Summary
Tanzania’s Public Expenditure Review (PER) process provides a forum where working groups comprising of representatives from the Government, development partners, academia, the private sector and civil society organizations agree on an analytical agenda, guide and finance its implementation and review all outputs. **The overall objective is to improve fiscal policy formulation and management.**

The Government and development partners agreed in 2012 to revitalize the PER process. As a result, a champions group has been established with the responsibility to define and approve an analytical work program of the “new” PER process as well as ensure its dissemination to key policy makers as part of the budget cycle. A small Secretariat has also been put in place to support the implementation process.

This newsletter series provides a quarterly update on the public expenditure review process to ensure key stakeholders are kept informed and can effectively use the analysis generated from the public expenditure reviews to inform their decisions.

Overleaf, there is a brief summary of each of the studies planned for 2013. Once first drafts of the studies are available, key stakeholders will be invited to comment. If you have a particular interest in any of the studies, please contact the PER Secretariat (contact details below) to ensure that you are invited to stakeholder meetings. Please identify which of the studies are of particular interest.

PER Champions
The Champions’ Group under the chairmanship of the Permanent Secretary, Ministry of Finance, was created with the mandate of approving the analytical agenda, delivering key messages from analytical outputs and evaluating the process. Other members include the Governor of the Bank of Tanzania, Executive Secretary of the Planning Commission, Permanent Secretary of the Prime Minister’s Office, World Bank Country Director, the GBS Chair (currently Head of DFID), EC Ambassador, UN Resident Representative, and the CEO of COSTEC as representative of research organizations in the country.

PER Secretariat
The PER Secretariat is headed by the Deputy Permanent Secretary (Ministry of Finance) and consists of 4 staff from the Government and representatives of Development Partners:

- Paul Sulley (Ministry of Finance) sulleyp@yahoo.co.uk, psulley@mof.go.tz, Tel. 2122844
- Alice Matembele (Ministry of Finance) glicemm@yahoo.com, amatembele@mof.go.tz, Tel. 2137792
- Emmanuel Mungunasi (World Bank) emungunasi@worldbank.org, Tel. 2163232
- Victoria Cunningham (World Bank) vcunningham1@worldbank.org, Tel. 2163712

Please do not hesitate to contact the PER Secretariat if you have any questions or comments.

Upcoming Events

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Champions Group Meeting</td>
<td>April 2013</td>
</tr>
<tr>
<td>Annual PER Consultative Meeting</td>
<td>TBC</td>
</tr>
</tbody>
</table>
Summary of PER 2013 Studies

Managing Tax Exemptions in Tanzania

This study will provide a comprehensive cost-benefit assessment of the overall tax exemptions provided in Tanzania and take stock of the effectiveness and efficiency of the exemptions implemented over the last decade. The main objective of the study is to inform the policy and decision makers in the Government on the costs and benefits of tax exemptions in Tanzania. The study will also point to international best practice, which can be adopted to minimize unnecessary losses of revenue as a result of the application of tax exemptions and propose reforms to increase tax revenue.

The consultant has been procured and the study will be ready by June 2013.

Agricultural Subsidies

The overall objective of this study is to assess the performance of the agricultural inputs support program (NAIVS) and determine the best options and systems for future implementation. The review will assess how the program has contributed to increased production, productivity and profitability of the Tanzanian farming/agriculture, the sustainability of these investments and the options for scaling up the program to cover a much larger farming population in the country.

The assessment of the NAIVS subsidy program is currently underway (undertaken by REPOA) and the TOR for the wider Agricultural study has been finalized, the study is expected to start in March.

Public Investment Management (PIM)

This study will develop the Public Investment Management Operational Manual to guide government officials who prepare and develop projects/program proposals for financing at the central and local government levels. The manual will serve as a capacity strengthening tool and reference for government officials on standard procedures and methods for project appraisal. The terms of reference have been finalized and there will shortly be a tendering process undertaken by the POPC.

Public Private Partnerships (PPPs)

Public expenditure is critical to the success of PPPs, including early funding for preparation of transactions but also capital investment into transactions to ensure the financial, social and environmental viability of such functions. Public investment management is fundamental to the decision to finance investments either through PPP or purely public sources. This study will seek to determine how public funds can be best used to support PPPs, identifying where and how Government could use its scarce resources most efficiently to leverage private investment. In order to provide a worked example and improve impact, the ToRs will focus on the transport and power sectors. It should be noted that this does not imply any prioritization of these sectors by the Government; PPP will be relevant for all of the sectors indicated in the PPP Act. The terms of reference have been finalized and there will shortly be a tendering process undertaken by the PMO.

Public Expenditure Tracking Survey (PETS)

The overall aim of the PETS is to provide detailed evidence of PFM challenges in LGAs to inform ongoing reforms at local and central government level, and ultimately contribute to improving the quality and impact of expenditure programs. In broad terms, it is expected that the PETS will examine the effectiveness of implementation of results by selected funds in 2010/11; and provide a diagnostic of challenges that impact on the efficient and timely flow of funds.

A scoping exercise has been completed to outline previous PETS work and identify options for this study. The exercise will inform the future survey design and scope. The terms of reference are currently being drafted.