



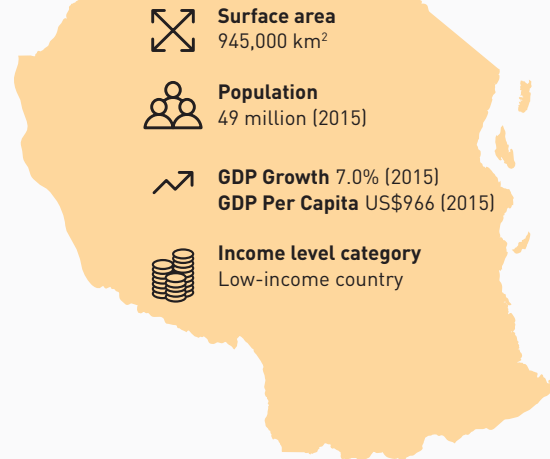
Monitoring profile – October 2016

THE UNITED REPUBLIC OF TANZANIA

1. Country Context

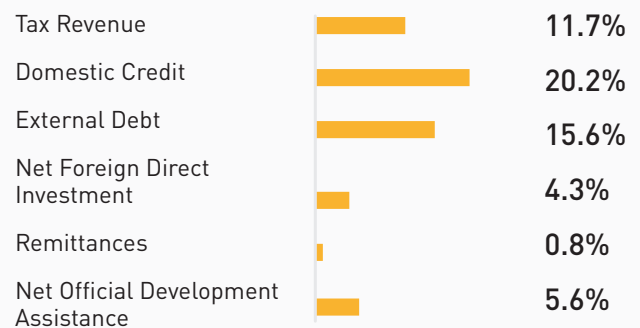
The United Republic of Tanzania has an estimated population of 49 million (2015). Political stability has provided a solid foundation for Tanzania's growth and raised its profile in the region. Over the past decade, Tanzania achieved impressive GDP growth of nearly 7% annually and attracted over US\$2 billion foreign direct investment in 2014. While improving the business climate remains a priority, the country's business environment is ranked 139th out of 189 countries. Tanzania's economy has become significantly more open, as exemplified by an increase in the trade-to-GDP ratio, from 13.5% in 2000 to more than 30% in 2011. Progress towards achieving the Millennium Development Goals (MDGs) has been uneven: Tanzania has fulfilled the goals related to HIV and AIDS, primary school enrolment and infant and under-five mortality, but continuous effort is needed to improve maternal health, eradicate extreme poverty and hunger and ensure environmental sustainability. Poverty is predominant in rural areas and approximately 28% of the population lives below the poverty line. Tanzania depends heavily on bilateral and multilateral sources of development aid. Tanzania is the second largest recipient of grants from the Global Fund to Fight AIDS, Tuberculosis and Malaria. The donor support landscape has changed in recent years with official development finance declining rapidly. Net ODA as a percentage of gross national income has declined in the last few years. The country received US\$2.64 billion of ODA in 2014, amounting to 5.5% of GNI.

Quick Facts

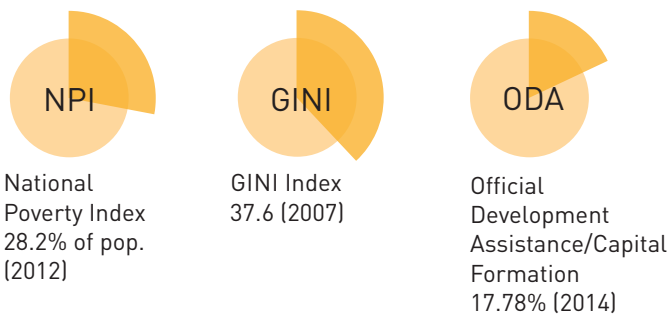


Inflows (% Gross Domestic Product)

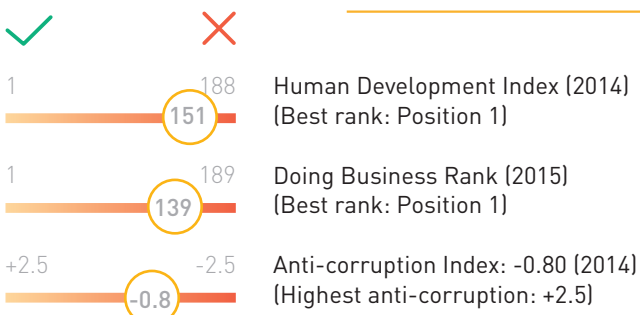
LATEST YEAR AVAILABLE



Key Development Indices:



ODA per Capita US\$51.1 (2014)



Key Development Challenges

Tanzania is rich in natural resources, including large extractive resources. The livelihoods of the population are highly dependent on the environment and use of natural resources. Despite strengths, challenges remain in areas of sustainable inclusive growth and sustainable environment. Land degradation, scarcity of water and loss of biodiversity are among serious environmental challenges. Islands are increasingly vulnerable to disasters. Yet emergency preparedness and response have not received systematic support. The unsustainable use of resources is exacerbating poverty. The State of the Environment Report (2014) estimates the impact of climate change on agriculture at about 1.12% of gross domestic product per year. The private sector is recognized as a critical driver of growth and wealth creation but remains underdeveloped.

2. Efforts to Implement the Effectiveness Principles

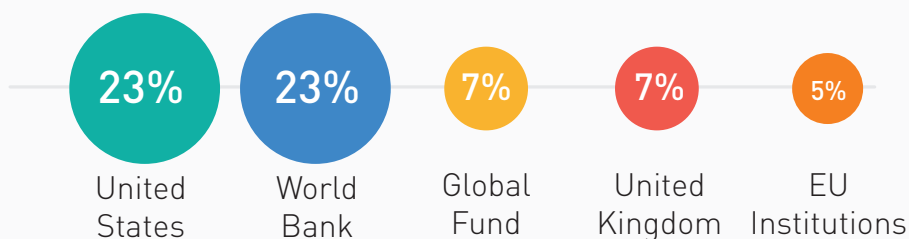
A. Policies and Tools for Partners' Alignment

Throughout the democratic transition process, Tanzania has had an overall development policy framework under development, but not finalized in time. The first democratic government took office in early 2016 and is drafting a National Sustainable Development Strategy

(NSDS) in full consultation with the emerging, yet vivid civil society and private sector players. For the purpose of this monitoring, development partners state that the previous Framework for Economic and Social Reform (FESR) and its policy matrix are the main policy developments

to which co-operation has been aligned. The new NSDS will be an opportunity not only to create a strong set of development policies and deepen the dialogue between government and partners, but also to localize the Sustainable Development Goals (SDGs).

Major Development Partners of this Round (by Reported Disbursements)



Participation in 2014 Monitoring

Yes



Existence of a National Co-operation Policy

Yes

B. Governance and Management of Development Finance and Co-operation

Tanzania has a long history of working with development partners and its system of management of development finance and co-operation has been guided by various frameworks. These include the Tanzania Assistance Strategy (2002–2005) and the Joint Assistance Strategy for Tanzania (2006–2011). The latest framework for co-operation has been the Development Cooperation Framework, which is awaiting final approval. The focus of the framework is to promote government leadership in development co-operation and enhance joint actions to fulfil the goals of the national development plans and other national strategies. It promotes alignment,

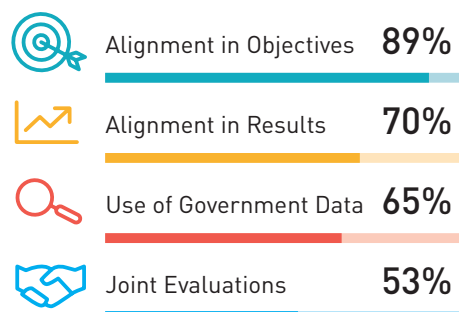
move from traditional official development finance to multiple development streams, promoting co-operation with the private sector, CSOs and non-DAC development partners through SSC. Overall development partner coordination has been facilitated by the Tanzania Development Partners Group that includes bilateral and multilateral partners. It aims to strengthen partnerships and the effectiveness of development co-operation through various sector-specific working groups. An Aid Management Platform that has been operational since 2008 records the ODA received. Tanzania has signed up for the IATI membership.

3. Country Ownership

Indicator 1: Partners' Alignment and Use of Country-Led Results Frameworks

The share of new interventions that draw their objectives from government-led results frameworks is 89%. The share of results indicators included in the interventions' results framework that draws on results indicators from existing government-led results frameworks is 70%. The share of results indicators that will rely on sources of data provided by existing country-led monitoring systems or national statistical services is 65%.

The share of new interventions that plan a final (ex post) evaluation supported by the government is 53%. Development co-operation providers have different ways of engaging on the country's results framework and at different levels: at macro level with support to strengthening of statistical system through basket fund arrangements and at sectoral level, for example the health sector.

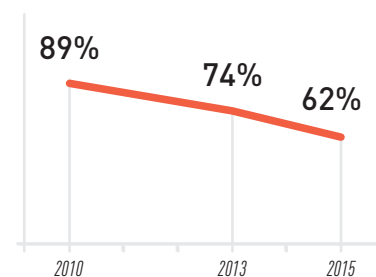


Indicator 6. Development Co-operation is on Budget (Subject to Parliamentary Scrutiny)

There has been a decline in the rate of office development finance being recorded in the national budget. According to results from this monitoring round, only 62% of office development finance is recorded in government's annual budget

and almost half of the development assistance to Tanzania continues to be delivered through off-budget modalities. The challenge for Tanzania is to increase the level of office development finance executed through government budget.

Percentage on Budget



Indicators 9 and 10. Use of Country Systems

Based on results from the 2015-2016 monitoring round, 58% of development co-operation makes use of the country's procurement and financial management systems, which declined from 73% as recorded in 2013. There have been concerns about the strength of fiduciary controls and low government

implementation capacity. About half of external assistance is channelled through separate project implementation units or contractors. Of the office development finance reported, 87% was recorded as untied, which is less than the rate of 88% recorded in 2013. To improve this situation, a number of efforts have

been implemented to establish pooled funds within different sectors. Several other development partner coordination mechanisms (Division of Labour) aim to avoid duplication of efforts and promote coordinated responses among development partners.

	Budget (ideal: 100%)	Financial Reporting (ideal: 100%)	Auditing (ideal: 100%)	Procurement (ideal: 100%)	CPIA* (maximum: 6)	Untying (ideal: 100%)
INDICATOR 9B.	68% ▼	41% ▼	85% ▲	36% ▼		
INDICATORS 9A & 10.					3.0 ▼	87% ▼

* Country Policy and Institutional Assessment

4. Inclusive Partnerships for Development

Indicators 2 and 3. Fostering Inclusive Partnerships for Development

CSOs are consulted by the government in the design, implementation and monitoring of national development policies. There is positive development in the government-civil society relations, as the government has established informal and formal structures to allow better collaboration with CSOs at the national level. There are consultative forums where interested CSOs can discuss policy issues with the government. In practice,

there are CSO-managed processes to address transparency and multiple accountabilities in CSO operations. The government has institutionalized a department to deal with CSO registration and accountability. The CSOs report annually on their operations and audited accounts. There are mechanisms to facilitate coordination on programming among CSOs. CSOs have networks that help them to get organized and

consolidate efforts. Development co-operation partners consult with CSOs on their development programming more or less systematically. A private sector network facilitates the dialogue process, activates political will and reduces the trust gap between public and private sector stakeholders. Logistical, financing and capacity-building instruments have been made available to support public-private dialogue as well.

Indicator 8. Gender Empowerment

A system tracks allocations for gender equality and women's empowerment. Allocations for gender equality and women's empowerment are systematically tracked and there is leadership

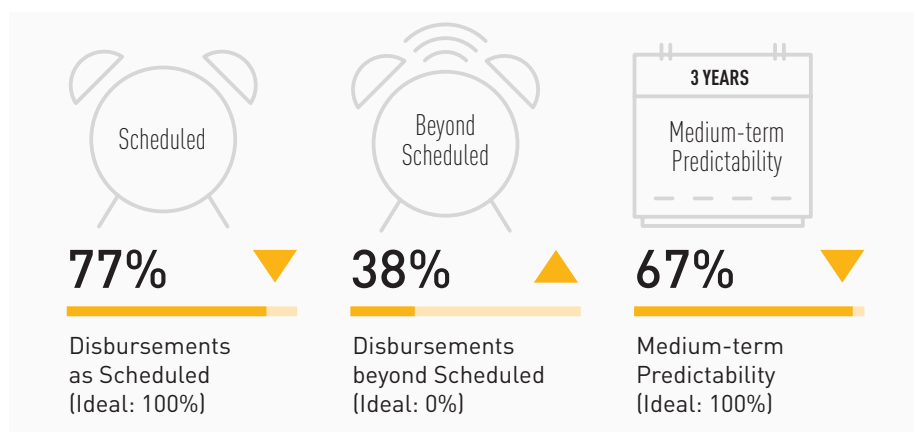
and oversight of the tracking system by the central government unit in charge of public expenditures. Also, gender-equality-focused budget information is publically available. Gender-specific

indicators and data disaggregated by sex are also used to inform budget allocation decisions at the sectoral and local levels.

5. Transparency and Accountability

Indicator 5. Development Co-operation is More Predictable

Based on data collected in the 2015-2016 monitoring round, 77% of development co-operation finance is disbursed as planned. The majority of development partners disburse 100% or more of what was scheduled for disbursement. The rest disburse in the range of 53% to 99% of scheduled funds. The annual predictability rate has declined from 93% in 2013 to 77% in 2016. There has also been decline in medium-term predictability from 81% in 2013 to 67% in 2016.



Indicator 7. Mutual Accountability

The country's Joint Assistance Strategy (2006-2011) has expired and currently the new Development Co-operation Policy is under development. Tanzania does not have a set of country-level targets for effective development co-operation for the government and partners; therefore, the country lacks a joint assessment mechanism to enhance mutual accountability. Nevertheless, there have been

some notable changes, including increased involvement of domestic stakeholders in policy dialogue and increased transparency in information-sharing. Such changes are recognized as particularly attributable to the adoption of a Dialogue Structure known as the Annual Policy Dialogue (APD) as well as the introduction of Aid Management Platform as the government's system

to manage information about official development finance. In addition, an informal Division of Labour within the government and among development partners in the Performance Assistance Framework (PAF) has been noted as one of the important practices contributing to enhanced mutual accountability, particularly at the sector level.

National Priorities Going Forward

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The Global Partnership survey was useful in measuring where we are on development effectiveness. It is also a useful tool for making comparisons with other countries regionally and globally. The survey results will be used by the Government of Tanzania to work with development stakeholders, among others, to strengthen and use country systems; improve annual and medium-term predictability; and work on better ways to improve inclusiveness of the private sector, CSOs and emerging development providers in the development process. This survey will also be useful for the formulation of indicators at the country level so as to monitor progress systematically. It is worth noting that making progress at the country level requires willingness and support at development providers' headquarters. It is hoped that, at the high-level meeting, development providers can commit to giving mandates to their field offices to make the required changes.

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**Mukajungu Kamuzora, National Coordinator
Ministry of Finance and Planning, Government of Tanzania**

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For ease of reference, the term 'country' is used to refer to developing countries and territories that reported to the Monitoring Round. Participation in this process and mention of any participant in this document is without prejudice to the status or international recognition of a given country or territory.