

Joint Press Statement

The United Republic of Tanzania, Ministry of Finance & GBS Development Partners The 2013 General Budget Support Annual Review 18th November 2013

The Government of Tanzania and GBS Development Partners had a successful Annual Review meeting held on the 18th November 2013 at Mwalimu Nyerere International Conference Centre. The GBS Group is made up of 12 Development Partners, 9 bilateral and 3 multilateral: They are the African Development Bank, Canada, Denmark, the European Union, Finland, Germany, Ireland, Japan, Norway, Sweden, the United Kingdom and the World Bank.

Budget support in 2012/13 amounted to 584 million US dollars. General budget support remains the Government's preferred and most predictable aid modality.

This year's GBS Review focused on four main areas:

1. The status of Underlying Principles for General Budget Support as outlined in the Partnership Framework Memorandum. The principles form the basis for the fixed tranches of budget support and the assessment is undertaken jointly by DPs¹ and regularly shared with the Government. The principles include: macroeconomic stability, sound public financial management, and effective implementation of the country's poverty reduction strategy, commitment to the continued fight against corruption, good governance, and upholding the rule of law and respect to human rights. The assessment concludes that the Government is addressing the commitments under the principles and recording encouraging results. The assessment also identifies a number of challenges related to macroeconomic management and the commitment to poverty reduction, provision of equitable and quality services, and the fight against corruption. These issues will be the subject of continued dialogue between the Government and its Development Partners.
2. The overall performance in 2013 showed progress in access to health services, natural resource management, transparency and compliance with the

¹The African Development Bank and the World Bank are not formally part of the Assessment of Underlying Principles, both have advisory roles.

Extractive Industries Transparency Initiative and improvement in Macroeconomic Performance Indicators. Challenges remain in a number of areas including education, water and energy. The overall assessment of 2013 performance will be concluded in the coming weeks.

3. For 2014 we have agreed on a strategic and focused performance assessment framework, in line with Government priorities expected to be concluded by January 2014. The agreed approach will also accommodate sectoral results frameworks and be the basis for performance based payments which are growing as a proportion of total budget support.
4. The joint action plan to address the recommendations made by the independent Evaluation of Budget Support in Tanzania has been agreed in principle and will guide the way forward in GBS Reform. The evaluation had concluded that Budget Support has an important influence on growth, on improved outcomes in parts of the education sector and on reduction of non-income poverty.

The Government and the Development Partners thanked each other for good cooperation and hard work toward reducing poverty, while increasing transparency and accountability. The outcome from this Annual Review will be reported back to a wider group of stakeholders at next week's Poverty Policy Week. The Deputy Minister at the Ministry of Finance, Saada Mkuya Salum (MP), emphasized that the people of Tanzania valued the support of the Development Partners and the next task was to communicate the results of the budget support to the citizens of Tanzania so that they could better understand achievements and challenges.