



Capable Partners Program Learning Agenda on Local Organization Capacity Development

Country Report Series

#7: Tanzania

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INTRODUCTION

Our work in Tanzania was a bit different than in the first six countries studied. We tried to focus more on successful cases of local entities moving towards self-sustainability; of entities becoming learning organizations, and especially on models of local organizations spun-off or created as affiliates or local partners of INGOs. Also, because HIV/AIDS is viewed by many donors as a major threat to Tanzania, health expenditure is high, especially on the part of USAID (85.7% of USG foreign assistance in FY 2011). Thus 27% of our interviews were of organizations engaged in health and HIV/AIDs. In total we interviewed 26 organizations and 41 individuals.

COUNTRY POLITICAL AND ECONOMIC CONTEXT

Tanzania ranks among the poorest nations. Its HDI ranking in 2011 was 152 out of 187 nations according to the UNDP and the World Bank. And while it has been politically stable, with a history of peaceful transition of leadership since its independence and the subsequent unification of Tanganyika and Zanzibar in 1964, and while good GDP growth is predicted in 2013, unemployment is a rising concern, particularly among Tanzania's youth. At least 2.4 million people, or 10.7 percent of the population, are unemployed (African Development Bank, 2012), and probably the actual figure is considerably higher. Moreover, recent discoveries of oil and gas off shore are engendering rumblings of a new movement for Zanzibar's independence along with fears of "Dutch disease." In short Tanzania's half century of post-independence stability is no guarantee of future stability.

UNDP Tanzania reports that although progress has been made in reaching the Millennium Development Goals, "the spread of HIV/AIDS is the single most impoverishing force facing people and households in Tanzania today." (2010) And Tanzania's economic growth has been neither broad-based nor robust enough to lead to a significant reduction in poverty, resulting in only slight increases in HDI scores since 1990 (UNDP Tanzania, 2010).

In fiscal year 2010-2011, approximately one-third of the Tanzanian government's spending was financed by foreign aid. Though general budget support is the Government of Tanzania's preferred aid modality, a large share of foreign assistance is delivered through direct project funding. The largest contributors of foreign assistance to Tanzania are The World Bank, U.S., Japan, UK and EU (Development Partners Group, 2012, aidflows.org, 2012). Table 1 presents the average amount of official development assistance (ODA) disbursed annually to Tanzania from top donors over the five-year period from 2006-2010. Almost all major bilateral and multilateral donors work in Tanzania (the Dutch have changed their country priorities and will no longer operate in Tanzania) and the number of INGOs and contractors is high. Almost every familiar international development organization (and many that are not) is working in the country.

Table 1: Top Donors of ODA to Tanzania 2006-2010

Donor	Average Annual ODA Disbursements in US\$M (2006-2010)
The World Bank	546.22
United States	260.37
Japan	259.14
United Kingdom	216.49
EU Institutions	179.19
AfDF	158.91

Source: <http://www.aidflows.org/>

USG foreign assistance in FY 2011 was \$501,574,000, of which 85.7% was focused on the health sector.

BROAD TRENDS

In Tanzania today there is more awareness and knowledge of the basics of democracy: people understand they have rights, expectations of government are higher, there is less of a passive tendency to shrug and accept things as they are. The “culture of silence,” a legacy of the past in rural areas is slowly changing.¹ It is hard to attribute this subtle but important change to any one set of actors, but clearly civil society has played a role, the media has played a role, as have foreign assistance donors and international implementers. This nascent citizen awareness has its weak spots of course – some say while people have learned they have rights, they have yet to learn they also have duties and responsibilities – but the change is meaningful. There is the beginning of a new kind of social capital upon which much can be built.

On the aid front, there are reports that some donors are listening more, partnering more, and imposing outsiders’ ideas less. At the same time there is clear evidence that many project designs and implementation methods continue to be imposed in top-down fashion, driven as elsewhere by the need to achieve short-term results, measurable in numbers.

Our interviews suggest that the most important barriers to long term positive change are ones that have to do with attitudes, values, and culture, including the residues of older attitudes stemming from the colonial time, the socialist period, and perhaps also westerners’ view of Africa and Africans. There are stereotypes on the part of both the Tanzanians and the expatriates – the former feeling imposed upon and even sometimes ‘ruled,’ and the latter feeling that Tanzanians are unwilling, if not unable, to take the reins themselves. Some Tanzanians in leadership positions themselves said that the country suffers still from a “culture of complacency,” albeit changing for the better.

Aid industry trends observed elsewhere are also present in Tanzania: donor concentration on relatively short-term projects instead of the health and growth of the organizations involved in

¹ See Siri Lange, Hege Wallevik, Andrew Kiondo, “Civil Society in Tanzania,” Chr. Michelsen Institute, Bergen, Norway, 2000.

executing the projects; the overarching concern for quick measurable results; little in-depth understanding of capacity issues; a preference for multi-partner and multi-layered approaches with many sub-contractors and partners resulting in unnecessary operational complications, cost inefficiencies, some make-work driven by the need to justify the contract, and a general dissipation of the quality of the work done; the lack of solid research on what is really driving and motivating civil society; the weakness of networks (in Tanzania an experienced development leader described these as “**notworks**”); the tensions between the state and civil society; and only a nascent involvement of the corporate private sector in development work, though firms like Deloitte, KPMG and others, take on donor contracts as elsewhere. As for CSR in Tanzania, it is in its infancy (one interlocutor described the CSR contribution in Tanzania as “peanuts.”)

CIVIL SOCIETY EVOLUTION AND ITS CURRENT STATE

As elsewhere solid numbers on CSOs are hard to find. We heard figures in the range of 5,000 to 9,000. Little data collection, much less analysis, has been done on civil society organizations. A recent exception is The Foundation for Civil Society’s “State of CSOs in Tanzania 2011” report, which surveyed 4120 organizations.² The responses reveal a still nascent civil society in Tanzania; in general a cohort of relatively small, underfunded organizations weak in terms of human resources, weak in terms of physical assets needed to function, dependent on volunteers and members, and lacking in strategic leadership. There is uneven distribution between urban and rural areas, with informal CSOs dominant in rural areas and formally registered CSOs in urban areas. Registration and legal structure, as in quite a few other developing countries, takes place under a fragmented, sometimes anachronistic set of laws and government entities, for the most part un-coordinated, (there are at least nine different laws under which various types of CSOs can be regulated and structured) and issues such as taxation exemptions for non profits – critical for CSO evolution – appear to be not yet tackled in a robust way.

Historically, as in other nations. there have long been traditional associations based on lineage, clan, age-sets, or on sports or religion, and some, such as informal savings and credit groups, played a safety net function in the past similar to the modern development of savings and microfinance groups. But Tanzanian civil society evolution was interrupted within a few years of independence. After the Arusha Declaration of 1967, Tanzania entered a long period of self-reliance and experiments with state controlled socialism. This *ujamaa* period lasted well into the 1980s and during that time civil society as we know it today did not really exist. Indeed, government, seeing the predilection among donors to work through NGOs, created semi-autonomous organizations (“GONGOs” or government owned NGOs) in order to receive their funds. It is only after 1992 with the end of single party rule and political liberalization that space for civil society again opened up. And here is where, as elsewhere, the international donor community stepped in, with its view that welfare and development delivery services can best be provided through CSOs. These factors, along perhaps with rising unemployment (several of our respondents said that the creation of an NGO is a “last resort” for people who have had no luck finding a job), resulted in the “explosive growth” of CSOs, as the Foundation report puts it. In 1993, for example according to a study done by the Friedrich Ebert Foundation, there were 224

² “Annual Report on the State of CSO in Tanzania 2011,” The Foundation for Civil Society, Dar es Salaam, Tanzania, 2011.

registered NGOs in Tanzania and 8,499 in 2000.³ And again as elsewhere, the late 1990s and the early 2000s saw the first laws on NGOs – in particular the NGO Act of 2002.

Given this history, the data from the survey are therefore not surprising. Most organizations are small. Of 3,506 organizations reporting memberships, 87% have fewer than 100 members; 60% have fewer than 25 members. Only 21% of organizations surveyed have full-time paid staff. 49% of staff of all organizations surveyed have only a primary education. A full half of CSOs reporting their annual budgets have annual budgets of less than 10 million TZS (\$6,660 at an exchange rate of 1500). 82% have annual budgets under \$33,300. Only 14% report grants from external sources. Most organizations provide (or try to) provide services to targeted disadvantaged or marginalized groups – people with disabilities, the elderly, youth, women and widows, children, orphans, and people with HIV/AIDs. Virtually half of the surveyed CSOs report a focus on only the last three categories.

The minimum basics of an operational organization are absent: 17% of surveyed CSOs have no physical space in which to operate; 18% own a space; 67% have no computers; 61% have no access to the internet. 43% report no board of directors or governing body.

In short, one sees a sector with human resource challenges, physical infrastructure challenges, governance and other standard “OD 101” challenges.

Interestingly there are also scores of networks. About 15% of the FCS grants in 2011 went to networks.

While there has been an explosion of CSOs and many no doubt came into existence because of the prospect of donor money, the impression we got was that a great many are motivated by a genuine sense that they can do something to serve the interests of communities, particular groups and particular sectors. The question of who is sincere, who is a charlatan, which are “BRINGOS” (Briefcase NGOs), which are “MONGOS” (My Own NGO) needs of course to be sorted out. But something is happening. And the question for donors who wish to strengthen civil society is really a strategic one. Is it best in a relatively fresh and new context to work only with a small number of partners directly, and simply improve the space for the others; to allow ‘a hundred flowers to bloom’ and in a sense let time and natural selection sort out the sector into the more or less effective ones? Or does it make sense to try to raise everyone up to the same level of basic competency (again “OD 101”)? These questions require a deeper understanding of the sector and that has only now begun. Much needs to be done to understand it in detail and in substance.

But not only is there much inherent organizational and human capacity in the country, there is surely capacity in the country for such analytics. In the case of only the few research or think-tank types of organizations we encountered (REPOA, Policy Forum, The Foundation for Civil Society, Twaweza), studies, surveys, and targeted research are ongoing, and the production of policy briefs and research reports that are asking tough questions and raising important issues continues to grow. Here is a small sample: “Growth in Tanzania: Is it Reducing Poverty?” (Policy Forum), “Reforming Allowances: A Win-Win Approach to Improved Service Delivery,

³ Cited in Op.Cit., Lange, Wallevik, and Kiondo, 2000.

Higher Salaries for Civil Servants and Saving Money,” (Policy Forum), “Achieving Results? Four Challenges to Government, MPs and Donors.” (Twaweza - Uwazi), or “The Effect of Boards on the Performance of Microfinance Institutions: Evidence from Tanzania and Kenya,” (REPOA).

Most encouraging were the three local NGOs we met who present to donors a fundamentally new and different face – they embrace the idea of saying “no” to donors; of saying “this is what we do and who we are, take it or leave it.” All three of these have in common a “basket fund” agreement with multiple donors (not, significantly, including USAID).⁴ We were also encouraged by the stories of three organizations that were born out of a parent INGO, either as a newly created spin-off (T-MARC), an asset transfer model (CSSC) or an affiliate (AGPAHI). In all we interviewed 14 local organizations of several types. Of these we judge close to two-thirds (nine) to be on relatively sound footing and likely to succeed as effective organizations. In all nine of those cases the most obvious common characteristic was strong visionary leadership.

Networks

There are national and regional networks as well as sector specific networks. We had a chance to interact only with one of these, a major and well-known national network. Our impression was of a weak, fading organization. This was corroborated by discussions with a number of CSOs. The older national networks seem also to be viewed quite negatively, as if their day has come and gone. One person with years of CS experience said “*Networks here are in the ICU [Intensive Care Unit]– they are not yet dead, but moving in that direction.*” Generally members see no value in these and comment that the big national networks have made the classic mistake of ending up in competition with their members for donor funding. One of the most useful services the networks could perform is one they do not, and that is to collect and analyze data on their members – there is very little serious study of the nature and challenges of civil society actors and the need for this is great.

Supply and Demand in the Civil Society Eco-System

The “projectization” phenomenon observed elsewhere in our research is equally prevalent in Tanzania. Existing CSOs with access to donors need to keep their operations running and so repeatedly answer calls for proposals for projects, often drifting away from their core competencies or visions. This is implicitly ‘encouraged’ even more so in Tanzania because the aid eco-system, as noted above, is replete with a full range of donors and INGOs and hence many sub-contracting possibilities.

A one year old CSO has already run into the ‘projectization’ phenomenon, and while hardly off the ground, it already has had to downsize. Their somewhat creative adaptation to this common situation is a kind of parking lot approach – seconding a few people to other organizations as part-time consultants, not an ideal solution, but under the circumstances better than simply letting them go.

⁴ The three we met were the Foundation for Civil Society, Twaweza, and Policy Forum. A fourth organization, Haki Elimu, uses the same approach, but we were not able to meet them.

A 20 year old organization that characterizes its funding history as “up and down,” says “*Now we are down.*” And complains that: “*Donors lack an understanding of the realities of local organizations. Are they interested in helping communities or just spending the money?*” At the same time, this organization, perhaps because it has been around for 20 years, has the luck of not only owning its own building and lot, but owns land elsewhere in Dar es Salaam on which it hopes to build a building to use as a rental property for income – a dream voiced by a large number of CSOs we met with.

A relatively new capacity development organization sums up part of the ‘projectization’ issue well:

“Donors don’t want to give the money for overhead – a major issue for so many organizations, and that is because of a lack of trust. If they want to get into relationships with local organizations, first, there needs to be the time taken to build trust; and then they need to change the way they see us - local doesn’t mean low cost and that is an obstacle for them; and just because we are local doesn’t mean we are 2nd class citizens.”

A few of those we met intimate that the playing field for CSOs wanting to capture donor monies is far from level. One older firm says:

“There is corruption at all levels, kickbacks and pay offs, and insider knowledge about tenders. There is no quality control, no standards, no vetting. It’s all about who knows who and the old boys club from govt. The marketplace is not functioning.”

The core funding approach (aka basket funding), as noted above, was cited by three LNGOs as the way of the future for CSOs wishing to work with external donors. The DFID “ACT” program also believes strongly in this approach. One of those three LNGOs says:

“We have a core funding – we say we have one strategic plan and one focus and if you want you can contribute to it. Our threshold is that no more than 30% can come from any one donor. You buy in to what we do and give us the money and all our costs are in there. There is no cherry-picking of targets or subjects or sectors, no ear marking and moreover we don’t write six or 10 different reports – if we did it would take us all year – we write one which everyone gets.”

But the ‘projectization’ phenomenon, as shown by these three LNGOs that have a take-it-or-leave-it approach to donors, is a two-way street. To take this approach a local organization needs considerable self-confidence, self-awareness, and strong leadership, and of course a clear sense of mission. After all, no one is forcing CSOs to conform to donor wishes or whims.

Generally, in Dar es Salaam the eco-system is evolving towards more professionalism, and more localization. This includes the growth of a consultant culture and the founding of numerous consulting firms, in particular those who can deliver capacity development of the “OD 101” kind – financial management, strategic planning, human resource policy, etc. These tend to be founded by individuals who have worked for an INGO or a donor.

We also noted examples of different forms of transition to local ownership from INGOs’ projects. We note two approaches: transitions mandated by the donor community, such as the case of the Centers for Disease Control and Prevention (CDC), and those undertaken freely by

international institutions, often driven by the perception that such moves will confer a competitive advantage when competing for future contracts. The former case consisted of four Track 1.0 PEPFAR implementing partners unilaterally directed by CDC to transfer their existing programs to local management and ownership, while the latter consists of several different efforts by international institutions to re-register or re-brand themselves to appear more “local.”

As the following quote (from an expat country director whose organization was directed by CDC to create a local organization) shows, the process involves some subtle shifts in attitude on both sides, and the role of confidence building, emergent national pride and overcoming the fear of independence are key in the process. The metaphor for the process seems apt: the INGO, and by extension a donor wishing to foster such localization, needs to see itself in the role of a “wise parent.”

“I didn’t expect it would go so well. There is so much positive energy – people are proud of being in a fully Tanzanian organization and many of them have really blossomed. In the beginning no one wanted to leave the safety of our [INGO] – there was a lot of fear. But I didn’t want to enter into a mess and spent lots of time thinking about how I could help this process along without directing it. I decided to form a founding committee within our organization of the most senior people who would then begin to champion the idea and own it. I kept out of it. We did hire a transition person to help the get through the registration and legal hoops. We also said that before we move forward we need a strong Board, which was also put together by the founding committee. Then we said OK who wants to be a candidate for executive director? No one wanted it. So we advertised and found someone we didn’t know, from outside. A strong person with a good CV – but he has a different style and so the affiliate is doing things differently. Now I see my role as “wise parent.” ”⁵

CAPACITY AND CAPACITY DEVELOPMENT

As suggested in the summary of the Foundation for Civil Society survey noted earlier, there are many small CSOs that appear to lack the basic capacities to conform to donor requirements for accountability. It needs to be stated, however, that this does not necessarily mean that they have no capacity to deliver services or act on behalf of their chosen constituencies. At the same time, there is a fair number of larger, better established CSOs (numbering perhaps in the low hundreds) that do have basic OD 101 capacities, and moreover, a growing number of consultants and firms that are capable of delivering these kinds of capacity development services. One training organization has worked with over 650 local organizations over a 20 year period, training on basic “OD 101,” but now, according to them, suffers from a donor-driven shift in emphasis:

“These days everyone wants capacity development in terms of sector specificity – CD for Health, CD for agriculture, but we are just about CD, period, and it’s not ‘in’ anymore.”

If we expand our sense of the capacity scope beyond just the need to satisfy donor fiduciary and execution requirements, and go beyond that to the capacity to work effectively for Tanzania’s

⁵ We have described these in detail in Mini Case #10.

development, our research suggests that the more important capacity obstacle in Tanzania amounts to lack of confidence and attitudinal issues, exacerbated by a general lack of exposure to what is done and what is going on elsewhere. These are not standard organizational lacunae, but in a sense psychological or cultural. As one expatriate project CEO put it:

“It’s the culture; a legacy of many things. The educational system here is very different than that of Kenya for example; language is an issue here, people do not master English as well here in part because there is so much emphasis on a classical, pure Kiswahili. And part of this, ironically, is a result of the early harrabee self-reliance philosophy of Nyerere.”

The founder of a new consulting firm said:

“Tanzanians have no tradition of going outside – Tanzania ranks low in remittance transfers and migrant labor in Africa. First, there is so much land that everyone has a ‘shamba’ to go back to when all else fails; second there is the legacy of the Nyerere self-reliance socialist days when to leave Tanzania was to be disloyal and a betrayal of the nation.”

Indeed, a majority of our interlocutors said that one of their biggest challenges was finding qualified people, not just qualified in the sense of having the appropriate diploma, but in the sense of possessing the kind of awareness that comes from experience and exposure to a larger world. There is not yet a critical mass of such people. And this for the CSO community is exacerbated by the shifts in preference within the pool from which human resources for local organizations engaged in development must come. The ambitions of the best and brightest of young people are shifting away from non-profit work. We heard from a few organizations that it is hard to attract good people because the opportunities in the private sector are expanding and the pay is better. At the same time, there are CSOs that lose staff to government, also because of incentives or lack thereof; in most good CSOs one works hard and long hours without much recompense, but in government, as one person told us, *“you don’t have to work, even show up, and still you get ‘emoluments.’”*

And the importance of human resources seems indeed logical. CD begins with people. There simply need to be more trained, educated, turned on, and exposed people in the sector, and right now there is a shortage. Perhaps the single greatest immediate contribution USAID could make in Tanzania to local organization capacity development is to go back to some old fashioned “participant training,” – learning exchanges, scholarships abroad, study tours (rigorously designed) etc.

There is also the phenomenon that one might call “obstructed capacity.” As we have seen elsewhere (e.g., in Nepal) there are organizations in civil society as well as in government with many mid-level staff who have mastery of the principles and techniques of running a modern organization (“OD 101,”) but those capacities fail to gain traction in the organization because there is resistance to change at the top. The founder/CEO of a successful health services CSO said:

“What you have is people at the top saying I’m the boss, they don’t want challenges to their authority. They don’t want new ideas, they just want to say I’ll tell you what to do. They will never hire someone smarter than they are.”

An Evolving Anti-Capacity Development View

We note the beginnings of what might be described as an “anti-capacity” movement (not “anti” in the sense of “against,” but “anti” as in “anti-matter” in physics, that is to say in the sense of “alternative”) – a growing sense that capacity building is a misnomer (it assumes there is none), and that even the terminology ‘capacity development’ may be misguided in that what is needed are not the standard capabilities – as we said above they tend to be there already in the stronger organizations. There are good leaders. There are people with years of experience with donors and INGOs who now work as consultants, or have started their own organizations. Instead what is needed, a few thoughtful people are saying, is a different kind of support – more genuine trusting partners, more core support that will be relatively less conditional, less output-driven, and less tied to projects, and finally more exposure to what else is going on in the world.

The director of the ACT program told us:

“Off the peg CD” is not what is needed here – that’s about learning to go through the donors’ hoops.”

A consultant feels donors are still imposing capacity development from above – that the kinds of training being offered are not related to what organizations really want and need.

“Donors need to listen. Whose capacity are we building, for what, and how are we doing it?”

There is more debate about what would make a difference in civil society. There are some who are asking whether the standard views of CD – as something the local organizations lack and that donors wish to impart; as a matter of a structured analysis of weaknesses, and then the application of a set of tools to remedy those weaknesses - is not in some ways a diversion from the real issues, or even perhaps destructive of something important – the “soul” of a locally inspired organization. One of the most vociferous thought leaders in the civil society community bluntly told us:

“Capacity Development is a dead end – no amount of CD will make a system that is fundamentally technocratic better. You’ll get better at being technocratic. Because the problem isn’t better technocracy, it is an institutional and political problem and no amount of CD will solve that.

If organizations don’t have capacity it is because it doesn’t pay. It’s that simple. They are here to get the money so OD 101 is not the issue. Look at mobile phone technology – why did that work? Here in Tanzania you have illiteracy, no knowledge, few resources in rural areas and so how come it works? There was no training – it worked because there was desire. In fact OD and CD can drain the soul out of a good CSO; drain the energy out of it. Lack of capacity needs to be seen as a sign of what is NOT needed – if there are no takers it’s because there is no real demand.”

In fact we sensed that the real demand is not for “OD 101.” When we raised the question of what capacities organizations felt they needed most acutely, the most often heard answer was the capacity to “access resources.” While this is certainly a skill set, it did not seem as if the need here was for training in such a skill, but rather an inside track towards, or an introduction to, funding sources.

Further evidence of the lack of felt need for standard capacity development, especially in the form of training, is seen in the vibrant debate in Tanzania on the ‘sitting allowance’ issue. This was brought up by several of our interviewees, and is discussed in the press, and in policy briefs. The director of a small think tank said:

“Allowances for training have become a ‘scourge’ here – if every donor and NGO decides to stop it, it will stop. It’s better to have two people in a room who are there to learn than 50 who come for the wrong reasons.”

One project chief of party said:

“The habit of expecting allowances for coming to a training is a big racket and many people have the habit of collecting the money without ever coming. We’re trying to break this habit [which is of course donor-fostered] by never giving cash to participants. We use mobile phone technology to demand a phone number and an ID, which is checked against attendance, and then after they have attended, and it can be a delay of a bit of time, we use the mobile phone system to deposit the money for them.”

According to a Policy Forum brief, in FY 2008-09 the Government of Tanzania budgeted \$390 million for allowances – equivalent to the basic salary of two thirds of the country’s teachers. It pointed out that a finance management officer – a mid level civil servant – earns a maximum monthly salary of 384,850 TSH (about \$257 per month or \$3100 per annum). If that person attends a three day training workshop outside Dar es Salaam, he will get a tax free allowance that equals about a third of his monthly salary.⁶

The point that studies like these make is that allowances lead to perverse incentives. In effect they play a role in a growing number of meetings, convocations, workshops, trainings, seminars. The above report quotes a Financial Times article from 2009 which reported a foreign investor lamenting:

“a culture of institutionalized, legal time-wasting caused by per diems for officials who prefer to attend meetings and conferences rather than to attend to their job.”⁷

Another study, this a regional one, cited not only the perverse incentive, but one result of it: the duplication of trainings, as well as indifferent outcomes:

“During a two year period of working alongside East African practitioners it became apparent that there were numerous discrete training and workshop based capacity building initiatives run by donors and external support agencies covering the same or similar material. An example is provided by an agency of an East African government who over a period of two years were engaged in three separate residential training courses which covered the same topics, were attended largely by the same people, each workshop being organized and funded, with per diems and expenses, by a difference source from within the donor community. Organizational tracking revealed that

⁶ “Reforming Allowances: A Win-Win Approach to Improved Service Delivery, Higher Salaries for Civil Servants and Saving Money,” Policy Forum, September, 2009.

⁷ Andrew Jack, Financial Times, 7/29/09 “Expenses culture has high cost for world’s poorest nations.”

negligible tangible outputs were generated by the workshops despite the development of operational policies and manuals being cited as the rationale for the events.”⁸

Finally, in talking with several INGOs and contractors, and reading their materials on training, we noted two tendencies we have observed elsewhere as well:

First, the continued preference for a highly structured approach to capacity development; comprised of numerous prescribed steps where both the timing (usually short) and the nature of the structured approach build-in a “checklist” incentive. Here for example is the mobilization phase of a USAID funded institutional strengthening project:

“Objective of this phase:

- *Establish clarity with the Council/CSO institutions regarding the task to be carried out*
- *Review the scope and expected outcomes and build support for the approach*
- *To gain buy in and ensure ownership of the process*

Key activities:

- *Selection of the 10 councils to work with in FY1*
- *Engagement meetings with DEDs, 16-20 Council staff, 8-10 CSO staff*
- *Links with Government staff: national, regional and local*
- *Gather information on all recent projects/initiatives in the Councils*
- *Start to identify quick wins*
- *Timing: 4 weeks June 2012*

Deliverables: Participation and sign up by key Council/CSO/RS staff total of 150 key staff”

Because so many deliverable numbers are set in advance and the time allotted for all this is a short 4 weeks, the tendency to do each thing as a checked-off task is strong. Yet “establishing clarity,” “gaining buy in,” “ensuring ownership,” are not easy or predictable “tasks.” In fact they are not even tasks – they are processes involving relationships, built on a gradual increase in trust, and those who would be charged with undertaking these objectives need not just training but particular personality traits and a kind of intelligence that not everyone has.

Consider this example from another USAID sponsored project. A three day course designed by a contractor on “Basic Business and Entrepreneurship” lists as its objectives:

- *“Understanding basic business concepts*
- *Understanding the business environment and the market*
- *Costing and pricing*
- *Basic record keeping*
- *Basic business planning”*

⁸ Nick Hepworth, “Capacity building or capacity demolition? Rethinking donor support to unlock self-determined and sustainable water resource management in East Africa” (Mimeo) 2009.

Because this material is actually quite complex, too much so for a three day course, the tendency is to cover the material in a one-two-three-four-five fashion, and then check off that it has all been done and conveyed. Such an approach runs counter to what we know about how people learn about business, and of course, skips over the well-established reality that entrepreneurship is not really something one can train in the first place.

Second, we note a continued preference for taking what is already demanding material and in the interest of efficiency (for the implementer rather than the trainee) passing it on down to the trainees via a training of trainers (TOT) model, thus often resulting in a dissipation of quality and an even more limited “uptake” of the material to be conveyed. Underlying the latter tendency seems to be the belief that “anyone can be a trainer,” which of course is not the case.

In essence the issue with much of capacity development as currently practiced in Tanzania is not so much with **what** is intended to be conveyed, but with **how**.

Non-capacity Constraints to CSO Development

In addition to the higher-order capacity constraints discussed above, we noted some non-capacity constraints to CSO development, specifically lack of access to capital for meeting indirect costs and entrenched views about the types and sizes of projects that are ‘suitable’ for local organizations to implement.

Every local organization reliant on project funds that we spoke with (in contrast to the organizations that receive core funding) highlighted the unwillingness of donors to supply funds for indirect costs as a major constraint, regardless of donor. With European donors the complaint was that overhead costs were capped at arbitrarily low levels (4-10%). USAID-funded organizations were focused on how obscure the process is for securing a NICRA and whether they could qualify as non-US PVOs. This nearly universal concern among the local CSO community has been virtually ignored by the donor community.

When a long-running capacity strengthening project implemented by PACT-Tanzania ended in 2012, the senior project staff left to form their own local NGO, expecting to quickly capitalize on their expertise and contacts. Instead, they have struggled to attract projects and had to second staff to other organizations in order to avoid releasing them altogether. The CEO of the new organization was surprised by how difficult it has been to make it as a local organization:

“It takes time to build trust and a brand. They are skeptical about the ability of a local organization to do quality work.”

USAID

Staff we met with were quite frank about their reservations regarding IPR 2 and capacity development. There seemed to be a strong sense of a mismatch. Here is what some people said:

“The IPR indicators and targets are ridiculous. We can’t count what we are doing that makes sense, and we cannot report. We’re coming to a standstill in reporting on IPR targets. If we’re serious about Capacity Development of local organizations it has to be

the objective itself – otherwise because of our counting demand it is always going to be tangential.”

“If we are serious about CD and local organizations, we would need 5 times more staff – It’s hard enough for us to get INGOs to comply with all our rules, forget about the local organizations”

It’s hard for us to think about development - it is now really about diplomacy (referring to USAID being under State.)”

“Every time we figure something out, we’ve got a new hoop to go through. Now we’ve got a huge increase in our DRG Budget - a four year program involving direct grants to government entities – but there is a limited number of grants we are allowed to do.”

“AID requirements are too complicated: we really have to simplify.”

“Much of what we do here on capacity development is formulaic and packaged – “it’s just training.”

One DLI laments that it is hard to get out to the field to see what is going on in the country.

“I got out more in the beginning – “but it’s very hard to do. I’m being asked to support an approach with partners but don’t know really what’s going on out there and who they are. You’re always led by other imperatives – ‘let’s get this launched.’”

People we met outside USAID are somewhat critical. A chief of party of an AID funded project is skeptical about USAID’s own capacity to deal with direct grants to local organizations.

“As for direct funding AID should realize what it means to have so many sub-grants – they have no field presence; they have no people if they want to do this – the compliance issues alone would make it difficult.”

Another chief of party said:

“FORWARD is a set-up for failure. Can you accept lower quality? That is the question. Can you accept good instead of great?”

The head of a non USAID funded program told us:

“USAID is a major contributor to the grant compliance syndrome – if you’ve made your organizational career dealing with that, eventually you are no longer fit for the things you started to do.”

A Tanzanian who runs a well-known CSO is equally skeptical but for different reasons.

“I could do without USAID money. It’s not a partnership; it’s a funder-recipient relationship. They take over the management of the institution. It defeats the whole country ownership agenda and endangers the organizations themselves. The USAID Forward agenda is really about the unequal power relationship. I don’t see this as much with the Europeans and Canadians – it’s a matter of different attitudes and a different perception.”

Funders have to support interventions that are based on ownership. But the organizations have to be big enough to absorb the money- and they have to be “serious.” That means having a strategy, a vision, the confidence to say this is what we’re doing. You have to worry about seriousness – there are lots of USAID grantees I would not fund if I were them.”

Branding and marking came in for some criticism as well. One thought leader feels it is sending the wrong message.

“Look at radio spots for example. “Wear a condom” or “Make sure your baby is protected by a mosquito net at night” and then you hear “This message brought to you by the people of the United States.” Do I need the U.S. to teach me how to take care of my baby? This is patronizing and I wonder if they realize this.”

A local consultant with many years of experience pointed out that branding can engender a lack of ownership and responsibility.

“If you brand something, that suggests it is owned by the brand holder – thus branding takes away responsibility. If it says USAID on it, and it breaks, I expect USAID to come along and fix it or replace it.”

Finally, the more mature organizations understand fully that there must be accountability to donors and embrace the notion. But they ask for a donor approach that is more realistic and appropriate to them as small local organizations. As one interviewee put it, *“Of course you need accountability, but it needs to be done reasonably.”*

RECOMMENDATIONS FOR DONORS

Even the stronger organizations we met with admit that capturing learning, documenting what they do, analyzing why some things work and others do not, or making a case to policy makers based on their accumulated field evidence, are not things they do, much less do well. The head of a small think-tank said:

“Among the NGOs learning is not happening here; there’s no documentation. Knowledge management isn’t even being talked about in Tanzania. The new buzzword here is ‘outcome mapping.’”

And some lament that local organizations are not good at sharing information. One asks if the donors don’t have the same tendency and whether both are linked to the need for getting credit.

“Contractors, USAID, local govt. authorities don’t share information. It’s partly about attribution and credit. Even at the local small level. You’ll go to a school classroom inauguration and one week there is Ambassador X and next week there is Ambassador Y, and you say “hold on a second, we thought that the Germans funded this classroom?”

It seems there are no donors who play a strong role in encouraging more thought, intellectual rigor, connections between practice and theory, and just generally documentation. Our research suggests that such encouragement (via grants or other support such as active brokering between

and among various actors in the development realm) would move civil society forward to a higher level of effectiveness.

There is clearly a role for more investment in basic research on civil society. Lists of CSOs, their starting dates, what they say they do, how much funding they have, etc. are not enough. First there is a need to understand better the qualitative aspects of the sector – how they interact or do not, the sources of their origin and the influences in their life cycle, their “character” (i.e. how genuine they are) etc.

Second, just as in the field of banking and finance where there are credit rating bureaus, it seems that Tanzanian civil society could benefit from a shared set of operating standards, reinforced by a rating system that would incentivize all players (including consultants) to meet those standards. Donors could play a role in this area.

In the CD realm donors could invest more in bringing the practice of capacity development into closer alignment with pedagogical principles; how people actually learn. The tendency to fall back on standard workshop style training needs to be actively resisted by donors who really want to help in this area.

Donors would do well to employ more “tough love” approaches to civil society strengthening. In any grant or support for capacity development for example, organizations should be put to a test – “tell us why you want capacity development; justify why this particular piece (e.g. accessing funding) rather than another; tell us how you plan to use it, and afterwards show us how you did use it.”

We have noted the need for broader exposure of people to new ideas, to innovation taking place in other countries. The value of study tours, cross-visits, “participant training” is in principle accepted. The challenge is to apply a tough love approach to these types of investments so that they are more productive.

Donors need to invest more on achievement indicators and milestones that are more meaningful in terms of the growth and learning of civil society organizations. For example, one might use as an indicator of organizational maturation the degree to which a CSO begins to engage with decision makers – and this would mean not simply the number of times a meeting was held, but asking the questions “is the engagement genuine? Are they seeking your input on their own? Will they come to a meeting without getting an allowance?” etc.

Donors could be experimenting with ways to encourage more fruitful localization of international organizations or contractors. We have noted the complaint that the ‘parent’ organization and the ‘off-spring’ begin to sense they are competing with each other. There are ways to reduce that tendency. For example, a funding arrangement so that in a five year project the international organization gets 90% in year one and 10% in year five with the proportion being the reverse for the local organization, which then can graduate at the end, thus staggering the responsibility as the organization matures.

These kinds of interventions all imply a closer relationship between donor and civil society; a gradual shift away from the hierarchy of the “donor-recipient” framework to something based on a gradual build-up of mutual trust. Such a relational basis for future donor involvement with civil society will mean more investment in getting out to the field and more regular contact.

[The reader should note that when the Learning Agenda research is completed there will be a full report which will include scores of specific recommendations in much more detail. An interim report in February 2013 will also be available and will contain additional recommendations.]

LIST OF ORGANIZATIONS AND PERSONS INTERVIEWED

12/6/12 - **Human Development Trust** (about to change name to Health Promotion Tanzania.)
Dr. Peter Bujari, Exec. Dir.

12/6/12 - **TANGO**
Ngonga Apan, Exec. Dir.
Zaa Twangeleti, Advocacy & Capacity Building

12/16/12 - **fhi360**
Richard Embry – Country Director

12/7/12 - **CRS**
Conor Walsh, Country Rep.

12/7/12 - **USAID**
Danny Dedeyan
Mikela Lauridsen
Angela Mwaikambo
Charlotte Cerf

12/7/12 - **Development Impact**
Theo Macha, CEO

12/9/12 - **AMCA INTER-Consult Ltd.**
Abdallah Mwinchande, Managing Director

12/10/12 – **TaTEDO** (Tanzania Traditional Energy Development & Environment Org.)
Estomih Sawe, Exec. Dir.,
Jensen Shuma, Resource Mobilization Manager

12/10/12 - **WAT** (Human Settlement Trust)
Judith Sando, CEO
Michael Aloyce, Fin. Mgr.,
Peter Ndyetabula, Housing Microfinance Coordinator

12/10/12 - **TRACE** “OD Facilitation and Capacity building Centre”
Djax Biria, Exec. Dir.
Stefan (volunteer)
Suleiman (OD)
Kanga

12/11/12 - **BMAF HIV/AIDS Foundation**
Dr. Ellen Senkoro, CEO
Benjamin Mkapa

12/11/12 - **EGPAF**, (Elizabeth Glaser Pediatric Aids Foundation)
Dr. Jeroen van't Pad Bosch, Country Director

12/12/12 - **Policy Forum**
Semkae Kilonzo, Coordinator

12/12/12 - **DFID**
Zabdiel Kimambo
Mark Montgomery

12/12/12 - **Twaweza**
Rakesh Rajani, Head

12/12/12 - **CSSC** (Christian Social Services Commission)
Dr. Josephine Balati

12/14/12 - **Bakwata National HIV/AIDS Program**
Kassim Ngabow, M&E Coordinator

12/14/12 - **TAHEA**
Ramadhani Kapama, Program Coordinator

12/14/12 - **REPOA**
Prof. Samuel M. Wangwe, Executive Director

12/17/12 - **T-MARC**
Diana Kisaka, Managing Director

12/17/12 - **Farm Africa**
Getu Weyessa, Country Director

12/17/12 - **Technoserve**
Rebecca Savoie, Country Director

12/17/12 - **The Foundation for Civil Society**
John Ulanga, Executive Director

12/18/12 - **DAI IMARISHA project**
Coleen Green, COP
Krystal Friesth, Finance Manager

12/18/12 - **ACT** (Accountability in Tanzania Programme) (**KPMG**),
Kate Dyer, Programme Director

12/19/12 - **AGPAHI** (Ariel Glaser Pediatric AIDS Healthcare Initiative)
Laurean R. Bwanakunu, Exec. Dir.

Peter Maro
Dr. Sarah Matimu
Dr. Doris Lutkam