

**Evaluation of
International Trade Centre
(UNCTAD/WTO)**

**Volume 3
Country Reports**

TANZANIA

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Tanzanian Shilling TZS	1,140	1,380

List of Acronyms

AGOA	Africa Growth Opportunity Act
ANUGA	Food Fair
BAS	Business Advisory Services
BSM	Buyer-Seller Meeting
BET	Board for External Trade
CBE	College of Business Education
CBI	Centre for the Promotion of Imports from Developing Countries
CIBDS	Centre for International Business Development Services
COMESA	Common Market for Eastern and Southern Africa
COMTRADE	Commodity Trade Statistics Database
CTI	Confederation of Tanzania Industry
DFID	Department for International Development
DPMD	Division of Product and Market Development
EAC	East African Co-operation
EMDS	Enterprise Management Development Services
EPOPA	Export Promotion of Organic Products from Africa
EPA	Economic Partnership Agreement
EPRP	Export Led Poverty Reduction Programme
EU	European Union
EUR	The euro, the single currency of the EU
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GLO	General Land Office
HACCP	Hazard Analysis and Critical Control Point
HIPC	Heavily Indebted Poor Countries
HRD	Human Resource Development
ICT	Information and Communication Technology
IF	Integrated Framework
INT	International
IOR-ARC	Indian Ocean Rim-Association for Regional Cooperation
IPSM	International Purchasing and Supply Management
IT	Information Technology
ITC	International Trade Centre
JETRO	Japan External Trade Organisation
JITAP	Joint Integrated Technical Assistance Programme
LDCs	Least Developed Countries

MAS	Market Analysis Services
MFN	Most Favoured Nation
MDS	Market Development Section
MTS	Multilateral Trade System
NBMM	National Board of Materials Management
NGOs	Non Governmental Organisations
PACT	Programme for Building African Capacity for Trade
PRSP	Poverty Reduction Strategy Paper
SABN	Southern Africa Business Network
SADC	Southern African Development Community
seco	Swiss State Secretariat for Economic Affairs
SIDA	Swedish International Development Cooperation Agency
SME	Small or Medium-sized Enterprise
SSTP	South-South Trade Promotion
SPS	Sanitary and Phyto-Sanitary Measures
SWOT	Strengths, Weakness, Opportunities and Threats
TAS	Tanzania Assistance Strategy
TBS	Tanzania Bureau of Standards
TBT	Technical Barriers to Trade
TCCIA	Tanzania Chambers of Commerce, Industry and Agriculture
TFOC	Trade Facilitation Office Canada
TPOs	Trade Promotion Offices
TRTA	Trade Related Technical Assistance
TSIs	Trade Support Institutions
TSU	Trade in Services Unit
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNSD	United Nations Statistics Division
URT	United Republic of Tanzania
USD	United States of America Dollar
USAID	United States Agency for International Development
VAT	Value Added Tax
WIPO	World Intellectual Property Organization
WTN	World Trade Net
WTO	World Trade Organisation

1 Tanzania Country Report

Tanzania, located in South-East Africa, falls under the classification of Least Developed Countries (LDCs). Through its transition from a socialist state controlled economy towards a market based, private sector led economy; Tanzania has received technical assistance from a number of international organisations and bilateral donors, including the International Trade Centre (ITC). The latter has undertaken a large number of projects during the last ten years. This evaluation seeks to study the results of ITC's interventions in Tanzania, especially in assisting the economy in an export-led economic development model.

The background section of this report includes:

- A brief discussion of the methodology and process of the Evaluation drawing on the Inception Report;
- A report and a discussion of the ITC projects sampled for the Evaluation;
- A brief country profile with a discussion of the trade and development context for Tanzania; and
- A review of ITC experience in the country.

The findings are presented as follows:

- Findings on the horizontal issues related to product and headquarters studies of ITC;
- Findings on the Evaluation criteria for the ITC interventions in Tanzania; and
- A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.

Finally conclusions and recommendations are presented.

The Annexes contain detailed information on ITC projects, a list of persons contacted and a list of the data sheets drawn from the country evaluation tools prepared.

1.1 Methodology

The overall methodology for the country studies and the Trade Related Technical Assistance (TRTA) reference framework were presented in the Inception Report and the process of evaluating ITC interventions at the country level is presented in the introduction to this volume – *The Country Perspective*. This section summarises the key methodological points relevant to the Evaluation of ITC interventions in Tanzania and describes the Evaluation process as it was applied.

Country Selection

Country selection was discussed extensively in the Inception Report and reviewed with the Core Group managing the Evaluation. Tanzania was selected because it is an LDC, it is in Africa and it has the most ITC project listings for any beneficiary country.

A listing of all ITC project activities in Tanzania was compiled from the ITC project database 2001-2004, which reports all operational and closed projects in the period. This resulted in 52 entries (the full list appears as Annex 2). However, several of these entries relate to the same projects, resulting in a total of 20 projects, not taking in consideration programming and evaluation activities. These include three country-specific projects, and 17 multi country programmes that include Tanzania among the beneficiary countries.

Sampling of Projects for Evaluation

The entries in the database and the projects sampled were also classified according to the various ITC competencies and crosscutting issues/development concerns. Some of the entries/projects address more than one competence area.

A sample of 15 projects was selected for Tanzania. The projects are summarised in table 1 below.

Table 1: Overview of the selected ITC projects in Tanzania

1	Joint Integrated Technical Assistance Programme (JITAP) I and JITAP II
2	Pilot Phase of the Integrated Framework
3	Export Development of Organic Products from LDCs INT ¹ /24/83A
4	Cooperative Programme on Quality Assurance of Spices INT 61/77
5	Sub Regional Trade Expansion in Southern Africa
6	Intra African Trade Promotion
7	Buying from Africa for Africa
8	Strengthening Trade Support Services for the Aid Procurement Market AB INT 467
9	Promoting Trade in Services in Sub-Saharan Africa INT W4/23
10	Networking Event to Foster Alliances among Service Sector Associations INT W3/94
11	Enhancing the Availability of Trade Data for LDCs
12	Trade Expansion in Cashew Nuts from Africa
13	Programme of Technical Cooperation on the External Trade of Tanzania URT ² 97004 and others
14	Development of Trade Related Human Resources and Consultancy Services (URT 97/026)
15	E-Trade Bridge for Small or Medium-Sized Enterprises (SMEs)

The sample covers a mix of four country-specific and 11 multi-country projects. 13 projects had already been completed at the time of the Evaluation while two were still under implementation/ongoing. The selected projects address different development concerns and cross cutting issues, and also cover most of the ITC competencies areas, as evident from the Table 1 following.

¹ International

² United Republic of Tanzania

These projects were also classified according to the various ITC competencies and skills sought to be transferred, and reveal the following trends:

Table 2: ITC Competences and Cross-Cutting Issues

ITC Competence area	No. of entries (of total 45 entries)	No. of projects (of total 15 sampled)
Export strategy	16	9
MTS ³ and business implications	10	2
Enterprise management and competitiveness	9	2
Product and market development	9	8
Market analysis and strategic market research	6	6
Public-private partnership/networking	5	5
Trade in services	12	2
Trade information system	2	2
E-competence	3	1
Trade finance	3	-
Standards and quality management	3	3
Supply chain management	2	1
Export packaging	-	
Legal aspects	2	2
Institutional infrastructure strengthening	6	4
Cross-cutting issues/ Development concerns		
Environment concerns		2
Gender		
Poverty reduction		9
Co-ordination with partners		
South-South trade promotion		6
Digital divide		

Methodology for Field Studies

For the field study, the Core Evaluator recruited a Local Consultant with appropriate background and qualifications as well as experience. A short training session was carried out in Nairobi for local consultants responsible for India, Kenya, Tanzania and South Africa, in which the project documents, evaluation questionnaires and other tools were

³ Multilateral Trade System

presented to the local consultants. Local consultants were responsible for verifying the contact points for each project and also for initiating preparations for the field study.

In order to save time during interviews, the local consultants had the responsibility to prepare the country data sheets, project data sheets and Trade Support Institution (TSI) data sheets in advance, and arrange the Core Evaluator's visits with the stakeholders. The Core Evaluator visited Tanzania during June/July 2004, in accordance with the schedule provided by the local consultants. Only detailed, qualitative evaluation questions were discussed with the various respondents in these interviews. The local consultant with several TSIs, also discussed data sheets after the visit of the Core Evaluator. This was in order to complete the information needs of the Evaluation.

In the case of the South-South Trade Promotion (SSTP) programme, an e-survey was also mailed to the large database of participants provided by ITC.

Meetings took place from June 29 to July 1, 2004. In all, the Core Evaluator met with 17 respondents that included ITC partners and counterparts for the various projects (3); non-partner TSIs (4); major donors (1); and beneficiaries (9) from some projects. Review of the visit took place on 2 July 2004 with a listing of follow up actions for the Local Consultant. The Board of External Trade has been the ITC partner in most of its projects in Tanzania, which explains the small number of ITC partners.

The views expressed by stakeholders were elicited in the course of the interviews held with the Core Evaluator. Based on these views, a ranking of each project on the five evaluation criteria has been provided by the Evaluator on a 4-point Likert Scale. This avoids 'middling' scores such as 'modestly satisfactory' and forces a clearer position.

Definition of the Rate Scale:

4 - Highly satisfactory; 3 - Satisfactory; 2 - Less than satisfactory; 1 - Highly unsatisfactory.

For the purposes of aggregation at the country level and also at the global level, the Evaluators have used a scale of 1 to 4 to place the ratings for each project and the aggregate ratings for the country level, on the five evaluation criteria – relevance, efficiency, effectiveness, impact and outreach/sustainability. It may be noted that these scores are perceptual, based on the information and assessments provided by various stakeholders, as well as the Evaluators' observations from the perusal of documents, field visits and surrogate comparisons.

The project ratings have been aggregated to national ratings to enable quantitative comparative evaluation across different countries. However, there are some limitations in the methodology for aggregating the ratings of individual projects into an overall country rating on the five evaluation criteria. These limitations are:

- Aggregation based on a simple arithmetic average will not capture the fact that all projects have different budgets, and may involve different levels and types of skills and activities, besides different ground conditions.

- Averaging would represent a middling of scores, which defeats the purpose of the 4-point Likert Scale. This in turn forces a sharper conclusion on part of the Evaluators, and would need to be substantiated very specifically.
- Median scores will be more representative of performance in the country setting, but they will not be able to capture the differences in project level scores, which may be a result of several issues beyond ITC control.

Therefore, for the aggregate score at the country level, the Evaluators have used a judgmental weighted score, which in the Evaluation's opinion best sums up the performance of ITC at national level on each of the evaluation criteria. This is supported by the fact that ITC works with the same counterparts in several projects, and thus the channels used by ITC are common to several projects.

This judgmental rating seeks to capture the ITC performance, as delivered through these channels and intermediaries, as this is the basic approach to ITC's transfer of technical assistance. In that sense, the overall rating will reveal the levels of success across various projects, which collectively shape the transformation being achieved through ITC interventions at the country level. Therefore, this subjective score is one that while not mathematically logical, best represents and translates the Evaluator's descriptions appearing in the Evaluation.

1.2 Country Profile

Trade and Development⁴

Tanzania, with a per capita Gross Domestic Product (GDP) of USD 300 (2004) falls under the classification of LDCs. Agriculture constitutes over 48% of GDP and a large share of export earnings. Traditional export crops include coffee, cashew nuts, tobacco, and cotton. Tanzania's manufacturing sector is underdeveloped and accounts for about 15% of GDP. The services sector accounts for more than 35% of GDP, tourism being the largest component.

From the mid 1980s Tanzania moved away steadily from the model of a socialist state-controlled economy towards a market based, private sector led economy. The systematic and gradual reduction of different barriers and obstacles to trade, such as bureaucratic formalities, advance authorisation, administrative controls and supervision, have made a significant contribution to facilitating foreign trade. Privatisation efforts are under way in a number of sub-sectors including telecommunications, insurance and financial services.

The Government now sees the private sector as the engine of growth for the economy and aims to encourage the emergence of a strong private sector, capable of creating jobs and wealth as well as the major source of government revenue.

Position in the Multilateral Trade System/Trade Structure

Tanzania is a member of the World Trade Organisation (WTO), having signed the Final Act of the Uruguay Round and the Marrakesh Agreement on 15 April 1994. As an LDC, Tanzania benefits from the special and differential treatment afforded to developing countries in the form of exemptions or delayed implementation of certain provisions.

Tanzania is also a member of the World Intellectual Property Organisation (WIPO) and is a signatory to the Paris Convention, Berne Convention and other international protocols.

Tanzania is also actively pursuing a regional integration strategy, and is a member of the Southern African Development Community (SADC), the East African Co-operation (EAC) agreement with neighbouring Kenya and Uganda, and the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC). It was also a member of the Common Market for Eastern and Southern Africa (COMESA) until 2004, but withdrew from it because of its membership of SADC. This would have involved a violation of the Most Favoured Nation (MFN) principles if Tanzania were to straddle two free trade arrangements with different sets of partners.

Tanzania also benefits from the Economic Partnership Agreements (EPA) with the European Union (EU), and is a beneficiary of the United States' Africa Growth Opportunity Act (AGOA). However, the available market opportunities are not being harnessed due to supply side constraints in the private sector, which is still in its infancy.

⁴ Figures in this section have been taken from World Bank data mostly for 2002

External Trade

Tanzania's major trading partners include the European Economic Community, Asia and SADC, accounting for more than 60% of the total imports. The same continents account for more than 75% of Tanzanian exports. SADC accounts for less than 5% of Tanzania's trade.

In 2002, total exports were at USD 1.56 billion, while imports were USD 2.22 billion, representing a growth of 140% and 85% over the levels in 1998. Merchandise exports rose from USD 411 million to USD 737 million, while merchandise imports rose from USD 1.12 billion to USD 1.89 billion in the same period. The trade balance rose from a negative (-) USD 556 million to minus (-) USD 656 million, despite a growth in service exports.

The reforms that Tanzania has undertaken since 1985 – and at a more accelerated pace in the past few years – have resulted in a trade policy framework that has been significantly liberalised and that is essentially based on tariffs.

The development strategy for Tanzania is based on export-led growth in a few key sectors - fish products, horticulture, textiles/clothing and spices - taking advantage of its LDC status at the WTO, and of the opportunities available to it under preferential treaties with the US and the EU as well as its regional trade agreements.

Foreign direct investment (FDI) is expected to play an important role in Tanzania's development, and the government has a liberal investment policy in nearly all sectors of the economy. FDI flows increased modestly, from USD 172 million to USD 240 during 1998-2002, with mining accounting for the largest share (nearly 40%) of total inflows.

1.3 Brief Summary of ITC Activities and Role

ITC has had a long relationship with Tanzania in providing trade related technical assistance. ITC involvement has been instrumental since the late 1980s, which marked Tanzania's transition from a command-economy to an increasingly open-market economy with an increasing role of the private sector.

According to the ITC project database, Tanzania has the largest number of project entries among all countries (based on information compiled in April 2004), which suggests intensive ITC activity in the country.

The bulk of ITC's assistance has been targeted at developing:

- Institutional and enterprise level capacities;
- Human resources and information management systems of the national trade promotion body and other apex trade support institutions to provide trade related services;
- Sector-level exports strategies based on identification of market opportunities and national competitive advantages at the product/sector level, using ITC tools such as product/market maps;
- Export-readiness of small and medium enterprises through training in practices and skills;
- Sector-specific assistance in a number of sectors such as cashew nut, coffee, horticulture, fisheries, textiles & clothing, etc. This assistance has been in the form of market studies, marketing missions, regional networking events and buyer-seller events.

Supporting integration into the multilateral system: through JITAP and Integrated Framework (IF), by supporting trade as an engine for growth and poverty alleviation, and influencing domestic policies to support trade for development.

ITC operates in the country through effective partnerships with trade support institutions, notably the Board for External Trade (BET).

1.4 Main Findings on Thematic Issues

External Environment

Donor Perspectives

Even as WTO member countries increased market access to trading partners on MFN terms or under special and differential terms for less-developed members, the share of LDCs in world trade has shown a declining trend, albeit the sharp increase in trade in several sectors.

LDCs are also constrained in integration into the world market by the poor quality of their infrastructure to offer products and services to international levels of standards, efficiencies and prices. As a result, enhanced market access opportunities under the WTO and other regional trade agreements have tended to crowd out LDC members in export markets. At the same time, trade liberalisation compels them to allow greater access to trading partners into their domestic markets. This has resulted in serious competition for the domestic industry in several sectors, leading to large-scale imports, with closure of domestic units and increasing unemployment.

The effective implementation of WTO commitments by Tanzania continues to be challenged by lack of adequate financial, institutional, technological and technical capacities, which have an impact on future negotiations. At one level, there is pressure on the limited human resources available for the negotiation process itself, because of very heavy demands by a series of formal and informal meetings and discussions ongoing in the WTO simultaneously. At another level, there are difficulties in putting together national measures complying with the obligations in the WTO Agreements, such as changes in domestic legislation, creation of enquiry points and other technical requirements.

Tanzania is heavily dependent on development assistance, with external aid accounting for over 11% of GDP (2000). On an average, aid is estimated to be around USD 990 million per annum, from 23 multilateral and 22 bilateral partners.

The donors active in Trade Related Technical Assistance are the World Bank, United States Agency for International Development (USAID), Asian Development Bank, EU, United Nations Development Programme (UNDP), United Nations Industrial Development Organisation (UNIDO), Danish International Development Assistance (Danida), State Secretariat for Economic Development, Switzerland (seco) and the Canadian International Development Agency.

Tanzania has undertaken an important donor co-ordination initiative called Tanzania Assistance Strategy (TAS). TAS provides a medium-term national development strategic framework for managing external resources to attain development objectives articulated in Vision 2025, the National Poverty Eradication Strategy and the Poverty Reduction Strategy Paper (PRSP).

The TAS framework provides a three-year strategic national framework articulating:

- National Development Agenda.
- Policy Framework.
- Best practices in development co-operation.
- Framework for monitoring and implementation of TAS.
- Priority areas/interventions.

The TAS, co-ordinated by the Ministry of Finance, addresses issues of good governance, accountability, transparency, capacity building and effectiveness in aid delivery, and seeks to become a process for change.

The priority areas addressed under the TAS include 11 crosscutting areas, of which the following directly deal with trade related technical assistance:

- Employment;
- Private Sector Development.
- Human and Institutional Capacity.
- Data, Information and Communication.
- Globalisation and Trade Development.

Other related areas are gender and environment related issues.

International Organisations

Tanzania is currently a beneficiary among selected least developed African countries in a JITAP of ITC/United Nations Conference on Trade and Development (UNCTAD)/WTO. It has also participated in the IF for TRTA to LDCs by preparing an assessment of its needs for trade-related assistance, and by engaging in a Roundtable Meeting with its development partners.

Despite its involvement in the IF, and the technical assistance it has already received from its development partners such as the WTO and other members of the IF, Tanzania is in need of substantial ongoing technical assistance in a wide range of trade-related areas.

The USAID supports Tanzania in the identification of opportunities and preparations for preferential access under AGOA. The regional office in Kenya handles activities for 12 countries, including Tanzania. The Confederation of Tanzania Industry (CTI) has been closely involved in the project.

The UNDP also supports Tanzania in several projects, including the most important trade capacity development project, which included the strengthening of the BET, the creation of the Centre for International Business Development Services (CIBDS) and the Role of Trade Promotion Offices and Digital Divide Issues.

Tanzania's development strategy is based on export-led growth in a few key sectors, which imposes a major role for sector development and trade promotion institutions. However, available market opportunities under various preferential trade arrangements are not being harnessed due to supply side constraints and a nascent private sector.

These gaps are most apparent in the textiles and clothing sector, in which the domestic industry does not have relevant exposure and skills in the products that constitute import demand under the AGOA. This would require the creation of a complete value chain, beginning from fabric and ending in a finished garment or other final product. A meaningful export-based textiles sector in Tanzania would require the training of several thousands of workers (a large percentage being women) in various production processes, and in export packaging.

Similarly, in horticulture and other agriculture-based products, adapting to market opportunities will require sector-based interventions. This would address planting materials, good propagation practices and value-added production processes, based on requirements of specific markets. The interventions would need to involve a diverse group of stakeholders to make the sector export-ready and export-competitive, and a large-scale transfer of technology and skills from appropriate donors/collaborators.

In several countries, these roles have been played by sector-specific apex bodies, often created by statute with an end-to-end responsibility for the development of the sector; encompassing employment, skills, research and development, value addition and marketing, including international trade promotion. The infancy of the private sector in Tanzania is also reflected in the depth and width of the trade support institutions network.

The following major organisations and agencies constitute the network of TSIs in Tanzania:

- Board for External Trade (BET) - the national trade promotion authority and also the focal point for trade related issues, under the Ministry of Trade and Investment;
- Confederation of Tanzania Industry (CTI) - the representative body of manufacturing sector;
- Tanzania Chambers of Commerce, Industry and Agriculture (TCCIA)- a federation of business enterprises including services, with a membership of more than 5,000, with lobbying and advocacy as the main functions;
- Tanzania Investment Centre - a body that promotes Tanzania as an investment destination among international investor community, and facilitates entry related clearances;
- Tanzania Private Sector Foundation - an association set up for the development of private sector in Tanzania;
- Tanzania National Business Council - a consultative body set up to advise government on improving the business environment;

- Centre for International Business Development Services (CIBDS) - a training institution under the College of Business Studies, running several training and capacity development programmes for the private sector; and
- Sector specific bodies like the Tanzania Coffee Board and Cashew Development Board.

The BET is the most important institution in respect to trade-related technical assistance, and handles a large share of TRTA programmes in the country, and also coordinates with donors and implementing agencies. Based on expertise and outreach, other agencies and institutions are co-opted in the needs assessment, design and implementation of various TRTA projects.

Information and communications technology, a great enabler of cross-border trade, is emerging as a key factor in the trade performance of developing countries. This is especially in the export of services and the development of efficient market and trade linkages. Countries that are building a competitive Information and Communication Technology (ICT) infrastructure and technical manpower resources are able to gain at the expense of other developing countries with similar profiles, but lack the ICT thrust and capacity to apply it to serve external trade development.

Tanzania faces challenges in adapting to the knowledge revolution, given the low coverage of basic and cellular telephony services, with a density of only four phones per thousand people, and an even lower penetration of PC and Internet. The poor penetration of information technology poses high opportunity costs in external trade, especially in the fast-growing services sector.

The resource constraints of apex bodies like the BET, the weak human resource capacities of the nascent private sector, and the low penetration of information services are important challenges for Tanzania in upgrading the profile and competitiveness of its export sectors. Given the growing trade related needs, Tanzania would need to consider policy measures to develop specialised sector-specific bodies to implement sector-level strategies and deal with sector-specific problems; so that BET can perform its role as the apex trade development body at a more strategic level.

1.5 Horizontal and Functional Themes

Use of Division of Product and Market Development Tools and Products

There is a varying degree of use of ITC's Division of Product and Market Development (DPMD) cluster of products and services.

According to BET, the most important stakeholder and beneficiary of ITC interventions in Tanzania, ITC encases 'a gold mine of practical knowledge' in its trade publications-market bulletins, product guides, and the specialised planning tools notably the Trade MAPs and Market MAPs. The trade publications have been put to use by the national trade support institutions in Tanzania, especially in the identification of non-traditional sectors for the national export strategy. The visitors' library in the BET also houses a complete set of ITC publications and the 'Secrets of Strategy' templates, which are available for reference. This was also the view of the industry chambers- the TCCIA and the CTI, who have a large number of ITC reference booklets as well.

However, some of ITC's commodity publications (for instance, the Coffee Guide) were not as widely known, and export management at one of Tanzania's major commodity boards did not recall having read ITC's publications on the product of their interest. The private sector's inability or reluctance to pay for services is an important handicap in providing technical assistance in Tanzania, and past experience suggests that turnouts have been very low for paid participation in several programmes carried out by ITC partners. This limits the penetration of ITC's products and services in low-income countries, in the absence of external funding.

World Trade Net and Business Advisory Services

The participation of business is critical in order to have consensus based national positions at multilateral negotiations. Yet the private sector does not have specialised knowledge on the technical aspects of negotiations. Knowledge networks among developing countries can bridge the gap considerably; by bringing together various stakeholder groups in contact with knowledge sources to debate and eventually form broad-based national or sector-level consensus on trade issues.

The World Tr@de Net (WTN) is an important ITC initiative in this respect and has been operationalised in several Asian and African countries. However, Tanzania is not a member of the ten local networks formed in Africa and Asia under the WTN programme, and no information was available as to its formation at the time of the Evaluation.

Business Advisory Services

Most of the service areas of Business Advisory Services (BAS) are addressed in various programmes in Tanzania. However, the primary delivery mode has been through global or regional programmes such as JITAP and SSTP, in which the scope for BAS has been limited.

Business associations and exporting enterprises, with the exception of the CIBDS, expressed little awareness of several ITC standard BAS services such as trade competitiveness tools, although these figure among the activities appearing for Tanzania in the ITC database.

Table 3: Business Advisory Services Service Areas in Use in Tanzania

BAS Service area	ITC project(s) in Tanzania addressing the respective service
Business implications of the trading system	JITAP, IF
Capacity building of trade support institutions	Technical Co-operation on External Trade of Tanzania, Trade Related Human Resources and Consultancy Services, Strengthening Trade Support Services for Aid Procurement Market
Export Packaging	None
Standards and Quality Management	Quality Assurance of Spices, Organic Products Development
Trade Finance	None
Trade Law	None

Small or Medium-sized Enterprise Competitiveness

Competitiveness enhancement of SMEs is a key priority for trade-related technical assistance in Tanzania, and nearly all programmes have activities focusing on this aspect. The nascent private sector in Tanzania has several unmet needs in business support services, training, Human Resource Development (HRD), and best practices. The most important intervention in this regard is the setting up of a training institution, the CIBDS, to impart skills to enterprises in the disciplines of export marketing management, and international purchase and supply management. The programme, funded by seco and UNDP, was undertaken in the government-run College of Business Education (CBE) - through a tender award and interviews of key persons -, ITC being the implementation agency. The CIBDS programme, over a period of three years, has trained 46 persons licensed/accredited by ITC to train others in Tanzania.

The CIBDS shall also be the implementation partner for the forthcoming E-Trade Bridge programme for SMEs. Similarly, to develop export in services, ITC has developed and delivered training to several SMEs, professional associations and Chambers of Commerce.

South-South/Development Concerns

Tanzania is a member of the Southern SADC, the EAC agreement with neighbouring Kenya and Uganda and the IOR-ARC. It was also a member of the COMESA, which it exited due to the conflicting position of its being a member in another preferential trade arrangement, the SADC.

Regional trade, especially within SADC and EAC, is becoming increasingly important for Tanzania. Intra-regional trade (less than 5% of Tanzania's trade is intra-regional) has the potential for considerable improvement through targeting complementing sub sectors. This could be through a systematic trade flow analysis, developing export-ready enterprises in the participating countries, and providing a forum for buyers and sellers to meet and exchange trade information.

Tanzania is a participant in several of the SSTP programmes in Africa, including in services. The activities entail a capacity and demand study of business-to-business services, followed by export-readiness training workshops for enterprises; a train-the-trainer orientation session for trade support institutions; and a session for government officials.

Gender and Poverty Reduction Issues

Several ITC projects in Tanzania do not seem to have considered gender-specific issues. None among the 15 projects sampled for the Evaluation have a gender-specific component. This is possible due to the absence of suitable TSIs addressing gender-specific issues related to development, the overall low level of development, and a resultant absence of sharp gender differences. However, women have a direct involvement in several sectors identified under the national export strategy, e.g. textiles/garments, cashew, and fish processing.

While several projects indirectly address poverty reduction, there is an absence of community-level poverty reduction interventions such as ITC's Export Led Poverty Reduction (EPRP) programme, which has proved to be very effective in other countries such as China, India, Brazil and Vietnam. The EPRP has a direct impact on poverty reduction at the community level and is therefore highly relevant in the LDC context. Given that in LDCs a very large section of the population is poor, larger mainstream programmes in a few key sectors can be based on the EPRP to target poverty reduction.

Organisational and Management Aspects

Project Cycle Management

ITC co-ordinates projects in various countries through its Country Officers, all of whom may be assigned one or more countries. According to counterparts, the country officers serve as the key link between the national partners/beneficiaries and other ITC departments that deliver the programme activities. National partners in the countries play an important role in project implementation, although with the involvement and supervision of ITC. The role of national partners is most important in the country-specific projects, or in multi agency projects such as JITAP, where the co-ordination with various stakeholders and beneficiaries is the most important role of the partners.

According to local partners, the initial stages - problem analysis, needs assessment, project design and financial closure stages - are fraught with uncertainties and require specific justification for interventions. Since ITC often carries out these processes internally, there is also a need for filtering and prioritisation of requests, given the limited funding under

the Trust Funds. But once the project funds are in place, ITC is an efficient manager of projects; from the viewpoints of planning and preparation, execution of assistance, adherence to scope of assistance, timely delivery of inputs and, finally, reporting – feedback - evaluations of its inputs and results. The BET as well as the various evaluations reported the timely completion of activities and the utilisation of budgeted resources as planned; and for earmarked actions and inputs, with rare cases of changes in project design or activities during implementation.

All projects sampled in the Evaluation have completed targeted activities within budgeted limits.

Budgetary and Funding Issues

While there is a growing demand for ITC services and programmes in all countries, ITC often faces challenges in arranging donor funding for projects that have adequate justification. Therefore, the post-needs assessment phase consists of parleys with potential donors to fund country-specific or regional programmes. Donors also face increasing challenges in allocating their development assistance budgets among the several prospective beneficiaries having similar development states. Development assistance is based on country and regional strategies and is available for actions that reflect the priorities and themes set out in the donors' country strategy documents, which at times limit the possibilities for donors despite an established need. In these conditions, budgets for interventions in a given country tend to become smaller and available only under some specific themes.

Tanzania has a high dependence on external assistance for its development programmes, and all technical assistance related to trade expansion is donor-funded. There are increasing concerns on the part of donors over the sustainability of various interventions, especially with respect to absorption capacity and scaling up at the sector or national level. Donors also expressed concerns about significant overlaps among various interventions in the region, and the absence of co-ordination among implementing agencies at the country level.

There is very low awareness among the major donors of ITC programmes and activities in Tanzania. That country-wise expenditures are not available or reported on several ITC projects, often adds to the challenge of evaluating results and establishing effectiveness of interventions. This is seen especially in multi-country projects, which are the largest mode of delivery for ITC.

There was poor or no recall of programme activities that are listed under ITC deliveries in Tanzania during 2001-2004 for the following ITC projects:

- Co-operative programme on quality assurance.
- Access to finance (project development activity).
- Competitiveness tools fair.
- Export development of organic products.
- Integrated leather sector export development for Africa.

Some of these activities have considerable overlaps with other, larger programmes such as the UNDP/Swiss funded Export Development of Tanzania, and therefore, their specific relevance and contribution remain unnoticed and are probably not well understood as well.

With funding becoming scarce, it will become increasingly important for ITC to consider and weigh the relative merits of tailor-made, country-specific projects and horizontal, multi-country programmes involving specific fixed-format themes.

1.6 Country Level Evaluation

Summary of Evaluated Projects⁵

1. Joint Integrated Technical Assistance Programme

Tanzania was among the eight beneficiary countries of JITAP. The programme sought to improve the capacities of these countries to participate in the multilateral trading system, undertake export strategy development and improve market linkages to benefit from new market access opportunities under WTO. The programme was multidisciplinary, and involved ITC, UNCTAD and WTO as the implementing agencies.

Activities in Tanzania under JITAP were co-ordinated by the BET. JITAP I activities, with a budget of nearly USD 400,000 (differs from the USD 1.52 million according to ITC), involved the following:

- Setting up of three reference centres for disseminating trade-policy related information - the BET is the reference centre for trade, along with the Tanzania Ministry of Trade and Investment, and the CBE. The reference centres have been provided a large set of trade related reference materials, including ITC publications, and licensed access to ITC's net-based TradeMap services.
- Training of trade negotiators in the WTO agreements and formulating positions - this part was implemented by UNCTAD and WTO, the other partners in JITAP. The government set up an institution for training of officials, and the CIBDS - a training institution set up with ITC support in another project - was set up for training private sector enterprises on trade matters. The modules involved training of customs officials, standards authorities and other stakeholders, including members from the industry and trade associations.
- Sector level export studies and strategy documents: Using Cluster 12 funds of JITAP, diagnostic studies were completed for two sectors, textiles & clothing and spices. Under Cluster 12, the BET also created sector development committees for each sector, involving domestic experts, private sector players and other ministries such as Ministry of Agriculture. The sector committees were to submit inputs for the diagnostic studies and also to take part in strategy formulation at the sector level. Additionally, using the same methodology, BET also undertook studies in fish products and horticulture, using the Integrated Framework funds. These studies were instrumental in preparing the National Export Strategy document of Tanzania.

Though JITAP is a very successful example of co-ordinated multi-agency delivery of technical assistance, there are mixed opinions on the utility of JITAP activities for end beneficiaries. JITAP funding was confined to preparation of sector diagnostic studies and strategy formulation, and does not provide for the initial implementation steps, which are very essential after identification of the problem and articulating a strategy. As a result, the visible output from JITAP I was only a set of reports without an assurance of funding for the implementation.

⁵ The sub-heading numbers below refer to Table 1

However, the participants benefited from the use of ITC tools and methodologies. Most of the preparatory work in the export strategy activities was done internally, involving national consultants and participants from all stakeholder groups. There is now considerable capability to undertake similar exercises with reducing levels of external technical support. ITC's contribution and the hands-on approach to strategy building is widely recognised and acknowledged by various participants.

National Export Strategy

Drawing on the diagnostic studies carried out under JITAP cluster 12 activities, and also with guidance from ITC and using the ITC template, Tanzania produced a National Export Strategy document in collaboration with the World Bank. Several actions were suggested by the World Bank, which covered policy and procedural changes, and advocated other trade measures.

Stakeholders mentioned that activities have not commenced so far, even though JITAP II was announced close to 18 months ago. The final activity plans on JITAP II were being fine-tuned with ITC at the time of the mission and were expected to be ready by August 2004. However, according to ITC, activities were never interrupted, since Phase I. Several information dissemination activities and preparation of the Cancun conference, among others, took place, including implementation of activities under module 4.

Table 4: Summary of Project Details – JITP I & II

Status and duration	JITAP I 1999 to 2002, completed JITAP II, initiated in 2003
Beneficiaries	Ministry of Trade and Industry (officials) Board of External Trade (officials) CBE
Coverage/Location	Multi-country project in eight countries including Tanzania.
Budget/Donor	USD 2.48 million (all eight countries)/ITC Global Trust Fund.
Major objectives	Integration into MTS, Export Strategy Development, Market linkages.
Project results	<ul style="list-style-type: none"> • Three reference centres on WTO issues were established and trade information materials were supplied, including access to Trade MAP, etc. • Training of trade negotiators on WTO issues by UNCTAD and WTO, and private sector participants by CIBDS. • Sector-level export studies for two sectors (textiles/apparel and spices) under JITAP and two more sectors under IF. • Results from the project have been used in preparation of a National Export Strategy for Tanzania, and reference centres are operational. However, implementation of sector strategies remains to be carried out due to funding constraints.

Under JITAP II, a budget of USD 500,000 has been earmarked for Tanzania, including USD 100,000 toward Module 4, covering export strategies for two new sectors- leather & leather products, and services. Besides these, specific activities have been proposed for

support to horticulture-mango, papaya and French beans, involving non-infrastructure components, and further activities in textile& clothing.

2. Integrated Framework Pilot Phase GLO⁶ 02 G05

The Integrated Framework (IF), a programme led by the World Bank, has strong overlaps with JITAP. Tanzania was one of the very few beneficiaries under the ‘old’ Integrated Framework, which encompassed a less formal and structured process than the new IF that came into force in 2000. Under the old process, some limited resources for follow-up support were made available, which facilitated the preparation of export strategies for horticulture and fisheries under this pilot project.

In 2003, while Tanzania had not yet become a member of the ‘new’ IF, the Government – on its own initiative and with the support of seco and ITC – carried out a ‘home-grown’, ‘IF-like’ diagnostic study and TRTA matrix. Project activities resulted in the launching of a new project, funded by the Government of Switzerland. The project aimed at assisting the Government in the preparation of an overall diagnostic study for the integration of trade into the development agenda and at preparing a prioritised matrix for trade-related technical assistance in Tanzania.

In mid 2004, when Tanzania became an approved IF beneficiary, the World Bank took over the completion of the study and is currently turning it into a full-fledged Diagnostic Trade Integration Study. The study was scheduled for completion by early 2005, and would then lead the way for the allocation of TRTA funding of up to USD 1 million under the IF trust fund.

The project aimed to assist exporters to integrate in the global trading system and government strategy makers to “mainstream” trade in national development plans and poverty alleviation strategies in the country, in particular under the PRSP. The main focus of the project is to assist in the preparation of sectoral export strategies for products having good export potential, applying the “coaching” and “do it yourself” approach. It also aims to provide assistance for strengthening the Inter-Institutional Committees established under the JITAP.

Under the project, export strategies were prepared for the horticulture and fisheries sectors. This included the preparation of supply studies, organisation of market orientation tours to expose exporters to potential markets and the subsequent drafting of diagnostic reports and strategy documents for the two sectors. Both strategies were endorsed at a National Symposium in November 2003. The project also provided support for immediate follow-up market contact missions in the horticulture sector as well as assistance for the purchase of much-needed inputs to horticulture farmers. Other follow-up activities in the area of packaging, product branding and quality management (TBT⁷/SPS⁸) were included for assistance for Tanzania.

⁶ General Land Office

⁷ Technical Barriers to Trade

The Tanzanian example of a home grown IF process has received strong support within the IF community and has been hailed as a good “best practice” case.

Table 5: Summary of Project Details – Integrated Framework

Estimated project duration	2003
Donor	Multi-country
Project budget	USD 50,000 (pre-launch study of IF in Tanzania)
Expected outcomes	<ul style="list-style-type: none"> • Integration into MTS • Export Strategy Development • Market linkages

3. Export Development of Organic Products from LDCs INT/24/83A

Table 6: Summary of Project Details – Export Development of Organic Products

Duration	March – December 2003
Beneficiaries	BET and producers of spices
Coverage/Location	Eight countries including Tanzania
Donor	Denmark
Budget	USD 791,798
Major objectives	Building a sustainable export business in organic products, through capacity building; and establishing or strengthening already existing regional networks
Project Results	<ul style="list-style-type: none"> • Supply and needs assessment studies in honey • Study visits for selected target markets in EU • Dissemination at Organic Products Round Table

4. Co-operative Programme on Quality Assurance of Spices INT 61/77

Table 7: Summary of Project Details – Co-operative Programme

Duration	Feb 2000 – Dec 2002
Beneficiaries	BET and producers of spices
Coverage/Location	Eight countries including Tanzania
Donor	Switzerland
Budget	USD 358,065
Major objective	Improvement in the quality of spices for export markets
Project Results	<ul style="list-style-type: none"> • Training on organic development of spices and other products • Trade missions to EU market • Regional co-operation Workshops

⁸ Sanitary and Phyto-Sanitary Measures

Projects 3) and 4) overlap because spices were the common product and the national counterpart could not distinguish between the two interventions. Therefore, the Evaluator has combined both for evaluation.

These multi-country projects consisted of technical assistance to LDCs and other low-income developing countries, to build up a sustainable export business in organic products. The assistance was to involve capacity building in certification, export marketing, market research and marketing intelligence, making the maximum use of electronic communication systems including the Internet. The project sought to establish or strengthen already existing regional networks, to maximise effectiveness and ensure the sustainability of these activities.

Activities as reported by ITC included:

- In 2001, a mission was organised to Malawi, the United Republic of Tanzania and Zambia on website development, for introduction of websites devoted to organic products related matters in early 2002.
- Trade missions were organised to France, Germany and the United Kingdom, consisting of direct contact with buyers and end-users, store visits and visits to the Organic Food Fair, London, and the ANUGA Food Fair, Cologne. These were followed by a briefing mission in Malawi, the United Republic of Tanzania and Zambia about business opportunities. In 2002, technical advisory and workshop missions were carried out in Malawi, the United Republic of Tanzania and Zambia. During the workshops, participants (producers, traders, government officials, Non Governmental Organisations (NGOs), etc.) learned about organic farming, processing and export marketing.
- A supply survey/needs assessment on organic beekeeping was carried out in Kenya, United Republic of Tanzania and Zambia, followed by a small study of selected target markets, i.e. Belgium, Germany and the United Kingdom. All three countries have good export potential at the same time, as there appears to be a world shortage of organic honey and other hive products. The mission report provides recommendations on further development of the organic beekeeping industry in the countries concerned.
- An export development and regional co-operation mission was undertaken to Malawi, Tanzania and Zambia to help co-ordinate export development and marketing activities for herbs, spices, essential oils and honey, in close cooperation with other ITC consultants. A technical advisory mission was undertaken to the same three countries by two specialist consultants on essential oils and spices/herbs, respectively. Their principal task was to work directly with organic producers and advise on production and market development, as appropriate to their specific enterprises.

ITC documents note that ‘as a result of project activities, the organic sector has increased considerably in participating countries, in particular in Malawi, the United Republic of Tanzania and Zambia. Although export statistics do not exist, several producers and exporters already appear to have obtained good results thanks to this project.

ITC inputs, provided over the last two years, have helped farmers/producers at the “working floor level” in several areas, including product development. The consultants report gives a number of practical suggestions and recommendations, which will be further elaborated in a new manual to be posted on the Internet early 2004.’

Evaluation observations

Although ITC activities in the project are well documented, the field mission could not find evidence of a high recall of the project and its activities, even from the BET officials involved. The officials could not agree that it was a full programme; they merely referred to several visits by short-term consultants relating to website development and some training workshops for producers. No mention was made of the several trade missions to European countries organised by ITC for producers. There was also confusion over this multi-country programme with the JITAP cluster activities in Tanzania, under which a sector export diagnostic study was carried out for the spices sector, with the support of ITC.

On the other hand, there is greater recall of the Swedish International Development Cooperation Agency (SIDA) assisted programme “Organic Sector Development Training Programme in Tanzania’, implemented by Export Promotion of Organic Products from Africa (EPOPA) Tanzania, Pro Eco, a Netherlands- based organic produce development consultancy and Growlink, a Swedish consultancy agency. This may be partly due to the target beneficiaries being extension service bodies and policy makers, and produce organisations. The officials also mentioned that Centre for the Promotion of Imports from Developing Countries (CBI) Netherlands had provided them training on publications and information management for dissemination on organic products.

ITC project documents mention several workshops for producers in organic production techniques. However, it is not mentioned whether these were done through, or with the support of, the SIDA assisted EPOPA, which has a large footprint in Tanzania. EPOPA extends into several products including coffee, cashew and spices, and has more than 4,000 farmers under its programmes. There is a direct overlap between EPOPA core activities in Tanzania and those arranged by ITC under the organic products programme, with the only exception of marketing missions. Whether these synergies were explored in the course of the needs assessment was not clear to the Evaluation.

Based on the above, the Evaluation’s view is that there has possibly been a significant overlap between ITC activities and other technical assistance supplied in the sector. This has probably resulted in a blurred perception of the specific contribution by ITC in these activities, besides probably an inefficient use of technical assistance resources and funds. Also, the timing of market missions, especially those after the initial exploratory visit, may have been premature, in the light of the narrow supply base.

This points to a need for improving the needs assessment process at ITC before including countries under its technical themes, and building a case for proper sequencing and co-ordination of country level activities under several (ITC and non ITC) programmes

covering the same sector. The absence of adequate record keeping and follow-up by the local counterpart institutions further constrains the needs assessment exercise.

South-South Trade Promotion Programme

The following 6 projects are under the theme of the global SSTP Programme, though some of them were in existence before SSTP was classified as a global programme of ITC. Also there is a detailed evaluation of these projects in their entirety in the technical studies covering SSTP. Only the observations on the field mission in Tanzania are covered in this report.

Buying from Africa for Africa programme (project 7) and Training of the TSIs (project 8) are interrelated, as are Promoting Trade in Services in Sub-Saharan Africa (project 9) and Networking Event to Foster Alliances among Service Sector Associations (project 10), which refer to the same project. In addition, services is for the first time a theme related to the SSTP even though these projects are not funded from the SSTP budgets, and are administered by the Trade in Services unit at the ITC.

5. Sub Regional Trade Expansion in Southern Africa INT RAF 6171

In January 1999, ITC launched the project “Sub regional Trade Expansion in Southern Africa”. The project aims at increasing South African market opportunities for products originating from other African countries, to counter the current unbalanced trade patterns between South Africa and the rest of the Southern African sub region.

The SADC countries, including South Africa, wanted this trend to be reversed and the imbalance reduced, holding that this situation was not in their long-term interests. Several countries have not been taking advantage of the opportunities in export to South Africa, created by the SADC Trade Protocol. As a result, ITC designed a three-year technical co-operation programme with the overall objective of increasing exports from the region to South Africa.

Tanzania was one among 14 countries under this programme, which was subsumed later under the SSTP Programme. The activities under the project involved the three-pronged ITC approach: (i) trade flow analyses for the selection of product/sector themes; (ii) demand and supply surveys in participant countries with a listing of pre-qualified suppliers; and (iii) Buyer-Seller Meetings (BSM). Besides these, the project included formation of a regional trade website, Southern Africa Business Network (SABN) as a permanent mechanism for the exchange of information on sub regional trade opportunities.

A key feature of the SSTP approach is to upgrade the domestic capacities in preparing practical demand-supply research studies that can be used by businesspersons to identify trade opportunities. In the earlier stages of the programme, the lack of availability of trade and industrial data, and the absence of skills to produce analytical report, resulted in huge variations in the quality of studies brought to the preparatory meetings and the buyer-seller events. To ensure a meaningful output from each of the participants, ITC made

available budgets for national consultants (USD 2,500 per sector) and backstopped the exercise through its DPMD/Market Development Section (MDS) division.

Tanzania produced supply surveys for all the sectors considered for the programme, through national consultants, under the supervision of ITC experts. BET officials or national consultants under the supervision of BET made these surveys. Some Tanzanian business enterprises have participated at all five business meetings since 1999, the last being in 2003.

The consultants reviewed three report documents - exotic food and beverages, leather products, and wood products - prepared by the BET for the programme. There is a significant difference in the quality of these surveys, with the document on leather coming closest to the ITC prescriptions on the outline and contents. This is partly due to the well-defined focus in the survey on leather, which was confined to raw and semi-processed hides and skins, unlike the other surveys, which were broad based. The absence of a common definition of exotic food and beverages, and wood products, resulted in a loose, generalised study of these sectors, which may not be of practical use to business persons.

This was confirmed in the field mission to South Africa as well: some South African buyers attending the BSM in Johannesburg had commented on the poor (loose) classification of exotic foods and beverages, resulting in large-scale participation at the aggregate, but with very few matches (less than three in honey and cashew) at the product level.

The supply surveys could not provide a detailed listing of enterprises as prospective participants in the events, mainly because there is no reliable, readily usable national trade database of business enterprises, which is very important to the effectiveness of the SSTP programme. This inadequacy, which can lead to serious problems in case of trade litigations, especially in antidumping charges, has been partly addressed in other programmes of ITC. But eventually there needs to be a co-ordination among the Registrar of Enterprises, the Board of External Trade, the Tanzania Investment Centre and the Bureau of Statistics. The aim would be to prepare a national directory of enterprises, suitably classified by size, profile and activities.

Table 8: Summary of Project Details – Sub Trade Expansion in Southern Africa

Duration	1999-2001
Beneficiaries	Trade support institutions and business enterprises participating in BMSs
Coverage/location	Sub-Saharan African countries
Budget	USD 1,362,000
Donor	Switzerland
Major objective	Enhanced trade among SADC members
Project results	<ul style="list-style-type: none"> • Intra trade potential studies • Product selection workshops • Supply-demand surveys • Pre-selection and audit of participants • Organisation of buyer-seller events

Notwithstanding the absolute levels of standards in these documents and the actual trade outcomes from the buyer-seller events, there has been a perceptible transfer of skills from ITC to the BET through the methodology of the South-South Programme. This is visible in the background papers and sector diagnostic reports submitted for JITAP and IF.

Another positive impact of the programme has been a transfer of experience in organising trade events, notably the Tanzania International Trade Fair, which accounts for 80% of the annual revenues of the BET, and is attracting more visitors and exhibitors each year. In BET's own admission, officials have gained from the experience of working with ITC using the ITC tools and techniques.

6. Intra African Trade Promotion

This Programme, the original precursor to the SSTP Programme, aims at inducing African business partnerships across national borders to expand regional trade, as an intermediate step towards integration of African enterprises into the global economy.

The overall objectives of the Intra African Trade Promotion (IATP) were:

- To make the African marketing environment more transparent, and provide information on a vast array of tradable products in the region;
- To assist African companies in taking advantage of existing business opportunities within Africa;
- To contribute to the long-term process of economic integration in Africa.

ITC interventions consisted of several steps characterising the classical methodology now standardised under the SSTP Programme, i.e. trade flow analyses, selection of 'high potential' products, demand supply studies, training local partners, selection and audit of enterprises, with BSMs as the culmination activity.

Table 9: Summary of Project Details – Intra African Trade Promotion

Duration	May 2001 to December 2002
Beneficiaries	Trade support institutions (BET in Tanzania), participant enterprises
Coverage/Location	Sub-Saharan African countries
Budget	USD 1,048,000
Donor	Netherlands
Major objectives	Enhancement of intra regional trade among African countries
Project results	<ul style="list-style-type: none"> • Intra trade potential studies • Product selection workshops • Supply-demand surveys • Pre-selection and audit of participants • Organisation of buyer-seller events

7. Buying from Africa for Africa

This was a new dimension to the project, aimed at increasing Africa's participation in development aid procurement. The participating countries at the event are selected from the results of a trade flow analysis in order to identify the export potential of these countries with regard to shelter, personnel protection and household items. The participating companies at the event are identified by trade promotion organisations in the selected countries. The identified companies are then short-listed, based on the recommendations of auditors who visit them in each country. The auditors also offer consultancy assistance to the companies in preparing for the event, and advising them beforehand on the requirements of the agencies.

Table 10: Summary of Project Details – Buying from Africa for Africa

Duration	2002-2005
Beneficiaries	Trade Support Institutions, Business enterprises participating in BSMs
Coverage/Location	Sub-Saharan African countries
Budget	Part of SSTP budget of USD 2,100,000
Major objectives	Enhancement of procurement from African suppliers by humanitarian organisations
Project results	<ul style="list-style-type: none"> • Intra trade potential studies • Product selection workshops • Supply-demand surveys • Pre-selection and audit of participants • Organisation of buyer-seller events

8. Strengthening Trade Support Services for the Aid Procurement Market

The project aimed at building the capacities of trade support institutions in Kenya, Tanzania and Uganda, particularly the Trade Promotion Offices (TPOs), for addressing the needs of exporting enterprises supplying products to humanitarian and relief agencies under the SSTP Programme.

At the specific request of institutions from Kenya, Tanzania and Uganda, ITC dedicated a half-day session to the issue of accessing the aid procurement market and strengthening the technical capacity of TSIs. The aim of this session was to assess the motivation and ability of TSIs in filling this gap and assess the merit of building up their capacity in improving the access of African firms to the target market. At the Nairobi BSM, which aimed at facilitating access to the aid procurement market, participating firms were given reference materials that had been specifically developed for the sector. Materials included, among others:

- Agency profiles: A booklet highlighting characteristics and procurement practices of the major aid agencies operating within the region;
- Registration forms: A collection of registration forms that companies have to complete when applying for registration on the rosters of suppliers of individual agencies;
- Procurement procedures: A collection and comparison of procurement procedures and practices in the area.

Activities in 2003 included the following:

- Assistance to representatives from key trade support institutions in Kenya, Uganda and Tanzania to participate actively at a BSM.
- A needs assessment mission to the three countries to assess strengths and weaknesses of TSIs, particularly their ability to provide effective trade support and business advisory services to bring both parties (suppliers and aid procurement agencies) closer together, and to allow suppliers to secure a higher share of the aid procurement market.

Table 11: Summary of Project Details – Strengthening Trade Support for Aid Procurement Market

Duration	May 2001 to December 2002
Beneficiaries	Trade support institutions BET in Tanzania
Coverage/Location	Sub-Saharan African countries
Budget	USD 98,737
Donor	Global Trust Fund
Major objectives	Capacity and demand study of business-to-business services, training workshops for enterprises, train-the-trainer orientation workshops.
Project results	Training workshop for TSIs relating to the SSTP programme.

9. Promoting Trade in Services in Sub-Saharan Africa INT W4/23

This project whose budget was USD 111,550, targeted the development of service exports through: (i) enhanced awareness of opportunities, (ii) building a database on exportable services and service providers, and (iii) service sector alliances in selected sub-

Saharan countries, namely Ghana, Nigeria, Tanzania, Kenya and Uganda. The activities entail a capacity and demand study of business-to-business services, followed by export-readiness training workshops for enterprises; a train-the-trainer orientation session for TSIs; and a session for government officials. The train-the-trainer workshop sought to build capacity within chambers of commerce and services industry associations to deliver training to member companies on an ongoing basis.

The deliverables for the project were:

- Database of potential clients (SMEs and TSIs) in the five countries.
- Market requirement matrices and opportunity matrices for each country.
- Identification of at least 10 export-ready firms in services in each country.
- Matching of service sector business associations with complementary project interests.
- Best practices model for national services coalition.

Table 12: Summary of Project Details – Promoting Trade in Services in Sub-Saharan Africa

Duration	May 2001 to December 2002
Beneficiaries	TSIs
Coverage/Location	Sub-Saharan African countries
Budget	USD 98,737
Donor	Global Trust Fund
Major objectives	Capacity and demand study of business-to-business services, training workshops for enterprises, train-the-trainer orientation workshops.
Project results	<ul style="list-style-type: none"> • Database of exportable services and service providers. • Formation of service sector alliances in selected African countries. • Identification of export ready enterprises and training.

10. Networking Event to Foster Alliances Among Service Sector Associations

This project, with a budget of USD 45,000, was designed to foster in-country and cross-border partnerships among services sectors by adapting the BSM format of the South-South Trade Promotion model to the services sector. This involved identifying potential clusters in services in Kenya, Uganda and Tanzania. Five clusters were selected, i.e. business services, education, construction, Information Technology (IT) and tourism. Another activity entailed holding of a workshop in Kenya.

ITC reports that capacity studies were developed and training was delivered to SMEs, professional associations and Chambers of Commerce in the five recipient countries, with over 500 companies receiving export-preparedness training. New regional bodies of services exporters have emerged in three countries. The ITC training modules have been adapted and included in many educational institutes. There is also heightened awareness within Governments of the importance of the service sector.

In the networking meetings, held in 2003 in Arusha, more than 60 companies participated in the networking meeting of service providers. The networking event held in Arusha during the same year also reported nine partnerships initiated, and a great deal of awareness was created of the strategic importance in bundling service offerings for greater export success. Thereafter, a meeting was held in Nairobi, with emphasis on forming partnerships and networks among service associations. All event costs were borne by ITC, including the travel costs of participant associations.

The Evaluation was informed by BET that Tanzania has a keen interest in services sector, considering that services account for more than 35% of its GDP. Also, services exports (ports and tourism) account for a large share of Tanzania's exports. Under the project, the BET held three separate workshops in 2002, inviting service providers, associations and policy makers, respectively (in all over 100 participants) to showcase the importance of services sector exports and the emerging opportunities under General Agreement on Trade in Services (GATS) liberalisation. The workshops also provided knowledge on issues such as: how to get prepared for services; how to move to export services; what policy actions are required to support service exports; etc.

Tanzania is setting up a Service Export Association as an apex body to set up a system of classification of all services, and to capture/measure all service activities. Also an export strategy for services is proposed for development under JITAP II.

Table 13: Summary of Project Details - Networking Event to Foster Alliances Among Service Sector Associations

Status and duration	2002, completed
Beneficiaries	Service sector associations
Coverage/Location	East African countries, five sectors
Budget	USD 45,000
Major objectives	Capacity and demand study of business-to-business services, training workshops for enterprises, train-the-trainer orientation workshops.
Project results	<ul style="list-style-type: none"> • 60 participants attended the networking event in Arusha. • Nine partnerships were initiated.

Evaluation observations

While a detailed evaluation of the SSTP programme has been done separately, the key conclusions for the SSTP as well as for Tanzania are similar:

- The SSTP programme has enhanced the skills of the partnering TSIs to identify market opportunities in intra-regional trade and to undertake demand-supply studies for selected products.
- Market access opportunities are not fully utilised by least developed countries such as Tanzania, due to supply side constraints.
- Overall, the selection of beneficiary enterprises for the buyer-seller events has not been effective, and several dimensions of export readiness need to be built in the profile before short listing participants.
- Financial sustainability of the events is doubtful in the absence of external assistance.

However, for Tanzania, the most important benefit from the SSTP has been the enhanced abilities of BET to organise and manage its own international trade fair (covering more than 35 countries in 2004), which is its biggest source of revenues.

11. Enhancing the Availability of Trade Data for the LDC

The project involves the collection of trade and market access data concerning LDCs, with the objective of improving the current coverage of countries. Trade data was obtained from eight LDCs through direct networking with government organisations responsible for maintaining and collecting that data. Countries included Zambia, Burkina Faso, Tanzania, Togo, Ethiopia, Niger, Angola, Senegal, Sudan, and Eritrea.

The data was incorporated directly into TradeMap, the main ITC tool for trade flow analysis. Thus it was made available to users within the countries involved and to the full network of TradeMap users, including 30 TradeMap country partners, and individual and

institutional users throughout the world. The Market Analysis Section (MAS) also transmitted the data to the United Nations Statistics Division (UNSD) for inclusion in the Commodity Trade Database (COMTRADE), making it available to an even wider audience and increasing the value of the UNSD/MAS partnership.

12. Trade Expansion in Cashew Nuts from Africa INT W3/69

This multi-country project consisted of organising conferences to increase networking among exporters of cashew nuts in Africa and promote value added cashew nuts, and create awareness of market opportunities. The participant countries included Benin, Ivory Coast, Ghana, Kenya and Tanzania.

The activities included preparation of national studies of the sector, holding regional roundtables to provide the opportunity to jointly address several issues of common nature, and development of a cashew nut portal and website for the region.

Tanzania participated in the events, the latest being in July 2002, in which it presented its National Consultancy Report, prepared under the guidance of the Ministry of Agriculture and Food Security. A national consultant under the project, which was funded by ITC, authored the report.

There was inadequate recall of the programme's outcomes in terms of market development results, even by the national consultant, though he shared details of the paper submitted at the July 2002 conference. On the other hand, from the view point of market linkages, there was greater appreciation of the market missions under the UNDP export development programme, in which cashew was one of the thrust sectors.

Evaluation observations

Cashew nut is an important export crop for Tanzania, accounting for more than USD 100 million in foreign currency earnings. However, the export is mainly in the form of raw nuts, which are exported primarily to India. There is considerable scope for further value addition within Tanzania, through processing of raw nuts to obtain kernels and cashew nut shell liquid, which have a higher unit realisation in export markets.

Cashew cultivation has increased steadily from 4,000 tonnes in 1970s to the present level of more than 120,000 tonnes, and has a significant rural employment and livelihood potential. However, returns to the producer/farmers have been depressed due to exploitative practices and a long chain of middlemen. The government has made interventions through licensing for raw nut buyers/exporters and also through a deterrent export tax on raw nuts. The government has also set up state-owned processing factories in different regions.

For developing the sector further, a National Cashew Development Strategy has been adopted for the five-year period 2001-2006 and addresses all aspects – varieties development, harvesting practices, processing, grading and marketing. This has been

principally funded by Department for International Development (DFID). Privatisation and revitalisation of the processing units is an important element in this sectoral strategy.

There was inadequate recall of the programme's outcomes in terms of market development results, even by the national consultant, though he shared details of the paper submitted at the July 2002 conference. On the other hand, from the view point of market linkages, there was greater appreciation of the market missions under the UNDP export development programme, in which cashew was one of the thrust sectors.

Given the importance of cashew nut and the high export propensity of the sector in Tanzania, ITC interventions for the development of market exposure, and building linkages with final buyers, are relevant and potentially complement the activities outlined under the Cashew National Development Strategy. However, given that the larger and more immediate issues are supply-side related, market exposure visits and regional conferences are perhaps premature. This is in view of Tanzania's present state of (non) readiness to export processed kernels and other value-added products.

On the other hand, at present there is a greater and more immediate need for inducting improved manufacturing practices, hygienic and packaging (e.g. nitrogen flushing), and quality certification measures to meet the requirements of important export markets, for which there are other ITC programmes readily available. Some respondents felt that production-oriented technical programmes could have greater utility than market exposure visits, which can also be addressed through buyer-seller events under the SSTP programme.

The field mission observations on this project again demonstrate the limited impact of an activity-oriented programme compared to a deeper sectoral programme, from the beneficiary country perspective.

The development of Tanzania's cashew sector is co-ordinated under a product specific board, which also - it is assumed - co-ordinates with other donor programmes in the sector. Also, Tanzania has the largest supply potential among all the target countries in the ITC regional programme on cashew nut. Therefore, for maximum impact, the designing, sequencing and timing of future ITC activities in the sector should be done in consultation with the Tanzania Cashew Board's activities calendar as well as with the other donor programmes in the same sector.

Table 14: Summary of Project Details – Trade Expansion in Cashew Nuts from Africa

Duration	October 2001 – June 2002
Beneficiaries	Export Promotion Council
Coverage/Location	Five countries in Africa including Tanzania
Budget	USD 84,485
Donor	Global Trust Fund
Major objectives	Increasing networking among exporters of cashew nuts and promotion of value-added products.
Project results	<ul style="list-style-type: none"> • Product Maps and country reports were prepared for the participant countries • Round tables were held to address common issues • BSMs were arranged

13. *United Nations Development Programme of Technical Co-operation on External Trade of Tanzania*

The Programme of Technical Co-operation on External Trade was launched in 1997, as a sequel to the earlier UNDP assisted project, the Export Development and Promotion Project URT/86/29, which ended in 1995.

The programme, with a funding of USD 5 million, was essentially for the development of non-traditional exports from Tanzania, and focused on supply studies and market-linkage missions, in addition to export-linked financial assistance to participating SMEs in the 13 selected items. Marketing missions were organised in Asia, Middle East and Europe. The project had to be scaled down substantially as UNDP itself could not raise the entire resources initially foreseen.

In 1997, the Programme of Technical Co-operation on External Trade of Tanzania was launched as a follow up programme, with USD 2.1 million covering three modules (reconfigured from four of the seven initially proposed), supported by UNDP, Swiss and Netherlands. These modules were:

- Export Promotion of non-traditional products from Tanzania.
- Institutional strengthening of the Board of External Trade.
- Development of Trade-Related Human Resources and Consultancy Services.

Export Promotion of non-traditional products from Tanzania:

The principal objective of the programme was to identify export opportunities for 13 (derived from supply and demand studies) non-traditional items of export. The other objective was to prepare private sector enterprises led by the Board of External Trade, to deal with the export markets through hands-on training and support provided by ITC. Due to budgetary constraints, 24 enterprises were selected in the programme.

The project had the following outputs:

- 11 market survey missions covering 39 target markets, for fish, timber, leather hides and skins, handicrafts, gemstones, horticulture, instant coffee, blended tea, textiles and garments.
- Advice and recommendations to exporting SMEs on the above products, concerning market requirements and practices.
- Market contacts with more than 250 buyers in Africa, Middle East, America, Europe and Asia, through meetings.
- Setting up of an Export Promotion Facility Fund (USD 200,000).

While some trial orders were procured by the participant enterprises, the experience with the export fund was disastrous: despite the quantum of loans being less than USD 10,000 each, only USD 32,000 were recovered from the USD 200,000 disbursed, and many borrowers remain defaulters to date.

Also, monitoring of results from the project was reported to be frustrated by the non-cooperation from beneficiary enterprises, which were reluctant to share experiences, especially details of business effected as a result of the project.

Institutional strengthening of the Board of External Trade involved the following:

- Evolving the organisational architecture and HRD strategy of the BET as Tanzania's national trade promotion organisation; and the creation of human resources and institutional skills for it to discharge its functions on a self-sustaining basis as much as possible.
- Benchmarking and mentoring from other national TPOs (ZimTrade, Japan External Trade Organisation (JETRO) and Thailand Board of Trade) was a key element in this module. There was also a component to strengthen physical infrastructure at the BET.
- Raising skills of BET officials to undertake export strategy development, providing trade advisory and information services, organisation of trade fairs and dissemination of information.

The project concluded in 2000 and has been evaluated by a tripartite group consisting of ITC, Netherlands and UNDP. On the whole, the Evaluation was positive, with a few suggestions for the BET, which include:

- Obtain periodic feedback from its clients to assess their needs and improve its services;
- Play an increasing role in the formulation of export-friendly policies and procedures strategies;
- Entrust the organisation of the Export Fund to a financial institution;
- Disseminate all the trade and market information collected during the project to stakeholders in all the participant sectors.

The terminal review by donors also felt that the project was highly relevant and had attained many of its objectives, considering the financial constraints, which required a scaling down of activities in some modules. There was rationale for continuing similar assistance, but UNDP and Netherlands both regretted the inability to contribute further funds to follow up programmes in view of other commitments.

All the officials at BET met by the Evaluation, displayed a good knowledge of trade issues and challenges. The officials also had a good knowledge of the sectors and various project activities, as they were attached to specific sectors under various technical assistance projects. Several small incidents - intervening for some meetings and providing leads on whom to meet for specific information on some sectors - also revealed their close contact and rapport with industry persons.

The industry associations met by the Evaluation also had good opinions about BET's handling of export issues, involving industry in discussions on sector strategy formulation and disseminating trade information to stakeholders, within its limited resources.

In the Evaluation's opinion, the BET also functions professionally, respecting schedules - unlike some other countries in the Evaluation - and in an investor-friendly manner. This was demonstrated at the opening day of the International Trade Fair (1 July 2004), which normally brings in 80% of BET's revenues. The smooth management of the Trade Fair (some stalls were visited by the Evaluators) and the participation from several countries indicated the active marketing and good positioning of the trade fair as the premier event in Tanzania.

All BET officials had high regard for the skills brought by ITC and stated that they benefited personally from the project. Some officials felt that project funds could be used better by using high local content instead of ITC international consultants, in programming and needs assessment, and even in project coordination; taking into account the lack of local knowledge among international consultants. In this respect, there was also criticism that this local expertise was not being used adequately by ITC, despite some BET officers having been approved in the ITC roster of consultants.

Overall, there is a clear consensus and commitment in Tanzania on the sectors for the export strategy and on the strategy itself. ITC's contribution in identifying non-traditional exports is recognised by BET, the donors as well as the private sector. However, there are no visible or significant impacts from the market missions, on the exports from Tanzania in these sectors. In the fisheries sector, which is Tanzania's second largest export sector, this can be traced to several reasons:

- Export is dominated by a few large players (about 11 companies, some of them foreign-owned); many of them did not participate in the market missions, as they had their own established links.
- The participants in the market missions were very small players, financially unable to deal with the export requirements, despite finding the availability of markets; some of the participants were even new to the sector (including an architect and a general trader who moved into fish exports).

- The stringent EU requirements under the Hazard Analysis and Critical Control Point (HACCP), the high capital costs of compliance, the three to four year time horizon for approvals, and limitations in accessing finance, deterred exporters from preparing for the market, even though the export potential was confirmed in the missions.

As a result, the market mission only resulted in opportunities for export of live seafood for the Middle East markets, which involved lower transportation costs and brought better margins for both sellers and buyers.

There was a contrasting experience for one player in the horticulture sector. Based on the knowledge from preparing the sector strategy, and the exposure to the Middle East and Asian market, one enterprise spotted a niche off-season window for mangoes in Oct-Dec, which complements the availability from India in May-July. This resulted in a 500 tonne regular export, now growing to 2,500 tonnes, and the involvement of a larger community of farmers entering the product.

The above contrasting examples illustrate that it is primarily the role of the private sector enterprise to seize market opportunities and use the technical assistance to further its own gains. There are concerns that the private sector enterprises have not played their due role in this process.

The Evaluation met up with an important donor as well as some participants/beneficiaries in the project, besides the BET officials connected with the project.

Beneficiaries' experiences with the project, especially the marketing missions, were mixed. While some missions were said to be well co-ordinated, the experiences in others (for instance, fisheries mission to United Kingdom (UK) were somewhat disappointing:

- The international consultants appointed by ITC were not well-introduced to the market and had to struggle identifying prospecting buyers.
- Meetings were arranged at short notice and were badly scheduled, providing very little time for factory visits and discussions.
- Buyers were reluctant to share information and were not serious about discussing business with the visitors.

However, the participants found their first experience of other markets very informative, even though many of them did not conclude business.

During discussions, the Evaluation noticed several small instances of general 'donor dependence syndrome' among beneficiaries. This is characterised by absence of group behaviour and own initiative, which are fundamental for enterprise success and sector development. These indicate unmet needs in the private sector, especially SMEs, in simple problem solving skills and collective bargaining. The shortfalls can be addressed through training and mentoring, with immediate results and lead to enhanced confidence in taking larger initiatives.

Some enterprises actually obtained business leads from the market mission, and have been regularly exporting live fish to the Middle East, often declining orders or short supplying against agreed quantities. However, when prodded why they had never considered outsourcing to meet the growing demand, despite the friendly relationships among small boat owners, they expressed surprise that this had not occurred to them.

Similarly, the access to finance was cited by several enterprises as a deterrent to growth despite the growing market opportunities. When asked why they had not considered setting up a collective fund and borrowing as a combine - which provided easy servicing yet offered enough guarantees for the lender - and expanding the fleet gradually but collectively; they felt this was something perfectly within their reach and they could do it by creating a society.

At another level, the BET recognises the importance of managing donor funds efficiently and effectively and is concerned about the poor record at monitoring and impact measurement in general. BET and donors are very open to a common monitoring and evaluating unit for all TRTA, in order to track beneficiaries periodically and measure outreach and outcomes from all initiatives. The BET has also expressed interest in such a unit (although this is not recommended given that it is an interested party), to be run by consultants or contract staff, with a full year schedule of monitoring all the projects in the sectors featuring in the export strategy. The results from these missions would be available to all donors and partners, which would facilitate analysis of what works and what doesn't, and assist in course-correction, besides inducing a better co-operation among donors and technical partners.

Table 15: Summary of Project Details – Technical Co-operation on External Trade and Others

Duration	1997 - 2002
Beneficiaries	CIBDS
Coverage/Location	Tanzania
Budget	USD 2,100,000
Donors	UNDP, Netherlands and Switzerland
Major objectives	Export Promotion of non-traditional products, institutional development and strengthening the Board of External Trade, trade-related human resources development.
Project results	<ul style="list-style-type: none"> • 11 non-traditional export sectors and 39 markets identified for export diversification. • Market contact programmes and training for 250 SMEs. • Creation of Export Promotion Facility Fund. • HRD and organisation of the Board of External Trade to provide trade related assistance, and to attain self-sustenance.

14. Development of Trade Related Human Resources and Consultancy Services

This project came about following the programming work under URT 97/004, which had three modules, of which one was removed for funding by the Swiss government.

The focus of the project was to create a pool of trained human resources called trade tutors who could guide the exporting community in gearing up for the export market, through a range of training modules covering various aspects of export and trade management. This pool of tutors was to be master-trained and certified by ITC.

CIBDS came into being, following the results of a needs assessment survey by ITC in 1997, which concluded that the nascent private sector in Tanzania had several unmet needs in business support services, training, HRD and best practices. The project design specified building a training institution to impart skills to enterprises in the disciplines of export marketing management, and international purchase and supply management. The programme, funded by seco and UNDP, was undertaken in the government-run CBE (through a tender award and interviews of key persons). ITC was the implementation agency.

ITC experts delivered the programme over 12 sessions, over a period of three years. The ITC technical support was completed in 2000 and 46 persons in Tanzania were awarded a Certificate of Completion; they were licensed/accredited by ITC to train others in Tanzania.

Following accreditation, the CIBDS was structured as a company, with its owners BET, CBE, and other national and international companies. The company was to provide training to the private sector as well as officials in various government agencies and departments with a role in trade and international procurement. This corporatisation of CIBDS was done with a view to make it self-sustaining and revenue-driven. This was led by adequate captive demand from its own members, and funding for these training programmes was from several ongoing donor projects.

From 2000 to 2002, CIBDS ran an Export Management Course and an International Purchase and Supply Management Course, certified by ITC; it prepared its own materials, and organised the programmes independently, with periodic assessments by ITC. The entire faculty at CIBDS, including its Director, was awarded trainer certificates under the ITC programme.

In 2003, CIBDS, with content support from ITC, devised a one-year Post Graduate Diploma Programme based on these training modules, while adding several new ITC products and tools. The diploma was recognised by the University of Tanzania. The programme was targeted at practising business managers and built its own niche among other programmes run by the mainstream education institutions, including the CBE, the parent organisation of CIBDS. Two batches (17 and 19 graduates) have taken the courses and earned the Post Graduate Diploma from the institution.

Through the CIBDS, ITC did succeed in transferring skills for the establishment of local facilities for training of SMEs in Tanzania. However, SME training remains a pressing need in the country, as it moves into an increasingly private sector based and externally oriented economy.

However, according to the key persons interviewed, sustainability has been a key issue for the CIBDS throughout. Though the CIBDS was created under the project, there were no budgetary provisions for its funding beyond the project until it could become self-sustaining through its own revenues. The CIBDS has had limited success in sustaining itself through commercialising its services.

The revenues from this programme are rather limited (USD 1,200 per student) and do not cover the costs of the institution, beyond paying for the part time faculty. Attempts by the CIBDS to reach University status came to naught, as it did not have the essential pre-qualifications: at least 50% staff to be full-time faculty members, permanent premises, significant financial outlay, and adequate experience in the field of technical education. Eventually, CIBDS licensed the programmes to the CBE, which has official status as a technical institution for higher education. The license is presently for three years.

Attempts by the CIBDS to train private sector enterprises in the ITC products/tools have been unsuccessful as well. Several companies had sent participants under the ITC programme, but primarily because participation was free of charge. However, there was disinterest in paying for CIBDS' subsequent training programmes; in some programmes not even one participant could be secured on a paid basis.

CIBDS also faces problems on account of its single location at Dar es Salaam, and is not able to respond to the needs, if any, of other regions. Linkages with the regional chapters of the chambers of commerce have not been effective in replicating programmes conducted at Dar es Salaam. As a result, the cost of participation becomes high for outstation participants, which partly explains the reluctance of SMEs to pay.

Consequently, for the time being, the CIBDS is constrained to depend only on ITC programmes funded by ITC or other donors. The E-trade Bridge Programme is under preparation for Tanzania, and CIBDS expects to line up participants (at subsidised costs) for various training programmes until December 2004. An international consultant from ITC, whose costs shall be borne by ITC directly, will support the training.

Table 16: Summary of Project Details – Development of Trade Related Human Resources and Consultancy Services

Duration	1998 - 2002
Beneficiaries	CIBDS
Coverage/Location	Tanzania
Budget	Part of UNDP project USD 2,100,000
Donor	Switzerland
Major objectives	Creation of a pool of trained human resources to provide services for human resource development in the government and private sector, for supporting export development.
Project results	<ul style="list-style-type: none"> • Successful training to trade tutors under the CIBDS. • Regular training programmes benefiting government and private sector participants. • Recognised post-graduate course in export management.

15. E-Trade Bridge for SMEs

Preparatory activities for the project started in 2003. The status, as reported by ITC at the time of evaluation was as follows:

- E-Preparedness Report of Tanzania: Published in July 2003.
- Establishment of Hubs: CIBDS was given the responsibility to act as a Hub for Eastern Africa. CIBDS officials (3 persons) attended the network meeting in April 2004 and following the meeting they attended the Assessors Training workshop in May 2004.
- www programme: 10 Good practice cases have been identified in Tanzania. Some of them will be used in the publication that is underway.
- www/E-nabling SMEs Programme: A workshop was organised in Dar es Salaam in September 2004 with the participation of 26 short-listed SMEs on Strategy Development. Based on the outputs received from those companies, nine of them are short-listed and they will receive further assistance on management-export and “e” to be “e-enabled”. The programme will finish at the end of 2004 having nine SMEs e-enabled.
- Training of the Trainers: Will be launched in January-February 2005.
- Strategists Training: Will be held in January-February 2005.

The project will be supported locally by the CIBDS, which is presently identifying participants for the programme.

Table 17: Summary of Project Details – E-Trade Bridge of SMEs

Status and duration	May 2002 – December 2005, completed.
Beneficiaries	10 SMEs
Coverage/Location	Global project covering several countries.
Budget	USD 3,000,000
Donor	Global Trust Fund Window 2
Major objectives	Creating internationally competitive e-competent businesses and building national e-capacities within supporting institutions.
Project results	<ul style="list-style-type: none"> • E-preparedness report for Tanzania prepared. • CIBDS officials were included in assessor training workshops and Tanzania was made Eastern Africa hub. • Workshops organised for ten selected SMEs. • Other activities planned in 2005.

1.7 Overall Performance

This section summarises the views of the consultants as well as those of various stakeholders - national partner institutions, donor community, other administrative bodies such as line ministries, beneficiary enterprises and individuals, and non-partnering TSIs met in course of the field mission. In Tanzania, these views came from the following organisations: BET, UNDP, CIBDS, CTI, TCCIA, as well as national experts and participants in various ITC projects.

Relevance

Rating: 3 (on a scale of 1 to 4)

In general, ITC interventions in Tanzania were reported to be relevant in terms of the needs and problems addressed, and in terms of the outputs targeted from the projects. Stakeholders give ITC considerable credit for the development of national capacities in the country's transition from a command towards a free, market economy. All country-specific projects were preceded by a needs assessment exercise conducted by ITC, while the activities under regional and global projects are based on a specific justification of the standard format used in these programmes. The Evaluation holds that the selection of project interventions has been judicious, addressing the capacity gaps in national institutions to address free market and external trade issues, as well as to deal with a nascent private sector.

The activities under JITAP addressed the principal needs of trade negotiators in implementing the WTO agreements, including setting up the country's designated national enquiry points under various WTO requirements; and disseminating the trade requirements among the principal stakeholder groups. They also developed the sector-level export strategies and identified the important trade constraints - SPS, TBT issues and harmonisation with importing market requirements - that would need to be overcome in implementing these strategies.

However, some important WTO-related issues like trade remedial measures and intellectual property rights, are not under the framework of JITAP. The open market access of clothing from other competitive origins is stated to be a major cause for the closure of the domestic textiles industry in East Africa. This specific aspect is not fully addressed in the training activities in JITAP. Given that the capacity development in JITAP has reached a very thin core of officials, there is *post-facto* a question on whether JITAP funds could be used more effectively for strengthening the administrative capacities relating to the negotiations and related areas, than in cluster 11 and 12 activities, which overlap substantially with the IF programme in Tanzania.

The Trade related human resources project was most relevant in the context of the transition of Tanzania from a centrally planned to a market based economy, which called for diversification of exports, institutional strengthening of the Board of External Trade, and human resource development in trade-related areas. The project identified the core issues rather effectively, by focusing on capacity development of the apex trade body.

However, the relevance of some projects is questionable, especially in the organic product development projects. The relevance of the products selected for Tanzania under the Organic products development project, namely, spices and honey, is debatable given the narrow and widely scattered supply base, and the resultant difficulties in organising supplies from the dispersed production areas. Although Tanzania produces clove, chilly, ginger, cinnamon, turmeric and pepper, it is not in a position to execute export orders for full container loads in any spice except cloves. Under these realities, the scope of assistance - capacity building in certification, export marketing, market research and marketing intelligence, making the maximum use of electronic communication systems including the Internet - appears premature and over-designed, without a meaningful volume of exportable output.

Some stakeholders were of the opinion (concurring by evaluators) that activities under some multi-country projects - export of organic products, quality assurance of spices, and networking of service exporters - were not straight in line with the national export strategy, and did not co-ordinate with nor complement the activities and skills transferred in other main programmes. In some cases, they scattered efforts on different beneficiary organisations, therefore losing concentration effects and results in supporting key organisations to develop their capacities to undertake export at the product level.

Efficiency

Rating: 2 - 3 (on a scale of 1 to 4)

ITC enjoys a good reputation among stakeholders as an efficient provider of its services. The presence of well-qualified staff, the use of standard templates, documentation skills, and the designation of country officers for each country have built an effective relationship and continuity among activities in the country.

This is most visible in the smooth execution of large programmes like JITAP, SSTP, External Trade Development and Trade Capacity Development. In all projects, inputs and resources have been delivered in accordance to agreed time-lines with minor deviations. However, there was poor recall of ITC inputs in the Organic Spices programme and Cashew Nut Development.

In relation to JITAP, stakeholders mentioned that activities had not commenced so far, even though JITAP II was announced close to 18 months ago. Also the use of expatriates as long-term ITC consultants was not considered efficient given the cultural barriers and also their non-familiarity with local conditions. As for the Trade Capacity Development, beneficiaries' experiences with the marketing missions were mixed. While some missions were said to be well co-ordinated, the experiences in others - for instance, fisheries mission to UK - were somewhat disappointing.

Cost-efficiency

Cost-efficiencies have been difficult to measure at the level of each project, given the present structure of the project information management by ITC. Since most projects are multi-country projects and as expenditure allocations are not budgeted separately for each

participating country, accurate apportionment of activities and outputs at the level of each country is currently not possible in most projects.

In some projects, ITC seems to have provided services at competitive costs, benchmarked to costs of similar services by other actors in similar countries.

In case of the SSTEP, the costs of events arranged by ITC are very much in line with estimates found in other similar events (trade events and buyer-seller events arranged in developing countries). ITC documents relating to SSTEP indicate that the costs of holding buyer-seller events themselves are below USD 10,000 per event, with a participation of 50-100 enterprises. This is very much in line with events organised by chambers of commerce in several developing countries. The costs of the networking events in Arusha also compare favourably with costs of similar events in developing countries (approx. USD 10,000 per event, with a participation of 50-100 persons, costs of guest speakers included).

In the cashew nut development project, the costs expended for each country are comparable to other similar settings. ITC project documents indicate that there were five beneficiary countries and close to USD 85,000 were expended in the programme, with outputs in the form of a supply study and activities relating to a regional Round Table. The apportioned costs for each country can be estimated as USD 17,000 (USD 8,500 assuming 10 countries). Assuming a notional cost of USD 2,500 for the country study (basis SSTEP standards) and USD 2,000 for a one-time participation in the Round Table, the comparable value of outputs, excluding ITC internal costs is comparable to the apportioned costs per country.

However, there appears to be considerable discrepancy in the costs for some programmes, especially the Organic Spices Programme. In this programme, the average apportioned cost per country can be estimated at nearly USD 100,000 over three years. Some benchmarks are available from other sources including ITC projects in other countries, as to costs of training, exposure visits and preparations for certification, etc.

- Cost of supply surveys: USD 2,500 (SSTEP budgets for country surveys).
- Trip to Europe, three days: USD 2,000/head (USD 1,200 economy airfare, USD 200/d costs).
- Certification costs (EU accredited national bodies): USD 1,500/a per zone (EPRP, India).
- International consultant outage rates: USD 1,000/diem (Organic certification experts).

Based on the above cost breakdowns, for one training programme in Tanzania, the cost of delivery should be in the region of USD 15,000. This is assuming three days of training, three persons going on one expenses-paid market exposure visit, and one production zone to be inspected for initial certification. The delivery cost does not include any Geneva-based preparatory costs and the apportioned costs of ITC staff working on the project.

Based on the above comparisons of cost apportionments and surrogate estimates for activities, there appears to be considerable discrepancy in costs attributable to the activities. This is significant considering that Tanzania has a very small output of spices.

Estimating cost-efficiencies is essential to monitoring and evaluation especially comparisons across countries, and therefore it would be important for ITC to maintain and publish detailed breakdowns of country-wise activities, inputs, costs and outputs for all multi-country projects.

Effectiveness

Rating: 2 - 3 (on a scale of 1 to 4)

In most of the projects surveyed, ITC has transferred knowledge, skills and capacities to the implementation partners to deal with their trade/export related challenges more effectively, given their overall development constraints. These organisations have now evolved as the main institutions in Tanzania dealing with export development and private sector capacities to engage in exports. The larger projects - JITAP, Trade Capacity Development and the Trade related Human Resources - have also been the most effective projects in terms of results. However, JITAP funding was confined to preparation of sector diagnostic studies and strategy formulation, and does not provide for the initial implementation steps, which are very essential after identification of the problem and articulating a strategy.

Unfortunately, despite the accreditation of CIBDS postgraduate programme developed under the Trade related Human Resources, the institution does not have the status of a university; thus preventing it from providing its services to a larger client base. The licensing of its programme to the University only reduces the status of the institute to that of a licenser. In most of the projects surveyed, implementation partners have successfully absorbed skills and capacities to deal with their trade/export related challenges more effectively, within their overall development constraints. The key stakeholders in the country have received the biggest benefits from the partnership with ITC, and this has a rub-off effect on all the trade related technical assistance being delivered in the country. However, these capacities are concentrated in a few individuals and need to become institutionalised, for maximum effectiveness.

There is a need to deepen the capacities of those trained under JITAP I. There is also to increase the number of competent trade officials in order to strengthen Tanzania's ability to undertake the numerous negotiations with various trading partners. Though this is possible under JITAP II and other bilateral programmes with other donors.

However, in multi-country projects consisting of stand-alone or sporadic activities (networking, awareness, exposure events), there is scant evidence of results in the projects dealing with organic products development and quality assurance of spices. There is further little involvement of the apex bodies and poor recall of activities conducted by ITC, discrepant to information provided in ITC project documents. In these projects, there appears to have been a poor timing of inputs, a lack of co-ordination with other stakeholders and strong overlaps with other projects, which blur ITC's contributions.

In the External Trade development project, the disbursement of loans to enterprises was a disaster: though loans were less than USD 10,000 each, only USD 32,000 were recovered from the USD 200,000 disbursed, and many borrowers remain defaulters to date.

Despite the extensive preparations in the drawing of participants, business results from the SSTP events have been unimpressive. This can be attributed to various factors, among which in the sub-regional programmes, suppliers demonstrated poor export-readiness according to large buyers from South Africa, who attended the first few meetings with declining enthusiasm at each event.

Impact

Rating: 2 (on a scale of 1 to 4)

ITC provides its services in less developed countries under extremely challenging conditions, and there are several external factors that affect the eventual impact of its interventions on beneficiaries. As a result, the absence of visible impacts may not be entirely attributable to ITC's performance.

The key challenge to impact is the limited scope of agencies like BET to bring about sweeping improvements in sectors, and the absence of sector-specialised organisations in Tanzania is a key limitation in enhancing impact from the various programmes undertaken by ITC and other agencies. Although the projects directly address a small universe of beneficiaries, continued application of the learning and practices from ITC projects has the potential to bring about significant changes in the sectors, subject to positive external factors.

The Evaluation considers the enhanced capacity of the national trade promotion institutions to understand and prepare for regional trade opportunities, to play a leading role in the export strategy formulation, and to be trusted by the private sector, as the biggest major impact from the various ITC projects undertaken in Tanzania.

Tanzania now has a clear roadmap and strategy for using trade/exports as an engine of growth and poverty reduction, and this has been possible largely because of the work under JITAP. Non-traditional exports will expand the pace of exports and increase livelihood/employment opportunities for the country. Therefore, the impact of the project will be very deep on the country's performance. However, the sector strategies have not been thoroughly embedded in the National Strategy and some elements have been left out. Supply side issues would also need to be addressed to convert market access opportunities into exports.

Another positive impact of the programme has been a transfer of experience in organising trade events, notably the Tanzania International Trade Fair, which accounts for 80% of the annual revenues of the BET, and is attracting more visitors and exhibitors each year.

The least impacts are in the activity-based, multi-country projects, which are not bunched into other larger programmes in the country targeting the same sectors/beneficiaries.

For instance, the impact of the sub Regional Trade Expansion programme in southern Africa has been limited in terms of trade flows in the sectors, and also in terms of business transactions by importers. However, the experience of organising events and participating in such events will have some impact for repeat participants at future events, as and when arranged.

Tanzania's nut processing industry has still not been restructured, and therefore, there is no visible impact in terms of enhancement of exports of processed kernels. On the other hand, exports of raw nuts have been fluctuating in recent years due to both price drops by other countries and crop failures in some parts of Africa.

There is no evidence of impact from these projects on crosscutting issues such as gender improvement, environment and poverty reduction. It must, however, be recognised that there were no direct project interventions focusing on these issues. ITC interventions such as the Export led Poverty Reduction Programmes are better placed to focus on such issues at the level of communities; and need to be introduced in Tanzania, where the trade support institutions have been strengthened and national policies on exports have been formulated.

Sustainability and Outreach

Rating: 2 (on a scale of 1 to 4)

All projects surveyed in the country suffer from the 'donor-dependence' syndrome, given the weak financial resources of the government to allocate budgetary resources in these areas. The sustainability of ITC projects in Tanzania is mainly dependent on the continued financial support for these interventions either through an extension of the projects, or by subsuming them under other bilateral donor programmes. In this regard, the pursuit of a donor co-ordination strategy by the Ministry of Finance is a welcome step in ensuring optimum use of scarce external resources.

The benefits from market access and also the sector strategies are constrained by sector development programmes and strategic investments - development of product export clusters, FDI zones, WTO-compliant export incentives, etc. - in order to concentrate the competitive advantages effectively. These will need a comprehensive policy framework under the National Export Strategy, with allocation of development resources, including from external sources like the World Bank. Continued donor support, good donor co-ordination and the will to implement the strategy condition inflow of financial resources, to scale up the activities outlined in the National Export Strategy.

Though JITAP is a very successful example of a co-ordinated multi-agency delivery of technical assistance, there are mixed opinions on the utility of JITAP activities for end beneficiaries. JITAP funding was confined to preparation of sector diagnostic studies and strategy formulation. It does not, however, provide for the initial implementation steps,

which are very essential after identification of the problem and articulating a strategy. As a result, even if specific actions have been identified under JITAP, there is no continuity; and these documents need to be taken further to other donors for an implementation project. Accordingly, the visible output from JITAP I was only a set of reports without the beginning of implementation, due to lack of funds from donors.

Though the partner institutions have gained sufficient experience to organise events using the format of the SSTP programme, funding for the buyer-seller events remains a key issue in organising repeat events. Unless participants are able to pay for all costs associated with the events, the programme is not sustainable. National partners have expressed the inability to arrange finances for the events on their own. Outreach is likely to remain limited in view of the focused and highly targeted approach of the project.

The CIBDS has had limited success in sustaining itself through commercialising its services, and depends only on ITC programmes funded by ITC or other donors. The CIBDS activities need to be broad-based and identify new service areas to sustain itself in an environment where clients do not have the capacity to pay for services. At another level, ITC is constrained by the absence of sector-level institutions to implement programmes in specific sectors. The over dependence on BET for all programmes limits the outreach of programmes in some sectors, where line institutions can play a more effective role.

Table 18: Summary of Project-wise Ratings

Project group	Relevance	Efficiency	Effectiveness	Impact	Sustainability and Outreach
JITAP/IF	3	3	3	2	2
Organic Product development/Spices Quality assurance	1	1	1	1	1
SSTP (6 projects)	3	3	2	2	1
Trade data for LDC	4	3	3	-	3
Cashew Nut development	3	2	2	2	1
Trade Capacity Development	4	3	3	3	3
Trade related human resources	4	3	3	2	2
Overall	3	2 - 3	2 - 3	2	2

Score on a scale of 1-4, where 1: Highly unsatisfactory and 4: Highly satisfactory

Analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT)

The following table reports the key Strengths, Weaknesses, Opportunities and Threats facing ITC interventions and their development role in Tanzania.

Table 19: SWOT Analysis

<p>Strengths: Internal (ITC services)</p> <ul style="list-style-type: none"> • A specialist implementation organisation in trade/export development and SME competitiveness. • Wide portfolio of practical services/products/sectors of relevance to SMEs. • Multi-country experience in several sectors (best practices drawn). 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Budgetary constraints limit delivery of assistance despite huge demand for services. • Adaptation of multi-country projects to country context is weak. • Poor demonstration of results in multi-country projects involving discrete and sporadic activities. • Geneva-based delivery of services is not cost-effective in some aspects. • Inadequate awareness of ITC's services portfolio among partnering TSIs and donors.
<p>Opportunities: External environment (TRTA) and country needs</p> <ul style="list-style-type: none"> • Enhancing co-operation at the country level with donors (fewer missed opportunities). • Co-ordinated delivery multi-agency, multi-donor programmes. • Scope for more sector-specific programmes given preferential market access for LDCs. 	<p>Barriers or threats to ITC performance:</p> <ul style="list-style-type: none"> • Increase in bilateral programmes overlapping with ITC expertise. • Priority areas of donors may differ from ITC strategy and approach. • Adverse macroeconomic environment in beneficiary countries.

ITC's key strengths are its diverse range of competencies focusing on export development at the sector as well as enterprise level, and market knowledge spanning several countries and sectors. However, the weaknesses are that this is not well known among other stakeholders, especially donors and the country-specific adaptation of multi-country and global products remains weak, as seen in several projects. With donor funding becoming a key issue in ITC's ability to deliver its services and the existence of potential competition from bilateral agencies, ITC must look at opportunities to enhance co-operation with donors. ITC must design projects that are better customised to the beneficiaries' priority needs, and focus on the identified thrust areas and sectors for exports.

1.8 Conclusions or Recommendations

Conclusions

Perceptions about ITC

Almost all TSIs and several beneficiaries contacted in the Evaluation have a positive opinion on the quality of ITC interventions, which are perceived to be practical and business-oriented.

However, the overall awareness of the full range of ITC programmes and services is quite low, outside the partnering TSIs. Donors present in the field are not aware of specific activities/projects undertaken by ITC in Tanzania, nor are they aware of the entire range of competencies ITC can bring on board in trade related technical assistance.

Scale of Presence

ITC has had an intensive engagement in Tanzania in terms of the number and variety of projects. Tanzania has seen a number of country-specific projects directly addressing the most important challenges faced in the course of its transition into an open market economy. However, the size and scale of interventions is still very small compared to the dimensions of the problem being addressed; and projects in Tanzania heavily depend on donor funding, given the current development status of the country.

Performance

Overall, ITC has shown good performance in Tanzania in all country-specific projects. This is a significant achievement given the challenges faced. Strengthening of institutional capacities is key to building a framework for trade development and this has been successfully done at the project level, as can be mainly seen in the case of the development of: (i) the Board of External Trade and (ii) the CIBDS.

Industry associations consider the BET to be an effective trade promotion organisation, in terms of its handling of export issues in transition and the low development status of the country. The BET regularly involves industry in discussions on sector strategy formulation and disseminates trade information within its limited resources. The BET functions professionally and in an investor-friendly manner. It has also been able to increasingly sustain itself through revenues from events such as the International Trade Fair, which is recognised as the premier event in Tanzania. Similarly, the CIBDS successfully runs an Export Management Course, and an International Purchase and Supply Management Course, certified by ITC. But it prepares its own materials and organises the programmes independently, with periodic assessments by ITC.

Besides ITC's own efforts, a major factor in this performance is the commitment shown by ITC partners. However, there needs to be a sustained application of efforts in all identified areas and sectors, in order for these attainments to result in economic development and poverty reduction. Continued donor funding would be necessary for the results to acquire critical mass at the sector level.

The experience in some multi-country projects is less satisfactory, and this has more to do with the design and implementation of such projects across different country settings, rather than a shortcoming within the country itself. Experiences in the organic products development interventions point to a need for improving the needs assessment process at ITC before including countries under its technical themes. It also points towards the need to build a case for proper sequencing and co-ordination of country level activities under several (ITC and non ITC) programmes covering the same sector. The absence of adequate record keeping and follow-up by the local counterpart institutions further constrains the needs assessment exercise.

Gender Issues: In several projects undertaken in Tanzania, gender issues are not explicitly dealt with in project design or in implementation modality. Yet the key sectors identified as elements of the National Export Strategy all have a significant role and scope for generating employment for women. Specific examples are in cashew nut processing (the highest value kernels come through manual shelling, which has traditionally been dominated by women workers in countries like India and Vietnam), and textiles/clothing. It would be important to identify trade support institutions that specifically address capacity building needs of women to participate in these sectors.

Partnerships

ITC has partnered with both private and government bodies in Tanzania, and there is a consistent appreciation of its support by all its partnered institutions. An important aspect in Tanzania is that the apex industry associations have an effective working relationship with the BET and appreciate its leadership in the trade development initiative.

The greater challenge with regard to partnerships is that there are very few TSIs to work with in Tanzania. Presently, there are only four institutions, the BET, CIBDS and the two industry federations, TCCIA and CTI. Even within these institutions, a few individuals have been the main beneficiaries of capacity development, and this capacity needs to be institutionalised and spread out in order to enlarge the base for trade related human resources.

However, financial constraints of these institutions limit their presence in various cities/regions. Therefore their outreach is more or less confined to Dar es Salaam. This potentially affects their outreach to SMEs, especially in disseminating global products and services, such as WTN, Business Advisory Services, E-Trade, International Purchasing and Supply Management (IPSM), Packaging Information Kit (PACKit), etc.

Recommendations

The following recommendations are made to improve the overall effectiveness and impact of technical assistance in the country, including ITC services.

Improving Performance

Accord greater priority for funding for projects adopting a sectoral approach, instead of a thematic or activity approach - networking, improving availability of trade information system, etc. In addition, bunch a combination of ITC tools and services to develop

multidisciplinary competences in the thrust sectors identified in the National Export Development Strategy. With funding becoming scarce, it is important for ITC to consider and weigh the relative merits of tailor-made, country-specific projects and horizontal, multi-country programmes involving specific fixed-format themes.

Increase consultations with the sector counterpart teams to fine-tune the scope and sequencing of activities, including activities taking place under other TRTA programmes in the same sector. Design programmes with a maximum use of local (demonstrated) expertise instead of fly-in-fly-out assistance from ITC. The experiences from some projects such as the organic products development and spices projects provide useful lessons in this regard.

Involve related sector specific organisations in the project design and affix specific responsibilities for country-level actions, even in multi-country projects. Review the mix of projects to enhance impact at the sector level, by bunching delivery of several types of projects to the same sectors and beneficiary groups (sectors). EPRP type projects focusing on promising sectors like cashew nut processing, textile/apparel, etc. would be good examples of multidisciplinary service delivery in community level settings.

Partnerships

Trade support institutions partnering with ITC should participate in regular benchmarking exercises to measure their service standards and responsiveness to changing client needs, against other national and international counterparts.

Even within the few ITC partner institutions, trade-related capacities acquired from ITC and other agencies need to be institutionalised and spread out in order to enlarge the base for trade related human resources. Therefore, there needs to be a supplementing round of capacity development of institutions, based on specific needs assessment and development of a core of master trainers, who would be present in each of these apex institutions. The CIBDS project is an excellent example of this approach and should be extended to other ITC competence areas as well.

The financial sustainability of ITC partners, like CIBDS, needs to be strengthened in order for them to continue providing the services as intended. This will necessitate interventions to include additional expertise in revenue-generating services, such as export-certification, standards/compliance monitoring and other trade-related services, and actions on part of the government to notify them as official agencies for these new revenue-based services.

Co-ordination with Donors and Other Bodies

Improve awareness of ITC products and services at the country level with donors, and increase communications between country desk officers and donor offices in the country, to avoid overlaps and increase co-ordinated delivery of services. ITC should disseminate its activities regularly and participate in donor co-ordination meetings, which are becoming a regular practice in most countries. Tanzania has a donor assistance strategy and ITC should work more closely with the responsible cell in the Tanzania government,

to enable convergence of donor funds to ITC programmes focusing on the priority areas described in Tanzania's strategy.

It would also be useful for ITC to assist Tanzania in a national monitoring report of all trade related technical assistance activities (beginning with programmes involving ITC) to start a practice of documentation, and eventually for exchange of information among the donor community. ITC's own activity reports describe outputs under various projects, but it would be useful to have a country-wise aggregation of activities done under the co-ordination of the designated country officer, and validated and jointly owned by the principal partnering TSI. This would avoid discrepancies in assessments of outputs from projects and also build in greater ownership of the projects and their results among participants. This would also be required in order to improve feedback and monitoring of activities.

Monitoring and Evaluation

Estimating cost-efficiencies is essential to monitoring and evaluation especially comparisons across countries, and therefore it would be important for ITC to maintain and publish detailed breakdowns of country-wise activities, inputs, costs and outputs for all multi-country projects.

As many donors do not have an ongoing monitoring mechanism despite the much articulated need for one; there is merit in setting up a common 'national monitoring unit' in countries like Tanzania, which are intensive in TRTA and have several donor programmes in the same sectors/areas. Tanzania already has a donor co-ordination mechanism and this would make it easy to set up a common monitoring unit. This common monitoring unit - no permanent staffing is envisaged - would provide reliable project data, maintain beneficiary lists, and carry periodic feedback studies on outcomes, experiences and impacts on beneficiaries in the key export sectors to all participant donors; thus enabling a proper evaluation over a longer-term horizon. In time this would lead to the development of annual TRTA reports at the country level. The institutionalisation of such reports would facilitate long-term impact measurement of TRTA on various stakeholders - government and trade support institutions, sector bodies and private sector beneficiaries - at the aggregate level.

Setting up a monitoring unit would require building a team of local monitors who are trained in surveys for monitoring and evaluation, using existing channels. Funding for such a unit can begin on a pilot basis, with the objective for it to become self-sustaining by allocating a small percentage of all TRTA project funds toward monitoring.

Annexes

- Annex 1 Supporting information in Country Trade and Development Context
- Annex 2 ITC Project Activities in Tanzania (ITC Database)
- Annex 3 ITC Projects in the Country/Projects Sampled
- Annex 4 Results of Field Research on Project-by-Project Basis
- Annex 5 Stakeholder Analysis by Consultant
- Annex 6 List of Contacts

Annex 1. Supporting information in Country Trade and Development Context

Host Country Enabling Environment

Tanzania faces several challenges in its quest to participate effectively under the emerging global trading environment. These challenges are on account of its economic status as an LDC and also its recent transition from a socialist, state-controlled economic model to a free-enterprise model, with a large role for the private sector.

With a low GDP per capita of USD 250 and a poverty ratio exceeding 50%, Tanzania was also one of the most heavily indebted nations in the world. This large debt burden constrains economic development, as costs associated with debt servicing prevent the allocation of resources to improve economic capacity, competitiveness and increased investment. Tanzania has undergone a structural adjustment programme under the IMF and World Bank's Heavily Indebted Poor Countries (HIPC) programme.

Agriculture constitutes over 48% of national GDP and a large share of export earnings. Traditional export crops include coffee, cashew nuts, tobacco and cotton, although efforts are being undertaken to promote non-traditional crops such as spices, horticultural items and oilseeds. The sector has been substantially liberalised since the mid 1980s and market forces have been allowed to prevail. The Government has withdrawn from direct involvement in production, processing and marketing activities and has retained only its role in setting policies. However, climatic conditions, fluctuating between drought and flood conditions, have led to unpredictable agricultural production. This has resulted in severe food shortages and varying levels of export earnings in recent years.

Tanzania's manufacturing sector accounts for about 15% of GDP. The sector is underdeveloped and characterised by food processing, beverages, agri-business and light manufacturing, along with some textile and footwear producers. Despite efforts to take advantage of opportunities arising from regional integration, the manufacturing sector has been hampered by high input costs and high escalating tariffs, which has resulted in a generally uncompetitive manufacturing sector with low capacity utilisation.

The services sector, accounting for more than 35% of GDP, has undergone significant liberalisation. Tourism constitutes the largest component of services GDP and holds promise for continued growth. Privatisation efforts are under way in a number of sub-sectors including telecommunications, insurance, and financial services. Physical infrastructure remains challenged due to geographical spread of the country as well as financial resource constraints.

Roads: Less than 4,000km of the 55,550 km of classified roads are paved. Highways account for 1,200 Km and are generally in good condition, having been upgraded with World Bank funds.

Rail links: Tanzania has a rail link to Kenya and another to Zambia. Copper freight is the principal source of revenue for the systems.

Sea links: Dar es Salaam is the main sea port, with 11 deep water berths and minor ports function at three other places, including Zanzibar.

Telephones: Basic and cellular telephony services are available from several operators in Tanzania, with over 120,000 fixed lines in use in 2000. Internet services are also available from several independent internet service providers. However, PC and Internet penetration are very low (0.7%).

Economic Policy

Around the mid 1980s Tanzania moved away from the reliance on control mechanism and government-ownership of the means of production. It has since then moved steadily towards a market based and a private sector led economy. The Government now sees the private sector as the engine of growth for the economy, and aims to encourage the emergence of a strong private sector capable of creating jobs and wealth as well as the major source of increased government revenue through the payment of taxes.

The development of trade policy in Tanzania can be traced back from the days of price controls and price fixing, trade restrictions, single marketing channels and confinement policies. In the mid 1980s trade reforms measures were initiated. The measures initiated led to the trade liberalisation, which implied the removal of barriers and restrictions, rationalisation and reduction of import duties through unilateral, bilateral, regional and multilateral measures.

The systematic and gradual reduction and elimination of different barriers and obstacles to trade, such as bureaucratic formalities, advance authorisation, administrative controls and supervision has made a significant contribution to facilitating foreign trade by improving the country's allocation of resources. Tanzania has simplified and facilitated export and import procedures through the use of a Single Entry Bill document for customs purposes.

Trade Policy Features

The reforms that Tanzania has undertaken since 1985 – and at a more accelerated pace in the past few years – have resulted in a trade policy framework that has been significantly liberalised and that is essentially based on tariffs:

- Export restrictions and foreign exchange controls have been eliminated.
- Tanzania has been making a concerted effort to create an environment that is conducive both to domestic and foreign investment. In keeping with the Government's desire to promote Tanzanian exports, particularly agricultural products, it has placed emphasis on open markets abroad.
- Tanzania has a uniform 20% VAT⁹, on domestic goods manufacturing.

⁹ Value Added Tax

- Tanzania's customs duties have a five-tier structure with tariff rates of 0%, 5%, 10%, 20% and 25%. The simple average of applied import duties is 16.2%. The tariff structure is escalatory and protects domestic value addition. Tanzania has no national legislation regarding anti-dumping, countervailing or safeguard measures.
- The Tanzanian Revenue Authority has a pre-shipment inspection contract with COTENCA Inspection S.A., for inspecting all imports whose f.o.b. value exceeds USD 5,000.
- The Tanzania Bureau of Standards (TBS) has been notified to the WTO as the contact point for issues related to the Agreement on Technical Barriers to Trade. Most Tanzanian standards are voluntary in nature and TBS adopts international standards whenever they exist.
- Tanzania is a member of WIPO. It is a signatory to the Paris Convention and the Berne Convention and other international protocols. Tanzania's lack of enforcement mechanisms for intellectual property infringement is currently being addressed and the Government has indicated that enforcement procedures will be strengthened.
- Tanzania's Registrar of Companies oversees intellectual property matters, which are governed by legislation on patents, trade and service marks, and copyrights. Tanzania has been amending its legislation to conform to WTO requirements; the most recent is the Copyright Act of 1999. It intends to meet its obligations in other areas by 2006.
- Tanzania grants at least MFN treatment to all its trading partners. As with other WTO Members, Tanzania has adopted in their entirety the results of the Uruguay Round.
- Tanzania has been pursuing a policy of privatisation. Major privatisations are currently under way in the telecommunications and utility sectors as well as in financial services. The intention of the Government is for all parastatal entities to be either privatised or liquidated, although no target date for the completion of this process has been announced. Although there is legislation on competition policy in Tanzania, enforcement has been informal, because regulations and procedures have not yet been formalised.

Supply side issues

The development strategy for Tanzania is based on export-led growth in a few key sectors. It is taking advantage of its LDC status at the WTO, the opportunities available to it under preferential treaties with the US - Africa Growth Opportunity Act (AGOA) - and the EU - EPA, as well as its being a signatory to regional trade agreements. These sectors have been identified through JITAP and IF, and include fish products, horticulture, textiles/clothing and spices, etc.

However, the available market opportunities are not being harnessed due to supply side constraints in the private sector, which is still in infancy after the exit of the command economy phase in the mid 1980s. The gaps are most apparent in the textiles and clothing sector, in which the domestic industry does not have relevant exposure and skills in the products that constitute import demand under the AGOA. This would require the creation of a complete value chain, beginning from fabric and ending in a finished

garment or other final product. A meaningful export-based textiles/clothing sector in Tanzania would require the training of several thousands of workers (a large percentage being women) in various production processes and in export packaging.

Similarly, in horticulture and other agriculture based products, a sector-based intervention, beginning from the right variety of seeds/planting materials and ending into a process for value-added production based on targeted specific markets, requires large-scale involvement of extension services aimed directly at the private sector. This would need to involve a diverse group of stakeholders to make the sector export-ready and export-competitive, and a large-scale transfer of technology and skills from appropriate donors/collaborators.

Overall availability of Trade Related Technical Assistance services

Tanzania is heavily dependent on development assistance, with external aid accounting for over 11% of GDP (2000). On average aid is estimated to be around USD 990 million per annum, from 23 multilateral and 22 bilateral partners.

A large volume of TRTA is being delivered in Tanzania, into institutional capacity development covering themes relating to governance, accountability and transparency, besides public procurement practices. Assistance relating to trade-related themes has been primarily through programmes like JITAP, Integrated Framework, PRSP, TAP and Canada Fund for Africa. Among implementing agencies, UNIDO, Trade Facilitation Office Canada (TFOC), and ITC have been involved in several programmes.

Annex 2. ITC Project Activities in Tanzania (ITC Database)

	Project Description	Project Code	ITC Division	Closing Date	Funding Source	Total amount USD '000
1	Follow up of trade round table	GLO/02/GO5A	OA	2004	UNDP	258
2	Associate expert-Ms Astrid Prestigiacomio	INT/09/08A	LDCU ¹⁰	2005	Italy	171
3	Review of market practices	INT/24/82A	MDS	2003	Denmark	228
4	Export dev. of organic products	INT/24/83A	MDS	2003	Denmark	792
5	Co-operative programme on quality assurance	INT/61/77A	MDS	2002	Switzerland	358
6	Participation of African LDCs	INT/80/90A	OED ¹¹	2004	SIDA	114
7	Trade promotion and Dev. of crafts	INT/86/01A				
8	Revolving fund for enterprise comp	INT/R7/01A				
9	E-trade bridge for SMEs	INT/W2/08A	EMDS ¹²	2006	W2	1,546
10	Ex SSTP	INT/W2/09A	SSTU ¹³	2005	W2	2,874
11	Programme development activity: Access to finance	INT/W3/64A	EMDS	2003	W1-3	
12	Programme development activities: Trade expansion in cashew nuts from Africa	INT/W3/69A	MDS	2002	W1-3	85
13	Enhancing availability of trade data for the LDC	INT/W3/77A				
14	Market access initiative of NEPAD ¹⁴	INT/W3/83A	OA	2003	W1-3	105
15	Bridge beyond borders	INT/W3/94A	TSU ¹⁵	2003	W1-3	42
16	Programme development during executive forum	INT/W3/99A	OD	2003	W1-3	73

¹⁰ Least Developed Countries Unit

¹¹ Office of Export Development

¹² Enterprise Management Development Services

¹³ South-South Trade Promotion Program Unit

¹⁴ New Partnership for Africa's Development

¹⁵ Trade in Services Unit

Formulation programme:						
17	Promote service sector experts	INT/W4/23A	TSU	2002	W1-4	99
HRD consultant to finalise						
18	pre- career programme	INT/W4/35A	EMDS	2003	W1-4	78
Preparation of Joint						
19	ITC/TFOC initiative in select	INT/W4/40A				
20	BSM	INT/W4/60A	TSU	2003	W1-4	6
21	Competitiveness tools fair	INT/W4/64A	OA	2003	W1-4	52
Strengthening trade support						
22	services	INT/W4/67A	OA	2004	W1-4	45
Expert meetings: Preparatory						
23	activity to WSIS ¹⁶	INT/W5/12A	OD	2003	W1-5	40
Expert meetings of service						
24	sector representative	INT/W5/13A	TSU	2004	W1-5	89
25	Evaluation of meet in Africa	INT/W6/10A	MDS	2004	W1-6	81
Joint ITC/TFOC program for						
26	building trade capacity	RAF/20/91A	OA	2004	Canada	615
Programme development						
support to African Economic						
27	Community	RAF/47/51A	SSTU	2003	Netherlands	693
Integrated leather sector						
28	export development for Africa	RAF/47/72A	MDS	2004	Netherlands	1,114
Private Sector development						
increasing Africa's						
29	participation in development	RAF/50/42A	SSTU	2003	Norway	297
Sub-regional trade expansion						
30	in S. Africa	RAF/61/71A	SSTU	2003	Switzerland	700
Integrated program						
31	UNCTAD/WTO	RAF/C2/50A	OA	2002	CTF1	6
32	JITAP II	RAF/D2/50A	OA	2006	CTF1	1,540
JITAP II- ITC Component of						
33	JITAP	RAF/D2/53A	OA	2006	CTF2	6,003
Concept paper for a diagnostic						
study on Tanzania's integration						
34	into the world trading system	URT/61/88A	OA	2004	Switzerland	76
Development of trade-related						
human resources Consultancy						
35	services in Tanzania	URT/70/26A	IPSMS			0
Development of trade-related						
human resources Consultancy						
36		URT/97/026A	IPSMS	2003	UNDP	639

¹⁶ World Summit on the Information Society

services in Tanzania						
37	Integrated programme management/HQ input	URT/C2/01A	OA	2002	CTF1	209
38	Support to MTS Institutions	URT/C2/02A	OA	2002		99
39	JITAP: Tanzania-Cluster 3: Assistance to Customs	URT/C2/03A	OA	2002	CTF1	1
40	Legal Adjustment and Business Environment	URT/C2/04A	OA	2002	CTF	2
41	Reference Centres	URT/C2/05A	OA	2002	CTF1	21
42	Trade information Management	URT/C2/06A	OA	2002	CTF	0
43	Networking programme partners	URT/C2/07A	OA	2002	CTF1	21
44	HR development & improvement of MTS knowledge	URT/C2/08A	OA	2002	CTF1	31
45	JITAP: Tanzania-Cluster 9-	URT/C2/09A	OA	2002	CTF	0
46	JITAP: Tanzania - Cluster 10	URT/C2/10A	OA	2002	CTF	37
47	JITAP: Cluster 11	URT/C2/11A	OA	2002	CTF	0
48	Sectoral export strategies	URT/C2/12A	OA	2002	CTF1	143
49	Trade Secrets	URT/C2/13A	OA	2002	CTF1	0
50	JITAP: Cluster 14	URT/C2/14A	OA	2002	CTF	3
51	NEP ¹⁷ Operation & quality management	URT/C2/15A	OA	2002	CTF	20
52	Sub allotment to WTO/UNCTAD	URT/C2/50A	OA	2002	CTF	0

¹⁷ New Partnership for Africa

Annex 3. ITC Projects in the Country/ Projects Sampled

Based on an analysis of the sectors, scope and types of services under various projects, the following 15 project heads were sampled for country level studies in Tanzania.

JITAP I and JITAP II

Pilot phase of the Integrated Framework.

Export Development of Organic Products from LDCs INT/24/83A.

Co-operative Programme on Quality Assurance of Spices INT 61/77.

SSTP Programme, including six projects:

Sub Regional Trade Expansion in Southern Africa.

- Intra African Trade Promotion.
- Buying from Africa for Africa.
- Strengthening Trade Support Services for the Aid Procurement Market AB INT 467.

Promoting Trade in Services in Sub-Saharan Africa INT W4/23.

Networking Event to foster alliances among service sector associations INT W3/94.

- Enhancing the availability of trade data for LDCs.
- Trade Expansion in Cashew nuts from Africa.
- Programme of technical co-operation on the external trade of Tanzania URT 97004 and others.
- Development of Trade Related Human Resources and Consultancy Services (URT 97/026).
- E-Trade Bridge for SMEs.

There was poor or no recall of programme activities that are listed under ITC deliveries in Tanzania during 2001-2004 for the following:

- Co-operative programme on quality assurance
- Access to finance (project development activity)
- Competitiveness tools fair
- Export development of organic products
- Integrated leather sector export development for Africa

Annex 4. Results of Field Research on Project-by-Project Basis

Joint Integrated Technical Assistance Programme

Donor: ITC Common Trust Funds

Expected Outcomes: Integration into MTS, Export Strategy Development, Market linkages

Project budget: USD 2.48 million for all countries during 2004 for JITAP II

Estimated project duration: 1999 to 2002 JITAP I, 2004 to 2006 for JITAP II

Activities under JITAP I and JITAP II are co-ordinated by the Board of External Trade. JITAP I activities, with a budget of nearly USD 400,000 (differs from the USD 1.52 million according to ITC), involved the following:

- Setting up of three reference centres for disseminating trade-policy related information - the BET is the reference centre for trade along with the Tanzania Ministry of Trade and Investment, and the CBE. The reference centres have been provided a large set of trade related reference materials, including ITC publications, and licensed access to ITC's net-based Trade Map services.
- Training of trade negotiators in the WTO agreements and formulating positions (this part was implemented by UNCTAD and WTO, the other partners in JITAP). The government set up an institution for training of officials, and the CIBDS (a training institution set up with ITC support in another project) was set up for training private sector enterprises on trade matters. The modules involved training of customs officials, standards authorities and other stakeholders, including members from the industry and trade associations.
- Sector level export studies and strategy documents: Using Cluster 12 funds of JITAP, diagnostic studies were completed for two sectors: textiles & clothing and spices. Under Cluster 12, the BET also created sector development committees for each sector, involving domestic experts, private sector players and other ministries such as Ministry of Agriculture, to submit inputs for the diagnostic studies, and also to take part in strategy formulation at the sector level. Additionally, using the same methodology, BET also undertook studies in fish products and horticulture, using the Integrated Framework funds. These studies were instrumental in preparing the National Export Strategy document of Tanzania.

Though JITAP is a very successful example of co-ordinated multi-agency delivery of technical assistance, there are mixed opinions on the utility of JITAP activities for end beneficiaries. JITAP funding was confined to preparation of sector diagnostic studies and strategy formulation, and does not provide for the initial implementation steps, which are very essential after identification of the problem and articulating a strategy. As a result, though specific actions have been identified under JITAP, there is no continuity and these documents need to be taken further to other donors for an implementation project. As a result, the visible output from JITAP I was only a set of reports without the beginning of implementation, due to lack of funds from donors.

However, the participants benefited from the use of ITC tools and methodologies. Most of the preparatory work in the export strategy activities was done internally, involving national consultants and participants from all stakeholder groups. There is now considerable capability to undertake similar exercises with reducing levels of external technical support, as was shown in the fish sector study, which was not produced under JITAP. ITC's contribution and the hands-on approach to strategy building is widely recognised and acknowledged by various participants.

National Export Strategy: In collaboration with the World Bank, Tanzania produced a National Export Strategy document, drawing on the diagnostic studies carried out under JITAP cluster 12 activities, and also with guidance from ITC and using the ITC template. Several actions were suggested by the World Bank, which covered policy and procedural changes, and advocated other trade measures.

The strategy recommendations could not be taken aboard in their entirety, and the government of Tanzania is working on them piece by piece, taking actions in a graduated manner.

Under JITAP II, a budget of USD 500,000 has been earmarked for Tanzania, including USD 100,000 toward Module 4, covering export strategies for two new sectors - leather & leather products and services. Besides these, specific activities have been proposed for support to horticulture - mango, papaya and French beans -, involving non-infrastructure components, and further activities in textile & clothing.

Stakeholders mentioned that activities have not commenced so far, even though JITAP II was announced close to 18 months ago. The final activity plans on JITAP II were being fine-tuned with ITC at the time of the mission and were expected to be ready by August 2004. However, according to ITC, activities were never interrupted, since Phase I. Several information dissemination activities and preparation of the Cancun conference, among others, took place, including implementation of activities under module 4.

Integrated Framework Pilot Phase GLO02 G05

Donor: Multi-country

Expected Outcomes: Integration into MTS, Export Strategy Development, Market linkages

Project budget: USD 50,000 (pre-launch study of IF in Tanzania)

Estimated project duration: 2003

The project aims to assist exporters to integrate in the global trading system and government strategy makers to “mainstream” trade in national development plans and poverty alleviation strategies in the country, in particular under the Poverty Reduction Strategy Paper (PRSP). The main focus of the project is to assist in the preparation of sectoral export strategies for products having good export potential, applying the “coaching” and “do it yourself” approach. It also aims to provide assistance for

strengthening the Inter-Institutional Committees established under the JITAP programme.

2003: Export strategies were prepared for the horticulture and fisheries sectors. These included the preparation of supply studies, organisation of market orientation tours to expose exporters to potential markets and the subsequent drafting of diagnostic reports and strategy documents for the two sectors. Both strategies were endorsed at a National Symposium in November 2003. The project also provided support for immediate follow-up market contact missions in the horticulture sector as well as assistance for the purchase of much needed inputs to horticulture farmers. Other follow-up activities in the area of packaging, product branding and quality management (TBT/SPS) were included for assistance under the Programme for Building African Capacity for Trade (PACT) programme for Tanzania.

Tanzania was one of the very few beneficiaries under the 'old' Integrated Framework, which encompassed a less formal and structured process than the new IF, that came into force in 2000. Under the old process, some limited resources for follow-up support were made available, which facilitated the preparation of export strategies for horticulture and fisheries under this pilot project.

In 2003, while Tanzania had not yet become a member of the 'new' IF, the Government – on its own initiative and with the support of seco and ITC – carried out a 'home-grown', 'IF-like' diagnostic study and TRTA matrix. Project activities resulted in the launching of a new project, funded by the Government of Switzerland, aimed at assisting the Government in the preparation of an overall diagnostic study for the integration of trade into the development agenda, and at preparing a prioritised matrix for trade-related technical assistance in Tanzania.

In mid 2004, when Tanzania became an approved IF beneficiary, the World Bank took over the completion of the study and is currently turning it into a full-fledged Diagnostic Trade Integration Study, scheduled for completion by early 2005. It will then lead the way for the allocation of TRTA funding of up to USD 1 million under the IF trust fund.

The Tanzanian example of a home grown IF process has received strong support within the IF community and has been hailed as a good "best practice" case.

Performance against the five evaluation criteria (common for JITAP and IF Programmes)

Though the IF and JITAP are two different projects, the observations below are with regard to ITC involvement, which span across both projects. There have been comprehensive evaluations of JITAP and IF separately, but this country study looks at both as supporting national export strategy, hence the perception that they are complementary. Also, both involve ITC as the implementing agency. Accordingly, respondents have provided their perception of ITC support in the area of export development, represented in more than one project.

The activities under JITAP were highly relevant. They addressed the principal needs of trade negotiators in implementing the WTO agreements, including setting up the country's designated national enquiry points under various WTO requirements; and disseminating the trade requirements among the principal stakeholder groups.

They also developed the sector level export strategies, and identified the important trade constraints (SPS, TBT issues and harmonisation with importing market requirements) that would need to be overcome in implementing these strategies.

However, some aspects need to be highlighted in the African context of the programme: Some important WTO-related issues like trade remedial measures and intellectual property rights are not under the framework of JITAP. LDCs like Tanzania have no domestic legislation in place to deal with trade practices like dumping or other trade remedial measures and require assistance in formulating these instruments to engage effectively in the multilateral trading system. According to many stakeholders, the open market access of clothing from other competitive origins is stated to be a major cause for the closure of the domestic textiles industry in East Africa, and this specific aspect is not fully addressed in training activities in JITAP.

At the same time, the inclusion of sector level strategies - Cluster 11 and 12 - have less to do with the capacities of countries to adapt to the multilateral trading system as such, and are independent of the other activities of JITAP - training of negotiators, customs officials, etc. -, which are directly linked with WTO commitments.

Given that the capacity development in JITAP has reached a very thin core of officials, there is *post-facto* a question whether JITAP funds could be used more effectively for strengthening the administrative capacities relating to the negotiations and related areas, than in cluster 11 and 12 activities, which overlap substantially with the IF programme in Tanzania.

Efficiency: 3

All ITC outputs were provided according to the agreed timetable and there were no delays in the implementation of the programme. ITC also had full-time experts stationed in Tanzania to support the implementation partners. However, the use of expatriates as long-term ITC consultants was not considered efficient, given the cultural barriers and also their non-familiarity with local conditions.

According to stakeholders, there has been delay in the sanction of JITAP II funds, which have impeded follow up actions on the sector studies undertaken in JITAP I.

Effectiveness: 3

BET considers that the training under JITAP has enhanced the capabilities and confidence of trade negotiators in the multilateral rounds, and this is the most important effect of the programme. The BET is also well-equipped to undertake diagnostic studies on its own, with little external assistance, as a result of the experience and training in JITAP and IF projects.

However, the capabilities have been enhanced of a very small number of persons, who have to deal with an overload of negotiations - WTO, EPA, AGOA- as well as other regional agreements. There is a need to deepen the capacities of those trained under JITAP I and also to increase the number of competent trade officials in order to strengthen Tanzania's ability to undertake the numerous negotiations with various trading partners. However, this is possible under JITAP II and other bilateral programmes with other donors.

The stakeholders felt that greater flexibility in the use of funds would improve the outcomes, as in the instance of purchasing planting materials (papaya seeds) for practical demonstration purpose in a few villages, using USD 10,000 from JITAP budgets. This investment is credited with a greater impact than the studies, which were prepared by consultants and remained as reports with no impact of any kind for the sector as such.

Impact: 2

Tanzania now has a clear roadmap and strategy for using trade/exports as an engine of growth and poverty reduction. This has been possible largely because of the work under JITAP. Non-traditional exports will expand the pace of exports and increase livelihood/employment opportunities for the country. Therefore, the impact of the project will be very deep on the country's performance. However, the sector strategies have not been thoroughly embedded in the National Strategy and some elements have been left out.

The impact of the enhanced capacities to participate in trade negotiations depends directly on the market access challenges faced by members. As an LDC, Tanzania has preferential access at low tariffs to all the principal markets for its products. Therefore, the outcome of JITAP is not to be seen in the market access conditions available to the country, but in its ability to convert the opportunities into trade.

Market access and sector strategies will prove beneficial only if there are competitive advantages in the sectors identified, especially in productivity adjusted factor costs, infrastructure reliability, human resources and effective marketing linkages. In that respect, the creation of negotiation skills and strategies alone will have limited impact on the attainment of development goals.

Sustainability and outreach: 2

The benefits from market access and also the sector strategies are constrained by sector development programmes and strategic investments - development of product export clusters, FDI zones, WTO-compliant export incentives, etc. - in order to concentrate the competitive advantages effectively.

These will need a comprehensive policy framework under the National Export Strategy, with allocation of development resources, including from external sources like the World Bank. Continued donor support, good donor co-ordination and will to implement the

strategy condition inflow of financial resources to scale up the activities outlined in the National Export Strategy will be required.

Export Development of Organic Products from LDCs INT/24/83A

Donor: Denmark

Expected Outcomes: Building a sustainable export business in organic products, through capacity building; and establishing or strengthening already existing regional networks.

Project budget: USD 791,798.

Estimated project duration: March to December 2003.

Co-operative Programme on Quality Assurance of Spices INT 61/77

Donor: Switzerland

Expected Outcomes: Improvement in the quality of spices for export markets.

Project budget: USD 358,065.

Estimated project duration: Feb 2000 to Dec 2002

Both these projects overlap because spices were the common product and the national counterpart could not distinguish between the two interventions. Therefore, the Evaluation fused both evaluations.

These multi-country projects consisted of technical assistance to LDCs and other low-income developing countries, to build up a sustainable export business in organic products. The assistance was to involve capacity building in certification, export marketing, market research and marketing intelligence, making the maximum use of electronic communication systems including the Internet. The project sought to establish or strengthen already existing regional networks, to maximise effectiveness and ensure the sustainability of these activities.

Activities as reported by ITC included:

- 2001: A mission to Malawi, the United Republic of Tanzania and Zambia on website development for introduction of websites devoted to organic products related matters in early 2002.
- Trade missions were organised to France, Germany and the United Kingdom, consisting of direct contact with buyers and end-users, store visits and visits to the Organic Food Fair, London and the ANUGA Food Fair, Cologne. A briefing mission in Malawi, the United Republic of Tanzania and Zambia about business opportunities followed these.
- In 2002, technical advisory and workshop missions were carried out in Malawi, the United Republic of Tanzania and Zambia. During the workshops, participants (producers, traders, government officials, NGOs, etc.) learned about organic farming, processing and export marketing.

ITC documents note that as a result of project activities, the organic sector has increased considerably in participating countries, in particular in Malawi, the United Republic of Tanzania and Zambia. Although export statistics do not exist, several producers and exporters already appear to have obtained good results thanks to this project.

A supply survey/needs assessment on organic beekeeping was carried out in Kenya, United Republic of Tanzania and Zambia, followed by a small study of selected target markets, i.e. Belgium, Germany and the United Kingdom. All three countries have good export potential at the same time, as there appears to be a world shortage of organic honey and other hive products. The mission report provides recommendations on further development of the organic beekeeping industry in the countries concerned.

An export development and regional co-operation mission was undertaken to Malawi, Tanzania and Zambia to help co-ordinate export development and marketing activities for herbs, spices, essential oils and honey in close co-operation with other ITC consultants. A technical advisory mission was undertaken to the same three countries by two specialist consultants on essential oils and spices/herbs, respectively. Their principal task was to work directly with organic producers and advise on production and market development, as appropriate to their specific enterprises.

ITC inputs, provided over the last two years, have helped farmers/producers at the “working floor level” in several areas, including product development. The consultants’ report gives a number of practical suggestions and recommendations, which will be further elaborated in a new manual to be posted on the Internet early 2004.

Evaluation observations

Although ITC activities in the project are well documented, the field mission could not find evidence of a high recall of the project and its activities, even from the BET officials involved. The officials could not agree that it was a full programme; they merely referred to several visits by short-term consultants relating to website development and some training workshops for producers. No mention was made of the several trade missions to European countries organised by ITC for producers. There was also confusion over this multi-country programme with the JITAP cluster activities in Tanzania, under which a sector export diagnostic study was carried out for the spices sector, with the support of ITC.

On the other hand, there is greater recall of the SIDA assisted programme “Organic Sector Development Training Programme in Tanzania”, implemented by EPOPA Tanzania, Pro Eco, a Netherlands-based organic produce development consultancy and Growlink, a Swedish consultancy agency. This may be partly due to the target beneficiaries being extension service bodies and policy makers; and produce organisations. The officials also mentioned that CBI Netherlands had provided them training on publications and information management for dissemination on organic products.

ITC project documents mention several workshops for producers in organic production techniques. However, it is not mentioned whether these were done through or with the support of the SIDA assisted EPOPA. The latter has a large footprint in Tanzania, extending into several products including coffee, cashew and spices, and has more than 4,000 farmers under its programmes. There is a direct overlap between EPOPA core activities in Tanzania and those arranged by ITC under the organic products programme, with the only exception of marketing missions. Whether these synergies were explored in the course of the needs assessment was not clear to the Evaluation.

Based on the above, the Evaluation's view is that there has possibly been significant overlap between ITC activities and other technical assistance supplied in the sector, which has may have resulted in a blurred perception of the specific contribution by ITC in these activities, besides possibly an inefficient use of technical assistance resources and funds. Also, the timing of market missions, especially those after the initial exploratory visit, may have been premature, in the light of the narrow supply base.

This points to a need for improving the needs assessment process at ITC before including countries under its technical themes. It also builds a case for proper sequencing and co-ordination of country level activities under several (ITC and non ITC) programmes covering the same sector. The absence of adequate record keeping and follow-up by the local counterpart institutions further constrains the needs-assessment exercise.

Performance against the five evaluation criteria

Relevance: 1

The relevance of the project is in the income enhancement and poverty reduction potential of organic cultivation. While the linkage between organic production and income enhancement is irrefutable, the relevance of the products selected for Tanzania namely, spices and honey, is debatable.

Also, stakeholders were sceptical of the achievable potential for a wide range of organic products, considering that this market still represents less than 2% of the global market for food products, and remains a very small niche.

The most important issue is the still narrow and widely scattered supply base, and the resultant difficulties in organising supplies from the dispersed production areas. Although Tanzania produces clove, chilly, ginger, cinnamon, turmeric and pepper, it is not in a position to execute export orders for full container loads in any spice except cloves. Therefore, the logic of converting an existing product into organic practice, to enhance incomes, is non-existent at the scale that would make a difference to the communities.

Under these realities, the scope of assistance –capacity building in certification, export marketing, market research and marketing intelligence, making the maximum use of electronic communication systems including the Internet- appears premature and over-designed, without a meaningful volume of exportable output.

Efficiency: 1

As per ITC documentation, activities were carried out in all the target countries, including Tanzania. However, no feedback on the activities could be obtained from BET, as there was poor recall of the project.

The project document suggests that ITC has delivered several outputs. However, it is not determined whether the project explored synergies with activities by other specialised technical organisations, especially the SIDA assisted programme “Organic Sector Development Training Programme in Tanzania” implemented by EPOPA Tanzania.

At the efficiency level, there are challenges for ITC in bunching several countries under a common theme (Organic product development, in this instance), and organising activities collectively. This approach has limitations as each country has a different baseline position, hence a different level of readiness to harness the benefits from these activities, but must go through the full schedule of activities as set in the programme. There is very little room for customisation of this approach within a country, except in the selection of products themselves. This becomes more problematic where activities cover the full spectrum of needs - production practices, knowledge and skills transfer, extension services and marketing linkages, some of which may not be appropriate for the participant countries at the time of enrolment in the programme (e.g. spice exports is still nascent in Tanzania).

Cost-efficiency

Based on the project documents, eight countries are stated to be beneficiaries in the Export Development of Organic Spices programme, therefore the average apportioned cost per country can be estimated at nearly USD 100,000 over three years.

However, some benchmarks are available from other sources including ITC projects in other countries, as to costs of training, exposure visits and preparations for certification, etc.

- Cost of supply surveys: USD 2,500 (SSTP budgets for country surveys)
- Trip to Europe, three days: USD 2,000/head (USD 1,200 economy airfare, USD 200/d costs)
- Certification costs (EU accredited national bodies): USD 1,500/a per zone (EPRP, India)
- International consultant outage rates: USD 1,000/diem (Organic certification experts)

Based on these, for one training programme in Tanzania, the cost of delivery should cost in the region of USD 15,000 assuming three days of training, three persons going on one expenses-paid market exposure visit, and one production zone to be inspected for initial certification. Because no costs are assumed to have been incurred toward certification, the programme cost can be estimated at USD 13,500 per country. This does not include any Geneva-based preparatory costs and the apportioned costs of ITC staff working on the project.

Based on the above comparisons of cost apportionments and surrogate estimates for activities relating to Kenya, there appears to be considerable discrepancy in costs attributable to the activities.

However, if the costs toward the Quality Programme in Spices (USD 358,000 in 11 beneficiary countries, i.e. USD 32,000 apportioned per country) were to be clubbed with the above, nearly USD 132,000 has been spent in Tanzania over three years, towards improvement in the quality of spices, which is a very small output in Tanzania.

Effectiveness: 1

There is no recall of the benefits from the project by the officials met.

The officials could not agree that this was a full programme; they merely referred to several visits by short-term consultants relating to website development and some training workshops for producers. No mention was made of the several trade missions to European countries organised by ITC for producers. There was also confusion over this multi-country programme with the JITAP cluster activities in Tanzania, under which a sector export diagnostic study was carried out for the spices sector, with the support of ITC.

On the other hand, there is greater recall of the SIDA assisted programme, which may be partly due to the target beneficiaries being extension service bodies and policy makers, and produce organisations. The officials also mentioned that CBI Netherlands had provided them training on publications and information management for dissemination on organic products.

The existence of EU markets for organic products is well known and documented by ITC, and the sector needs to attain a reasonable scale of certified organic production in the products to supply markets like Germany and UK. In this respect, the precedence of market familiarisation activities over supply chain development seemed premature. Ideally, these visits should have taken place after several export villages had been developed and certified, in which case there would have been the best chances of developing business opportunities.

Impact: 1

The ITC document states the following impacts:

The inputs, provided over the last two years, have helped farmers/producers at the “working floor level” in several areas, including product development.

As a result of project activities, the organic sector has increased considerably in participating countries, in particular in Malawi, the United Republic of Tanzania and Zambia. Although export statistics do not exist, several producers and exporters already appear to have obtained good results, thanks to this project.

According to the officials, no baseline existed in respect to organic farming in Tanzania, and the current volumes of spice production and honey cultivation were miniscule; thus support the claim to having made a difference in poverty alleviation at the community level.

Sustainability and outreach: 1

As a pilot activity, the project was not expected to have any sustainability indices. However, the ITC document refers to the consultants' report having given a number of practical suggestions and recommendations, which will be further elaborated in a new manual to be posted on the Internet early 2004.

There are other, larger issues in respect of developing organic spice exports from Tanzania:

- The first and perhaps most important is the still narrow and widely scattered supply base, and the resultant difficulties in organising supplies from the dispersed production areas.
- The second large issue deals with the access to export credit and working capital finance for the unorganised and small enterprises, which is a serious issue for all of Tanzania's industrial activities. Banks are wary of funding enterprises, and the government has yet to finalise a targeted SME finance programme involving mandatory or priority lending on concessional terms.
- The third issue is the capacity and sophistication level of the enterprises to deal effectively with exports, from the angle of product quality, packaging and documentary practices.

In the case of Tanzania, at least for the high priority sectors outlined in the national export strategy, there would be merit in including the various components like Sector diagnostic studies, export strategy, organic production and quality assurance, which have been addressed piece meal under three different programmes of ITC, under a single sector programme. This would lead to a sectoral approach and induce better sequencing of project activities, customised for the specific situation in the given sector.

The choice of the counterpart institutions is another important element in the success of programmes built around technical and cross-sectoral themes such as packaging, quality control and organic production. The role and reach of a national TPO like the BET is usually low in such programmes, compared to product body like the Spices or Coffee Board, or a technical body like the EPOPA, which deals with organic production techniques for export markets.

There are much better chances for impacts where these programmes are implemented through sectoral or product-level bodies, such as commodity boards, technical standards institutions or quality control bodies.

SSTP Programme, consisting of:

- Sub Regional Trade Expansion in Southern Africa
- Intra African Trade Promotion
- Buying from Africa for Africa
- Strengthening Trade Support Services for the Aid Procurement Market AB INT 467
- Promoting Trade in Services in Sub-Saharan Africa INT W4/23

- Networking Event to foster alliances among service sector associations INT W3/94

All these projects are under the theme of the global SSTP programme, though some of them were in existence before SSTP was classified as a global programme of ITC. Also there is a detailed evaluation of these projects in their entirety in the technical studies covering SSTP, and only the observations on the field mission in Tanzania are covered in this report.

Projects 7 and 8 are related, as project 8 deals with training of the TSIs to deliver the Buying from Africa for Africa programme (project 7). Similarly, Projects 9 and 10 refer to the same project, and for the first time services is a theme related to the SSTP, even though these projects are not funded from the SSTP budgets, and are administered by the Trade in Services unit at ITC.

Sub Regional Trade Expansion in Southern Africa INT RAF 6171

Donor: Switzerland

Expected Outcomes: enhanced trade among SADC members

Project budget: USD 1,362,000

Estimated project duration: 1999-2001

In January 1999, ITC launched the project “Sub regional Trade Expansion in Southern Africa”. The project aims at increasing South African market opportunities for products originating in other African countries, to counter the current unbalanced trade patterns between South Africa and the rest of the Southern African sub-region.

The SADC countries, including South Africa, wanted this trend to be reversed and the imbalance reduced, holding that this situation was not in their long-term interests. Several countries have not been taking advantage of the opportunities in export to South Africa, created by the SADC Trade Protocol. As a result, ITC designed a three-year technical co-operation programme with the overall objective of increasing exports from the region to South Africa.

Tanzania was one among 14 countries under this programme, which was subsumed later under the SSTP Programme. The activities under the project involved the three-pronged ITC approach:- (i) trade flow analyses for selection of product/sector themes; (ii) demand and supply surveys in participant countries with a listing of pre-qualified suppliers;(iii) and BSMs. Besides these, the project included formation of the SABN a regional trade website as a permanent mechanism for the exchange of information on sub-regional trade opportunities.

A key feature of the SSTP approach is to upgrade the domestic capacities in preparing practical demand-supply research studies that can be used by businesspersons to identify trade opportunities. In the earlier stages of the programme, the lack of availability of trade and industrial data, and the absence of skills to produce analytical report, resulted in huge variations in the quality of studies brought to the preparatory meetings and the buyer-

seller events. To ensure a meaningful output from each of the participants, ITC made available budgets for national consultants (USD 2,500 per sector) and backstopped the exercise through its DPMD/MDS division.

Tanzania produced supply surveys for all the sectors considered for the programme, through national consultants, under the supervision of ITC experts. BET officials or national consultants under the supervision of BET made these surveys. Some Tanzanian business enterprises have participated at all five business meetings since 1999, the last being in 2003.

The consultants reviewed three report documents - exotic food and beverages, leather products, and wood products - prepared by the BET for the programme. There is a significant difference in the quality of these surveys, with the document on leather coming closest to the ITC prescriptions on the outline and contents. This is partly due to the well-defined focus in the survey on leather, which was confined to raw and semi-processed hides and skins, unlike the other surveys, which were broad based. The absence of a common definition of exotic food and beverages, and wood products, resulted in a loose, generalised study of these sectors, which may not be of practical use to businesspersons.

This was confirmed in the field mission to South Africa as well: some South African buyers attending the BSM in Johannesburg had commented on the poor (loose) classification of exotic foods and beverages, resulting in large-scale participation at the aggregate, but with very few matches (less than three in honey and cashew) at the product level.

The supply surveys could not provide a detailed listing of enterprises as prospective participants in the events, mainly because there is no reliable, readily usable national trade database of business enterprises, which is very important to the effectiveness of the SSTP programme. This inadequacy, which can lead to serious problems in case of trade litigations, especially in antidumping charges, has been partly addressed in other programmes of ITC. But eventually, there needs to be a co-ordination among the Registrar of Enterprises, The Board of External Trade, the Tanzania Investment Centre and the Bureau of Statistics, to prepare a national directory of enterprises, suitably classified by size, profile and activities.

Notwithstanding the absolute levels of standards in these documents and the actual trade outcomes from the buyer-seller events, there has been a perceptible transfer of skills from ITC to the BET through the methodology of the South-South Programme. This is visible in the background papers and sector diagnostic reports submitted for JITAP and IF.

Another positive impact of the programme has been a transfer of experience in organising trade events, notably the Tanzania International Trade Fair, which accounts for 80% of the annual revenues of the BET, and is attracting more visitors and exhibitors each year. In BET's own admission, officials have gained from the experience of working with ITC using the ITC tools and techniques.

Intra African Trade Promotion

Donor: Netherlands

Expected Outcomes: enhanced trade among African countries

Project budget: USD 1,048,000

This Programme, the original precursor to the SSTP Programme, aims at inducing African business partnerships across national borders, to expand regional trade, as an intermediate step towards integration of African enterprises into the global economy.

The overall objectives of the IATP were:

- To make the African marketing environment more transparent, and provide information on a vast array of tradable products in the region;
- To assist African companies in taking advantage of existing business opportunities within Africa;
- To contribute to the long-term process of economic integration in Africa.

ITC interventions consisted of several steps characterising the classical methodology now standardised under the SSTP Programme, i.e., trade flow analyses, selection of 'high potential' products, demand supply studies, training local partners, selection and audit of enterprises, with BSMs as culmination activity.

Buying from Africa for Africa

Donor: Global Trust Fund

Expected Outcomes: Enhancement of procurement from African suppliers by humanitarian organisations

Project budget: USD 2,100,000 (overall SSTP budget)

Estimated project duration: 2002 to 2005

This was a new dimension to the project, aimed at increasing Africa's participation in development aid procurement. The participating countries at the event are selected from the results of a trade flow analysis to identify the export potential of these countries with regard to shelter, personnel protection and household items. The participating companies at the event are identified by trade promotion organisations in the selected countries, and short-listed based on the recommendations of auditors who visit them in each country.

The auditors also offer consultancy assistance to the companies in preparing for the event, advising them beforehand on the requirements of the agencies.

Strengthening Trade Support Services for the Aid Procurement Market

Donor: Global Trust Fund (W 1-4)

Expected Outcomes: Needs assessment of TSIs and building their capacities for addressing the needs of exporting enterprises supplying products to humanitarian and relief agencies.

Project budget: USD 44,884

Estimated project duration: May 2003 to June 2004

The project aimed at building the capacities of trade support institutions in Kenya, Tanzania and Uganda, particularly the TPOs, for addressing the needs of exporting enterprises supplying products to humanitarian and relief agencies under the SSTP Programme.

At the specific request of institutions from Kenya, Tanzania and Uganda, ITC dedicated a half-day session to the issue of accessing the aid procurement market and strengthening the technical capacity of TSIs.

The aim of this session was to assess the motivation and ability of TSIs in filling this gap and assess the merit of building-up their capacity in improving the access of African firms to the target market. At the Nairobi BSM, which aimed at facilitating access to the aid procurement market, participating firms were given reference materials that had been specifically developed for the sector, among which were:

- Agency profiles: A booklet highlighting characteristics and procurement practices of the major aid agencies operating within the region;
- Registration forms: A collection of registration forms that companies have to complete when applying for registration on the rosters of suppliers of individual agencies;
- Procurement procedures: A collection and comparison of procurement procedures and practices in the area.

Activities in 2003 included the following:

- Assistance to representatives from key trade support institutions in Kenya, Uganda and Tanzania to participate actively at a BSM.
- A needs assessment mission to the three countries to assess strengths and weaknesses of trade support institutions, particularly their ability to provide effective trade support and business advisory services to bring both parties (suppliers and aid procurement agencies) closer together, and to allow suppliers to secure a higher share of the aid procurement market.

Promoting Trade in Services in Sub-Saharan Africa INT W4/23

Donor: Global Trust Fund (W 1-4)

Expected Outcomes: Capacity and demand study of business-to-business services, training workshops for enterprises, train-the-trainer orientation workshops.

Project budget: USD 98,737 (111,550)

Estimated project duration: May 2001 to December 2002

This project (budget USD 111,550) targets the development of service exports through enhanced awareness of opportunities, building a database on exportable services and service providers, and service sector alliances in selected sub-Saharan countries, namely

Ghana, Nigeria, Tanzania, Kenya and Uganda. The activities entail a capacity and demand study of business-to-business services, followed by export-readiness training workshops for enterprises; a train-the-trainer orientation session for trade support institutions; and a session for government officials. The train-the-trainer workshop seeks to build capacity within chambers of commerce and services industry associations to deliver training to member companies on an ongoing basis.

The deliverables for the project are:

- Database of potential clients (SMEs and TSIs) in the five countries;
- Market requirement matrices and opportunity matrices for each country;
- Identification of at least ten export-ready firms in services in each country;
- Matching of service sector business associations with complementary project interests;
- Best practices model for national services coalition.

Networking Event to foster alliances among service sector associations INT W3/94

Donor: Global Trust Fund

Expected Outcomes: Cross-border partnerships among services sectors by adapting the BSM format.

Project budget: USD 45,000

Estimated project duration: 2002

This project (USD 45,000) was designed to foster in-country and cross-border partnerships among services sectors by adapting the BSM format of the South-South Trade Promotion model to the services sector. This involved identifying potential clusters in services (five clusters were selected, i.e. business services, education, construction, IT and tourism) in three countries - Uganda, Kenya and Tanzania - and holding a workshop in Kenya.

ITC reports that capacity studies were developed and training was delivered to SMEs, professional associations and Chambers of Commerce in the five recipient countries, with over 500 companies receiving export-preparedness training. New regional bodies of services exporters have emerged in three countries. The ITC training modules have been adapted and included in many educational institutes. There is also heightened awareness within Governments of the importance of the service sector.

In the networking meetings, held in 2003 in Arusha, more than 60 companies participated in the networking meeting of service providers. The networking event held at Arusha in 2003 reported nine partnerships and a great deal of awareness was created about the strategic importance in bundling service offerings for greater export success. Thereafter, a meeting was held in Nairobi, with emphasis on forming partnerships and networks among for service associations. All event costs were borne by ITC, including the travel costs of participant associations.

Tanzania has a keen interest in services sector, considering that services account for more than 35% of its GDP. Also, services exports (ports and tourism) account for a large share of Tanzania's exports. Under the project, the BET held three separate workshops in 2002, inviting service providers, associations and policy makers, respectively (in all over 100 participants) to showcase the importance of services sector exports and the emerging opportunities under GATS liberalisation. The workshops also provided knowledge on issues such as: how to get prepared for services; how to move to export services; what policy actions are required to support service exports, etc.

Tanzania is setting up a Service Export Association as an apex body to set up a system of classification of all services, and to capture/measure all service activities. Also an export strategy for services is proposed for development under JITAP II.

Performance against the five evaluation criteria (common for all SSTP related projects)

Relevance: 3

The programme is relevant to Tanzania given that SADC is a tariff-free region, and the opportunities for Tanzanian SMEs in South Africa can be addressed through the programme.

The SSTP Programme seeks to enhance sub-regional and intra-regional trade by focusing on complementary suppliers from within the region. Its relevance to the development needs of less developed countries is significant. However, it assumes that there are inherent complementarities between all participating countries, and also that the goods being imported are substitutable with supplies from the region. However, the experience suggests that this assumption does not hold in several cases. Also, the supply side constraints in LDCs need to be addressed in order for them to benefit from market access opportunities as provided under the SSTP.

Efficiency: 3

The Evaluation consider the SSTP events to be organised highly efficiently, as witnessed first-hand by the team leader of the Evaluation Team at UNCTAD XI in Brazil, in June 2004. ITC organises events in the SSTP like clockwork, and using its matchmaking software, maximises the opportunity for contact for all participants.

Cost-efficiency

ITC documents relating to SSTP indicate that the costs of holding buyer-seller events themselves are below USD 10,000 per event, with a participation of 50-100 enterprises. This is very much in line with events organised by chambers of commerce in several developing countries. The costs of the networking events in Arusha also compare favourably with costs of similar events in developing countries (approx. USD 10,000 per event, with a participation of 50-100 persons, costs of guest speakers included).

However, there is no comparable benchmark for the SSTP, given its unique design. The standard deliverable outputs in the SSTP format are trade flow analyses, demand supply surveys and finally the organisation of BSMs. Several inputs from ITC go into the delivery

of these outputs, resulting in high Geneva-located costs. The actual allocations for the surveys and the meetings account for less than 30% of the overall budget.

Given that SSTP events are repetitive and several such events have been held in the participant countries, local partners should be able to arrange similar events in future with considerably lower budgets than at present.

Effectiveness: 2

Despite the extensive preparations in the drawing of participants, business results from the events have been unimpressive. This can be attributed to various factors, among which in the sub-regional programmes suppliers demonstrated poor export-readiness according to large buyers from South Africa who attended the first few meetings with declining enthusiasm at each event.

Some participants observe that the retention as well as attentiveness in BSMs ebbs after the first few meetings, and the subsequent meetings proceed rather mechanically.

The Evaluation also reviewed three report documents - exotic food and beverages, leather products, and wood products - prepared by the BET for the programme. There is a significant difference in the quality of these surveys, with the document on leather coming closest to the ITC prescriptions on the outline and contents. This is partly due to the well-defined focus in the survey on leather, which was confined to raw and semi-processed hides and skins, unlike the other surveys, which were broad based. The absence of a common definition of exotic food and beverages, and wood products, resulted in a loose, generalised study of these sectors, which may not be of practical use to businesspersons.

The supply surveys could not provide a detailed listing of enterprises as prospective participants in the events, mainly because there is no reliable, readily usable national trade database of business enterprises, which is very important to the effectiveness of the SSTP programme.

Impact: 2

In BET's own admission, officials have gained from the experience of working with ITC using the ITC tools and techniques. There has been a perceptible transfer of skills from ITC to the BET through the methodology of the Programme, which is visible in the background papers and sector diagnostic reports submitted for JITAP and IF. Another positive impact of the programme has been a transfer of experience in organising trade events, notably the Tanzania International Trade Fair, which accounts for 80% of the annual revenues of the BET, and is attracting more visitors and exhibitors each year.

On the other hand, the impact of the sub Regional Trade Expansion programme in southern Africa has been limited in terms of trade flows in the sectors, and also in terms of business transactions by importers. However, the experience of organising events and participating in such events will have some impact for repeat participants at future events, as and when arranged.

Sustainability and outreach: 1

Though the partner institutions have gained sufficient experience to organise events using the format of the SSTP programme, funding for the buyer-seller events remains a key issue in organising repeat events. Unless participants are able to pay for all costs associated with the events, the programme is not sustainable. National partners have expressed inability to arrange finances for the events on their own. Outreach is likely to remain limited in view of the focused and highly targeted approach of the project.

Enhancing the availability of trade data for the LDC INT/W3/77

The project involves the collection of trade and market access data concerning LDCs, with the objective to improve the current coverage of countries. Trade data was obtained from 8 LDCs through direct networking with government organisations responsible for maintaining and collecting that data. Countries included Zambia, Burkina Faso, Tanzania, Togo, Ethiopia, Niger, Angola, Senegal, Sudan and Eritrea.

The data was incorporated directly into TradeMap, the main ITC tool for trade flow analysis, making it available to users within the countries involved and to the full network of TradeMap users including 30 TradeMap country partners, and individual and institutional users throughout the world. MAS also transmitted the data to UNSD for inclusion in COMTRADE, making it available to an even wider audience and increasing the value of the UNSD/MAS partnership.

Performance against the five evaluation criteria

Relevance: 4

Trade flow data is an important decision making tool in the formulation of market and product strategies, and ITC's MarketMap, TradeMap and ProductMap are simple-to-use, customised data using the COMTRADE database. The utility of the database increases proportionally to the number of countries/products for which updated information is readily available.

Efficiency: 3

The inclusion of reliable data from LDCs involves many challenges, as the data capturing sources are often fewer, and data is collected in forms that cannot be processed easily. By partnering with official government sources responsible for providing data, ITC is able to assist in the collection and processing of trade data in an internationally standard format and provide regular updates to its own databases, which are again used by developing countries, often including the sources of the data themselves.

Data available in trade maps is in a standard format, and therefore all LDCs that have contributed to the information therein, can be assumed to be capturing the required data for international benchmarking, and using a standard nomenclature/classification.

However, ITC is not the only provider of the kind of information available in TRADE MAPS, and therefore it is assumed that consumers have options in sourcing such information from other providers as well.

Effectiveness: 3

The various officials in the national counterpart institutions and also some members of the sector counterpart network were very impressed with the ITC Maps and reported extensive use of the same, to identify non-traditional export products as well as new markets based on price and demand potential.

Impact: indeterminate

Databases have a utility based on the user's needs and the interpretations of the information provided, and therefore the impact is different for different users.

Sustainability and outreach: 3

Over the years, ITC has put in a system for efficient collection of trade information, with increasing coverage of markets and products, and has been improving the user-friendliness of its database. However, the costs associated with collecting and organising these proprietary data tools are substantial, even though collection is done by local surveyors or provided by the partner agencies in all countries.

On the other hand, not all TPO clients of ITC have the capacity to pay for database licensed use. ITC subsidises TPOs in some countries (including Tanzania) by allowing them to allow access to other registered users in the territory. Eventually, the collection as well as sale/licensing of these tools needs to be on commercial terms. However, most of this information can be made available widely through the Internet, on a cost-recovery basis. Therefore, the project is inherently sustainable.

Trade Expansion in Cashew Nuts from Africa INT W3/69

Donor: Global Trust Fund

Expected Outcomes: Regional conferences in Africa to increase networking among exporters of cashew nuts and promote value added products

Project budget: USD 84,485

Estimated project duration: October 2001 to June 2002

This multi-country project consisted of organising conferences to increase networking among exporters of cashew nuts in Africa and promote value added cashew nuts and create awareness of market opportunities. The participant countries included Benin, Ivory Coast, Ghana, Kenya and Tanzania.

The activities included preparation of national studies of the sector, holding regional Round Tables to provide the opportunity to jointly address several issues of common nature, and development of a cashew nut portal and website for the region.

Tanzania participated in the events; the latest was in July 2002, in which it presented its National Consultancy Report, prepared under the guidance of Ministry of Agriculture and Food Security. Dr M E R Sijaona, the national consultant under the project, funded by ITC, authored the report.

Cashew nut is an important export crop for Tanzania, accounting for more than USD 100 million in foreign currency earnings. However, the export is mainly in the form of raw nuts, which are exported primarily to India. There is considerable scope for further value addition within Tanzania, through processing of raw nuts to obtain kernels and cashew nut shell liquid, which have a higher unit realisation in export markets.

Cashew cultivation has increased steadily from 4,000 tonnes in 1970s to the present level of more than 120,000 tonnes, and has a significant rural employment and livelihood potential. However, returns to the producer/farmers have been depressed due to exploitative practices and a long chain of middlemen. The government has made interventions through licensing for raw nut buyers/exporters and also through a deterrent export tax on raw nuts, and also set up state-owned processing factories in different regions.

For developing the sector further, a National Cashew Development Strategy has been adopted for the five-year period 2001-2006 and addresses all aspects – varietal development, harvesting practices, processing, grading and marketing. This has been principally funded by DFID. Privatisation and revitalisation of the processing units is an important element in this sectoral strategy.

There was inadequate recall of the programme's outcomes in terms of market development results, even by the national consultant, though he shared details of the paper submitted at the July 2002 conference. On the other hand, from the view point of market linkages, there was greater appreciation of the market missions under the UNDP export development programme, in which cashew was one of the thrust sectors.

Given the importance of cashew nut and the high export propensity of the sector in Tanzania, ITC interventions for the development of market exposure and building linkages with final buyers are relevant and potentially complement the activities outlined under the Cashew National Development Strategy. However, given that the larger and more immediate issues are supply-side related, market exposure visits and regional conferences are perhaps premature, in view of Tanzania's present state of (non) readiness to export processed kernels and other value added products.

On the other hand, there is a greater and more immediate need at present for inducting improved manufacturing practices, hygienic and packaging (e.g. nitrogen flushing), and quality certification measures to meet the requirements of important export markets, for which there are other ITC programmes readily available. Some respondents felt that production-oriented technical programmes could have greater utility than market exposure visits, which can also be addressed through buyer-seller events under the SSTP programme.

The field mission observations on this project again demonstrate the limited impact of an activity-oriented programme compared to a deeper sectoral programme, from the beneficiary country perspective.

The development of Tanzania's cashew sector is co-ordinated under a product specific board, which also (it is assumed) co-ordinates with other donor programmes in the sector. Also, Tanzania has the largest supply potential among all the target countries in the ITC regional programme on cashew nut. Therefore, for maximum impact, the designing, sequencing and timing of future ITC activities in the sector should be done in consultation with the Tanzania Cashew Board's activities calendar as well as with the other donor programmes in the same sector.

Performance against the five evaluation criteria:

Relevance: 3

Given the importance of cashew nut and the high export propensity of the sector in Tanzania, ITC interventions for the development of market exposure and building linkages with final buyers are relevant and potentially complement the activities outlined under the Cashew National Development Strategy. Yet, despite the relevance of networking as a concept, in view of Tanzania's present state of (non) readiness to export processed kernels and other value added products, the focus on market exposure visits and regional conferences is perhaps premature, and the larger and more immediate issues in the sector are supply-side related.

Efficiency: 2

The activities included preparation of national studies of the sector, holding regional Round Tables to provide the opportunity to jointly address several issues of common nature, and development of a cashew nut portal and website for the region.

There was inadequate recall of the programme's outcomes in terms of market development results, even by the national consultant, who had submitted Tanzania's strategy paper at the July 2002 conference. On the other hand, from the view point of market linkages, there was greater appreciation of the market missions under the UNDP export development programme, in which cashew was one of the thrust sectors.

Cost-efficiency

ITC project documents indicate that there were five beneficiary countries (though 10 countries participated in events according to the project officer) in the programme, and close to USD 85,000 were expended in the programme, with outputs in the form of a supply study and activities relating to a regional Round Table.

The apportioned costs for each country can be estimated as USD 17,000 (USD 8,500 assuming 10 countries). Assuming a notional cost of USD 2,500 for the country study (basis SSTP standards) and USD 2,000 for a one-time participation in the Round Table, the comparable value of outputs, excluding ITC internal costs is comparable to the apportioned costs per country.

Effectiveness: 2

Some respondents felt that production-oriented technical programmes could have greater utility than market exposure visits, as there is a greater and more immediate need at present for inducting improved manufacturing practices, hygienic and packaging (nitrogen

flushing), and quality certification measures to meet the requirements of important export markets.

The objective being to enhance exports of value added products, a sector approach would have brought greater benefits. Marketing linkages could also have been addressed through buyer-seller events under the SSTP programme, inviting large chains, instead of networking with other suppliers who are, after all, competitors. These events could also have been used for prospecting investors in the privatisation of the 12 national nut-processing factories, which can be restarted with some capital infusion.

Impact: 2

Tanzania's nut processing industry has still not been restructured, and therefore, there is no visible impact in terms of enhancement of exports of processed kernels. On the other hand, exports of raw nuts have been fluctuating in recent years due to price drops by other countries, and also crop failures in some parts of Africa.

Sustainability and outreach: 1

Networking events have the potential to create awareness of market opportunities, but have to be self-sustaining and not depend on subsidised participation. The outreach from these events is limited only to the participant enterprises.

United Nations Development Programme of Technical Cooperation on External Trade of Tanzania, URT 97004 and others

Donor: UNDP, Switzerland, Netherlands

Expected Outcomes: Export Promotion of non-traditional products, institutional development, trade-related human resources development

Project budget: USD 2,100,000

Estimated project duration:

The Programme of Technical Co-operation on External Trade was launched in 1997, as a sequel to the earlier UNDP assisted project the Export Development and Promotion Project URT/86/29, which ended in 1995.

The programme, with a funding of USD 5 million, was essentially for the development of non-traditional exports from Tanzania, and focused on supply studies and market-linkage missions, besides export-linked financial assistance to participating SMEs in the 13 selected items. Marketing missions were organised in Asia, Middle East and Europe. The project had to be scaled down substantially, as UNDP itself could not raise the entire resources initially foreseen.

In 1997, the Programme of Technical Co-operation on External Trade of Tanzania was launched as follow up programme, with USD 2.1 million covering three modules (reconfigured from four of the seven initially proposed), supported by UNDP, Swiss and Netherlands. These modules were:

- Export Promotion of non-traditional products from Tanzania.

- Institutional strengthening of the Board of External Trade.
- Development of Trade-Related Human Resources and Consultancy Services.

Export Promotion of non-traditional products from Tanzania:

The principal objective of the programme was to identify export opportunities for 13 (derived from supply and demand studies) non-traditional items of export, and to prepare private sector enterprises led by the Board of External Trade, to deal with the export markets through hands-on training and support provided by ITC. Due to budgetary constraints, 24 enterprises were selected in the programme.

The project had the following outputs:

- Eleven market survey missions covering 39 target markets, for fish, timber, leather hides and skins, handicrafts, gemstones, horticulture, instant coffee, blended tea, textiles and garments.
- Advice and recommendations to exporting SMEs on the above products, concerning market requirements and practices.
- Market contacts with more than 250 buyers in Africa, Middle East, America, Europe and Asia, through meetings.
- Setting up of an Export Promotion Facility Fund (USD 200,000).

While some trial orders were procured by the participant enterprises, the experience with the export fund was disastrous: despite the quantum of loans being less than USD 10,000 each, only USD 32,000 were recovered from the USD 200,000 disbursed, and many borrowers remain defaulters to date.

Also, monitoring of results from the project was reported to be frustrated by the non-co-operation from beneficiary enterprises, which were reluctant to share experiences, especially details of business affected as a result of the project.

Institutional strengthening of the Board of External Trade:

This involved the following:

- Evolving the organisational architecture and HRD strategy of the BET as Tanzania's national trade promotion organisation, and the creation of human resources and institutional skills for it to discharge its functions, on a self-sustaining basis as much as possible.
- Benchmarking and mentoring from other national TPOs (ZimTrade, JETRO and Thailand Board of Trade) was a key element in this module. There was also a component to strengthen physical infrastructure at the BET.
- Raising skills of BET officials to undertake export strategy development, providing trade advisory and information services, organisation of trade fairs and dissemination of information.

The project concluded in 2000, and has been evaluated by a tripartite group consisting of ITC, Netherlands and UNDP. On the whole, the Evaluation was positive, with a few suggestions for the BET, which include:

- Obtain periodic feedback from its clients to assess their needs and improve its services.
- Play an increasing role in formulation of export-friendly policies and procedures strategies.
- Entrust the organisation of the Export Fund to a financial institution.
- Disseminate all the trade and market information collected in course of the project to stakeholders in all the participant sectors.

The terminal review by donors also felt that the project was highly relevant and had attained many of its objectives, considering the financial constraints, which required a scaling down of activities in some modules. There was rationale for continuing similar assistance, but UNDP and Netherlands both regretted inability to contribute further funds to follow up programmes in view of other commitments.

All the officials at BET met by the Evaluation, displayed a good knowledge of trade issues and challenges, and also had a good knowledge of the sectors and various project activities, as they were attached to specific sectors under various technical assistance projects. Several small incidents (intervening for some meetings and providing leads on whom to meet for specific information on some sectors) also revealed their close contact and rapport with industry persons.

The industry associations met by the Evaluation too had good opinions about BET's handling of export issues, involving industry in discussions on sector strategy formulation and disseminating trade information to stakeholders, within its limited resources.

In the Evaluation's opinion, the BET also functions professionally, respecting schedules (unlike some other countries in the Evaluation) and in an investor-friendly manner, as was evidenced in the opening day of the International Trade Fair (July 1, 2004), which brings 80% of BET's revenues. The smooth management of the Trade Fair (some stalls were visited by the Evaluation) and the participation from several countries indicated the active marketing and good positioning of the trade fair as the premier event in Tanzania.

All BET officials had high regard for the skills brought by ITC and stated that they benefited personally from the project. Some officials felt that project funds could be used better by using high local content in place of ITC international consultants, in programming and needs assessment, and even in project coordination, considering the lack of local knowledge among international consultants. In this respect, there was also criticism that this local expertise was not being used enough by ITC despite some BET officers having been approved in the ITC roster of consultants.

Overall, there is a clear consensus and commitment in Tanzania on the sectors for the export strategy and on the strategy itself. ITC's contribution in identifying non-traditional

exports is recognised by BET, the donors as well as the private sector. However, there are no visible or significant impacts from the market missions, on the exports from Tanzania in these sectors. In the fisheries sector, which is Tanzania's second largest export sector, this can be traced to several reasons:

- Export is dominated by a few large players (about 11 companies, some of them foreign-owned); many of them did not participate in the market missions, as they had their own established links.
- The participants in the market missions were very small players, financially unable to deal with the export requirements, despite finding the availability of markets; some of the participants were even new to the sector (including an architect and a general trader who swayed into fish exports).
- The stringent EU requirements under HACCP, the high capital costs of compliance, the three-four year time horizon for approvals, and limitations in accessing finance, deterred exporters from preparing for the market, even though the export potential was confirmed in the missions.

As a result, the market mission only resulted in opportunities for export of live seafood, for the Middle East markets, which involved lower transportation costs and brought better margins for both sellers and buyers.

There was a contrasting experience for one player in the horticulture sector. Based on the knowledge from preparing the sector strategy, and the exposure to the Middle East and Asian market, one enterprise spotted a niche off-season window for mangoes in Oct-Dec, which complements the availability from India in May-July. This resulted in a 500 tonne regular export, now growing to 2,500 tonnes, and the involvement of a larger community of farmers entering the product.

The above contrasting examples illustrate that it is primarily the role of the private sector enterprise to seize market opportunities and use the technical assistance to further its own gains. There are concerns that the private sector enterprises have not played their due role in this process.

The Evaluation met up with an important donor as well as some participants/beneficiaries in the project, besides the BET officials connected with the project.

Beneficiaries' experiences with the project, especially the marketing missions, were mixed. While some missions were said to be well coordinated, the experiences in others (for instance, fisheries mission to UK) were somewhat disappointing:

- The international consultants appointed by ITC were not well-introduced to the market and had to struggle identifying prospecting buyers.
- Meetings were arranged at short notice and badly scheduled, providing very little time for factory visits and discussions.

- Buyers were reluctant to share information and were not serious about discussing business with the visitors.

However, the participants found their first experience of other markets very informative, even though many of them did not conclude business.

During discussions, the Evaluation noticed several small instances of general ‘donor dependence syndrome’ among beneficiaries, characterised by absence of group behaviour and own initiative, which are fundamental for enterprise success and sector development. These indicate unmet needs in the private sector, especially SMEs, in simple problem solving skills and collective bargaining, which can be addressed through training and mentoring, with immediate results and leading to enhanced confidence in taking larger initiatives.

Some enterprises actually obtained business leads from the market mission, and have been regularly exporting live fish to the Middle East, often declining orders or short supplying against agreed quantities. However, when prodded why they had never considered outsourcing to meet the growing demand, despite the friendly relationships among small boat owners, they expressed surprise that this had not occurred to them.

Similarly, the access to finance was cited by several enterprises as a deterrent to growth despite the growing market opportunities. When asked why they had not considered setting up a collective fund and borrowing as a combine (which provided easy servicing yet offered enough guarantees for the lender) and expanding the fleet gradually but together, they felt this was something perfectly within their reach and they could do it by creating a society.

At another level, the BET recognises the importance of managing donor funds efficiently and effectively and is concerned about the poor record at monitoring and impact measurement in general. BET and donors are very open to a common monitoring and evaluating unit for all TRTA, in order to track beneficiaries periodically and measure outreach and outcomes from all initiatives. The BET has also expressed interest in such a unit (although this is not recommended given that it is an interested party), to be run by consultants or contract staff, with a full year schedule of monitoring all the projects in the sectors featuring in the export strategy. The results from these missions would be available to all donors and partners, which would facilitate analysis of what works and what doesn’t, and assist in course-correction, besides inducing a better co-operation among donors and technical partners.

Performance against the five evaluation criteria

Relevance: 4

The project was most relevant in the context of the transition of Tanzania from a centrally planned to a market based economy, which called for diversification of exports, institutional strengthening of the Board of External Trade, and human resource

development in trade-related areas. The project identified the core issues rather effectively, by focusing on capacity development of the apex trade body.

Efficiency: 3

ITC provided all its inputs efficiently in this complex and multi-dimensional project, especially in the organisation of 11 market survey missions covering 39 target markets, for fish, timber, leather hides and skins, handicrafts, gemstones, horticulture, instant coffee, blended tea, textiles and garments, and also in attempts at benchmarking the national TPO with four international TPOs in Asia and Europe.

However, beneficiaries' experiences with the marketing missions were mixed. While some missions were said to be well co-ordinated, the experiences in others (for instance, fisheries mission to UK) were somewhat disappointing.

The disbursement of loans to enterprises was a disaster: though loans were less than USD 10,000 each, only USD 32,000 were recovered from the USD 200,000 disbursed, and many borrowers remain defaulters to date.

Effectiveness: 3

BET officials had high regard for the skills brought by ITC and stated that they benefited personally from the project. Some officials felt that project funds could be used better by using high local content in place of ITC international consultants, in programming and needs assessment, and even in project co-ordination, considering the lack of local knowledge among international consultants. In this respect, there was also criticism that this local expertise was not being used enough by ITC despite some BET officers having been approved in the ITC roster of consultants.

All the officials at BET met by the Evaluation, displayed a good knowledge of trade issues and challenges, and also had a good knowledge of the sectors and various project activities, as they were attached to specific sectors under various technical assistance projects. Several small incidents (intervening for some meetings and providing leads on whom to meet for specific information on some sectors) also revealed their close contact and rapport with industry persons.

Impact: 3

Overall, there is a clear consensus and commitment in Tanzania on the sectors for the export strategy and on the strategy itself. ITC's contribution in identifying non-traditional exports is recognised by BET, the donors as well as the private sector. However, there are no visible or significant impacts from the market missions, on the exports from Tanzania in these sectors.

In the Evaluation's opinion, the BET functions professionally, and in an investor-friendly manner, as was evidenced in the opening day of the International Trade Fair (July 1, 2004), which brings 80% of BET's revenues. The smooth management of the Trade Fair (some stalls were visited by the Evaluation) and the participation from several countries indicated the active marketing and good positioning of the trade fair as the premier event in Tanzania.

The industry associations met by the Evaluation too had good opinions about BET's handling of export issues, involving industry in discussions on sector strategy formulation and disseminating trade information to stakeholders, within its limited resources.

Sustainability and outreach: 3

During discussions, the Evaluation noticed several small instances of general 'donor dependence syndrome' among beneficiaries, characterised by absence of group behaviour and own initiative, which are fundamental for enterprise success and sector development.

These indicate unmet needs in the private sector, especially SMEs, in simple problem solving skills and collective bargaining, which can be addressed through training and mentoring, with immediate results and leading to enhanced confidence in taking larger initiatives. ITC-assisted programmes under the CIBDS can address these issues effectively.

Development of Trade Related Human Resources and Consultancy Services (URT 97/026)

Donor: Switzerland

Expected Outcomes: development of trade related human resources

Project budget: included in the budget (USD 2,100,000) of URT 97/004

Estimated project duration: 1998 to 2000

This project came about following the programming work under URT 97/004, which had three modules, of which one was separated out for funding by the Swiss government.

The focus of the project was to create a pool of trained human resources called trade tutors who could guide the exporting community in gearing up for the export market, through a range of training modules covering various aspects of export and trade management. This pool of tutors was to be master-trained and certified by ITC.

The CIBDS.

The CIBDS came into being, following the results of a needs assessment survey by ITC in 1997, which concluded that the nascent private sector in Tanzania had several unmet needs in business support services, training, human resource development, and best practices. The project design specified building a training institution to impart skills to enterprises in the disciplines of export marketing management, and international purchase and supply management. The programme, funded by seco and UNDP, was undertaken in the government-run CBE (through a tender award and interviews of key persons), ITC being the implementation agency.

ITC experts delivered the programme over 12 sessions, over a period of three years. The ITC technical support was completed in 2000, and 46 persons in Tanzania were awarded a Certificate of Completion, and were licensed/accredited by ITC to train others in Tanzania.

Following accreditation, the CIBDS was structured as a company, with its owner members being BET, CBE, National Board of Materials Management (NBMM), TNCCIA and CTI, to provide training to the private sector as well as officials in various government agencies and departments with a role in trade and international procurement. This corporatisation of CIBDS was done with a view to make it self-sustaining and revenue-driven, led by adequate captive demand from its own members, and funding for these training programmes from several ongoing donor projects.

From 2000 to 2002, CIBDS ran an Export Management Course and an International Purchase and Supply Management Course, certified by ITC; it prepared its own materials and organised the programmes independently, with periodic assessments by ITC. The entire faculty at CIBDS, including its Director, was awarded trainer certificates under the ITC programme.

In 2003, CIBDS, with content support from ITC, devised a one-year Post Graduate Diploma Programme based on these training modules, while adding several new ITC products and tools. The diploma was recognised by the University of Tanzania. The programme was targeted at practising business managers and built its own niche among other programmes run by the mainstream education institutions, including the CBE, the parent organisation of CIBDS. Two batches (17 and 19 graduates) have taken the courses and earned the Post Graduate Diploma from the institution.

Through the CIBDS, ITC did succeed in transferring skills for the establishment of local facilities for training of SMEs in Tanzania, which remains a pressing need in the country as it moves into an increasingly private-sector based and externally oriented economy. However, according to the key persons interviewed, sustainability has been a key issue for the CIBDS throughout. Though the CIBDS was created under the project, there were no budgetary provisions for its funding beyond the project, until it could become self-sustaining through its own revenues. The CIBDS has had limited success in sustaining itself through commercialising its services.

The revenues from this programme are rather limited (USD 1,200 per student) and do not cover the costs of the institution, beyond paying for the part time faculty. Attempts by the CIBDS to reach University status came to naught, as it did not have the essential pre-qualifications: at least 50% staff to be full-time faculty, permanent premises, significant financial outlay, and adequate experience in the field of technical education. Eventually, CIBDS licensed the programmes to the CBE, which has official status as a technical institution for higher education. The license is presently for three years.

Attempts by the CIBDS to train private sector enterprises in the ITC products/tools have been unsuccessful as well. Several companies had sent participants under the ITC programme, but primarily because participation was free of charge. However, there was disinterest in paying for CIBDS's subsequent training programmes; in some programmes, not even one participant could be secured on a paid basis.

CIBDS also faces problems on account of its single location at Dar es Salaam, and is not able to respond to needs, if any, of other regions. Linkages with the regional chapters of the chambers of commerce have not been effective in replicating programmes conducted at Dar es Salaam. As a result, the cost of participation becomes high for outstation participants, which partly explains the reluctance of SMEs to pay.

As a result for the time being, the CIBDS is constrained to depend only on ITC programmes funded by ITC or other donors. The E-trade Bridge Programme is under preparation for Tanzania, and CIBDS expects to line up participants (at subsidised costs) for various training programmes until December 2004, supported by an international consultant from ITC, whose costs shall be borne by ITC directly.

Performance against the five evaluation criteria:

Relevance: 4

The project responded to Tanzania's nascent private sector's unmet needs in business support services, training, human resource development, and best practices by building a training institution to impart skills to enterprises in the disciplines of export marketing management, and international purchase and supply management.

Efficiency: 3

Activities under the project were managed efficiently. The ITC technical support was completed as scheduled in 2000, and 46 persons in Tanzania were awarded a Certificate of Completion, and were licensed/accredited by ITC to train others in Tanzania. The CIBDS ran an Export Management Course and an International Purchase and Supply Management Course, certified by ITC, and prepared its own materials, and organised the programmes independently, with periodic assessments by ITC.

The CIBDS has posted good initial results in a short period with ITC support, amidst serious funding constraints and with very few persons. It is in a position to provide training and advisory services cost-efficiently, as it has very low overheads and a very small full-time faculty.

Effectiveness: 3

The most important indicator of the effectiveness of ITC's delivery of assistance is that the CIBDS Post Graduate Diploma Programme, based on these training modules, and ITC products and tools, was recognised by the University of Tanzania. The CIBDS was structured as a company, with its owner members being BET, CBE, NBMM, TNCCIA and CTI, to provide training to the private sector as well as officials in various government agencies and departments with a role in trade and international procurement.

Unfortunately, despite the accreditation of its postgraduate programme, the institution does not have the status of a university, which prevents it from providing its services to a larger client base. The licensing of its programme to the University only reduces the status of the institute to that of a licensor. However, the successful launch of e-trade bridge can improve the institution's lot to an extent.

Impact: 2

Attempts by the CIBDS to train private sector enterprises in the ITC products/tools have been unsuccessful. Several companies had sent participants under the ITC programme, but primarily because participation was free of charge. However, there is no motivation in paying for CIBDS's subsequent training programmes; some programmes could not even enrol one single participant on a paid basis. The limited demand for paid services has resulted in a low impact of the institution on developing the capabilities of SMEs in Tanzania.

Sustainability and outreach: 2

The CIBDS has had limited success in sustaining itself through commercialising its services, and depends only on ITC programmes funded by ITC or other donors. The CIBDS needs to broad base its activities, and identify new service areas to sustain itself in an environment where clients do not have the capacity to pay for services.

According to CIBDS, it also faces problems on account of its single location at Dar es Salaam, and it is not able to respond to needs, if any, of other regions. Linkages with the regional chapters of the chambers of commerce have not been effective in replicating programmes conducted at Dar es Salaam. As a result, the cost of participation becomes high for outstation participants, which partly explains the reluctance of SMEs to pay. However, ITC officials submit that the CIBDS also delivers the programme in Arusha.

E-Trade Bridge for SMEs INT W2/08

Donor: Global Trust Fund (Window 2)

Expected Outcomes: Creating internationally competitive e-competent businesses and building national e-capacities within supporting institutions

Project budget: USD 3,000,000

Estimated project duration: May 2002 to December 2005

Preparatory activities for the project started in 2003. The status, as reported by ITC is as follows:

- E-Preparedness Report of Tanzania: Published in July 2003.
- Establishment of Hubs: CIBDS was given the responsibility to act as a HUB for Eastern Africa. CIBDS officials (3 persons) attended the network meeting in April 2004 and following the meeting they attended the Assessors Training workshop in May 2004.
- www programme: 10 Good practice cases have been identified in Tanzania. Some of them will be used in the publication that is underway.
- www/E-nabling SMEs Programme: A workshop was organised in Dar es Salaam in September 2004 with the participation of 26 short-listed SMEs on Strategy Development. Based on the outputs received from those companies, nine of them are short-listed and they will receive further assistance on management-export and "e" to be e-enabled. The programme will finish at the end of 2004 having nine SMEs e-enabled.

- Training of the Trainers: Will be launched in January-February 2005.
- Strategists Training: Will be held in January-February 2005.

The project will be supported locally by the CIBDS, which is presently identifying participants for the programme.

Ratings/Evaluation

Training activities are expected to start only in January 2005. Therefore, no evaluation is possible within the schedule of the field phase of the Evaluation.

Annex 5. Stakeholder Analysis by Consultants

Board of External Trade (BET)

BET is the nodal agency in Tanzania in charge with trade/external promotion. It is one of the notified national points under WTO. It is also the counterpart institution for all major trade related technical assistance activities the country, including ITC.

As the main TSI in Tanzania, the BET has benefited significantly from partnership with ITC in the areas of capacity building and is in a position to deliver its services more effectively to its clients. The industry associations met by the Evaluation have good opinions about BET's handling of export issues, involving industry in discussions on sector strategy formulation and disseminating trade information to stakeholders, within its limited resources.

In the Evaluation's opinion, the BET also functions professionally, as was evidenced in the opening day of the International Trade Fair (July 1, 2004), which brings 80% of BET's revenues. The smooth management of the Trade Fair (some stalls were visited by the Evaluation) and the participation from several countries indicated the active marketing and good positioning of the trade fair as the premier event in Tanzania.

Even though BET has enough capacity to participate in TRTA, it does not have indicators as well as a monitoring and evaluation mechanism to judge the success of the projects. Also, it lacks funding support from the government to sustain most of the projects.

Centre for International Business Development Services Ltd. (CIBDS)

The CIBDS is only one of two such institutions set up by ITC in developing countries (the other being in Philippines) to become a service provider for improving the export readiness of SMEs. Since its creation, CIBDS has been able to develop the capacities required for a training institution, however, at a very small scale. CIBDS was able to train 46 trainers and consultants and also got its one-year Post Diploma in International Business Management recognised. However, its key challenge is to be able to deliver its services commercially, to students as well as the private sector. Its survival is challenged by its inability to obtain recognition as a deemed university as well as the inability of SMEs to pay for training.

Confederation of Tanzania Industries (CTI)

The Confederation represents the manufacturing sector of Tanzania and its members account for more than 40% of GDP. The CTI is a key stakeholder in the sectors identified as export priority areas for Tanzania.

CTI presents the views of its members to government and local authorities involved in industry. Some of their services include lobbying, research, disseminating information, conducting seminars, networking, etc. CTI is involved as a sector counterpart institution in the national export strategy formulation and in all activities under cluster 11/12 in JITAP.

CTI has been one of the beneficiaries of TRTA programmes implemented by BET and CIBDS. It also works closely with institutions involved in the EPA and AGOA, both of which potentially benefit its members.

Tanzania Chamber of Commerce Industry and Agriculture (TCCIA)

The Tanzania Chamber of Commerce Industry and Agriculture (TCCIA) was established in 1988 with the goal to represent the country's business sector. It has branches in all the regions in the country and over 67 district branches. With 3,000 members country wide, the Chamber's main services are advocacy and lobbying. Its lobbying activities are through the government, the press and international institutions whose activities have an impact on Tanzania's business environment.

The TCCIA works closely with the Board of External Trade. It collaborates on JITAP activities, training activities and foreign visits. The Chamber can be considered as one of the key beneficiaries of the ITC programs.

Some of the challenges faced by the Chamber of Commerce include access to credit and standards/quality issues. Lack of credit facilities and high lending rates discourage members from borrowing. As economies become integrated, there is more demand for quality assurance and better standards. Most SMEs fail to export because their products do not meet the quality and standards set. There is need to help SMEs to understand what is needed outside Tanzania, as well as to help them meet the cost of compliance.

Annex 6. List of Contacts

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