Value for Money (VfM) of AcT Partners Results

December 2012

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The VFM Concept

In general use, the concept of Value for Money (VfM) can be described as a belief or a conclusion, by a buyer or seller of goods and services that the goods and/or services received were worth the price that was paid. The factors that can be considered in making a judgment about value for money include amongst others, suitability, quality, skills and whole of life costs. Normally a combination of various factors is used to arrive at a VfM judgement depending on the context. Therefore, VfM is determined on a case by case basis.

The Concept – As Applied to Development Issues
According to DFID, VfM is a term generally used to describe an explicit commitment to ensuring the best results possible are obtained from the money spent. It reflects a concern for obtaining the maximum benefit from the resources available. It is about spending money effectively to attain results and outcomes. It includes comparing actual with planned performance and also comparing costs and benefits of a transaction.

Additionally, VfM is about obtaining the maximum benefit over time with the resources available. It is also about achieving the right balance between economy, efficiency and effectiveness, or in common usage, spending less, spending well and spending wisely to achieve priorities. VfM is high when there is an optimum balance between all three elements: when costs are relatively low, productivity is high and successful outcomes have been achieved. Good VfM is the optimal use of resources to achieve the intended outcome. It should be noted thought that the cheapest option does not always represent better value for money.

Elements of VfM

There are three key elements that can be used to determine VfM. These include the following:

- **Economy:** This is a measure of what goes into providing a good or a service. It is the cost of inputs.
- **Efficiency:** This is a measure of productivity (how much you get out in relation to what is put in). It examines the relationship between inputs and outputs.
- **Effectiveness:** This is a qualitative and quantitative measure of change (increase or decrease) in outcomes. It examines the relationship between outputs and outcomes.

Application of the Concept to the AcT Programme

The AcT Programme has tried to explore specifics and metrics to come up with calculations which can help to explain whether or not a programme represents VfM. We recognize this is not easy and that there are costs involved in the dedication of time and energy to this process. What we have found to date, is that the exercise has the potential to throw useful light on the work Civil Society Organizations (CSOs) and donors do – even when the most important results we can identify sometimes cannot be monetized or quantified.

The first part of the work was to identify a number of case studies that could be further investigated to see what evidence of VfM they could give us. Case studies from five AcT partner organisations; Daraja, HakiKazi, HelpAge, Legal and Human Rights Centre and Oxfam were selected and subjected to the following scrutiny (ref. figure 1). The intention

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was to use observations from these case studies for further reflections with partners, with a view to further strengthening partner understanding of VfM, and improving their efficiency and effectiveness more broadly.

**Figure 1: Key Issues in Determining VFM**

<table>
<thead>
<tr>
<th>V F M Category</th>
<th>Link to</th>
<th>Key Questions</th>
<th>Answer</th>
<th>Basis for answer and evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economy</strong></td>
<td>Inputs</td>
<td>1. What did it cost? / Cost per unit input</td>
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<td></td>
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<td>2. Could the same input have been procured for less?</td>
<td>Judgment</td>
<td>Comparison with other programmes; challenge to find direct comparability</td>
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<td></td>
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<td>3. Can the result be monetized? What is the cash value of the gain?</td>
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<td></td>
<td></td>
<td>3.1 Over one year</td>
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<td>3.2 Over five years</td>
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<td></td>
<td>3.3 Over 10 years</td>
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<td></td>
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<td>4. What is the ratio of input/output, towards cost per unit output?</td>
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<tr>
<td><strong>Efficiency</strong></td>
<td>Outputs</td>
<td>5. Can number of beneficiaries be quantified?</td>
<td>Number</td>
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<td></td>
<td></td>
<td>5.1 direct beneficiaries</td>
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<td>5.1.1 cost per direct beneficiary</td>
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<td>5.1.2 value of gain per direct beneficiary</td>
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<td>5.2 indirect beneficiaries</td>
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<td>5.2.1 cost per indirect beneficiary</td>
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<td></td>
<td>5.2.2 value of gain per indirect beneficiary</td>
<td>$</td>
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<td>6. Can the outcomes be monetized? (e.g. putting a cash value on access to clean water)</td>
<td>Yes - $; No - explanation</td>
<td></td>
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<tr>
<td><strong>Case Study Evidence</strong></td>
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<td>7. Can the outcomes be quantified?</td>
<td>Yes/No</td>
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<td></td>
<td>Outcomes</td>
<td>7.1 Over one year</td>
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<td>7.2 Over five years</td>
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<td>8. Are the outcomes qualitative?</td>
<td>Yes /No</td>
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<td>8.1 What are they?</td>
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Case Study 1: From Oxfam’s Chukua Hatua Programme in Mwime Village

1. Background to the Programme

The goal of Chukua Hatua (Take Action) is to achieve increased accountability and responsiveness of the government to its citizens. Oxfam’s Chukua Hatua interventions that started in 2010, promotes accountability in districts and villages of two regions in Tanzania. Among other things, it tracks election promises, trains and supports farmer animators, active musicians and student councils. The ‘farmer animators’ project, helps equip people with the knowledge, skills and confidence needed to demand their rights.

2. Background to the Chukua Hatua Intervention in Mwime Village

In Mwime village (Kahama) the Chukua Hatua farmer animator, Maimuna Said mobilised villagers to complain about the $100,000 owed by Barrick Gold mine that should have been paid in 2009. It was based on the 2007 agreement that Barrick would pay TShs 60 million (about $38,000) to the village annually for the next five years – after which both parties would review and agree on a new amount. The payments were supposed to begin in 2009, paid through a Board of Trustees. However, the village received nothing apparently because of the weak the leadership as well as lack of consistent follow up and pushing from the villagers.

The villagers lacked genuine representation in the committee established to oversee the contract between the mine and villagers. Maimuna Said persuaded the councilor and the Member of Parliament (MP) Hon. James Lembeli to get involved.

The MP (Hon. James Lembeli) investigated and gathered more information from the district, the mine and the village. He managed to influence the Parliamentary Committee on Environment and Natural Resources to pay a visit to the area and meet with both parties. Barrick Gold said they had no objections to the villagers’ concerns, and insisted that they were ready to deposit the money. However, the company did not want to use a board which had not been approved by the villagers since they wanted to make sure that the money was in safe hands, and reached the targeted beneficiaries.

What had originally happened was that a trust had been set up with a Board whose members had to have at least ordinary level secondary education and be under 60 years old. Maimuna and the villagers questioned this saying there were many well – qualified people, who were trusted in the village, who did not meet these criteria.

Villagers elected a new committee and bank signatories for a new bank account, and then started meeting with Barrick to press for payment.

The parliamentary committee agreed that the village should be paid TShs 180 million (approximately $100,000) by the mining company. The committee gave TShs 500,000 (US$325) on the spot to open a village bank account. In addition, the community will now receive TShs 60 million per year (approximately $35,000). The village then held a press conference to publicize what had been agreed.

After the village removed the previous self-elected board, they learnt that the same board still existed in the formal agreement between the village and Barrick. It required more collective action to replace this board with the newly elected Committee. Eventually, in 2012, the agreement
was changed with an effective removal of the previous board from the agreement.

3. Establishing VfM

i. What did it cost? / Cost per unit input

The cost for the programme is basically the training and mentoring of the animators:
Start up workshop for the cost of TShs 6 million for 30 animators – (i.e. TShs 200,000/- per animator). The animator in Mwime also attended two mentoring sessions whose costs are at TShs 5 million per district. (ie. Tshs 500,000/- per animator)

Hence TShs 16 million is the total cost of this intervention in Kahama District. Overall, Oxfam's cost in running the programme (backroom staff, operational costs etc) amount to approximately 30% of the overall spend. A more accurate costing of the total cost of this intervention would thus be TShs 20.8 million (16 million + 30% overheads).

The unit cost of training and supporting this single animator is TShs 1.2 million, plus an additional 30% to cover programme running costs, making TShs 1.56 million

ii. Could the same input have been generated for less?

Oxfam’s approach is to work in partnership with local NGOs and Community Based Organisations. It would have been considerably more expensive and quite possibly less effective, to have tried to work with Oxfam staff in each community that they support and encourage the work of animators because in general Oxfam staff are more expensive. A partnership approach is fundamental to Oxfam’s ways of working, particularly in governance where the presence of an international NGO could be a distraction from the issues at stake.

iii. Can the result be monetised? What is the cash value of the gain?

The outcome of this input (cost) was that Mwime village was able to get the $100,000 (about TShs 180,000,000 using the then exchange rate) from Barrick Gold. Importantly the gain was made by ensuring that elected representatives played their part in ensuring that the village accessed its entitlements. Hence, it was a governance intervention that generated the response from the private sector mining company.

iv. Additional Annual Income

Additionally, the village will get TShs 60 million per year from the company. This TShs 60 million annually resulted from the same TShs 20.8 million investment cost in the intervention giving an additional return of TShs 2.9 million for every shilling invested. This is a 288% annual return on investment.

v. What is the ratio of input: output? - towards cost per unit output

Therefore, the inputs of TShs 20.8 million have made a ‘return’ of about TShs 180 million. This is a return of TShs 8.7 for every shilling ‘invested’ in the intervention. It is an 865% ‘return’ on investment. By all standards, this represents excellent VfM.

In comparison, an alternative ‘investment’ of depositing the money in a bank account would give a maximum return of not more than 5% to 6%. However, action in the community on this issue goes back to 2007, so if the single windfall of TShs 180 million, is spread over the 6 years since the work started, the annual return would average to TShs 30 million per year (TShs 180 million/6yrs).
vi. Can number of beneficiaries be quantified?

The beneficiaries, in this case – meaning the population of Mwime villagers, is 3480 in total (1710 males and 1770 females). The population of Kahama district as a whole is 1.3 million.

The cost of training a single animator in this community was TShs 1.56 million. This is the equivalent of investing TShs 448 per person in Mwime.

Each person in the community will have benefitted from the equivalent of TShs 46,880/- (180M/3480) villages. If, however, the gain is seen as needing to be spread over the time since the case started and the miners lost access to their former livelihoods, this becomes 7,831/-(46,880/- /6years). In addition, each person will benefit from an equivalent share of TShs 15,630/- annually (60m / 3480).

However, in practical terms it is not likely to be a per capita distribution of the funds instead the gains will go into a village bank account and a collective decision by the village will drive the use of funds.

vii. Can the outcomes be monetised?

This is not yet possible, as the village has not decided how the funds are to be spent – e.g. on water supply, local schools, clinics, formation of SACCOS etc.

viii. Are there also qualitative benefits?

Yes

(i) Informed and empowered citizens: People in Mwime now have a good understanding of how to make the relations between their MP, the relevant parliamentary committee and a major international investor work in their favour. They are also savvy enough to make sure that the Board of their chosen representatives is the formally registered one, so that no decisions on the use of funds deposited by Barrick Gold are undisclosed. This knowledge should stand them in good stead for the next stage of the struggle. It now appears that there is pressure to absorb Mwime village into the surrounding town, which would end its standing as an independent legal identity and imply that any funds derived from Barrick Gold would go into the town coffers.

If the gain of TSh 180m were divided over the whole district of Kahama with a population of 1.3 million, then the per capita gain would be only TShs 139/-.

A related issue is whether the compensation will continue to be paid in an event that the mine is sold or whether the community will be able to renegotiate the compensation that is paid by the current company.

(ii) Informed and Accountable Member of Parliament (MP): The local MP was active in investigating the case himself and responding to the needs of his constituents. Not all MPs demonstrate accountability to their electorate in this way

(iii) Informed Parliamentary Committee: - who visited the area following the prompting of the local MP

(iv) Strengthened rule of law: An international investor has been held to account and made to pay compensation in a transparent way – which is an excellent precedent to set.
Case Study 2: Daraja’s Interventions in Njombe and Iringa

1. Introducing Daraja

Daraja’s mission is to empower communities and local institutions, and build their capacity to work effectively together to reduce poverty in Tanzania. AcT had a grant agreement with Daraja since February 2010, to fund their 2010-2013 Strategic Plan; “Making Local Governance Work for the Poor.”

The Programme had three components:

- **Kwanza Jamii** - Kwanza Jamii (KJ) is a local newspaper programme, working in two regions of Njombe and Iringa. It harnesses the power of the media to scrutinise local government plans and performance, and to give citizens a platform to raise their voices and debate local issues. The name has since been changed to ‘Daraja Letu’

- **Raising the Water Pressure (Maji Matone)** is focusing on the issue of local government accountability for keeping rural water supplies flowing using citizen monitoring and reporting. It aims to improve sustainability and equity in rural water supply. Specifically, it uses mobile phones to create opportunities for citizens to bring problems to the attention of district water departments and put pressure on water departments to take action.

- **National Policy Advocacy Programme**: This programme conducts research and advocacy for policy changes that support responsive local government.

Daraja has developed a good reputation nationally and internationally, both in the water sector and within journalism, as an innovative organization promoting local level accountability.

2. Background to Daraja’s Interventions and Results Achieved

Daraja has an impressive list of successful stories of local elected and appointed officials responding positively to citizen’s information and demands on accountability through KJ and Maji Matone. For example:

- 21 recorded cases of District Water Engineers taking direct action to resolve water supply problems as reported by citizens under Daraja’s Maji Matone.

- Repairs carried out to Njombe bus stand immediately following reporting on the lack of progress as promised in KJ Njombe, and a follow-up action by citizens who decided to block the entrance to the bus stop until the promised repairs were done.

- Persistently absent health service workers in a rural clinic (Iniho, Makete district) were replaced following an article in KJ on the problem.

- An article reporting on the unfinished classrooms and teachers’ offices in Mguhu Primary School (Iringa Rural) led to immediate action by the local MP to ensure the construction work was finished.

- Reporting on the primary and secondary education capitation grants has led to considerable internal discussions within local councils on how to ensure more funding reaches schools.

- In Lupembe ward, an article in KJ Njombe reported complaints from the tea out-growers regarding their decision not to sell their tea to the tea company because the company paid low prices. Following intervention from both the District Commissioner and the Tanzania Tea Board, the price paid to farmers increased from TShs 185/- to TShs 220/- per kilogram. As a result over TShs 600 million worth of picked teas was saved from spoiling, ensuring an improved income for the tea growers. The government also benefitted from TShs 15 million per month of tax revenue that would otherwise have been lost (KJN Issue 31)
Over time, the newspaper has gained prominence and influence. Initially, most contributors and people who raised governance and accountability issues were ordinary citizens. With time, contributions started coming from even appointed local government officials.

In terms of Kwanza Jamii, Daraja conducted a VfM study based on two typical editions of the paper. Each issue contained – approximately 29 pages of issues which focus on accountability:

- Reporting on local government activity – plans, processes and performance
- Investigative journalism looking into key aspects of local government performance – are key government policies and/or promises being properly implemented?
- Public opinion pages – giving members of the public the opportunity to raise their voices and share their opinion on local issues
- Rural journalism – reaching out to more remote parts of the region, to bring the issues and challenges faced by these communities to the attention of local government authorities
- Council pages – providing councils with space to communicate directly to the public
- Civic education – raising awareness of local government processes and citizens’ rights and entitlements.

3. Establishing VfM
   i. What did it cost? / Cost per unit input

   The total cost of producing these two papers was TShs 16,894,900/- for 4,000 copies of 2 issues of the paper. This works out at TShs 2,112/- per copy. Assuming 20 readers per copy, this works out as TShs 106/- per reader per issue. Even a more conservative estimate of 10 readers per copy would cost TShs 211/- per reader per issue, still a low figure.

<table>
<thead>
<tr>
<th>Budget Line</th>
<th>Cost (TZS)</th>
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<tbody>
<tr>
<td>Salaries - KJN</td>
<td>4,416,500</td>
</tr>
<tr>
<td>Overheads</td>
<td>6,478,400</td>
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<tr>
<td>Newsgathering</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Printing costs</td>
<td>4,600,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>16,894,900</strong></td>
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   ii. Could the same input have been generated for less?

   Kwanza Jamii is deliberately produced to look like a conventional newspaper. This also contributes to keeping production costs low and allow for a sale price of TShs 400/- per copy which is relatively acceptable to many ordinary consumers. An edition that looked more like some Non Governmental Organization (NGO) newsletter printed on heavier paper and a glossy presentation could easily cost TShs 1,500/- - 2,000/- per copy.

   KJ makes a point of paying their journalists and new gatherers. This is against the usual practice of many newspapers in Tanzania who do not make any such payment. Whilst this reduces the production costs, it results in journalists seeking payment from anyone seeking coverage of their story. A further implication is that a disempowered community member in a remote village without the means to hire a journalist, will not get their story covered – even if it is a matter of serious public interest. KJ sets out to challenge this situation and bring such stories to light, even if it means higher production costs.

An interesting challenge and one facing Daraja at the moment is whether more could be done to cover costs. Currently, under half the print run is sold in Iringa and under three quarters in Njombe. Clearly more revenue could be generated if more copies were sold and contribute to the financial sustainability of the
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iii. Is the result monetisable? What is the cash value of the gain?
As is apparent from the results cited above, the results from Kwanza Jamii are many and varied. Some of them can be monetised and quantified and others not. An additional challenge in terms of doing VfM calculations is that an issue is frequently covered in more than one edition, as the matter is tracked down to its conclusion.

To take one example of a monetisable result from the results above, tea growers in Lupembe village were able to sell tea at a value of TShs 600 million which would otherwise have been ruined, leaving them with no income. The and government usually receives TShs 15 million in tax revenue from local tea sales. Therefore it can be surmised that government secured TShs 30 million an amount which would otherwise have been lost had there been no sale.

iv. What is the ratio of input: output? towards cost per unit output
Assuming the issue was raised in KJ newspapers four times before it was resolved, the total cost of the input would be TShs 33.8 million. Clearly many other governance issues are being raised at the same time in those editions. However, even if this were the only issue raised and resolved over that time, it would give a return of 177.6%. This looks like exceptionally good VfM, considering that the Lupembe tea issue was not the only one being raised by KJ newspapers over the time of the dispute.

v. Can number of beneficiaries be quantified?
The population of Lupembe is 21,000. Whilst not all of them are tea growers it is a significant contributor to the local economy so most of those people are either direct or indirect beneficiaries.

The cost per beneficiary
This would be approximately TShs 1,600 per person (TShs 33.8 million / 21,000),

The Value per beneficiary
This would be approximately TShs 28,500 per person. (TShs 600 million / 21,000)

vi. Can the outcomes be monetised?
Not without knowing how the tea growers decided to spend their money. The funds from the tea sales are for individual farmers to decide over – it is not a collective village decision such as the Oxfam example from Mwimbe.

vii. Are there also qualitative outcomes?
Yes

i) Empowered citizens – the tea growers stood up against being paid an unreasonably low price for their tea. This was TShs 185/- per kilo as opposed to the price they finally sold which was TShs 225/-, in line with prices paid to other producers in the area.

ii) Roles and Responsibilities Adhered to - Originally, the Tanzania Tea Board did not want to get involved in what was seen as a purely commercial issue. However, they eventually contributed to the resolution of the problem, especially when it became obvious that the District Commissioner had an apparent conflict of interest in trying to resolve the case because he was a board member of the company buying the tea.
**Case Study 3: - From HelpAge International on the Universal Old Age Pension**

1. **Introducing HelpAge International**

HelpAge International (HAI) envisages a Tanzania where older people and their dependents live a secure and respected life. It seeks to create wider understanding and recognition of ageing issues within civil society and the government, by supporting strong movement of older people and age care organisations. HAI mobilises these older people and age care organisations to challenge discriminatory practices, gaps within policies and laws that directly or indirectly affects old people in Tanzania. HAI facilitates their interactions with the government structures to promote mainstreaming of older people issues in the development agenda.

2. **Background to HAI intervention on ‘Universal Old Age Pension’**

The intervention by Help Age International was based on an observation that the poverty level among households with old people in Tanzania is higher, about 24% more than the national average. This is partly because the social security system in Tanzania cares for those in the formal sector who form only about 4% of the total population. Therefore, 96% of the population has no social security cover at old age, when that is the time they need it most. Their health at that age is more fragile hence escalating their medical bills. It is also estimated that about 53% of orphans are cared for primarily by older persons who make up only 4% of the population.

Based on the situation of old people in Tanzania, in 2010 HAI had discussions with the government and proceeded to provide technical input to the government’s feasibility study on Universal Social Pension to benefit older people. After the study was completed, HAI facilitated wider dissemination of the findings to make sure that the issues are well known and owned by all stakeholders, especially the old people themselves. Various institutions were also involved in the dissemination efforts including REPOA, Economic and Social Research Foundation (ESRF), the Tanzania Gender Networking Programme (TGNP), Christian Council of Tanzania (CCT) (over 50 bishops were involved) and the Tanzania Centre for Democracy through which various political parties have been actively engaged. HAI built collaborative relationships with serious and respected journalists rather than just inviting them to attend events. Journalists were supported to organise a journalists’ network for ageing which engaged them in a continuous process of media training, workshops and attendance at seminars organized to push the pension agenda forward.

HAI made the agenda a people’s agenda, well understood and owned by the old people themselves. MPs were actively involved directly in their constituencies as well as in the parliament. It was a process involving lobbying and advocacy through official and non official channels. Old people were matched with their respective MPs (vocal and influential ones) to speak for the issue. Common and influential old people (Wazee Ufunguo) were actively engaged. They are influential old people who are respected by all people including the ministers who make key decisions on old people’s pensions and they were selected from villages where targeted Ministers come from i.e. ministers responsible for Health, Finance and Labour.

All along the process, HAI did technical engagement while the old people put pressure on. HAI built the capacity of the old people in terms of information on their rights, government responsibility and accountability, and also procedures to be followed in making the demands.

The intervention by HAI has produced success stories and firm commitment by the government to begin paying universal pension to old people from 2013/14 financial year. Universal pension for the old people themselves. Various institutions were also involved in the dissemination efforts including REPOA, Economic and Social Research Foundation (ESRF), the Tanzania Gender Networking Programme (TGNP), Christian Council of Tanzania (CCT) (over 50 bishops were involved) and the Tanzania Centre for Democracy through which various political parties have been actively engaged. HAI built collaborative relationships with serious and respected journalists rather than just inviting them to attend events. Journalists were supported to organise a journalists’ network for ageing which engaged them in a continuous process of media training, workshops and attendance at seminars organized to push the pension agenda forward.

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The intervention by HAI has produced success stories and firm commitment by the government to begin paying universal pension to old people from 2013/14 financial year. Universal pension for
old people in Tanzania has been mainstreamed into various national development processes and initiatives including MKUKUTA II. There has been many pronouncements by various ministers in support of universal pension. The Social Security Regulatory Authority (SSRA) is doing a study on delivery mechanism for old people’s pension. The government has done some study tours on various aspects of this kind of pension including its cost to the government coffers.

3. Establishing VfM

The social universal pension issue is a national issue in nature and scope. It directly concerns the 2.5 million old people in Tanzania and indirectly the extended family linked to them. In terms of time dimension, it should be understood that the beneficiaries are more than the current 2.5 million old people in Tanzania. Beneficiaries also include the future generation of Tanzanians who will be aging as time goes on. Therefore, this national level intervention is far-reaching than can be captured by today’s figures.

i. What did it cost? / Cost per unit input

The costs that can be directly attributed to the specific outcome. (Government commitment to start paying old age pension from 2013/14 and Ministry of Labour and Employment designing a mechanisms for delivery of old age pension) relate to all the expenditures incurred to prepare and facilitate older people, partners and HAI staff to conduct a series of engagement meetings in Dar es Salaam and Dodoma with the Minister and Permanent Secretary of the Ministry of Labor, the Director of Social Security Regulatory Authority, with the Parliamentary Committee for Community Development and Social welfare; Committee for Social Services and over 40 individual Members of Parliament between October 2011 and July 2012. Adding 14.1% of core costs, a total of TShs 13,792,648 has been used directly to realize this specific outcome.

6 The results of the August 2012 population census that will be officially announced in December 2012 may give a new figure

The direct beneficiaries are the 2.5 million older people who are to get the universal pension. Therefore, the one time cost per beneficiary is TShs 5.52.

ii. Could the same input have been generated for less?

Given the extensive nature of engagement and technical input that was needed for this to be successful, the amount used is very minimal. This has been made possible due to HAI’s collaborative approach described above.

iii. Is the output monetisable? What is the cash value of the gain?

It has to be stressed that at the moment, this pension is only at the level of government commitment. It has not actually been put into the budget. The level of funding indefinitely into the future is a huge commitment and therefore, government is still considering the age that the pension payments should start.

If government goes back on its commitment, the value for money will be negative! – However, it is likely that pensions will come through some time soon, since other countries in the region have adopted them. Hence, a negative value in the next couple of years, could actually contribute to the achievement of the universal pension some time in the future.

The expected monthly pension is TShs 17,000 per old person per month. Per capita annual pension will be TShs 204,000. Annual pension for 2.5 million older persons will be valued at Tshs 510,000,000,000 (2,500,000 x TShs 17,000 x 12 months)

iv. What is the ratio of input: output? towards cost per unit output

The TShs 13,792,648 invested once will give a ‘return’ in the form of universal pension of at least TShs 510,000,000,000 per year. This is 36,976 times as much as the invested amount though the costs of many other organisations
have not been computed into this figure.

v. Can number of beneficiaries be quantified?
It is estimated that the total number of eligible older persons would be 2.5 million. A total of TShs 13,792,648 has been used directly to realize this specific outcome. The direct beneficiaries are the 2.5 million older people who are to get the universal pension. Therefore, the one-time cost per beneficiary is TShs 5.52.

Value per beneficiary - Per capita annual pension will be TShs 204,000. The pension has a lot of economic implications and value for money. The payment will be about 20% to 30% of Gross Domestic Product (GDP) per capita. The proposed social pension amount is about TShs 17,000 per month for all people over 60 years.

vi. Can the outcomes be monetised?
This is not possible without knowing how the beneficiaries are going to use the pension money. However, among other things, it will help them to be linked to free medical treatment; agricultural voucher subsidy etc. This is important because, the value for money of the social pension should be looked at very broadly and in connection with how it can leverage benefits from other pro-poor programmes.

The social pension has a multiplier effect in society especially in villages. About 82% of old people live in villages and they become credit-worthy the moment they are sure of getting the monthly pension. They can also be clients and consumers in existing businesses. Therefore though the pension is a small amount it can be an incentive for development of entrepreneurial activities around these old people.

vii. Can the outcomes be quantified?
It is a fact that a significant proportion of cash given to old people goes to other people around them. Only about 17% of old people live alone. About 83% of old people live with families in the extended African family context. The cash they will receive is likely to touch the lives of those around them positively. According to HAI, the moment you give universal pension, over one million people will be lifted out of poverty. It will reduce dependency from members of extended family immediately, even for those who are well off.

viii. Are there also qualitative outcomes?
Yes

Getting a pension will improve the quality of life of an older person. They will be able to live a happier and more dignified life, and also raise their status within their households and in the communities. The process also led to substantial experience and capacity building for those involved that can be used in other similar contexts in the future.
Case Study 4: From HakiKazi Interventions in Terrat Ward in Arusha

1. Introducing Hakikazi

HakiKazi Catalyst’s (HKC) vision is a Tanzania where people are informed, knowledgeable about their rights and taking action to influence policies and decisions for economic and social justice. HKC facilitates processes which support the initiatives of poor and marginalized communities to influence national and local level policy and practice, and to promote the eradication of poverty. Based in Arusha, HKC has built a reputation for credible work with stakeholders at all levels of local government. They are involved in systematic work to support citizens to demand their entitlements from local decision makers. HKC develops materials, particularly simple language guides, and also methodologies for Public Expenditure Tracking Studies and Social Accountability Monitoring that are widely used by other CSOs.

2. Background to HKC Interventions in Terrat Ward

As is the case in several areas in Tanzania, Terrat Ward in Arusha municipality suffers from inadequate water supply services. In 2011, HKC conducted a participatory service delivery assessment survey on the water sector in selected districts of Arusha region. The study found that:

- "the water sources (in Arusha municipality) were plenty but unreliable. Most people have to depend on two or three water sources, and more than 60% were not satisfied with the services. On average, they have to travel 3.2 km and queue for about 101 minutes before they are able to fetch the water. The situation is worse during dry season as Arusha experiences water scarcity for more than six months in a year. Most of the water sources are not treated and the infrastructure is dilapidated causing the quality of water to be questionable. Respondents linked the occurrence of diseases like typhoid, bilharzias, cholera and other water borne diseases with unsafe water that they use'.

Terrat Ward could potentially have benefited from a water project under the World Bank funded Rural Water Supply and Sanitation Programme of the Ministry of Water and Irrigation. However, they have not been able to meet the qualifying criteria. World Bank is ready to fund a water project whose total value is TShs 520,000,000. For this to take place, the community has to raise cash contributions of 2.5% of the total cost i.e. TShs 13,000,000.

Therefore, the HKC intervention was necessary as Terrat ward presents a particular challenge because of its semi-arid weather. HKC started working with communities in Terrat Ward by building the capacity of the people and their leaders through training, and mobilization in areas of local democracy and governance, citizens roles, rights and responsibility. Citizens became aware of their obligations and this enabled them to demand the fulfilment of their rights. Improved relations with their leaders through participatory decision making also increased the appetite of local citizens to actively participate in development projects.

As a result of HKC interventions, people of Terrat managed to raise a total of TShs 4,000,000 which was not possible earlier. Although this amount was only 30.8% of the needed TShs 13,000,000, it was clear at the time that the citizens had stretched their limits following consecutive years of drought, where some households lost a significant proportion of their livestock. They promised that they would...
continue to raise their contributions until the full amount is realized.

Being HKC’s long time development partner and facing a challenging situation with finalizing fund mobilization, Terrat ward approached HKC to request for assistance by way of bridging the gap between the needed TShs 13,000,000 and the amount that was raised by the community. HKC agreed to give a grant of TShs 9,000,000 to enable the ward to reach the amount required and apply for project funding while the community continued to raise the remaining amount. The two parties entered into a contract dated 9th March 2012. Under normal circumstances, and for a programme that is more focused on governance and accountability, the decision by HKC may be judged as inappropriate. However, given the gravity of the water situation in Terrat and the fact that HKC has had a long-term relationship with the people of Terrat, (conducting participatory action researches and developing and testing different governance tools) HKC decided to advance the amount with understanding that mobilization will continue.

The ward now has the TShs 13,000,000 required by the District Authorities for it to release the TShs 520,000,000 for the water project. The amount was deposited in the ward’s bank account. However, due to the inability to raise the TShs 13,000,000 on time, the ward missed the previous round of application for funding and will re-submit the application in the next round.

Therefore, the outcome of the intervention by HKC is the availability of the whole sum of money that Terrat Ward needs to leverage the water project in the village through the World Bank Funded Rural Water Supply and Sanitation Programme. The ultimate outcome however, is to have the water project in place and benefitting the beneficiaries. This needs to be followed up in the future.

3. Establishing VFM

Although Terrat ward is yet to re-submit its application to the World Bank for the water project and by extension the ward is yet to have the highly needed water, some VfM discussion for the intervention can be made.

i. What did it cost? / Cost per unit input

The costs for the programme are the training and mobilisation of citizens and their leaders and the TShs 9,000,000 grant to the ward. A total of TShs 6,591,000 was used to train both leaders and citizens (3,216,000 and 3,375,000 respectively) i.e. TShs 804,000 per leader for 4 leaders and TShs 187,500 per villager for 18 villagers. Therefore, the total input by HKC adds up to TShs 15,591,000.

ii. Could the same input have been generated for less?

The cost for social mobilisation is usually high and time consuming, hence the approach to train members of the community and their leaders and support them to work with communities in their respective area.

If the community had managed to raise the full TShs 13,000,000 required, the cost to HKC would have been cheaper, but as noted above, several years of drought meant this was impossible.

iii. Is the result monetisable? What is the cash value of the gain?

The outcome of this input (cost) is that Terrat ward is expected to benefit from the Rural Water Supply and Sanitation Programme funds to the tune of TShs 520,000,000 to implement the water project.

cattle, 236,359 goats and 92,640 sheep in the seven districts of Arusha.
iv. What is the ratio of input:output? towards cost per unit output

The TShs 15,591,000 invested by HKC is approximately 3% of TShs 520,000,000. Each shilling ‘invested’ by HKC has potential to unlock TShs 33 from the World Bank. For comparison sake, return from a bank deposit would give a return of just about 4-6 % pa.

v. Can number of beneficiaries be quantified?

Expected number of direct beneficiaries is 54,000 in three villages of Nadosoito, Terrat and Mkonoo. The number could go up to 82,700 if we include potential beneficiaries from other nearby villages that will be able to benefit from the project once completed.

Cost per beneficiary will be approximately TShs 289/- per person in the community.

Value per beneficiary - Each person in the community will have benefitted from the equivalent of TShs 520m/54,000 = TShs 9,630/- per person. Once in operation the water scheme can potentially generate revenue for the ward, the value of which will be equated to sustaining the water scheme and therefore, preventing the villagers from returning to unimproved water services.

vi. Can the outcomes be monetised? (e.g. putting a cash value on access to clean water)

It is possible to estimate the value of the outcomes (cash gains) once the scheme is realised by taking the difference between the amount of money spent on accessing water currently and what is likely to be spent once the water scheme is in place.

i) Households are currently paying up to TShs 500 per bucket\(^{14}\) (20 liters) of water. The price per bucket in other areas with improved water schemes ranges from TShs 50 to 250. Therefore, we can make conservative estimates that households will be able to serve a minimum of TShs 250 per bucket. From the assumption that each person needs at least 25 l/c/d, we can safely assume that each household will need at least 5 buckets and hence, a saving of TShs 1250 for pure domestic use only. Multiplied out by approximately the 11,000 households in the areas, the total savings per year could be as much as TShs 5,018,750,000 (1250*11,000*365). For areas like Terrat, where water for cattle is of key importance the savings will be much higher especially during the drier months when surface water sources are no longer accessible. (The water access will also improve health status of the beneficiaries as it will reduce water borne diseases and associated costs of treatment.)

vii. Are there also qualitative benefits?

Yes

i) Strengthened roles – responsibilities and accountability – the elected leaders and appointed officials have been exercising good governance characterized by participatory decision making and accountability.

ii) Empowered citizens – the citizens at Terrat are recognizing their rights, roles and responsibilities and hence, are willing to carry out their obligations. For instance, they are currently going on with the funds mobilization and getting ready for effective launching of the project soon after receiving the funds.

iii) It is anticipated that upon completion of the project, beneficiaries will enjoy access to adequate and clean water. This accessibility will minimize the travel distance for search of water, reduce cost of water (currently TShs 500 per 20 litres), and save time for travel and queuing at the water points which could be invested by beneficiaries for other activities.

\(^{14}\) The price per bucket depends on the season. It can range from 250 per bucket in rainy season to 750 per bucket in driest months of the year.
Case Study 5: from LHRC in Kilabili Village, Nzega District

1. Introducing LHRC
The Legal and Human Rights Centre (LHRC) is a Tanzanian NGO that is private, voluntary, non-partisan and not for profit. LHRC has been in operation since September 1995. It aims to empower the public, promote, reinforce and safeguard human rights and good governance in Tanzania. LHRC strives to see;

- The practices, policies and legislative framework of government and business corporations are improved.
- The capacity of civil society, media and parliament to address rights violations and monitor decision makers is increased.

LHRC produces a flagship annual publication on the state of human rights in Tanzania.

2. Background to LHRC Intervention in Kilabili Village, Nzega District
The Legal and Human Rights Centre (LHRC) works with communities that surround mining areas in Tanzania. The aim is to provide them with awareness on their land and environmental rights. In 2011 at Isungangwada15 gold mine in Nzega district, Tabora region, villagers were in dispute over land taken over by small scale gold miners called Rabman D. Tarimo and Partners (formerly known as Nzega Five). They were the unlawful owners of a mining license in the area belonging to the Kilabili village. The village was granted a gold mining license back in 2000. According to the Nata Ward Executive Officer (WEO), the mining started in the village in 1988. According to villagers, the investors got their license illegally in 2011 which is about eleven years after the license was granted to the village.

In 2003 the village rented the land for 10 years to the local investor. He was allowed to extract minerals jointly with the local residents. They operated smoothly until 2011 when the investor came up with his own license under the new name Rabman D. Tarimo and Partners. It is due to threats of eviction that the local residents protested against the operation of the investor, and committed to stop him.

The dispute was reported to the District Commissioner and all relevant local authorities. All efforts to resolve the matter were in vain, and tension between the two parties rose. In efforts to solve the dispute amicably, it was recommended that the investors organize a round table discussion and settlement with the village council but the village council and residents were reluctant. They challenged the validity of the investor's license. They felt that if they reached an amicable settlement with the investor it would be like validating the illegal license. The only solution that the villagers were seeking was to expel the investor. They claimed that the investor does not assist with local development. According to the villagers, the MP is the only authority the local residents have been relying on for assistance to recover their source of livelihood. As he was supporting the villagers, the MP was attacked by some employees of the investor. Local residents decided to fight back and protect their MP. As a result of this, a serious commotion emerged and police arrested some villagers who were then accused of breaking the law. The MP then decided follow up the matter of the arrested villagers. Unknown to the MP, the villagers organized themselves to forcefully rescue their fellow villagers. The MP was later on summoned by Commanding District Officer and detained in police custody for one day, where he was arraigned in Court and charged before Nzega District Court16.

Since October 2011, Kilabili villagers have been protesting in a bid to pressure the local investor and

15 The Isungangwada village has been divided into two villages of Kilabili and Mwabangu. Kilabili is the area of interest in this report

16 The MP was charged together with another citizen (Mwanja Mwando) with six counts each while other two accused (Mathew Dotto and Mrisho Hamisi) are charged with four counts each. The former are charged with; Unlawful assembly, Unlawful demonstration, cause injuries, cause bodily harm, conspiracy while the latter are charged with all save for cause injuries and case bodily harm.
government officials at Nzega District Council and mining officers from the Ministry of Energy and Minerals to revoke the gold mining license issued to the investor. The District Commissioner has been siding with the villagers in their efforts to get the mining area returned to them.

**Specific interventions by LHRC**

The main intervention by LHRC in the case of Kilabili village has been through public engagement to increase pressure for the villagers to protest over the mining license granted to the investor. Specifically, LHRC assisted the villagers by making sure that proper procedures are followed for them to get their land back. It conducted a fact finding mission to inform its advocacy work on the matter. The purpose of the five days fact finding mission was "...to cover the source of the recently reported commotion that took place in Nzega District resulting into arrest, arraign and charged in court for criminal offences of Nzega Constituency Member of Parliament with other citizens."

The findings of the report were shared widely. The fact finding mission observed that the villagers, whose land had been taken by the investor depend solely on mining activities for their livelihoods. Therefore, taking the land from them is equivalent to taking away their source of livelihood.

LHRC’s report found that the main source of the dispute is the confrontation on who is the lawful occupier of the mining area in the village is. Villagers were disputing the mining license in the area owned by the investor. They alleged that the license was given to the investor through illegal procedures and that the villagers have rights in the area. The investor on the other hand claimed that the license was valid as they complied with all the requirements before they were properly granted the license by the Commissioner for Minerals. LHRC facilitated extensive media coverage and held talks with government officials to make sure that the land was given back to the villagers.

**Outcomes of LHRC’s Intervention**

LHRC interventions by way of the fact-finding mission and dissemination of the report, various media coverage as well as talks with various government officials, resulted in the mining license once granted to the investor being revoked. According to LHRC, the District Commissioner for Nzega, has revoked the mining license issued to the investor in favour of the villagers who were found to possess similar documentary rights. This was also partly a result of citizens’ protest over their ownership of the license to mining area since 2000.

After following proper procedures, the villagers and the investor reached a mutual understanding. LHRC assisted in drafting a contract between the parties. The following agreements were amicably reached after the intervention by LHRC:

- The earned money from gold shares would be divided into half (50/50 shares) between the village and the company. The village demanded to be paid in cash and the company was responsible in mining and all matters relating to gold production.

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The village will take over full ownership of the mining license in 2015. This is when the current ownership will expire.

The company also participates in every village meeting.

The district and regional level will work in hand in hand with the village to make sure the license is returned to the village in 2015.

LHRC’s intervention in Kilabili village started when the villagers began active resistance. As opposed to the case of Chukua Hatua by Oxfam, where the villagers in Kahama were sensitized to take action, the Kilabili villagers were not sensitized by LHRC. They were already taking action by the time LHRC entered the village. Therefore, LHRC’s intervention did not focus on the traditional approach of bringing awareness of land rights to the villagers and empowering them to demand for their rights. The intervention focused on raising the profile of the villagers’ case at district, regional and national level and making sure that there was a proper, orderly and legal procedure for the villagers to demand their mining license.

3. Establishing VfM

i. What did it cost? / Cost per unit input
The costs for the programme included the fact finding missions, dissemination of the findings and facilitating discussions at village, district, regional and ministerial levels. The total input by LHRC added up to TShs 4,562,330.

ii. Could the same input have been generated for less?
The inputs by LHRC were done at a low cost because the villagers were already acting on their own. LHRC only built on what the villagers were already doing by facilitating the negotiation using their knowledge of the legal provisions and procedures. The cost would have been higher if the interventions involved social mobilization and awareness raising which are usually time consuming.

iii. Is the result monetisable? What is the cash value of the gain?
According to the current agreement, Kilabili Village will be getting half of the money earned from gold shares and the company will retain the remaining half until 2015. After 2015 the mining license will go back to the village.

So the result is monetisable although it was not possible to accurately establish the actual amount the village will receive during the field work. This will be followed up by LHRC.

iv. What is the ratio of input:output? towards cost per unit output
The TShs 4,562,330 invested by LHRC will unlock annual payments from the mining company for 3 years (2013-2015), and full access to the mining land afterwards. Since it was not possible to establish the actual cash value of the payments, it is not possible to establish the unit cost.

v. Can number of beneficiaries be quantified?
Direct beneficiaries in Kilabili Village are approximately 1,300. The beneficiaries are also likely to reach the greater Nzega area with an estimated population of 26,584.

Cost per beneficiary - The population of Kilabili village is 1,300. Therefore, for Kilabili village, the total cost of TShs 4,563,330 is equivalent to TShs 3,510 per person.

Value per beneficiary - It is very likely that by having the mining area at their disposal, the villagers will be able to earn well over TShs 3,510 which is the per unit cost of the intervention. Although it could not be established in the field, it is very reasonable to assume that those earning their livelihoods through the use of the mine whose land right was revoked will earn much more than TShs 3,510 per week. A very conservative assumption of TShs 2,000 per day implies TShs 10,000 per 5 working days a week.
or TShs 40,000 per month and TShs 480,000 per year. Also, by having the mining license back to the villagers, the TShs 1000 daily fee that each miner was supposed to pay to the investor in order to mine gold from the area is saved.

vi. Can the outcomes be monetised?
It will be possible to estimate the value of the outcomes once the village starts receiving its share of earnings depending on what the money will be used for.

In addition to the direct monetary value of having the license revoked, is the availability of the mining area to the villagers for their livelihoods. Therefore, after 2015 when the mining area becomes fully owned once again by the village, villagers are expected to have unimpeded access to the area. Depending on whether the village government will waive the daily fee of TShs 1000, the miners may save that amount a day for all the days they choose to mine. Although a small amount, over time this amount becomes another source of saving.

vii. Are there also qualitative outcomes?
Yes.

i) Empowered citizens – The citizens of Kilabili and their elected representatives demonstrated that they were empowered enough to start taking action against the mining company. They raised their issue to the right institutions including LHRC. Additional interventions by LHRC further strengthened the community’s position by packaging the evidence in a more structured way and supporting their struggle to reclaim control over the mining area through appropriate legal procedures. The villagers now understand the proper procedures and channels to follow in demanding for land rights instead of violent confrontation. Such knowledge and experience can be used by the same villagers and elsewhere in the country and beyond to demand for other types of accountability from the government and other actors.

ii) Capacity building – benefits include the learning effects, capacity and confidence development as well as experiential knowledge to those involved in various processes of LHRC’s intervention. Such gains can be used in many other similar contexts in Nzega and beyond

iii) Peace - There are also the benefits arising from stopping the conflict that once existed and averting possible future conflicts. Such conflicts are counterproductive both to the villagers and the investor. Economic activities slow down or even stop in an environment of actual and potential conflict. Therefore, VfM for LHRC’s intervention in Kiabali village should be seen in terms of the value of the productive economic activities that are now possible due to absence of conflict.
General Conclusions and Recommendations

Conclusions

Generally, all partners have performed well in the aspects of economy, efficiency and effectiveness.

For the case studies to be more informative to a wider range of stakeholders there is a need for partners to give detailed explanation of the strategies they choose in their accountability interventions. Such details could include but not be limited to, rationale for the strategy and why such strategies are better than other possible strategies. This will make understanding of programmes and their contexts much clearer and therefore, increase its support and possibilities of success. In determining VfM, it is also very important to identify and document multipliers by way of making explicit the connection between a specific programme and various related government and other programmes. Recognition of such multipliers is important in making the most out of synergies that are embedded in various interventions.

Not all aspects of VfM are quantifiable and monetizable. There are interventions that have produced outcomes with good VfM in terms of improvement in the quality of life due to availability of, and access to, basic social services such as education, health and water. In other occasions, VfM is seen in terms of citizens that have been sensitized and have strengthened their knowledge about their rights and responsibility, and are more empowered to take action. It is important for partners to document these very comprehensively as VfM should look beyond aspects that are quantifiable and monetizable, as well as to avoid a situation where budget discussions are always about cutting budgets and avoiding expensive interventions. Instead, the key issue should be the VfM that is created for interventions.

Although the study was on five specific case studies, the approach used for determining values and descriptions for the different VfM components can be applied (with some modification) to suit other programme results from partners. However, it is important to remember that the findings of each case study are very specific and should not be generalized to other situations, although comparisons across cases and lessons from them can be done. Indeed, case studies can be inspirational for various organizations working on similar issues and in similar environments. For example, programme managers can make use of various case studies to compare different strategies from different organizations and thereby determine what can be achieved with the resources at hand.

Some outcomes of partners work were still not fully realized by the time this report was undertaken but there is high potential of those outcomes being fully achieved. These include the expected universal pension as a result of Help Age International’s intervention and expected water for Terrat ward as a result of Haki Kazi Catalyst’s intervention. It would be interesting to follow up and see what happens to the beneficiaries when such VfM is realized and also to test the robustness of the approach used by this study in estimating the value of the expected outcomes.

Recommendations

For the AcT Programme, it would add value and simplify the work of determining VfM in the future, if establishment of VfM is built within the programme from early stages. This can be done at the stage of partners’ application for grants in which case the partners have to identify and indicate potential to deliver VfM with their proposed interventions. It can also be incorporated through various reporting requirements whereby the partners are required to provide information necessary for establishing VfM of their programme and results.

It was challenging to get comprehensive data from all partners for establishing VfM. AcT
partners should put emphasis on keeping detailed information that will then be used for various purposes including but not limited to establishing VfM. It is important for partners to keep detailed data pertaining to costs of the interventions; including but not limited to programme staff time; materials, communication and all logistics costs involved in undertaking related activities by partner organisations and others. It is also necessary to acknowledge other opportunity costs of participating in an action and/or psychological costs that cannot be quantified and monetized especially where community members involved are faced with opposition and harsh criticism or even encounter the police force. Partners need to also keep accurate data on numbers of direct and indirect beneficiaries, possible alternative strategies/approaches that could be used in delivering interventions, quantities and qualities of inputs and outputs and monetary value of inputs and outputs. The AcT programme can consider building the capacity of its partners to identify and document all the necessary information that will be needed to establish VfM for their interventions. Such capacity building can be done by way of inter alia, general and tailored training.
Acknowledgements
The Authors would like to acknowledge the generous assistance of the following individual partner organizations in the development of this paper:
Oxfam • Daraja • HelpAge International • Hakikazi Catalyst • Legal and Human Rights Centre

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