

DPG Commentary on MKUKUTA II at the Annual National Policy Dialogue

Friday, 3 December 2010

Dar es Salaam

Address by Mr. Erik Korngren, DP Lead of the JAST Working Group

Honourable Minister of Finance and Economic Affairs,

Honourable Ministers,

Honourable Members of Parliament,

Permanent Secretaries,

Excellencies, Ambassadors and High Commissioners,

Senior Officials of the Government of Tanzania,

Heads of Cooperation and Agencies,

Distinguished Guests,

Ladies and Gentlemen,

- I am pleased and honored to speak as the DP Lead of the JAST Working Group on behalf of the Development Partners Group at this very important national event.
- I would like to start by saying that Development Partners appreciate the Government leadership during the MKUKUTA review and drafting process, which allowed for important dialogue on progress achieved during the last 5 years and on priority setting for the coming 5 years.
- I would also like to express our appreciation that the dialogue has involved a broad range of national stakeholders through ongoing targeted dialogue and through the national consultations held earlier this year.

- While welcoming the MKUKUTA II, Development Partners note that an earlier endorsement of the document would have meant that some Development Partners would have been able to release funds at an earlier stage.

Distinguished Guests,

- Development Partners welcome the improvements seen in MKUKUTA II in comparison with MKUKUTA I in a number of areas. The new strategy goes further than its predecessor in its focus on pro-poor and inclusive growth, co-ordination of implementation, equity and quality of service delivery, business climate, and implementation of the core reform programs.
- Development Partners also appreciate the clear importance given to improving nutrition, addressing population growth, advancing adaptation efforts for climate change, and strengthening the role of Non-State Actors in monitoring the implementation of MKUKUTA II. Finally, Development Partners welcome the emphasis put on regional integration and would like to encourage the articulation of concrete outcome targets in this area.

Ladies and Gentlemen,

- While appreciating this positive evolution from MKUKUTA I to MKUKUTA II, we must keep in mind that stronger efforts are needed to bring significant changes in people's lives in Tanzania. Challenges remain in terms of poverty reduction, quality of education, effective implementation of the core reforms, fight against corruption and improving the business environment.
- Development Partners regret the removal of the references to the Long-term Growth and Development Plan as well as the Medium Term Public Investment Plan. These documents would provide important focus to MKUKUTA II implementation.

- Development Partners appreciate the existence of the government’s “Roadmap for improvement of Tanzania’s Investment Climate”. However, external assessments indicate that the business environment reforms made in Tanzania over the past three years have not been adequate to accelerate the rate of domestic investment. The implementation of the roadmap will therefore be of critical importance. One opportunity to achieve quick wins will be to implement the government’s roadmap as part of the Kilimo Kwanza Growth Corridors Initiative which aims at accelerating market-based agricultural growth in the Southern Corridor, provided that it is done without damaging the interests of small farmers.
- While MKUKUTA II provides the strategic direction for the next 5 years, further work is needed to translate the strategy into an implementable set of clearly prioritized and costed actions. This is not only important with regard to the estimated financing gap in this year's budget of approx. 1.1 trillion Tsh but also in view of the start of the budget preparation for next year. As such, Development Partners welcome further discussion on the following issues:
 1. Firstly, much sharper prioritization and sequencing is needed in terms of MKUKUTA II prioritization linked to budget and MTEF, especially in view of the mentioned financing gap. In order to address the issue of scarce financing, Development Partners would like to encourage Government to undertake mitigating measures, including necessary cuts in recurrent costs. It will be of critical importance to develop a realistic financial framework and to define outcome targets within the scope of such a framework.
 2. Secondly, in order to monitor progress in achieving the MKUKUTA II targets, we need a solid monitoring and evaluation system with strategic, measurable, available, realistic and time bound indicators. This system still needs to be established and we would like to express the importance of having a credible indicator framework that includes established

baselines, agreed sources of data and calculation methods, and a thoroughly modernized and independent National Bureau of Statistics.

3. Thirdly, country-wide ownership of the MKUKUTA II must be addressed throughout the implementation starting by bringing the new parliament on board. In this context, we would like to highlight the role of Parliament, and the new Bunge Foundation, as an important element of ownership and accountability.
4. Finally, Development Partners would like to emphasize the importance of completing the Implementation Plan and the M&E framework as soon as possible in the coming weeks in order to ensure sound linkages between the MKUKUTA II and the many Country Assistance Strategies and Programs of the Development Partners which are currently under preparation. This is of key importance not only for future financial commitments but also for ensuring that Development Partner priorities are aligned with the national goals and strategies.

Excellencies, Honourable Ministers, Ladies and Gentlemen,

- The MKUKUTA II sets ambitious targets for a number of areas such as income poverty, universal access to quality pre-primary and primary education and lower secondary education, maternal mortality, and the proportion of births attended by skilled health personnel. In this context, the achievement of ambitious water and sanitation targets will be of particular relevance. Against the high population growth and the limited sector funds, the strengthening of the water sector management is considered to be key to achieving the expected outcomes in all social sectors. With the new Government in place and a set of ambitious targets ahead, we all need to

join efforts towards developing a credible plan on how to achieve these goals as efficiently as possible.

- Development Partners stand ready to further support the development of a prioritized Implementation Plan, which takes note of the budget constraints, as well as the M&E framework.

We look forward to continued partnership in pursuing the implementation of the MKUKUTA II.

Asanteni sana!