

DPG Statement at the Occasion of the Annual National Policy Dialogue

Thursday, 2 December 2010

Dar es Salaam

Address by Mr. Alberic Kacou, Co-Chair of the Development Partners Group (DPG)

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,

- This is an important national event for all of us. It is, therefore, an honour and a privilege to share some views on behalf of the Development Partners Group. It is a sign of openness, maturing democracy, and real partnership when government organizes and hosts such a high-level, policy event. This year's Annual National Policy Dialogue provides an opportunity to take stock of the results and development impact of the national efforts towards the Millennium Development Goals and MKUKUTA goals and targets over the last 5 years. I am particularly glad that this event brings together so many stakeholders involved in development, especially newly appointed Ministers, who we congratulate, Honourable Members of Parliament, and NGOs. It is a unique opportunity to discuss challenges observed while implementing MKUKUTA I as well as policy directions and priorities of the recently approved MKUKUTA II. This forum also provides an opportunity to discuss how the actual implementation can be shaped in the coming 5 years.

- Allow me to begin by congratulating the Government for the recent approval of the MKUKUTA II and MKUZA II. I would like to express appreciation on behalf of the Development Partners for giving us the opportunity to share comments and views throughout the review process and to make contributions to the development of the new national strategies that will form the basis for poverty reduction, development and our future cooperation with Tanzania.

Honourable Ministers, Excellencies, Ladies and Gentlemen,

- During last year's Annual National Policy Dialogue discussions, it emerged that in order for development to effectively take place, increased efforts by the Government are needed to address slow progress in income poverty reduction and inadequacy and inequity in service delivery. Also discussed was how to enhance transparency and accountability for efficient utilization of resources.
- One year later, Development Partners welcome MKUKUTA II with its increased 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 that MKUKUTA II acknowledges new challenges such as population growth and adaptation for climate change.
- In addition, the new MKUKUTA reinforces slight progress made in areas such as those seen in the Transparency International CPI index where Tanzania has moved from number 126 to 116 on a global scale. However, much needs to be done in improving the business climate as Tanzania's ranking in the global "Doing Business Index" has dropped from 125 last year to 128 this year.

Ladies and Gentlemen,

- Over the past several years, Tanzania has made noticeable progress in some areas, compared to its peers in the region. Positive achievements have been reached for example in the area of education with an enrolment rate of over 97% in primary schools, maternal mortality with a reduction to 454 in 2010 from 578 in 2005, extension of the national road network and overall macro-economic stability. But there is still much to be done. While the forthcoming joint World Bank/IMF Staff Assessment of the MKUKUTA II and MKUZA II Strategies might provide further insights, we as your partners believe that the following critical issues need additional attention in the coming years:

1. While poverty in Tanzania has slightly decreased (from 36% in 2001 to 34% in 2007), the MKUKUTA Implementation Report 2009/10 shows that poverty has been reduced mainly in cities, particularly in Dar es Salaam. More efforts will therefore be needed to make economic growth more pro-poor and inclusive, and to ensure that benefits are shared by all Tanzanians. In this regard, the sustainable provision of social services - which currently leaves large parts of the rural population unattended - will need our attention.
2. Despite the considerable progress in achieving universal primary education enrolment spread evenly between girls and boys, there are still many challenges in the education sector, such as ensuring the quality of learning as well as retention.
3. We share the government's concern about Maternal Health. Progress toward MDG 5 has been slow. We need to ensure that mothers are able to deliver in a safe environment, attended by skilled staff that treat their patients with care, dedication and have the appropriate obstetric equipment. As your partners we are committed to supporting an acceleration of efforts towards the realization of the MDG 5, particularly through improving delivery in underserved areas.
4. Challenges remain in terms of providing a conducive environment for the private sector to act as a main driver in national development. The deterioration in the

business climate is a hindrance for realizing such potential; and in this regard, strong Government leadership is required. Development Partners look forward to discussing ways in which to further support the role of the private sector.

5. Reflected in the government's own priorities and as noted in the wide-spread public debate, continued efforts in the fight against corruption will be of key importance. It was especially gratifying to hear the encouraging remarks made by President Kikwete in his inaugural speech in Dodoma last month about the Government's will to ensure that public funds are spent judiciously. In light of the global financial crisis and the increasing focus on value for money in development cooperation, the President's zero tolerance approach to inefficiency, theft and misuse of public funds is highly appreciated. Development Partners are ready to discuss how we can be of further assistance in this key area of public policy and service to citizens.
6. Similarly, joint attention is needed in securing sustainable access to clean water and energy as well as in improving public-private partnerships and the investment climate. Furthermore, building on the Kilimo Kwanza initiative, more efforts are needed to ensure that the roll-out of agriculture initiatives are strongly linked with national production, export and processing policies. We are aware that the government faces a significant challenge in the near future in translating the MKUKUTA II strategy into concrete policies and prioritized actions, especially in view of the expected financing gap of 1.1 trillion Tsh. In this regard, Development Partners look forward to engaging with Government on the Implementation Plan that will guide the realization of the MKUKUTA II. This will include a solid monitoring and evaluation system and a clear costing of key programs linked to the priority areas of the MKUKUTA II as well as ensuring adequate support to the National Bureau of Statistics and to the Bunge Foundation.

Excellencies, Honourable Ministers, Ladies and Gentlemen,

- As in the National Consultative Meetings on MKUKUTA II and MKUZA II earlier this year, it is encouraging to see this national event organised in an inclusive manner bringing together different stakeholders from Government, Private Sector, Civil Society and Development Partners. It fosters substantive dialogue focussing on results, achievements, and challenges. This open and frank discussion is of key importance in strengthening the quality and substance of our dialogue.
- We believe that Tanzania has enormous potentials to reach the objectives it has set in MKUKUTA II. An important step has already been made by agreeing to invest in the drivers of agricultural growth and to engage with the private sector as the primary agent of this growth, as mentioned by the president in his inaugural speech in the Bunge session.
- Let me conclude by saying that, with the new Government in place and with the new MKUKUTA approved, we have a unique opportunity to give the poverty reduction agenda a special push. We, the Development Partners, are committed to further supporting the national efforts to bring welfare and prosperity to all Tanzanians. In this spirit, we are looking forward to further engagement for the purpose of achieving MKUKUTA II and MKUZA II targets as well as the Millennium Development Goals.

Asanteni sana!