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 two studies completed: agricultural input subsidies and tax exemptions; and two studies underway: LGA Fiscal Inequities and Public Operational Investment Manual. For more details please see the MoF or DPG website:

http://www.tzdpg.or.tz/index.php?id=1229

In February 2014, the Government of Tanzania approved five new studies. These include ‘Managing Payment Arrears in Tanzania’, ‘Public Private Partnerships in the Transport Sector’, ‘Assessment on Non-Tax Revenue Potential in Tanzania’, ‘A Study of Pensions’ and ‘A Study of Contingent Liabilities’. Overleaf, there is a brief summary of the key issues these studies will look at.

Upcoming Events

25th/26th March 2014  Fiscal Inequities Technical Workshop

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.

PER Manual

The PER manual was circulated during the PER Annual Meeting. This sets out the key ‘rules of the game’ for the PER. Please see the following link for more details:

PER Manual
New PER Studies for 2014

Managing Payment Arrears in Tanzania
In recent years the Government of Tanzania has incurred large payment arrears amounting to TSh 807 bn as of June 2011. This impacts negatively on government finance by reducing the resources available for financing the delivery of goods and services. The arrears study aims to find solutions to the payment arrears problem to improve the credibility of budget execution. It will establish the level and sources of payment arrears, identify challenges facing the Government in ensuring timely payment, identify the impact of accumulated arrears, propose options to reduce arrears and make recommendations to prevent the recurrence of payment arrears. The study is being completed by East AFRITAC and will be ready by July 2014.

Contingent Liabilities in Tanzania
The management of contingent liabilities in Tanzania is an essential component of fiscal risk management. The recent PEFA warned of an increasing contingent liabilities risk. This study aims to establish the magnitude of contingent liabilities becoming actual liabilities and the associated fiscal risks. It will look at the likely consequences and propose a set of short and medium term recommendations to manage the fiscal implications. The study will be procured by the EU and completed by July 2014. It will link closely with the pensions study.

Pensions in Tanzania
The social security system in Tanzania is characterized by a relatively large number of social security funds serving a small subset of the population. Direct government liabilities to the pension funds are substantial, in part reflecting delayed reimbursements from Government. The purpose of this study is to assess pension liabilities both now and forward looking. It will look at the consequences of pension liabilities and the potential impact on the Tanzanian economy. The study will propose a set of short and medium term actions for discussion and implementation by Government. This will include a sensitivity analysis of the parameters of the Public Service Pension Fund and how the outstanding government liability could be reduced. It will be completed by the World Bank by July 2014. It will link closely with the contingent liabilities study.

PPPs in the Transport Sector
PPP is an important instrument for the Government to attract public private investment and to improve public services. The PPP study will inform decision makers on the potential pipeline of PPP projects in the transport sector and how best public funds can be used to support them. It will look at how scarce resources can be used most effectively to leverage private investment and to provide value for money. The study will examine how PPP projects should be selected, how to fast track procurement, criteria to allocate public funding and the decision process for allocation. The study will point to best practices and tools which can be adopted to prioritise PPP projects, specifically in the transport sector. There is a clear link to the public investment operational manual which is currently being developed. The study will be funded from the PER basket and completed by September 2014.

Assessment of Non-Tax Revenue Potential in Tanzania
Non-tax revenues form an important component of the domestic revenue base. However, the contributions in Tanzania remain consistently low. The non-tax revenues study will examine how to improve non-tax revenues by estimating their potential and assessing the possibility to expand the non-tax revenue base whilst maximizing economic benefits. It will estimate the non-tax revenue potential in natural resources and public and statutory corporations. It will also propose measures for increasing the collection of non-tax revenues in these two areas whilst maximizing the economic benefits of non-tax revenues. The study will be procured by DFID and completed by July 2014.