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.

There are currently five studies underway: agricultural input subsidies; tax exemptions; public private partnerships study; public operational investment manual; and a public expenditure tracking survey. Overleaf, there is a brief summary of each of the studies planned for 2012/2013. Please contact the PER Secretariat for more details (see contact information below).

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.

Upcoming Events

- Champions Group Meeting: 4th July 2013
- Tax Exemption Validation Workshop: August 2013
- NAIVS Workshop: August 2013
- Annual PER Consultative Meeting: Week commencing 9th September 2013

PER Secretariat Contact Information

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:

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Please do not hesitate to contact the PER Secretariat if you have any questions or comments.
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 issued 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 consultants have submitted Inception Report and report validation workshop is planned in August 2013, and the study to be completed by early September 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 is currently being finalized and the Ministry of Agriculture is now collecting data in the field for the wider agricultural subsidies study. We expect completion by August 2013.

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. POPC’s deadline for receiving bids is 3rd June so we expect the study to start in July 2013.

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 deadline for PMO to receive bids is 24th June, so it is expected the study to start in July 2013.

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 LGA equity issues.

A scoping exercise has been completed to outline previous PETS work and identify options for this study. These have been discussed in detail with PMORALG and the terms of reference will be submitted to the Champions Group for approval in July 2013.