneficiary firms. A single, more scientifically rigorous survey, coordinated across a number of TMEA projects , with a larger sample size could serve a number of projects. Data quality and verification by the TCP is critical.	TMEA Results Team
Sustainability	Recommendations on fostering the continuation of project benefits	Responsible
	The TCP is well placed to capture lessons learned in areas such as automated systems, financial autonomy, institutional capacity and technical assistance and implement these recommendations in more recent projects and the roll-out of Strategy 2.	TMEA TCP

6.3 Project-Level Lessons Learned & Recommendations

OSBP Holili

181. **Complete the on-going, additional investments**, notably the construction of the borehole. Additional required investments, such as the by-pass road to enter the OSBP facilities, clear demarcation of the OSBP area, quarantine area and staff housing upgrades are beyond the scope of the project during Strategy 1. Consideration could be given to funding these additional investments during Strategy 2. However, these should be weighed with the needs of other OSBPs at more trafficked borders.
182. Ensure **continuity of TRA funding to the operational and maintenance costs of the OSBP**. Suggestions to rotate responsibility for these costs may result in the service outages and no other agency appears to be in the position to take up these costs (e.g. immigration)

CCTTFA/OSIS

183. Ensure the OSIS is managed by TMEA staff with engineering capacity and ideally experience in managing EU-funded projects. Increase TMEA engagement in the monitoring of the OSIS construction, with participation in regular site meetings.
184. **Adjust the supervision contract** with NIMETA from 12 – 18 months to match the latest construction work plan.
185. Consider supporting the **relocation of the CCTTFA into a better-resourced location**, with improved access to power and a back-up generator to ensure live dashboard availability to users.
186. The CCTTFA should encourage **interministerial coordination** to ensure that the government decision to inspect cargo only at three locations, Vigwaza, Manyoni and Nyankanazi, is enforced also by other agencies, particularly the police. Additional police check-points should only be installed under justified circumstances.

TBS

187. Revisit the TBS Results Chain to further explore the relationships and interdependencies of some of the outputs and outcomes, for example, between the efficient administration of SQMT and the actual use of these services by Tanzanian companies. Identify related assumptions, such as the fact that the **private sector is almost exclusively oriented toward price**, rather than quality and factor into project implementation where relevant.
188. Ensure full ownership and engagement by TBS staff, including TBS management, in project implementation to ensure future sustainability of eventual reform processes and outcomes.
189. Review relevance of mini labs as a project output.

TFDA

190. Encourage TFDA to address remaining SWIFT weaknesses, namely solving the issues relating to **electronic signature and on-line payments**. If this requires changes in the broader regulatory environment, these obstacles need to be addressed prior or as a part of the further roll-out of the SWIFT concept.
191. Consider supporting the **inclusion of additional modules** (e.g. certification of premises) from TMEA Strategy 2, ensuring compatibility with the existing import/export module, exploring related procurement options.

TWCC/CBT

192. Trainings should be more targeted to the **needs of specific sectors and products**, as well as being more tailored to the **awareness and capacity level of participants**. Some identified areas include aggregation, value-addition, packaging & improved quality. Participants highlighted that challenges remain also with **business basics** (e.g. finance, production skills). Ensure coordination with similar training efforts undertaken by TBS with SIDO also supported by TMEA.
193. **Address the measurement challenges** relating to the effect of training on **increased revenue**, harmonizing conceptual definitions and related data collection methods across TMEA, with a view to Strategy 2. This will apply not just to cross-border traders but all beneficiary firms supported under Outcome 2, Business Competitiveness. An additional measurement challenge that is specific to the support to cross border traders relates to the **definition and measurement of use of formal trade routes**, as distinct from the degree of formality of supported firms.

Logistics and Advocacy

194. Develop the TLP Results Chain, **removing also references to the former Big Results Now** initiative, which has now been officially dropped by the Fifth Phase Government.
195. Ensure that the TLP develops a **concrete strategic and advocacy plan**, with a detailed plan of action that is **regularly monitored** to ensure TMEA funding is directed at shared TLP objectives. The advocacy plan should nevertheless **remain flexible** enough to react to new issues as they arise, such as the recently instated sticker charge at weighbridges.
196. Carefully monitor and manage the **internal governance structure of the TLP**, ensuring both effectiveness and representation of all member associations.

Annex 1: List of Meetings and Interviews Held

Date	Person, Title	Institution / Project	Type of Beneficiary
3.7.17	John Ulanga, Country Director	TCP TMEA	Direct Project Contact
3.7.17	Elibariki Shammy, Project Leader	TCP TMEA	Direct Project Contact
3.7.17	Israel Sekirasa, Project Leader	TCP TMEA	Direct Project Contact
3.7.17	Monica Hangi, Project Leader	TCP TMEA	Direct Project Contact
3.7.17	Mboka Mwanitu Technical Assistant	TWCC	Direct Project Contact
4.7.17	Edward Furaha Executive Officer, TPSF Tanzania Private Sector Foundation	TPSF, TLP	Direct Project Contact
4.7.17	Mwajuma Hamza, TWCC	TWCC	Direct Project Contact
4.7.17	Neema Matowo	Amani Demo Farm	Beneficiary
4.7.17	Agatha Laizer	Halisi Products	Beneficiary
4.7.17	Godson Ngomuo TANROADS	TANROADS, CCTFA	Government
5.7.17	Gilliard Ngewe, DG Sumatra Mawasiliano House along Ali Hassan Mwinyi Road	SUMATRA, CCTFA, Logistics, OSBPs	Government
5.7.17	Eng. Charles Sabiiti Infrastructure Specialist Central Corridor Transit Transport Facilitation Agency	CCTFA	Direct Project Contact
5.7.17	Melchior Barantandikiye, Logistics Specialist	CCTFA	Direct Project Contact
5.7.17	Engineer Tasani, NIMETA OSIS Construction Supervisor	NIMETA, CCTFA	Direct Project Contact

5.7.17	Kezia Mbwambo Director – Standards, Tanzania Bureau of Standards (TBS) And Project Coordinator,	TBS	Direct Project Contact
6.7.17	Hussein Wandwi, Chief operations officer, Transporters Association of Tanzania	Transporters Association of Tanzania (TAT), Logistics, CCTTFA, OSBPs	Beneficiary
6.7.17	Angelina Ngalula Chairperson TATO & TLP	TLP, Logistics	Beneficiary
6.7.17	Eljon Dube, Operations Manager	Bravo Logistics	Beneficiary
7.7.17	James Kyejo, Personal Assistant to the Minister for Trade and Industry	MIT	Government
7.7.17	Professor Mkenda, Permanent Secretary	MIT, all	Government
7.7.17	Mr.Edward Urjo ,Vice President of Tanzania Freight Forwarders Association	TAFFA, Logistics, CCTTFA, OSBPs	Beneficiary
10.7.17	Gerald Lucas Mwikuka Manager, Estate & Administration Tanzania Revenue Authority (TRA)	TRA, OSBPs	Government
10.7.17	Joyce Nnossi, TWCC Holili	TWCC	Beneficiary
11.7.17	Mr.Mariki an Executive Officer of TCCIA	TCCIA, OSBPs, CCTTFA	Beneficiary
12.7.17	Ambele Mwafula, TFDA	TFDA	Direct Project Contact
12.7.17	Ally Gugu, Director for Trade	MIT	Government
13.7.17	Pekka Hukka, Ambassador of Finland	Embassy of Finland, all	Donor
13.7.17	Amanda Duff, DFID	DFID, all	Donor
13.7.17	Johanne Walthinsen, Norway	Norwegian Embassy	Donor

13.7.17	John Ulanga, Country Director	TCP TMEA	Direct Project Contact
4.7.17	5 KII during Saba Saba Fair	TWCC, TBS, TFDA	Beneficiary
15.8.17	Sara Spant	Swedish Embassy	Donor
15.8.17	Fabrizio Moroni	EU	Donor
8.17	Kassim Feruoz, Clearing and Forwarding Officer	Mt. Meru Group	Beneficiary
8.17	Mohammed Sharif, Chief Operating Officer	Bakhresa	Beneficiary
8.17	Rahim Dossa	Simera Transport	Beneficiary
8.17	Ally Dewji	Simba Logistics	Beneficiary
4.7.17	2 FGDs at Saba Saba Fair (full list of participants available upon request)	TWCC, TBS, TFDA, (OSBP)	Beneficiary
24-28.7.17	6 FGDs in Holili/Taveta (full list of participants presented below)	TWC, TBS, TFDA, OSBP	Beneficiary

Annex 2: Case Study on the Benefits and Challenges of Cross-Border Trade at OSBP Holili

Due to the significant data collection efforts made at the OSBP Holili-Taveta crossing, a more in-depth descriptive case study was developed on the perceived benefits and challenges of cross-border trade at the OSBP at Holili. The data incorporated findings on parallel on-going quantitative data collection efforts for the regional Womens' Cross-Border Trade programme, as well as the additional Focus Group Discussions and interviews held on site (see methodology section). The data naturally lent itself into a classification of benefits and remaining challenges. Overall, one can conclude that the benefits far outweigh any remaining challenges, which can be resolved through even greater awareness raising efforts. According to the quantitative data referred to above, almost 80% of interviewed Kenyans were satisfied or very satisfied with the services provided by the border agencies. 75% of the respondents are now also using the border crossing more frequently than before.³⁴

OSBP Benefits

According to the FGDs, the main perceived benefit of the Holili/Taveta OSBP has been the possibility to find all relevant border services in one place, rather than having to spend days finding relevant agencies and travelling between border posts.

Decisions are made faster and there is greater communication and trust between the officials of Kenya and Tanzania, including joint verification of shipments, according to interviews with both border users, as well as both Kenyan and Tanzanian officials. According to one interviewee, "the border is more organised". The productivity of individual officials has also increased. Immigration officials now require between 3-4 minutes to process a single person.

The working environment has also significantly improved (see photos below):

³⁴ Data is only available for Kenyan traders identified through EASSI. This data needs to be verified and referenced, once the report has been finalised and approved. It would also be useful to triangulate this data with the latest Time & Traffic Survey, once finalised.

Photo 1: Holili Border Crossing Prior to the OSBP



Photo 2: Holili OBSP



There is also a perceived reduction in corruption, though bribes are still occasionally exchanged between border users and officials. Bribe paying remains particularly frequent to the police. FGDs and interviewees had different impressions of the level of corruption on both sides of the border, with some claiming higher levels of corruption by Tanzanian officials, others by Kenyan officials. According to the FGDs, it is more difficult for Kenyan traders to establish businesses and to operate in the Tanzanian regulatory environment. In addition to the cost savings from reduced corruption, the loss of perishables and even theft has been reduced.

For large logistics firms, the single most important factor has been the automation of procedures, namely through TRA and TANCIS. The main problem is regular outage of the system, which is also a major sustainability concern. Systems are also not yet integrated between agencies, like customs and immigration, which operate TANCIS and PICES respectively. Any coordination is still done via email and mobile phone.

OSBP Challenges

According to the border user FGDs, due to frequent turnover of staff, at times officials do not fulfil their duties. Some still perceive the process for small traders as complex and burdensome, even claiming arbitrary weighing of goods, in comparison with large consignments that appear to cross the border more easily. Familiarity with OSBP procedures and personal relationships with officials are considered to facilitate the navigation of procedures. Suspicions of bribery remain, both of large consignments and small traders negotiating lower duties. The latter is not perceived as corruption by the traders, but as a “small, non-financial favour” according to an interviewee.

There were also small flaws in the design of the physical infrastructure, namely due to poor engagement of various stakeholders. For example, immigration is located in the back of the building, instead of having a constant visual to the entrance and exit of the building.

Additional requirements not currently in place but desired by officials include the following:

- A by-pass road to enter OSBP facilities and to ensure single direction of travel
- clear demarcation of the OSBP area
- Borehole (under construction)
- Dispensary (currently in Moshi)
- Improved staff housing
- Quarantine space
- Restaurant/staff cafeteria

Notably, the mini-lab, of TMEA interest under TBS support, was not among the additional requirements identified by officials.

The main challenge for small traders remains awareness. At time, smugglers are caught at informal border crossings, the “panya” routes, with goods that do not incur duty according to officials. While awareness sessions have been held with TMEA support and appear to continue even without funding, due to regular turnover of officials, as well as the continuous need to inform traders, these sessions need to continue also in the future. Information is required both on the procedures and requirements of the OSBP (e.g. banned products, tax rates) as well as the broader opportunities and requirements of the market. Provisions need to be made for illiteracy (e.g. improving signage). Furthermore, meetings between border officials and users need to be followed-up with actions to implement recommendations. The FGDs recorded some frustration with lack of implementation of recommendations from these meetings.

Small traders are also troubled by additional and variable duties and additional taxes on their products. On the one hand, this is due to the fact that more traders are now using the formal crossing and paying duty on their products. As the duties paid at the border are now more differentiated based on both type and volume of the goods, some are charged more, others less than previously. The Tanzanian authorities are working toward the further reduction of duties on consignments below the threshold value of USD 2,000. Even more onerous are the additional taxes beyond any duties paid at the border that are collected by local government officials. Tax regimes are

not harmonised between Tanzania and Kenya and this also creates significant opportunity for corruption beyond the border crossing. Kenyan traders have complained about the constraints they face accessing the Tanzanian market, for example, on right of establishment. Generally, the FGD participants felt that Tanzanian officials were “stricter” than their Kenyan counter-parts, though claims of impunity and corruption were raised against officials from both countries, particularly the police. Further harmonisation, also of tax regimes, would help in this regard.

The Tanzanian requirement for passports is also burdensome. Applying for a passport is only possible in a few locations in the country, it is expensive and issued passports have very few pages. (In Kenya, a passport can be obtained electronically within ten minutes.) While residents from the immediate vicinity are able to use their identity card, so long as the place of residence is Holili or Taveta, acceptance appears to be at the discretion of the immigration official. Immigration officials indicated that there was often a misunderstanding by border users that no identity documentation was required, which is false.

According to the FGDs, many traders have also left the business due to increased enforcement and patrols on the informal routes for fear of arrest.

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MSA. *TBS Results Chain*. May 2016.

University of Dar es Salaam Entrepreneurship Centre (UDEC). *Training of Women Traders on International/Regional Trade Rules and Regulations for Doing Business within the East African Community Conducted in Singida and Dodoma from 13th- 22nd January 2015*. February 2015.

University of Dar es Salaam Entrepreneurship Centre (UDEC). *Training of Women Traders on the Rules and Regulations of Doing Trade Within the East African Community (EAC)*. February 2013.

TMEA. *Central Corridor Transit Transportation Facilitation Agency: One Stop of Inspection Stations. Summary of the Feasibility Report*. April 2013.

TMEA. *Capacity Building to Tanzania's Women in Cross Border Trade*. April 2015.

TMEA. *One Stop Inspection Station Project: A Central Corridor BRN Initiative*. 2013.

TMEA. *One-stop Border Posts Concepts*.

Nick Porée & Associates. *Time and Traffic Surveys at OSBPs in EAC: Final Survey Report Holili – Taveta Border Post*. October 2015.

Other Stakeholders

EAC Country Vision Documents

Government of Tanzania. *Country Vision 2025*. Undated.

EAC Partner States Private Sector Development Strategies

Tanzania Private Sector Foundation. *Tanzania Assistance Strategy: A synopsis of private sector development*. 2000.

Annex 4: Evaluation Questions

Relevance

The extent to which a development intervention conforms to the needs and priorities of target groups, the policies of the Tanzanian government and donors and TMEA's strategy.

Sub-category	Key evaluation questions
Strategic clarity and logic	Are the interventions consistent with TMEA's Theory of Change?
Alignment with TMEA, partner, beneficiary, the Tanzanian Government and EAC interests and priorities	Are the interventions consistent and complementary with activities supported by other donor organisations? Were TCP's interventions complementary and synergistic across its portfolio? Why or why not?

Impact

The totality of the effects of development interventions, positive and negative, intended and unintended. The impacts are the tangible long-term outcomes to which the country programme contributed.

Sub-category	Key evaluation questions
Achievement of impacts	What is the likelihood of the programme achieving its intended impact? To what extent has the programme generated unintended positive and/or negative impacts, especially on any disadvantaged groups?
Systemic Change and Scale	To what extent has TMEA Tanzania Programme fared as a new model for, or is likely to fare as, a catalyst for trade facilitation in Tanzania?

Effectiveness

The the extent to which development interventions have achieved their objectives, taking their relative importance into account.

Sub-category	Key evaluation questions
Achievement of outcome target	To what extent has or will the programme likely achieve planned results? For whom and how? What difference will this make to the beneficiaries?

	How well has the TCP identified and addressed risks at the portfolio and project levels?
	How appropriate were the institutional partnerships selected for attaining TCP's objectives? Why have some partnerships been more successful than others? Were all the required partners adequately identified and engaged most effectively?
	Did TCP have any significant achievements with regards to addressing gender issues? Were gender and other crosscutting aspects such as Environment, Poverty and Climate Change taken into consideration during programme design and implementation?

Efficiency

Efficiency refers to the use of the minimum required effort and resources to achieve the objectives (this is determined by assessing alternatives at the initiation stage and selecting the one that can achieve the result with minimum required effort & resources).

Sub-category	Key evaluation questions
Value For Money	Is the programme likely to achieve planned outcomes within the budgeted resources? Did TMEA achieve reasonable VfM on selected interventions in terms of economy, efficiency, and effectiveness?
Management structures and processes	Has programme management and delivery been efficient? How were capacity challenges, if any, in TMEA or the partners addressed? Were the strategies put in place, if any, effective in improving the efficiency? Has the TCP's institutional structure, coordination and communications with other parts of TMEA and its resources been appropriate to help it achieve its mission?
Innovation and Learning	What innovations or best practices have been used during the delivery?

Additionality	Is there any significant evidence to demonstrate that if the selected sample of projects had not taken place, the results achieved or likely to be achieved would not be attained?
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Sustainability

The extent to which the positive impacts and benefits of programming are likely to create an enduring legacy that furthers strategic objectives. MSA's looks at *dynamic sustainability*, which expands on the definition to include not just sustained benefit, but sustainability of the input itself.

Sub-category	Key evaluation questions
Sustainability addressed and likely to be achieved	<p>Is there any evidence that there will be sustainability of the programme outcomes and intended impact as well as institutional capacity after the end of the Strategy?</p> <p>What comparative advantage does TMEA Tanzania programme have going into Strategy 2?</p>

The thorough consultation process that was used during the inception phase extended the inception period somewhat, but we believe helps to ensure that this evaluation report stays consistent with the formative approach outlined in the TOR.

Annex 5: Assessment Criteria

MSA assessed the challenge fund against each of the five key evaluation categories on a scale from 1 to 6 (6 being highest).

Evaluation category	Assessment Criteria	6 Excellent	5 Very good	4 Good	3 Fair	2 Poor	1 Very poor
Relevance	<ul style="list-style-type: none"> Interventions are consistent with TMEA's Theory of Change. Interventions are consistent and complementary with activities supported by other donor organizations. Interventions are complementary and synergistic across the country portfolio. 	<i>Exceeds all of the assessment criteria for relevance</i>	<i>Meets all of the assessment criteria for relevance</i>	<i>Meets most of the assessment criteria for relevance</i>	<i>Partially meets the assessment criteria for relevance</i>	<i>Does not fully meet any of the assessment criteria for relevance</i>	<i>Serious problem and does not meet any of the assessment criteria for relevance</i>
Impact	<ul style="list-style-type: none"> The country program is likely to achieve its intended impact. The country programme has generated meaningful unexpected positive impact, and/ or has not generated significant unexpected negative impact – especially on any disadvantaged groups. The country programme has fared, or is likely to fare, well as a new model for catalysing trade facilitation in Tanzania. 	<i>Exceeds the assessment criteria for impact</i>	<i>Meets all of the assessment criteria for impact</i>	<i>Meets most of the assessment criteria for impact</i>	<i>Partially meets the assessment criteria for impact</i>	<i>Does not fully meet any of the assessment criteria for impact</i>	<i>Serious problem and does not meet any of the assessment criteria</i>
Effectiveness	<ul style="list-style-type: none"> The country programme is likely to achieve its planned results, affecting intended beneficiaries through intended modalities. The institutional partnerships selected for attaining the country programme's objectives. Required partners were adequately identified and engaged in an effective way. Gender and other crosscutting aspects – such as environment, poverty, and climate change – were taken into consideration during programme design 	<i>Exceeds the assessment criteria for effectiveness</i>	<i>Meets all of the assessment criteria for effectiveness</i>	<i>Meets most of the assessment criteria for effectiveness</i>	<i>Partially meets the assessment criteria for effectiveness</i>	<i>Does not fully meet any of the assessment criteria for effectiveness</i>	<i>Serious problem and does not meet any of the assessment effectiveness</i>

	and implementation.						
Efficiency	<ul style="list-style-type: none"> The country programme is likely to achieve its outcomes within the budgeted resources. Reasonable VfM was achieved on selected interventions in terms of economy, efficiency, and effectiveness. Programme management and delivery has been efficient. Capacity challenges in TMEA or the partners were effectively addressed through strategies aimed at improving efficiency. The country programme's institutional structure, coordination and communications within TMEA have been appropriate to help TMEA achieve its mission. The results achieved, or likely to be achieved, could not be attained if the selected sample of projects had not taken place. 	<i>Exceeds the assessment criteria for efficiency</i>	<i>Meets all of the assessment criteria for efficiency</i>	<i>Meets most of the assessment criteria for efficiency</i>	<i>Partially meets the assessment criteria for efficiency</i>	<i>Does not fully meet any of the assessment criteria for efficiency</i>	<i>Serious problem and does not meet any of the assessment criteria for efficiency</i>
Sustainability	<ul style="list-style-type: none"> There is evidence for sustainability of outcomes and intended impact, as well as institutional capacity, after the end of the Strategy. The country programme has a comparative advantage going into Strategy 2. 	<i>Exceeds the assessment criteria for sustainability</i>	<i>Meets all of the assessment criteria for sustainability</i>	<i>Meets most of the assessment criteria for sustainability</i>	<i>Partially meets the assessment criteria for sustainability</i>	<i>Does not fully meet any of the assessment criteria for sustainability</i>	<i>Serious problem and does not meet any of the assessment criteria for sustainability</i>

A confidence level is assigned to each evaluation category score.

Confidence level		
High	Medium	Low
<i>Based on consistent data collected and/ or validated by the evaluation team. Qualitative data informing the</i>	<i>Partially based on data collected and/ or validated by the evaluation team. Some of the qualitative data</i>	<i>Based solely on data collected by stakeholders other than the evaluation team. Qualitative data informing the score was collected</i>

<i>score was collected from a relevant and informed source, and the information was triangulated through other means or informants.</i>	<i>informing the score was collected from a relevant and informed source, and some information was triangulated through other means or informants.</i>	<i>from an informant who relied on inference or unverified sources of information, and the information was not triangulated through other means or informants.</i>
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Annex 6: Evaluation Methodology

Operationally, the evaluation was conducted in three complementary phases: Phase 1 – inception; Phase 2 – field data collection and synthesis; Phase 3 – draft and final reporting. The methodology was developed as part of the inception phase and is described in detail here.

Phase 1 - Inception

Launching the Evaluation

Phase I started immediately after contract award with an evaluation kick-off call between TMEA and MarketShare Associates. Following the call, MarketShare Associates drafted the following milestones for the evaluation:

- a. Signature of the contract
- b. Inception report completed
- c. Field visits
- d. Draft evaluation report
- e. Final evaluation report

A detailed work plan for the evaluation was designed and the evaluation team proceeded to select the projects that would receive deeper focus as part of the evaluations.

Finalising the Evaluation Team

Based on the inputs of the TMEA team, MSA established the following core evaluation team members:

Position	Name	Major Tasks
Team Leader Senior Methodology & Quality Assurance Advisor	Ben Fowler	Technical backstopping, ensuring the quality and rigour of the evaluation design and implementation, liaising with TMEA, sharing learning with the Kenya Country Programme evaluation that is occurring simultaneously
Senior Evaluation Specialist	Johanna Polvi	Lead the field work for the evaluation, coordinate the inputs of the various team members during the field work, ensure technical quality and rigour of the data collection process, capture and articulate evaluation findings.
Gender Evaluation Specialist	Erin Markel	Technical backstopping, ensuring that gender considerations are integrated into all aspects of the evaluation design and implementation. This will include ensuring that surveys, focus group discussions, in-depth interviews and other research methods are implemented in a gender-sensitive way

		that is empowering for the women involved.
Cost-Benefit Analyst	Neil Pogorelsky	Conduct the detailed CBA.
Regional Support & Relations	Kamila Wasilkowska	Supporting the team as required, undertaking meetings with TMEA in Nairobi and data collection as needed.
Tanzania Evaluation Specialist	Victor George	Provide targeted data collection support using quantitative and qualitative research tools designed for this evaluation.
Cross-Border Qualitative Research Manager	Julia Lipowiecka	Oversee and provide technical input for follow-up qualitative research with cross-border traders and other key border user groups.
Cross-Border Qualitative Research Specialist	David Otieno	Conduct follow-up qualitative research with cross-border traders and other key border user groups.

In addition to the team members mentioned above, MSA engaged enumerators to conduct surveying.

Setting the Evaluation Questions

Core to the evaluation methodology is the determination of the evaluation questions that the team sought to answer. These questions built upon the five core evaluation categories that were posed in the evaluation Terms of Reference (TOR): effectiveness, impact, relevance, sustainability and efficiency. The key evaluation questions that the team examined for each evaluation category are included as Annex 4.

Documents reviewed

A full list of documents reviewed as part of the evaluation analysis is included as Annex 3: Bibliography.

Project Selection Criteria and Strategy

One aspect of the evaluation methodology was to conduct an in-depth assessment of a sample of seven of TCP's projects. To do so, criteria for project selection were developed. These criteria were developed based on factors most relevant to the challenge funds, with the goal of identifying projects that are a good representation of the TCP portfolio as a whole, as well as projects with a strong opportunity for learning through the evaluation. The following steps were used to select the projects.

Step 1: Eliminate Non-Appropriate Projects from Consideration

The criterion for elimination included:

Elimination Criteria for	Rationale for Criteria
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In-depth Assessment	
Existence of previous or planned evaluations of the project	If TMEA has already invested in evaluating certain components of the TCP, or is planning to do so MSA can maximize VfM by simply reviewing those evaluation reports (where already completed) rather than conducting the same review itself. This was noted in the SOW as follows: "From a Value for Money (VFM) perspective, the main focus of the experts work will therefore be on the projects which have not been evaluated, to complement key findings from the earlier project evaluations on the overall programme impact."

The following colour coding scheme assigns a determination to each project based on the above criterion.

Metric	Does not meet elimination criteria (Green)	Meets elimination criteria (Red)
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Step 2: Select a Purposive Sample from Among the Eligible Projects

From among the eligible projects, MSA proposed a purposive sample from among groups of projects sharing the following characteristics:

Selection Criteria for In-depth Assessment	Rationale for Criteria
Learning opportunity	TMEA has identified projects with a high potential for learning owing to challenges faced in implementation.
Size of investment	Some projects represent a very large percentage of TCP's total budget. Those projects need to be included in the project in order for the TCP evaluation to provide a true picture of the state of the TCP portfolio.
Balance across the three Strategic Objectives (minimum 1 per SO)	Given the diversity of the projects undertaken by TCP, it's important to select projects from across the strategic objectives to assess their fit.
Already closed	Ensuring some of the examined projects have already closed will offer an opportunity to assess their actual sustainability by seeing what has happened following the withdrawal of TMEA funding.

Applying the Criteria

Step 1: Eliminate Non-appropriate Projects from Consideration

#	Project code	Project title	Previous or Planned Evaluation?
1	1111	Tunduma OSBP construction	
2	1112	Kabanga OSBP construction	

#	Project code	Project title	Previous of Planned Evaluation?
3	1114	SWIFT portals	Y (assumed to have been evaluated under SWIFT Evaluation, April 2017)
4	1114a	Tanzania Ministry of Agriculture SWIFT portal	Planned (SWIFT Evaluation Phase 2, Date TBD)
5	1115	Dar es Salaam port Improvement Project	Y (TMEA External Evaluation, DFID Annual Review)
6	1116	CCTTA management of corridors	
7	1117	TBS testing	
8	1118	Support to MITI	Y? (TMEA External Evaluation)
9	1119	MEAC coordination and leadership (Now under MOFA and East African Cooperation)	Y (Formative Evaluation of the Capacity Building programmes on Regional Integration for the Ministries of East African Community Affairs, May 2016)
10	1113	Holili OSBP IBM	
11	1120	Mutukula OSBP IBM	
12	1122	Logistics and Advocacy	
13	1122d	Support to Tanzania Women Chamber of Commerce	
14	1122e	Support to MINIBUZZ	
15	1124	Tunduma OSBP IBM	
16	1125	Kabanga OSBP IBM	
17	1127 ³⁵	Dar es Salaam port infrastructure works	Y (TMEA External Evaluation)
18	1129	Support to Tanzania Private Sector Foundation	Y? (TMEA External Evaluation)
19	1130	Support to Tanzania Association of NGO's	Y (PSO/CSO Evaluation)
19	1131	Support to Foundation for Civil Society	
20	1135	Advocacy and Monitoring of NTBs	Assumed that yes (Formative Evaluation of TMEA Projects on NTBs to Trade, February 2016)

³⁵ This project forms the part of the preparation phase to get a big World Bank funded project off the ground to take care of the bulk of civil and marine works.

#	Project code	Project title	Previous of Planned Evaluation?
21	1136	Zanzibar Food & Drug Board (ZFDB) SWIFT*	Planned (SWIFT Evaluation Phase 2, Date TBD)
22	1138	Capacity Building to Women Cross Border Traders in Tanzania	Y (TMEA External Evaluation, PSO/CSO Evaluation)

Step 2: Based on the above, the following is a list of the proposed sample:

Project code	Project Title	Strategic Objective	Budget Size	Already Closed?	Prioritized Learning Opportunity	Selected Projects and Rationale
1111	Tunduma OSBP construction	1	6,441,000	Active		
1112	Kabanga OSBP construction	1	6,764,000	Project closure phase		
???	Holili OSBP construction	1	TBD	Project closure phase?		1 Selected given that it has geographic proximity to some of the other selected projects (particularly 1138). This greatly assists with the evaluation logistics.
1115	Dar es Salaam port Improvement Project	1	536,000	Active		
1127 ³⁶	Dar es Salaam port infrastructure works	1	3,157,000	Active		
1116	CCTTA management of corridors	2	2,530,000	Active		2 This project is very relevant to TCP's priorities for Strategy 2. It will particularly help to look in depth at issues around the ways that TCP and the regional programme collaborates.

³⁶ This project forms the part of the preparation phase to get a big World Bank funded project off the ground to take care of the bulk of civil and marine works.

Project code	Project Title	Strategic Objective	Budget Size	Already Closed?	Prioritized Learning Opportunity	Selected Projects and Rationale
1117	TBS testing	2	2,900,000	Active		3 TCP is very interested to understand what results have been created from the significant investment in testing equipment, and particularly its impact on TBS. Given that there remains much of the project still to implement, there is a lot to learn in terms of the sustainability of results to date and hence whether TCP needs to make any adjustments moving forward.
1118	Support to MITI	2	1,181,000	Completed		
1113	Holili OSBP IBM	2	1,038,000	Project closure phase		4 It makes the most sense to examine the IBM installation at the same place that we examine the OSBP. Since we selected Holili as the OSBP, we will also examine the IBM system there.
1120	Mutukula OSBP IBM	2	430,000	Project closure phase		
1124	Tunduma OSBP IBM	2	600,000	Active		
1125	Kabanga OSBP IBM	2	617,000	Active		
1122	Logistics and Advocacy	2	6,764,000	Active		5 This project is a priority for TCP to understand how is working from a formative perspective in order to further refine the methodology moving forward.
1122d	Support to Tanzania Women	3		Completed		6

Project code	Project Title	Strategic Objective	Budget Size	Already Closed?	Prioritized Learning Opportunity	Selected Projects and Rationale
	Chamber of Commerce		00			A priority from a learning perspective for TCP. Very relevant to their plans to expand their gender and trade work.
1122e	Support to MINIBUZZ	3		Cancelled		
1129	Support to Tanzania Private Sector Foundation	3	671,000	Active		
1131	Support to Foundation for Civil Society	3	577,000	Active		
1138	Capacity Building to Women Cross Border Traders in Tanzania	3	384,000	Active		<p>7</p> <p>A priority from a learning perspective for TCP. Very relevant to their plans to expand their gender and trade work. The previous PSO/CSO evaluation was considered to not fully explore the issues with this project. Similarly, the independent evaluation only examined the project from Dar, so was unable to gather a complete picture.</p>

It is critical to note that this proposed selection does not include the Dar port, in spite of the significant investment being made by TCP. Ultimately it was agreed with the TCP that given the number of other entities that are evaluating the port (including particularly the Independent Evaluation that will be collecting data with a much larger budget than that of this evaluation) and the degree of frustration of the port stakeholders with the frequent assessment visits being performed, MSA would be better placed to focus on other projects in this evaluation.

Phase 2 – Field Data Collection and Synthesis

The numbers of respondents interviewed varied widely by project and was arrived at after desk review of project documents, as well as extensive correspondence and collaboration with the Fund Management Team, TMEA, and grantees and other project stakeholders. Phone-based surveying and interviews were utilized wherever most feasible, and this allowed for more robust sample sizes and diversity of stakeholders. In many cases, however, in-person verification was undertaken. A complete list of meetings and interviews is included in this report as Annex 1.

Sampling Strategy for Data Collection

As it is not practical, efficient or ethical to study everyone, there was a need to define a sample among the projects of the Tanzania Country Programme overall, as well as of the beneficiary population of the given projects.

As the evaluation was not based on an experimental or quasi-experimental design, a non-probability, purposeful sampling strategy was utilised based on the reviewed TMEA Theory of Change, as well as individual project results chains. Particular emphasis was given to the changes sought by the selected projects in different groups of stakeholders, whether government, private sector or civil society and the sampling strategy planned and developed accordingly, in an iterative manner based on this original thinking. The purposeful sampling strategy employed a number of techniques, from identifying key informants, to actively seeking deviant cases and critical opinions. Particular attention was given to obtaining a gender balanced sampling strategy; with integration of more disadvantaged groups. For example, among the clearing and freight forwarding, as well as trucking companies, women owned firms were actively sought for inclusion in the sample.

For qualitative research, the sample tended to become obvious as the evaluation progresses in a cyclical manner from sampling, data collection, analysis to interpretation, as new categories, themes or explanations stop emerging from the data; so-called data saturation. MSA used, as a rule of thumb, the following qualitative data sample size at which data saturation generally tends to take place:³⁷

- 6-12 interviews
- 3-6 FGDs

Notably, these figures were for each designated sub-group of interest. Due to the sample of projects selected for deeper data collection, there was significant overlap between these sub-groups across projects. For example, the Logistics Platform Members, notably Tanzania Truck Owners' Association (TATOA), Transporters' Association of Tanzania (TAT) and Tanzania Freight Forwarders Association (TAFFA), as well as their individual members and the clients of their members were significant stakeholders in 4 of the 7 selected projects. The members of Tanzania Women Chamber of

³⁷ <http://researchforevidence.fhi360.org/riddle-me-this-how-many-interviews-or-focus-groups-are-enough>

Commerce (TWCC) were stakeholders in both the related projects, as well as the two OSBP projects, arguably even the Central Corridor Transit Authority (CCTA) to the extent that they rely on the Central Corridor to trade.

When calculating the number of interviews per project, the benchmark for saturation in terms of qualitative research was well surpassed.

Table: Total Sample Size for Selected Projects and Stakeholder Groups

Respondent Type	Direct Project Contacts	Government	Beneficiaries			Total
Research Method	KII	KII	KII	FGD	Survey	Qualitative
Project Type						
OSBP 1515, & 1113	2	4	9	3		15 KII, 5 FGDs
Logistics 1122	2		7			9 KII
TWCC 1122d & CBT 1138	5		3	3		8 KII, 3 FGDs
TBS Testing 1117	2	1	3	3	15 ³⁸	6 KII, Survey Respondents
CCTA 1116	3	2	7			12 KII
Total	12	6	10	4	1	

³⁸ Out of a total of 100 who are contacted.

Annex 7: Evaluation Timeline

Work Plan: TMEA Tanzania Country Program Evaluation - MarketShare Associates																															
Task	Stage 1: Project Launch								TMEA feedback		Stage 2: Field-based information collection										TMEA feedback		Stage 3: Round one revisions			TMEA feedback		Stage 4: Final revisions			
	28-Apr	05-May	12-May	10-May	26-May	02-Jun	09-Jun	16-Jun	23-Jun	30-Jun	07-Jul	14-Jul	21-Jul	28-Jul	21-Jul	28-Jul	04-Aug	11-Aug	18-Aug	25-Aug	01-Sep	08-Sep	15-Sep	22-Sep	29-Sep	06-Oct	13-Oct	20-Oct	27-Oct	03-Nov	10-Nov
Task 1: Project set up																															
Task 2: Project Selection																															
Task 3: Quality Control Plan Development																															
Task 4: Evaluation Tool and Template Development																															
Task 5: Updating Inception Plan based on TMEA Feedback																															
Task 6: Document Review and Analysis																															
Task 7: Field-based Work plan Development and Stakeholder Coordination																															
Task 8: Tailor Research Questions and Information Capture Templates																															
Task 9: Collecting and Validating Field-Based Data																															
Task 10: Analysis of the Data																															
Task 11: Development and Submission of Draft Evaluation Report																															
Task 12: Revise the Evaluation Report																															
Task 14: Finalize the Evaluation Report																															

Annex 8: Background to CBA Methodology

This CBA has been prepared in a way aimed to specifically allow for comparison to prior CBAs undertaken in 2012 and 2013. The 2012/13 CBAs with *ex ante*, that is, they were based on estimates and expectations about future performance. The current CBA is largely *ex post*, that is, to the extent possible, it is based on known, measured performance. Where implementation is not complete, however, estimates of future performance are included. CBA guidance (see DfID, USAID, EAC) is typically highly encouraging of use of *ex post* CBA to compare to *ex ante* expectations as a validation and learning exercise. However, this is rarely done, due to costs, time, availability of information, availability of technical resources, etc. As such, application of a comparative CBA in this evaluation represents industry best practice. While the results of the current CBA are positive, they do not, and never could have, matched exactly the forecasted results from 2012/13. This should not be seen as a failure of execution by TMEA or a failure of forecasting, but rather an opportunity to reflect on how plans changed, why performance was different than expected, and how to maximize those things that turned out better than forecasted as TCP moves into Strategy 2, and how to minimize those things that performed below expectations. At the same time, this largely *ex post* CBA should provide a basis for understanding Impact of the programme and some support to our other analyses of value for money, in support of the overall evaluation. That is, in addition to providing a comparison point, the CBA stands on its own as a measure of TCP performance.

In 2012 and 2013, TMEA undertook a number of Cost Benefit analyses of projects within the TCP and of the programme overall. This CBA work was done in the context of DfID business planning and was done *ex ante*. That is, it relied on TMEA's expectations of outcomes to measure impacts. As it was a forecast, an assumed counterfactual was set, consistent with DfID guidance on the matter, that considered expected growth in traffic and trade in the region, as well as, overall economic growth and inflation. The outcomes of that CBA were memorialized in the DfID business plan for the TCP as well as in a number of technical memoranda and reports. Among these was "Cost Benefit Analysis Update for TMEA Programmes, Final Report," of July 17, 2012. This analysis assessed the TCP from a programmatic perspective, sometimes referred to as "top down", where by the returns were calculated based on TMEA's targeted 15% reduction in Tanzania transport costs and 10% increase in total exports. This programmatic approach was described as an "upper limit" on the potential returns and was compared to a CBA built up from analysis of select programme investments. This build-up approach was described as the project level approach and was also, at times, called a "bottom-up" approach. This build up was also based on expectations of outcomes, but rather than relying on the overall programme outcomes, it assessed specific expected project outcomes. The project level approach was described in the referenced documents as the primary results of the overall CBA and readers were asked to contextualize the aggregated project level results by comparing them to the programmatic analysis.

This current analysis develops a revised project level (or "bottom up" analysis) and compares it to the analysis from 2012. The revised analysis largely assesses performance at the same key nodes as the 2012 analysis, with a few exceptions:

- In 2012, performance improvements expected to be delivered by the ASSET project (0111) were included in the TCP CBA, but as this project has been wound down without completion, it is not included in the current analysis.
- In 2012, performance improvements expected to be delivered by the Mutukula OSBP were allocated to the Regional Programmes CBA, based on budget contribution, but the current analysis allocates a small portion (about 3%) to the TCP based on TCP spending on IBM at Mutukula (project 1120).
- In 2012, performance improvements expected to be delivered by the Taveta/Holili OSBP were allocated to the Regional Programmes CBA, based on budget contribution, but the current analysis allocates 11% of the benefits to TCP and 7% to KCP based on spending by both programmes (projects 1113 and 0913/0933, respectively).

Overall the current TCP CBA covers performance improvements at the following nodes:

- Dar port
- Taveta/Holili border crossing
- Mutukula border crossing
- Tunduma border crossing
- Kobero/Kabanga border crossing

As in 2012, improvement at these nodes is the collective result of a number of TCP investments, including:

- OSBP and IBM investments
- TPA investments, including port reform and dialogue
- PSO/CSO advocacy
- MEAC investment
- SWIFT investment
- Policy reform investments
- Agency capacity investments

The comparative aspect of this analysis is based on the understanding that in 2012 and currently, the project level analyses include results that largely result directly from TMEA investments (or can be apportioned based on TMEA share of an overall investment budget, in the case of the Port of Dar), and as such, the sum of the benefit streams of these improvements represents the overall benefits of the programme. At the same time, it must be acknowledged that the CBA does not capture 100% of the benefits of the programme. Similarly, the CBA approach focuses on travel time savings and induced export growth benefits, in line with TMEA's overall results framework for Strategy 1, however, there are surely other type of benefits the programme is creating, that are not captured in this framework.

UPDATE OF ESTIMATES AND ASSUMPTIONS

The 2012 CBA, and related 2013 CBA update, estimated costs and benefits based on budgets, plans, and expectations for future performance. A number of assumptions were made for these analysis regarding what freight volumes and times were and what and when improvements would occur. The current analysis revises a number of these estimates and assumptions based on:

- Actual spending through 2016 and revised spending budgets through the end of Strategy 1
- Revised cross-programme budget shares based on actual spending
- Revised implementation schedules
- Actual traffic and freight volumes, where available
- Actual, measured transport improvement times, where available
- Revised estimates of transport costs
- Updated baselines where the original CBA was based on estimates that had not yet been verified through field study

The table below presents the relevant estimates/assumptions from the 2013 CBA³⁹ update and the revised figures used in the current analysis.

Figure 17: Location-Specific Original and Revised Estimates and Assumptions, 2013 and Current CBAs

Assumption/ Estimate	2013 CBA	Source	Current CBA	Source
Annual Truck Traffic, Taveta-Holili	7,488 trucks per year	Based on one-week traffic survey September 2011, 144 trucks per week.	No update available	A time and traffic study has been completed in 2017, but is not yet finalized
Baseline crossing time, Taveta-Holili	28.9 hours	2012 TMEA logframe	16.8 hours	2017 TMEA Results Framework (average of bi-direction delay)
Estimated improvement in crossing time, Taveta-Holili	30% reduction from baseline	Anticipated results, per TMEA logframe	52%	Actual results, per 2017 TMEA Results Framework
Taveta-Holili completion date	2013	TMEA logframe	2016	Actual results, per financial report
Annual Truck Traffic, Mutukula	4,732 trucks per year	Based on one-week traffic survey August 2011, 91 trucks per week	28,580	2017 volumes based on 20% containers Ug to TZ (to account for empties) and all other trucks from

³⁹ Note that in 2013 TMEA revised its approach to CBA, eliminating a key feature of the 2012 CBA – quantitative risk analysis – and replacing it with a comprehensive sensitivity analysis. This revised approach was codified into a re-usable tool called the Transportation Analysis and Decision Economics tool, or “TRADE”. As the 2012 CBA inputs were risk distribution and the current analysis is based on single point inputs, comparison is not very meaningful. But the 2013 revised analysis, which did not make significant changes to the 2012 TCP assumptions, aside from articulating them as single point estimates, provides a fair basis for comparison.

Assumption/ Estimate	2013 CBA	Source	Current CBA	Source
Baseline crossing time, Mutukula	7.5 hours	OSBP Monitoring Plan	19.0 hours	both directions, Time and Traffic Survey, Mutukula, 2017
Estimated improvement in crossing time, Mutukula	30%	Anticipated results, per TMEA logframe	67%	2017 TMEA Results Framework
Mutukula completion date	2013	TMEA logframe	2016	Actual results, per financial report
Annual Truck Traffic, Tunduma	58,000 trucks per year	Tanzania Revenue Authority Time Release Study 2011; and Nakonde/Tunduma border needs assessment 2011.	No revised estimate	
Baseline crossing time, Tunduma	59 hours	Tanzania Revenue Authority Time Release Study 2011; and Nakonde/Tunduma border needs assessment 2011.	No revised estimate	
Estimated improvement in crossing time, Tunduma	25%	From TMEA logframe, with reduced effectiveness due to no IBM	No revised estimate	OSBP not yet complete, no observed results
Tunduma operational date	2013	TMEA logframe	2018	Revised for completion delay
Annual Truck Traffic, Kobero-Kabanga	18,000 trucks per year	TMEA estimate based on site visit	20,950	Based on weekly estimate from 2016 T&T survey, bi-directional, with east bound containers reduced by 80% to account for empties.
Baseline crossing time, Kobero-Kabanga	18 hours	From Tz Monitoring Plan, cited source: additional data CDS team	11.9 hours	from 2016 T&T survey, bi-direction average
Estimated	30%	TMEA logframe,	21%	From 2016 T&T

Assumption/ Estimate	2013 CBA	Source	Current CBA	Source
improvement in crossing time, Kobero-Kabanga		reduced effectiveness with 1/2 project per Border Post Expert, plus reduced effectiveness due to no IBM		survey, bi directional
Kobero-Kabanga completion date	2013	TMEA logframe	2016	Actual results, per financial report
Portion of Dar Port performance improvements attributable to TMEA	3.9%	TMEA contribution relative to total USD 273 M programme	1.16%	Actual expenditures/budget relative to total USD 273 M programme
Annual TEUs	600,000 TEUs	Expert opinion	769,255	Calculated from actual tonnage data in TMEA Results Framework, 2017, assuming 14.7 tonnes per TEU
Baseline import time, Port of Dar	288 hours	TMEA logframe	384 hours	TMEA Results Framework, 2017
Estimated performance improvement at Port of Dar	56%	TMEA logframe	28%	Actual results, TMEA Results Framework, 2017, import direction (Current 11.6 days, relative to 2011 baseline of 16 days)
Dar Port work completion date	2014	TMEA logframe	2016	Actuals based on Financial Report

In addition to updated node estimates and assumptions, we worked to validate and revise assumptions in the 2012 and 2013 CBA work based on more recent data and scrutiny of the original approach. The table below describes the updates made following this process.

Figure 18: Assumption Validation and Revision

Assumption/ Estimate	2013 CBA	Source	Current CBA	Source
Value of time (cost of 1 day's delay)	USD 451 applied uniformly across EAC	Corridor Diagnostic Study (CDS), Impact Assessment of the Northern	USD 319.97 TZ	Tanzania-specific estimate, Calculated based on CPCS method and CDS

Assumption/ Estimate	2013 CBA	Source	Current CBA	Source
Average Value per “Shipment”	USD 45,000	Corridor Performance Improvement Activities (CPCS) Estimated based on gross DWT and Value Statistics, Kenya	USD 16,839.26	data. Estimated based on 2013 COMTRADE data for tonnage and value of export goods, and tons per TEU (14.3) and TEU per shipment (1.2) estimates

In addition to the above, revisions of assumptions and estimates, there are a number of assumptions in the current CBA that were scrutinized, but remain unchanged from the 2013 CBA:

- 10% Discount Rate
- 14.3 tonnes per average TEU
- 1.2 TEUs per “shipment”
- 2.5 Elasticity of demand for trade w.r.t. time
- 2.5% average profit margin on marginal trade
- 5.6% Long-run counter-factual regional traffic growth
- 5% added O&M cost resulting from investment

PROGRAMME COSTS

In addition to the work on updating and validating benefit data and assumptions, the other major effort undertaken to develop the current CBA of the TCP, was revision of the cost data, replacing what had been budget plans with actual expenditures through 2016/17 and revised budgets for 2017/18. This had the effect of both accurately reflecting the real spending and of lengthening the implementation process as modeled in the CBA. The actual expenditures were collected from TMEA’s Strategy 1 Financial Report, as of July 17, 2017. The table below presents the TCP financial data reflected in the CBA.

Figure 19: TCP Strategy 1 Spending

TradeMark East Africa Responsibility Centre Financial Report - Strategy 1 Responsit Tanzania Date 17-Jul-17														
SO	Project	Description	Actual 2010 \$000	Actual 2011 \$000	Actual 2012/13 \$000	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	Budget 2016/17 \$000	Actual 2016/17 \$000	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	TOTAL 2010/20 \$000
1	1111	Tunduma (Tz)	-	-	78	58	124	112	1,240	1,681	4,829	-	-	6,441
1	1112	Kabanga (Tz)	-	116	1,844	1,369	2,581	792	30	66	32	-	-	6,764
1	1113	Holili (Tz) IBM	-	-	320	387	163	51	56	59	61	-	-	1,038
2	1114	Tanzania MOA SWIFT	-	-	-	33	63	75	80	42	350	-	-	601
1	1115	TPA	-	-	52	384	32	58	10	10	1	-	-	536
1	1116	CCTTFA	-	1	1,112	46	373	169	552	172	277	-	-	2,530
2	1117	TBS	-	-	44	274	-	10	370	375	10	-	-	708
2	1118	NTBs	-	-	242	272	560	91	17	17	-	-	-	1,181
2	1119	MEAC	-	28	336	886	554	526	2	6	-	-	-	2,331
1	1120	Mutukula (Tz) IBM	-	-	61	16	25	320	2	17	5	-	-	430
1	1121	Lake Tanganyika	-	-	-	-	-	-	-	-	-	-	-	-
3	1122	New PSO/CSO advocacy campaigns	-	29	356	255	93	62	69	58	50	-	-	913
3	1123	FEAFFA Training	-	-	113	4	-	-	-	-	-	-	-	117
1	1124	Tunduma (Tz) IBM	-	-	-	1	14	12	34	70	230	-	-	290
1	1125	Kabanga (Tz) IBM	-	-	3	213	65	304	32	41	-	-	-	617
2	1126	Tanzania Bureau of Standards SWIFT	-	-	-	-	-	-	-	-	-	-	-	-
1	1127	Dar port infrastructure works (Str 1)	-	-	451	147	1,171	1,389	-	-	-	-	-	3,157
3	1129	Support to TPSF	-	-	-	150	243	278	-	-	-	-	-	671
3	1130	Support to TANGO	-	-	-	40	55	-	-	-	-	-	-	95
3	1131	Support to TZ FCS	-	-	-	150	227	200	251	254	-	-	-	828
2	1133	IFC Investment Climate	-	-	-	654	-	-	-	-	-	-	-	654
1	1134	Dar port reform, dialogue & process					-	1	0	0	-	-	-	1
2	1135	Advocacy & monitoring of NTBs					88	58	176	147	-	-	-	322
2	1136	ZFDB SWIFT-Development of MIS					-	23	116	64	11	-	-	150
2	1137	Contribution to Holili (TZ) OSBP					148	-	13	(13)	13	-	-	148
3	1138	Women and Trade (Tz)						8	202	433	174			384
1	1141	Kabanga (Tz) Staff Housing							153	53	834			987
0	1101	Programme management	129	1,125	1,652	959	897	1,005	920	964	(555)	-	-	6,131
0		TOTAL PROGRAMME COSTS	129	1,299	6,664	6,296	7,474	5,543	4,299	4,515	6,322	-	-	38,025
0		ALLOCATION OF CENTRAL OVERHEADS		275	640	604	714	526	405	425	596	-	-	3,761
		GRAND TOTAL	129	1,574	7,303	6,900	8,188	6,069	4,704	4,940	6,917	-	-	41,786

In order to best facilitate comparison with the 2012/13 results, a “base year” of 2012 was used for discounting purposes. That is, the CBA costs and benefits are presented in “real” terms, in values of 2012 USD.

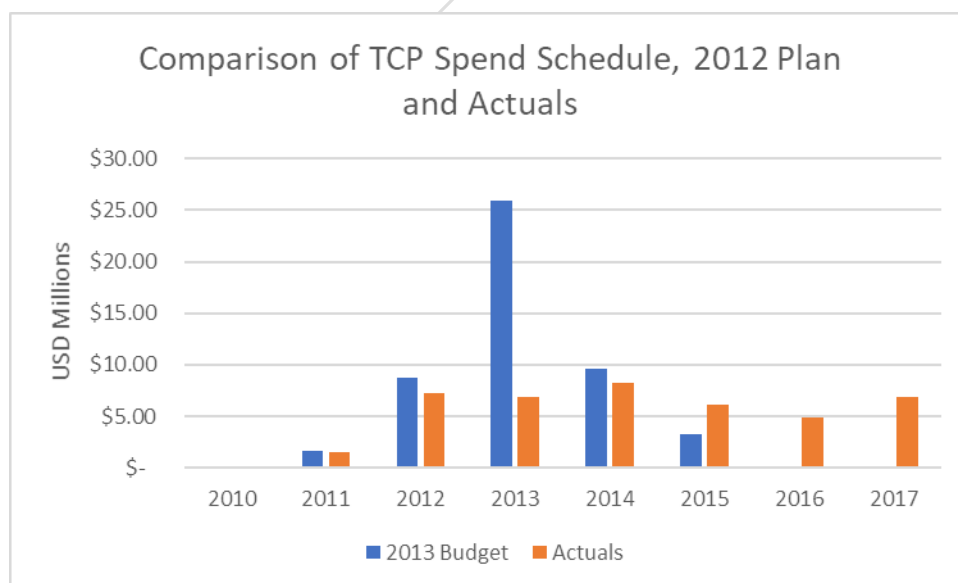
In addition to investment costs, in keeping with the TRADE methodology, a 5% annual O&M cost is added to the total. This is meant to represent the additional costs over the counterfactual TMEA partners and stakeholders are required to expend to maintain the benefit streams estimated in the CBA. These are summed and then discounted, based on year of expenditure to generate a “lifecycle” cost estimate for CBA purposes. The table below presents the 2013 and current TCP lifecycle cost estimate used in the CBA.

Figure 20: TCP Lifecycle Cost Comparison

CBA Version	Total Discounted Cost including O&M (USD M, 2012)	Total Discounted TMEA Costs (USD M, 2012)
2013	\$54	\$44
Current	\$34	\$30

Readers may note that the decline in total cost estimated between 2013 and current is greater in proportional terms than the decline in capital cost. There are two reasons for this: (1) the total “year of expenditure” (that is, not discounted cost) declined from the original budget of USD 49 M to a current budget of USD 42 M, (2) the schedule of spending relative to the 2012 plan was delayed, which results in greater discounting of capital costs, but also delay of O&M accrual and greater discounting of future O&M costs. In the 2012 budget plan, 93% of funds were to have been spent by the end of 2014/15. Actual expenditures resulted in 57% spending by that time. The figure below presents a comparison of the TCP spend schedule in the 2012 and current CBAs.

Figure 21: TCP Spend Schedule Comparison



PROGRAMME BENEFITS

The current CBA compares these costs to the benefits of projects impacting performance at select nodes (Port of Dar and several border crossings, as discussed above). We identify these as the following budget codes, which, based on our understanding of the programme, the relevant PARs, discussions with stakeholders, and review of external data, have or will impact performance at these nodes:

- | | | |
|--------|--------|--------|
| • 1111 | • 1120 | • 1134 |
| • 1112 | • 1122 | • 1136 |
| • 1113 | • 1124 | • 1137 |
| • 1114 | • 1125 | • 1138 |
| • 1115 | • 1126 | • 1141 |
| • 1119 | • 1127 | |

These projects, plus allocated central overheads represent a cumulative budget of about USD 35 million, or over 82% of the total programme spend.⁴⁰

As with the programme costs, the estimated programme benefits have also declined between the 2013 and current CBAs. However, with benefits, the decline has been greater than the decline in costs. This is largely due to the reduction of the Dar port investment, the reallocation of much of that programme to Strategy 2, and the overall delay in implementation relative to the 2012 plan. The table below compares the total discounted benefits of the TCP in the 2013 and current CBAs

Figure 22: TCP Total Discounted Benefits Comparison

CBA Version	Total Discounted Benefits (USD millions)
2013	\$943
Current	\$156

These benefit totals are the sum of the discounted benefits by node for projects allocated to the TCP (based on budget contribution). The table below compares the undiscounted total benefits by node included in the two CBAs through budget year 2025/26.

Figure 23: TCP Undiscounted Project Benefits Comparison

Node	2012 CBA (USD Millions, not discounted) through 2025	Current CBA (USD Millions, not discounted) through 2025
Port of Dar	\$1,384	\$146
Tunduma Border Crossing	\$595	\$253
Kobero/Kabanga Border Crossing	\$31	\$7
ASSET	\$20	N/A
Taveta/Holili Border Crossing	N/A	\$2
Mutukula Border Crossing	N/A	\$5

As discussed above, the cause for the decline in benefits estimated is, in part, due to the delay in implementation, and, largely, from the delay of most of the Port of Dar improvements to Strategy 2. Also, there has been a shift between the two CBA's in the allocation of benefits to the TCP, based on the TCP share of expenditures, relative to the Regional Programmes, at the nodes of interest. However, it should also be noted that all the nodes assessed demonstrate positive net benefits – that is they all have returns that exceed costs.

CBA RESULTS

⁴⁰ We are unable to provide a similar statistic for the 2012/13 CBA. While the cost data used in the CBA has been archived in the TRADE model, this data does not include the annualized budget data for all project. However, the 2012/13 CBA report noted that the “direct” project budget, that is only those projects with a direct “line-of-sight” in the results framework to the metrics of interest, but not the support projects, represented 66.5% of the TCP budget.

To estimate benefit streams for the current CBA, we estimate the value of performance improvements over the same counterfactual utilized in the 2012/13 CBAs. This approach ensures comparability of the analyses. Performance estimates for the current CBA, are, to the extent possible, based on observed, measured results. For locations where a border audit had been conducted, this data is considered and generally applied. Where the relevant port authority or customs agency had performed a time release study in the recent past, this data is included. For port and border post improvement projects a baseline traffic level is first defined, inclusive of expected diverted traffic, where relevant. A baseline dwell or processing time, depending on the investment type, is also defined. Both of these baseline conditions are then forecasted over the analysis period based on an assumed rate of average annual traffic growth regionally and a direct relationship between traffic growth and wait time growth.⁴¹ These baseline (which differ from counterfactuals) may have, in some cases changed from the 2012/13 estimates, where improved data was collected and made available.

The intervention cases are generally based on the TMEA programme indicators as specified in the TMEA programme Results Framework and project-specific studies. They are specific to the interventions included in the analysis. In most cases these are specified as improvement factors or percentages relative to the baseline condition. For certain projects, as identified by TMEA, incremental O&M costs are also estimated based on an assumed factor of 5% of total investment costs required for operations and maintenance annually which is based on straight line funded depreciation over a 20-year useful asset life, with no variable costs -- typical of a road. The true incremental O&M cost will, of course, vary greatly with the type of asset. These are specified in the economic model as costs, not disbenefits, and are therefore added to the denominator in the benefit/cost ratio.

Each intervention has a specified lifecycle and start date. The TRADE model calculates benefits over this lifecycle by project. However, the CBA metrics are based on the portion of each project's costs and benefits that fall between 2010, the first year of TMEA expenditure, and 2025, the same time frame used for the 2012/13 CBAs.

Costs and benefits are discounted based on a base year of 2012 and a discount rate of 10%.⁴² DfID's Guide to Investment Appraisal recommends using the Treasury Green Book rate when the country of expenditure does not have a domestically estimated discount rate. While EAC as a whole does not have a recommended rate, it was generally agreed that 3.5% would be too low and that a rate between 8 and 12% would be more reasonable, given the costs of capital in the region.⁴³ NPV and B/C ratio metrics are

⁴¹ The assumed relationship between traffic growth and queue time growth is based on accepted forecasting models for traffic delay in conditions where facilities grow from at capacity to 10% over capacity. (See Singh, R. Beyond the BPR Curve: Updating Speed-Flow and Speed-Capacity Relationships in Traffic Assignment.) It is not clear that delay at border posts necessarily result from capacity limitations, and this assumption therefore represents a limit to the analysis. However, testing of the effect of the forecasted delay time growth indicates that it drives less than 1% of the total benefits and therefore this assumption does not represent a significant limit to the robustness of the model.

⁴² As the analysis relies on a base year of 2012, TMEA expenditures in 2010 and 2011 are subjected to an inverse discounting to generate a present value for costs in those years.

⁴³ It should be noted that the prior analysis of the Uganda programme, the most recently completed CBA that this project is intended to update, utilized a discount rate of 12%.

computed based on these discounted values. The IRR metric, often described as the rate of return, calculates the discount rate necessary to bring the flow of costs and benefits back to a present value of zero. Estimated IRR should therefore be compared to a “hurdle rate,” a rate that indicates the minimum necessary return to make a project worthwhile. Given the high discount rate applied in this analysis, a hurdle rate of 10% is recommended, however the reader may assess the reported IRRs based on their own criteria.

The table below presents a comparison of the key CBA metrics for the 2013 and current CBAs

Figure 24: CBA Metrics Comparison

CBA Version	NPV (USD, in millions)	IRR	B/C Ratio	Payback Year	# Nodes Estimated
2012 ⁴⁴	\$673	126%	13.5	2015	4
2013	\$889	127%	17.5	2015	4
Current	\$118	35%	4.1	2019	5

While it may be tempting for some readers to look at the comparison of the results as indication of some sort of programme failure, we do not see it that way. The current CBA suggests that the TCP is highly successful. A more likely correct assessment is that the 2012/13 CBAs were too highly optimistic about the potential of the programme. The current results indicate a highly beneficial programme with superb value for money at \$4.10 returned for every \$1 invested. The 35% rate of return indicated is well in excess of the 10% discount rate. By 2025/26, the programme will have returned \$118 million beyond the cost of investment and added O&M and will have broken even by 2019 in terms of the benefits returned relative to expenditures made.

SENSITIVITY TESTS

The 2013 CBA included a variety of sensitivity tests to help assess the robustness of the results given the variety of uncertainties about the forecast. These covered delays in implementation, effectiveness shortfall, traffic volume shortfalls, and lack of transmission of trade cost reductions to trade growth. Not all of these tests are appropriate for the current CBA as many of the unknowns have become known through the course of the implementation and current results reflect those facts. However, some tests are still relevant and have been included. These are: limiting future traffic growth to 1%, reducing future traffic at Taveta-Holili by 25%, given the uncertainty of the effect of the recently completed access road on the Kenya side, and excluding induced trade generation. That is, the added trade encouraged through the lowering of trade costs. The current CBA indicates the TCP results are robust to all of these tests, even when all three tests are applied simultaneously. The key indicator of “passing” a sensitivity test is that the IRR exceeds the discount rate of 10%. The table below presents a comparison of the sensitivity tests produced for the 2012, 2013 and current CBAs

⁴⁴ Note that the 2012 CBA was conducted using an alternative methodology to the 2013 and current CBA and therefore comparison of results must consider that some differences are driven by methodology and analysis and not performance differences.

Figure 25: Comparison of Sensitivity Tests

CBA Version	50% Benefits	2 Year Delay	Traffic Growth 1%	25% Diversion Loss	No Induced Trade	Delay + No Induced Trade	Reduced Traffic Overall + Reduced Taveta Traffic + No Induced Trade
2012 ⁴⁵	96.3%	63.6%	120.8%	126.4%	72.7%	41.7%	n/a
2013	50.1%	67.1%	120.9%	127.3%	111.6%	60.9%	n/a
current	n/a	n/a	35%	34%	33%	n/a	30%

⁴⁵ Note that the 2012 CBA was conducted using an alternative methodology to the 2013 and current CBA and therefore comparison of results must consider that some differences are driven by methodology and analysis and not performance differences.