



UNITED NATIONS DEVELOPMENT PROGRAMME TERMS OF REFERENCE

1. Consultancy Information

Consultancy: Consortium/Firm/Company to conduct a consultancy on the “Identification of institutional, legal and budgetary bottlenecks on implementation of P-E objectives: The Implementation challenge in linking national and sector policies at local levels in Tanzania”

Supervisor: Amon Manyama

Duration: Within 45 days

Starting Date: July 28, 2014

Duty Station: Dar es Salaam, Tanzania

2. Background and organizational context

In 2012, the Tanzanian population was about 44.9 million. This number is steadily growing with an annual population growth rate of 2.9 percent, which is amongst the highest in the world. The majority of the population lives in rural areas and depends on agriculture as source of income and livelihood. Thus, about 75 percent of the labor force is employed in agriculture, hunting and forestry. At the same time the average income of households engaged in agriculture is lower than in most other sectors.

Tanzania is endowed with a significant variety of natural resources including land, rivers, lakes, ocean, forests, woodlands, wild animals, and wetlands. Apart from these regenerative natural resources, Tanzania is rich in a variety of non-regenerative natural resources including such minerals as gold, diamond, iron, coal, nickel, Tanzanite, uranium and the recently discovered offshore and on-shore deposits of natural gas. The 2012 national account shows that Tanzania’s mining have contributed 3.2 to 3.5 percent to the country’s GDP since 2006. However, this contribution is expected to increase: according to the Development Vision 2025, the sector is expected to provide 10 percent of the GDP in the near future. The mineral exports constitute over 52 percent of Tanzania’s total exports.

Thus, Tanzania’s rich natural resources constitute a major asset and opportunity, which is fundamental for growth and economic development, including poverty reduction. The failure to realize the full potential value of natural resources and environment to the economy of the country and the livelihoods of population contributes to Tanzania standing as one of the world’s poorest countries. It currently ranks 151 of 185 countries in terms of human development.

The performance of the Tanzanian economy has remained strong, recording a growth of 7 percent a year since 2000. However, this growth is not sufficiently broad based, and poverty levels still remain high. At the same time environmental degradation has not been reversed and abated. According to the 2007 Household Budget Survey (HBS), the incidence of poverty has declined only marginally from 35.7 percent in 2001 to 33.6 percent in 2007. Likewise, the Multi-dimensional Poverty Index (MPI) calculated from the Demographic and Health Study (DHS) 2010 shows that the percent of poor people (as per Head Count Ratio) was 65.6, while the percentage of people living in severe poverty was 33.4 percent. The percentage of the population vulnerable to poverty was 21 percent. Among the regions with the highest levels of poverty are: Dodoma, Lindi, Tabora, Shinyanga, Kigoma, Mara, Rukwa, Mwanza, Kagera, Singida, Manyara and Mtwara.

The new official poverty figures announced by Government on 14 November 2013 indicated a rate of poverty incidence of 28.2 percent in 2011/2012 using a basic poverty measure line of Tshs. 36,482 which translates roughly to \$1.36 per adult per day at 2005 purchasing power parity (PPP). Although this figure indicates a decline in poverty incidence from 33.6 percent in 2007, changes to the survey instruments and poverty estimation methodologies mean that caution should be applied when comparing the two sets of figures.

The Government of Tanzania has taken a number of policy and programme initiatives to spur economic growth, respond to the poverty situation and ensure the country's improved management of the environment and natural resources (ENR) sector. Since 2010, the government under the leadership of Ministry of Finance (MoF) and President's Office Planning Commission (POPC) has been implementing MKUKUTA II and FYDP. The MKUKUTA I and II entail goals and objectives that focus on pro-poor growth, poverty reduction and environmental sustainability and gender. In Tanzania the five year plan and long term development plan have been given additional attention and further focus on economic growth and to realize the targets set in TDV 2025. MKUKUTA II remains the main framework for poverty eradication while FYDP focuses on strategic growth aspects. Hence the sector/districts strategies, plans and Medium Term Expenditure Frameworks including budget guidelines are guided by MKUKUTA II and FYDP and they incorporate cross cutting concerns such as environment and gender issues.

The MKUKUTA II and Five-Year Development Plan are coming to an end next year (2014/15) and a year after (2015/16) respectively. The government has already produced the first document for the post 2015 development agenda and will be preparing new national development frameworks in the context of Post 2015 that will guide the country's development initiatives for the coming years. Obviously, there are challenges in translating development plans into effective programmes as well as ensuring coherence and co-ordination between different implementation levels such as Central Ministries – POPC, MoF, VPO and PMO, Line Ministries, Departments, Agencies and Local Authorities. These challenges include ensuring sufficient budget and other investment allocations consistent with the national development plans and increasing and effectively using revenues from natural resources.

The 2012 policy dialogue on inclusion of environmental sustainability into budget guidelines and environmental fiscal reform revisited the budget guideline from financial years 2006/2007 to 2011/2012 with regard to, how environmental issues have been featured in the budgeting system in Tanzania and to suggest, how this could be improved. It was identified that the challenges of establishing a multi-sector approach makes it difficult to navigate from the budget guidelines to the budget speeches and implementation. Also, it was noted that the budget guidelines and budget speeches, are not well aligned. Therefore, environmental fiscal reforms need to be undertaken to generate incentives for increased revenue mobilization towards sustainable resource use.

Pro-Poor Growth and Poverty-Environment Initiative in Tanzania

Among the programmes that have been established to support national efforts to mainstream poverty and environment in national development frameworks is the UNDP/UNEP supported Pro-Poor Growth and Environment Sustainability Project. The project aims to increase the contribution of environment and natural resources to national development goals, including poverty reduction, sustainable economic growth and the broader achievement of MDGs, in particular MDG 1 on hunger and food security.

The Poverty Environment Initiative (PEI) is contributing to that project through country led supports to mainstream poverty-environment objectives into national development policy, planning and budgeting processes.

Key objectives of PEI Africa country programmes include: 1) Integration of poverty-environment (p-e) objectives in national development plans and sector strategies, and 2) capacity building programmes to enable national governments to better integrate p-e objectives in national, sector and district plans. It is a catalytic programme that advocates for increased resource mobilization and investments in sustainable pro-poor ENR use.

As part of the Pro-poor Economic Growth and Environmentally Sustainable Development programme, the Poverty and Environment Initiative, the (PEI) 2014-2017 component will be focusing on enhancing national and district (Local Government Authorities) capabilities to mainstream and implement environmental sustainability, poverty reduction, gender and climate change issues into development plans and develop better architecture for ERN financing mechanisms in Tanzania.

Tanzania has implemented the UNDP-UNEP supported Poverty-Environment Initiative programme (PEI), since it was launched in 2003/4. Since then substantial progress has been made to mainstream poverty-environment in national development frameworks, in budgeting processes and in monitoring and evaluation. See <http://www.unpei.org/what-we-do/pei-countries/tanzania>.

Despite these efforts the implementation of the interventions remains a major challenge, mainly because the budget resources and re-investment in relevant sectors have continued to be inadequate. Therefore, the Districts focus as a pilot part of this initiative is important to demonstrate concrete development results that can be scaled up in line with national and sectors policies.

Main issue

National level P-E related objectives are not being adequately implemented through sector and district level plans and budgets.

Guide to the study:

- Institutional mechanisms and processes to ensure that national level development objectives are translated into sector and district plans and budgets are inadequate. Institutional mechanisms and processes include co-ordination mechanisms, budget development, disbursement and utilization processes, legal requirements and their associated capacity requirements etc.;
- These inadequacies may be with respect to both their design and application;
- Capacity constraints at different levels inhibit the implementation of national development objectives;
- There are inadequacies that apply *in general* to the implementation of national development planning objectives at national, sector and district levels;
- There are also inadequacies that apply *in particular* to the implementation of P-E related objectives;
- There are challenges in establishing a multi sector approach and consequently no alignment between the budget guidelines and budget speeches.

Objectives of the study

The main objectives of this consultancy are:

1. To identify strengths and weaknesses in translating national development policies (MKUKUTA &

<p>FYDP) and plans into sector policies and districts/local plans and budgets in general;</p> <ol style="list-style-type: none"> 2. To identify the main institutional, legal and budgetary process bottlenecks and challenges that hinder translation of P-E related objectives in a coherent manner from national to sector and District Development Plans and budgets; 3. To recommend actions (institutional, legal and budgetary) to (1) remove those bottlenecks and challenges; and (2) improve central government, sectors and local authorities capacities to implement coherent plans that have mainstreamed P-E related objectives.
<p>3. Key tasks to be undertaken</p>
<p>3.1 Provide an overview of development planning institutions and processes at national, sector and district level</p> <ul style="list-style-type: none"> • Review institutional processes and mechanisms to co-ordinate development planning and implementation at different levels; • Review budgeting process – both annual and medium terms; • Review budgetary processes and mechanisms to align development planning and budgets; • Outline recent and ongoing programmes relevant to the above – e.g. public finance reform, capacity building, co-ordination mechanisms etc.; • Identify key actors, institutions and key entry points relevant to the implementation of P-E related objectives in Tanzania; • Identify data availability and data quality to evaluate the coherence between national strategies, sectors and local strategies and how P-E objectives are mainstreamed. <p>3.2 Review the coherence of sector policies plus a sample of District Development Plans with National Policies and Strategies (FYDP, MKUKUTA II, other strategies)</p> <ul style="list-style-type: none"> • Review coherence in general; • Carry out a more targeted review focusing on P-E relevant objectives (e.g. in relation to poverty reduction, agriculture, water, forestry, fisheries, broader rural development, environment and natural resources); <p>3.3 Review the coherence of sector annual and medium term budgets, plus a sample of District Development budgets, with National Policies and Strategies (FYDP, MKUKUTA II, other strategies);</p> <ul style="list-style-type: none"> • Review coherence in general • Carry out a target review focusing on P-E relevant objectives (e.g. in relation to poverty reduction, agriculture, water, forestry, fisheries, broader rural development, environment and natural resources) • Align the budget guideline and budget speech with regard to environmental sustainability. <p>3.4 Identify institutional, legal and budgetary bottlenecks and challenges to the implementation of national development policies in sector and district level plans, focusing on the implementation of P-E related issues and objectives;</p> <ul style="list-style-type: none"> • Identify institutional bottlenecks and challenges. <p>This includes reviewing development planning and implementation institutional structures, design, mandates and processes. For example, what are the mechanisms designed to ensure that sector plans reflect national plans? What are the mechanisms for cross-Ministry and cross-sector co-ordination? Are there capacity constraints that create bottlenecks? Are there bureaucratic</p>

competitions or silo issues that inhibit effective implementation of national plans?

- Identify legal bottlenecks and challenges

For example, do laws governing the forestry or agriculture sector inhibit the implementation of national plans? Do the laws applicable to local government adequately support district level planning? Are there capacity constraints? Are there inconsistencies between sector and district planning laws?

- Identify budget bottlenecks and challenges

Include both annual and medium terms budget processes. Include a focus on how budget processes work in terms of cross-government co-ordination and co-ordination between national, sector and districts levels, multi-sector approach challenges, alignment between the budget guideline and the budget speech, use of PEER carried out so far. Identify bottlenecks and challenges relating to budget allocations, flows (i.e. actual disbursements) and utilization. Include analysis with respect to Gender Responsive Budgeting. Identify capacity issues.

3.5 Propose an enhanced M&E framework including a set of M&E tools to track the utilization of budgets allocated for the achievement of P-E related objectives at national, sector and district levels (e.g. budget coding).

3.6 Develop options and provide recommendations to address the bottlenecks and challenges (institutional, legal and budgetary) at central, sector and local level.

- Provide an analysis of options and a rationale for the recommendations made
- Prioritize recommendations
- Identify the government agency(ies) who would need to implement the recommendations
- Include recommendations for UN System and development partner support
- Provide a strategy to maximize the likelihood of the implementation of the recommendations.

4. Key results expected

4.1 Institutional, legal and budgetary bottlenecks and challenges to the implementation of p-e related objectives identified.

4.2 Enhanced M&E framework with tools to track the utilization of budgets allocated for p-e objective developed.

4.3 Recommendations on how to address the bottlenecks and challenges at central, sector and local level provided.

5. Deliverables

The consultants will provide the following key deliverables, to be produced in English, as set out below. Deliverables should be succinct, of high quality, and in the case of the final report, of a standard suitable for publication.

- **An inception report** that sets out the work plan with timelines, detailed activities, methodology for data collection and analysis and deliverables including details on how to complete the tasks mentioned above. Note that the consultant's application should set out the methodology of the

study, which should be expanded in the inception report.

- **A draft report** of about 30 pages (excluding annexes), which includes the above mentioned key results.
- **A final report**
- **Policy briefs** A Policy brief of no more than 4 pages each targeting key decision-makers delivered when the main report is delivered. The policy briefs should summarize the key findings and recommendations. Prepare one overall policy brief and a policy brief for each of the focal areas – Institutional, Legal and Budgetary.

6. Timing and Management Arrangements

The assignment will be undertaken within a period of 45 days i.e. beginning on 28 July to 10 September 2014. Within this period the consultants will be contracted as follows: International consultant 22 w/days – excluding travel, and national consultants each 18 w/days. The submission of the deliverables is as follows:

- 6.1 Inception report and first draft to be submitted within 2 weeks after commencement of the assignment. The technical UNDP/UNEP PEI team shall review the first draft and provide comments;
- 6.2 Second draft to be submitted within 2 weeks after submission of the first draft taking into account the comments made by the technical PEI team;
- 6.3 Present the draft report including recommendations for action at a workshop to POPC, MoF, other Ministries, UN and other partners/stakeholders within 1 week after submission of the second draft;
- 6.4 Final draft to be submitted within 1 week after the stakeholders workshop;
- 6.5 Policy briefs to be prepared summarizing the key findings and recommendations.

The principal responsibility for managing the study resides with the UNDP CO in Dar es Salaam, Tanzania. The UNDP CO will contract the consultants and ensure that the logistical arrangements are in place.

President's Office Planning Commission will provide the following inputs to enable the consultants perform the assignment:

- Access to all required data and information related to the assignment
- Facilitate meetings with relevant contacts to obtain data and information required

7. Impact of Results

The overall impact of the study will be:

- 7.1 Better knowledge of how to translate national development policies and plans into sector and district level plans and budgets;
- 7.2 Better knowledge of how to address institutional and budgetary bottlenecks to the implementation of P-E related objectives in sector and district plans and budgets;
- 7.3 Enhanced capacity of central government, sectors and local authorities to implement coherent plans that have mainstreamed P-E related objectives.

8. Competencies

8.1 A team of three consultants will conduct the study – one an international expert and the other two, nationals.

8.2 The international consultant will serve as overall team leader and be responsible for the final quality of the report submitted to UNDP/UNEP. All three consultants should possess the following competencies:

Corporate competencies:

- Demonstrates integrity by modeling the UN's values and ethical standards;
- Promotes the vision, mission, and strategic goals of the UNDP;
- Displays cultural, gender, religion, race, nationality neutrality and age sensitivity and adaptability;
- Treats all people fairly without favoritism.

Functional competencies:

- Excellent written and oral communication skills;
- In-depth knowledge on governance and development issues;
- Ability to advocate and provide policy advice;
- Ability to undertake strategic planning, results-based management and reporting;
- Ability to analyze development, institutional and governance issues and formulate effective recommendations;
- Focus on impact and results for the client and responds positively to feedback;
- Understands and applies appropriate team roles effectively and shows conflict resolution skills;
- Consistently approaches work with energy and a positive and constructive attitude;
- Demonstrates strong oral and written communication skills, communicating technical and legally complex messages easily even in stressful situations;
- Builds strong relationships with the client and other stakeholders;

International consultant:

In addition to the key tasks described in section 3, the international consultant will have the following specific duties and responsibilities:

- Lead the team of consultants and coordinate the work
- Overall responsibility for the quality of the report submitted to UNDP/UNEP
- Ensure that deadlines are met
- Presentation of the draft report to relevant partners and stakeholders

Education:

- Minimum Master Degree either in Environmental Economics, International Development Studies, and Public Finance and Planning.

Experience and qualifications:

- At least 7 years' of practical experience in reviewing/undertaking national and local policy development, planning and budgeting;
- Demonstrate solid consultancy experience in developing countries working successfully on national budget issues, with a particular emphasis on Planning, Budget guidelines, MTEFs and Public Expenditure Reviews;

- Experience in leading multi stakeholders consultative workshops;
- Ability to relate to, work with, and address, varied groups of people;
- Ability to coach, mentor and motivate an understudy in undertaking stipulated activities and tasks;
- Familiarity with the development process in Tanzania;

National consultant 1:

Education:

- Minimum Master Degree in public finance, development planning, environmental economics and natural resource management.

Experience:

- At least 5 years' experience in reviewing and undertaking public finance management, budget planning, economic development, programmes and project development;
- Practical experience in national and local level planning, budgeting and Public Expenditure Review;
- Experience in engaging in consultative workshops with various stakeholders;
- Ability to relate to, work with, and address, varied groups of people;
- Ability to distill and translate useful information from discussions and interviews into documentation.

National consultant 2:

Education:

- Minimum Master Degree in development.

Experience:

- At least 5 years' experience in institutional and legal assessment, institutional and cross sector coordination's mechanisms;
- At least 5 years' experience in working with public institutions;
- Experience in leading consultative workshops with various stakeholders;
- Ability to relate to, work with, and address, varied groups of people;
- Ability to distill and translate useful information from discussions and interviews into documentation.

Language requirements:

- Fluency in English;
- Fluency in Kiswahili will be added advantage.