

INNOVATIVE WAYS OF INVOLVING THE PRIVATE SECTOR: BUSINESS ADVOCACY: BEST-AC IN TANZANIA

BRIEFING PAPER 1: THE CONCEPT BEHIND BEST-AC

BACKGROUND ON BEST-AC

Business Environment Strengthening in Tanzania—Advocacy Component (BEST-AC) is a business advocacy programme with the objective of supporting business associations to become organisationally and technically competent to advocate to government for changes that will improve the business environment. The formal goal is to contribute to achieving a business enabling environment, through which investment and economic growth will be stimulated. The purpose is to achieve that goal by enhancing the quality and credibility of private sector organisations to engage effectively in private public dialogue and to advocate improvements in the business environment. BEST-AC was launched in 2003 and began a second five year phase in July 2008 funded by Danish International Development Agency (DANIDA), Swedish International Development Agency (SIDA), UK Department for International Development (DFID) and the Embassy of the Kingdom of the Netherlands (EKN). Since its launch, BEST-AC has supported 82 advocacy projects, committing \$5.5m and disbursing \$4m. Some 48 projects were complete by July 2011.

This paper has been written by Annabel Jackson and David Irwin who are part of a team commissioned by DFID to carry out a five year longitudinal impact assessment of BEST-AC starting in 2010.

WHY FUND BUSINESS ADVOCACY?

The World Bank asserts that improving the enabling environment leads to economic growth. Spurred on by the World Bank's Doing Business surveys, Governments everywhere are aiming to improve the enabling environment.

Business advocacy models can be expected to be contribute to this objective because:

- Business associations might be expected to have a deep understanding of important business issues, and cultural advantages in influencing governments in their own country.
- Building the capacity of business associations can be expected to give longer term sustainability beyond the specific projects supported.
- Development of business associations is itself part of developing a strong democracy.
- Local business associations have a long term presence in the country and therefore are well - placed to track the advocacy through to implementation.

The BEST-AC evaluation (see Briefing Paper 2) has so far found additional benefits of working through business associations:

- Business associations can take a broader, more holistic view of policy issues than government agencies. For example, in TATO, the Tanzania Association of Tour Operators, was encouraged by the Tourist Board to take the lead on advocating for a tourism division within the national police force because security lies outside its mandate.
- Business associations provide a bridge between government and the private sector. Early indications are that business associations supported by BEST-AC have helped change the culture in government to recognise the importance of, and to value the contribution of, the private sector. Business associations and Ministries or Agencies have formed policy coalitions to promote change in public policy.

- Business associations can use a wider range of influencing tactics than would be possible from within government. For example, TCT, the tourism sector apex association, successfully fought a campaign in relation to development of a road through the Serengeti, used media and lobbying tactics.
- Business associations have practical knowledge that can help government agencies to implement policy. For example, TAHA, the Tanzania Horticulture Association, wrote a manual for phytosanitary inspection, regulation and certification for the Ministry of Agriculture.
- Business associations can make advocacy more democratic. The business associations we are tracking are actively seeking to educate their members, to discourage individual approaches or pressure for special treatment, and to ensure that members have a common set of priorities and key messages.
- Success in advocacy projects can raise the morale and status of the business association and potentially increase business confidence.

LIMITATIONS ON WORKING THROUGH BUSINESS ADVOCACY PROGRAMMES

The limitations on working through business advocacy programmes are that:

- Business associations tend to have weak skills and capacity. Advocacy programmes need to balance support for organisational development with funding for specific projects.
- Business associations' choice of issues won't necessarily relate to DFID's strategic priorities.
- The overall pattern of issues addressed might be scattered, and not related to some strategic logic.
- Strong business associations might not necessarily be working in key economic sectors.
- Advocacy is by nature opportunistic, and negotiated, which means that expected outcomes are usually difficult to fix in advance.

CONCLUSION

Advocacy evaluation requires some accommodation in funding approach, but early evidence is that this is well worthwhile in terms of the systemic, cultural change achieved at a relatively low cost. Business advocacy programmes can be complementary to, and supportive of, other aid programmes funded by DFID.