

## 1. COUNTRY CONTEXT

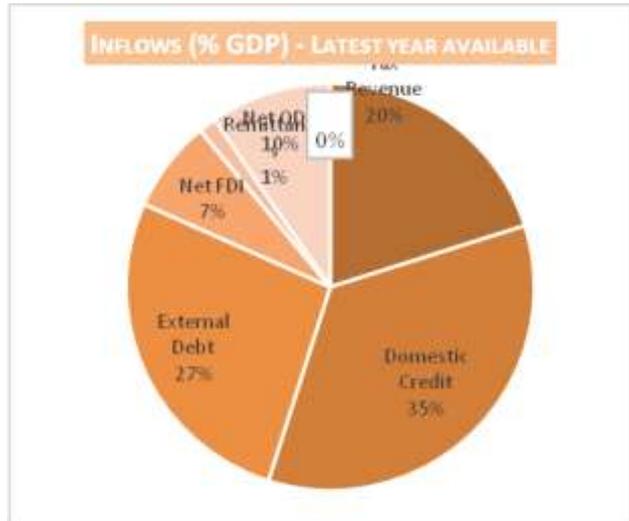
The country covers an area of 945,000 km<sup>2</sup> with a population of about 49 million people. Political stability has provided a solid foundation for Tanzania's growth, and raised Tanzania's profile in the region. Over the past decade, Tanzania achieved impressive GDP growth rates, averaging nearly 7 percent annually, and attracted substantial foreign direct investment (over 2 USD billion in 2014).

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. The untapped potential of trade as engine for economic growth is significant. Tanzania's ranking on the human development index (HDI) is 151 out of 188 countries. Progress towards achievement of the Millennium Development Goals (MDGs) has been uneven. Tanzania has achieved the goals related to HIV and AIDS, primary school enrolment and infant and under-five mortality. However it continues to lag in improving maternal health, eradicating extreme poverty and hunger, and ensuring environmental sustainability. Tanzania remains one of the poorest economies in the world, with 2015 per capita income of \$966. Poverty is predominant in rural areas. Approximately 28% of the population lives below the poverty line. Tanzania has depended heavily on international aid for its development, from both bilateral and multilateral sources. Top donors are the US, World Bank, Global Fund, UK, EU and AfDB. 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 aid declining rapidly. Net ODA as a percentage of gross national income has declined in the last few years. The country received \$2.64 billion in official development assistance (ODA) in 2014, amounting to 5.5% of GNI. ODA per capita is equivalent to \$51.1.

| QUICK FACTS<br>(LATEST YEAR AVAILABLE) |                                 |
|--|---------------------------------|
| <b>SURFACE AREA</b>                    | <b>945,000km<sup>2</sup></b>    |
| <b>POPULATION</b>                      | <b>49 million<br/>(2015)</b>    |
| <b>GDP GROWTH</b>                      | <b>7.0% (2015)</b>              |
| <b>GDP/CAPITA</b>                      | <b>966 \$ (2015)</b>            |
| <b>NATIONAL POVERTY RATE</b>           | <b>28.2% of pop.<br/>(2012)</b> |
| <b>INCOME LEVEL CATEGORY</b>           | <b>Low income country</b>       |
| <b>GINI INDEX</b>                      | <b>37.6(2007)</b>               |
| <b>HDI RANK</b>                        | <b>151/188 (2014)</b>           |
| <b>DOING BUSINESS RANK</b>             | <b>139/189 (2015)</b>           |
| <b>ANTI-CORRUPTION INDEX</b>           | <b>-0,80 (2014)</b>             |
| <b>ODA PER CAPITA</b>                  | <b>51.1\$ (2014)</b>            |
| <b>ODA/CAPITAL FORMATION</b>           | <b>17,78% (2014)</b>            |

## KEY DEVELOPMENT CHALLENGES

Tanzania is rich in natural resources, including large extractive resources. The livelihood of the population is 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 country's State of the Environment Report (2014) estimates the impact of climate change on agriculture at about 1.12 per cent of gross domestic product per year. Private sector is recognized as a critical driver of growth and wealth creation but remains underdeveloped.



### A. Policies and tools for partners' alignment

Tanzania's development aspirations are spelt out in the Tanzania Development Vision 2025. Tanzania launched its medium term development framework (Five Year Development Plan II 2016-2021) in June 2016. This provides an opportunity to mainstream the SDGs into the development plan. The plan attempts a paradigm shift away from aid dependence and focuses on industrialization and economic transformation. The identification of priorities followed an inclusive process and involved national actors, local government authorities, CSOs, private sector and development partners. Aid allocations are aligned with the national development plans and translated into sector programs. The Government will be required to enhance its capacity to manage development financing.

## 2. EFFORTS TO IMPLEMENT THE DEVELOPMENT EFFECTIVENESS PRINCIPLES

| 5 MAJOR DEVELOPMENT PARTNERS PARTICIPATING IN THIS MONITORING ROUND |                |
|---|----------------|
| <b>US</b>   | 23 % financing |
| <b>World Bank</b>   | 23 % financing |
| <b>Global Fund</b>  | 7% financing   |
| <b>UK</b>   | 7% financing   |
| <b>EU</b>   | 5% financing   |
| 3 MAJOR SSC PROVIDERS   |                |
| <b>AfDB</b>   | 7% financing   |
| -   | -              |
| -   | -              |

**PARTICIPATION IN 2014 MONITORING**  
**YES**

**EXISTENCE OF A NATIONAL COOPERATION POLICY**  
**YES**

### B. Governance and management of development finance and cooperation

Tanzania has a long history of working with development partners and its system of management of development finance and cooperation 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 cooperation has been the Development Cooperation Framework, which is awaiting final approval. The focus of the framework is to promote government leadership in development cooperation and enhance joint actions to fulfil the goals of the national development plans and other national strategies. It promotes alignment; move from traditional aid to multiple development streams; promoting cooperation with private sector, CSOs, and non-DAC donors through SSC. Overall donor 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 cooperation through various sector-specific working groups. An Aid Management Platform which is operational since 2008 records the ODA received. Tanzania has signed up for the IATI membership.

## COUNTRY OWNERSHIP

### Indicator 1: Use of Country-Led Results Frameworks

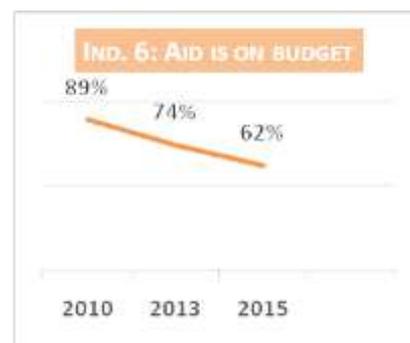
The share of new interventions that draw their objectives from government-led results frameworks is 89%. The share of results indicators included in the interventions' results framework that draws on results indicators from existing government-led results frameworks is 67%. The share of results indicators that will rely on sources of data provided by existing country-led monitoring systems or national statistical services is 61%. The share of new interventions that plan a final (ex post) evaluation supported by the government is 83%. Development cooperation 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 1. PROVIDERS' ALIGNMENT AND USE OF COUNTRY-LED RESULTS FRAMEWORKS

|                                |                         |
|--------------------------------|-------------------------|
| <b>Alignment in Objectives</b> | <b>89 %</b>             |
| <b>Alignment in Results</b>    | <b>70 %</b>             |
| <b>Monitoring Systems</b>      | <b>63 %</b>             |
| <b>Joint Evaluations</b>       | <b>60 % of projects</b> |

### Indicator 6. Aid is on Budget Subject to Parliamentary Scrutiny

There has been a decline in the rate of aid being recorded in the national budget. Only 62% (2016) of aid is recorded in Government's annual budget. 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 aid executed through the budget.



### Indicator 9. Use of Country Systems

Little more than half of aid makes use of Tanzania's procurement systems. 58% (2016) of aid make use of 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. Tied aid has also not declined. Of the aid reported, 87% (2016) was recorded as untied, which is less than the rate of 88% recorded in 2013. To improve this situation, there are a number of efforts to establish pooled funds within different sectors. Several other donor co-ordination mechanisms (Division of Labour) aim to avoid duplication of efforts and promote co-ordinated responses among donors.

### INDICATOR 9B. USE OF COUNTRY SYSTEMS

|                     |          |
|---------------------|----------|
| Budget              | 68 %     |
| Financial Reporting | 41 %     |
| Auditing            | 85 %     |
| Procurement         | 36 %     |
| CPIA                | 3.5 (▲)  |
| Untying             | 87 % (▼) |

## INCLUSIVE PARTNERSHIPS FOR DEVELOPMENT

### Indicator 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 CSO 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 in place to address transparency and multiple accountabilities in CSO operations. The Government has institutionalized a department to deal with CSOs 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 organised and consolidate efforts. Providers of development co-operation consult with CSOs on their development programming in a more or less systematic way. There is a private sector network that facilitates the dialogue process, activate political will and reduce the trust gap between public and private sector stakeholders. There are also logistical, financing and capacity building instruments available to support private public dialogue.

### Indicator 8. Gender Empowerment

There is a system in place for tracking 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, there is gender equality-focused budget information publically available. Gender-specific indicators and data disaggregated by sex are also used to inform budget allocation decisions at sectoral and local level.

## TRANSPARENCY AND ACCOUNTABILITY

### Indicator 5. Development Co-operation is More Predictable

Annual predictability rate is 77% (2016) of funds disbursed as planned. Majority of partners disburse 100% of what was scheduled for disbursement. The rest disburse in the range from 57-99%. Annual predictability rate has declined from 93% in 2013 to 77% in 2016. There has also been decline in medium-term predictability rate from 81% in 2013 to 67% in 2016.

| INDICATOR 5. PREDICTABILITY    |         |
|--------------------------------|---------|
| Disbursements as Scheduled     | 77% (▼) |
| Disbursements beyond Scheduled | 50%     |
| Medium-term Predictability     | 67% (▼) |

### Indicator 7. Mutual Accountability

There is not at present an aid policy or partnership policy defining a country's development co-operation priorities. There are no specific country-level targets for effective development co-operation for both the developing country government and providers of development co-operation. There are also no assessments undertaken towards these targets jointly by the developing country government and providers of development co-operation at senior level. Nevertheless, there have been some notable changes, including increased involvement of domestic stakeholders in policy dialogue and increased transparency in information sharing. These changes are recognized as particularly attributed to the adoption of a Dialogue Structure as well as the introduction of Aid Management Platform as the Government aid information management system. In addition, an informal Division of Labour within the Government and among Development Partners has been noted as one of the important practices contributing to enhanced mutual accountability particularly at sector level.

### National Priorities Going Forward

*Text provided by nat. coordinators, summing up their priorities going forward (max. 150 words)*

The GPEDC survey was useful in measuring where we are on development effectiveness. It is also a useful tool for making comparison 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 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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