

# National Dialogue Structure

**Induction Seminar for DP Newcomers,  
15<sup>th</sup> September, 2011**

Presentation by the Ministry of Finance

# Introduction:

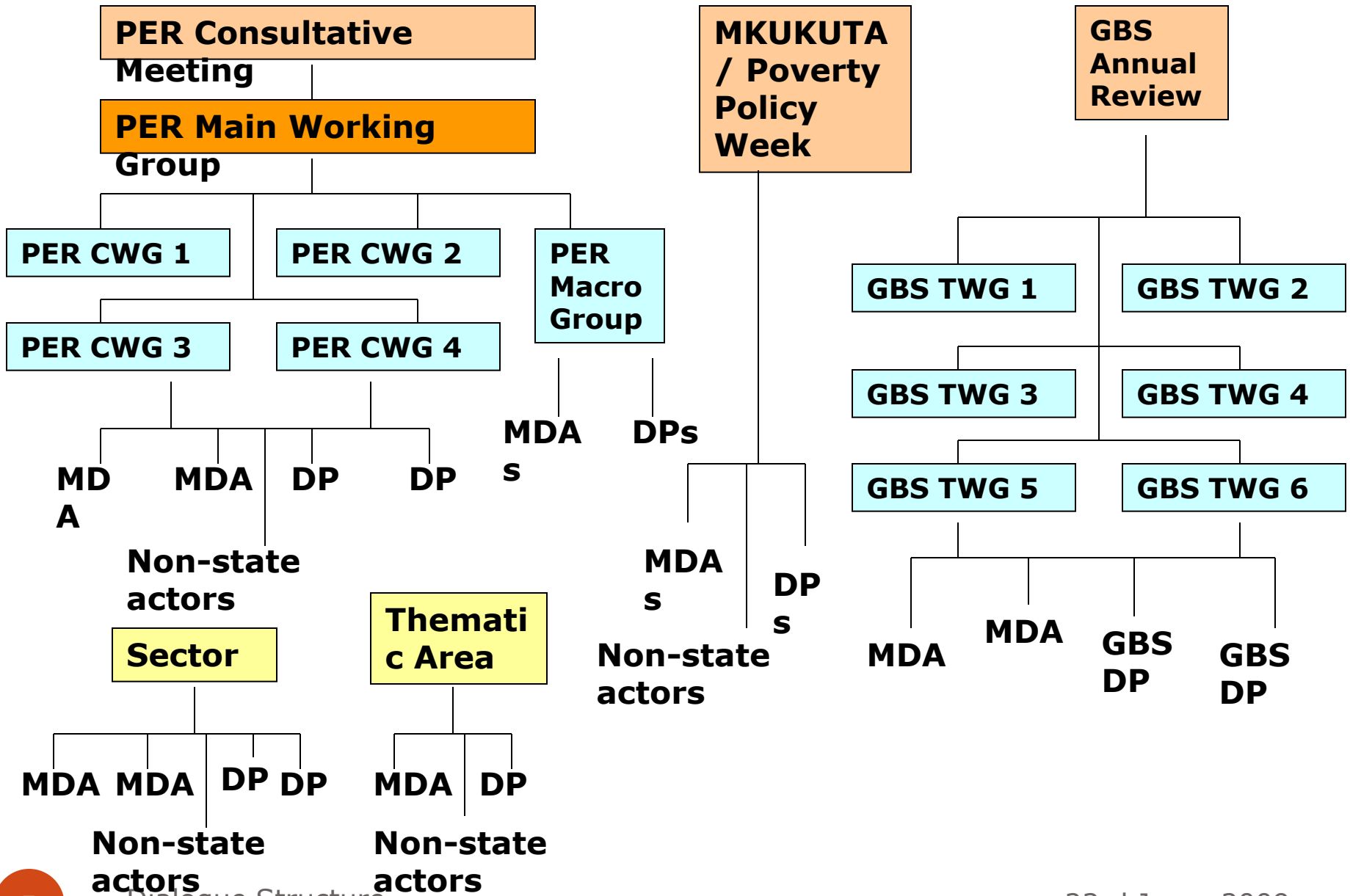
- Dialogue is a discourse between stakeholders with the view to learning, exchanging of information and views, and guiding the development policy making
- Development of the Dialogue structure was among the priorities of JAST.
- Aimed at harmonizing multiple dialogue processes that existed (MKUKUTA, PER and GBS as well as sector dialogue).
- All discussing same issues separately, while relying on the same people.
- High transaction cost

# Objectives of dialogue

- Strengthen partnership around common goals;
- Improve information sharing and thus facilitate the adoption of consolidated views;
- Strengthen national **ownership** and the Government's role as leader in the development process;
- Improve public policy choices and the effectiveness of Government planning, budgeting and service delivery.

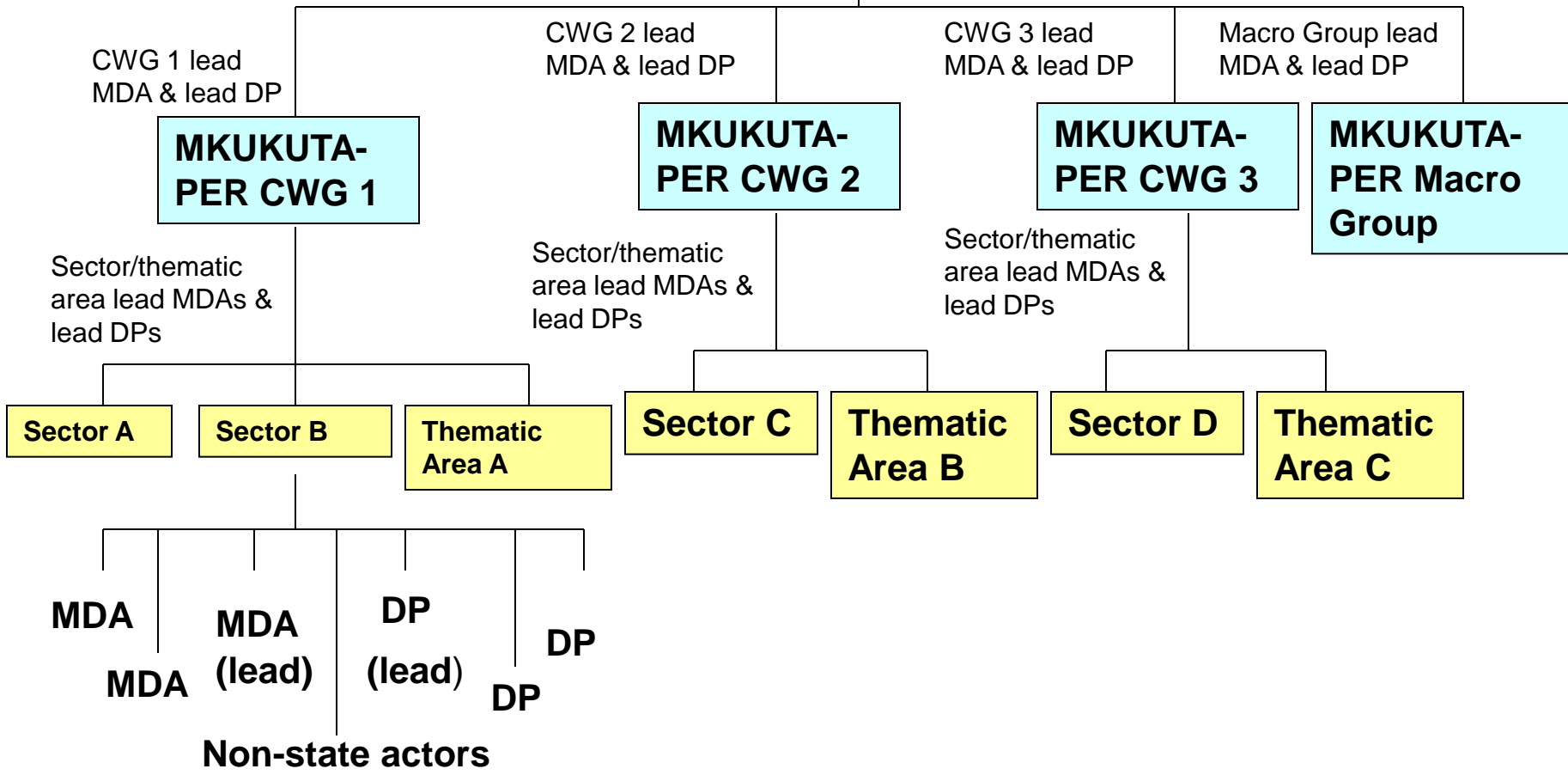
# Principles of Dialogue

- Government leadership
- Relevant stakeholders
- Facilitate domestic accountability
- Open, frank and based on mutual trust
- Seek to minimize transaction costs
- Information sharing in a timely and transparent manner.



**JOINT COORDINATION GROUP**

**MKUKUTA-PER Main Working Group**



# Key features of the Dialogue

- It integrates agenda on MKUKUTA, Public Expenditure Review (PER), Joint Assistance Strategy for Tanzania (JAST) and General Budget Support (GBS), and combines dialogue on policy and budgetary/expenditure;
- It has four levels:
  1. Sectors/thematic working groups where MDAs and 'Active DPs' are members;
  2. 4 Cluster Working Groups (CWGs) where sector leads from both Government and DPs are members;
    - a. Cluster 1 - Growth and Income Poverty Reduction;
    - b. Cluster 2 - Improvement of Quality of Life and Social Well-Being;
    - c. Cluster 3 - Governance and Accountability and;
    - d. Cluster 4 - Macro and Public Financial Management
  3. MKUKUTA-PER Main Working Group ; consists of Cluster Working Group leads.
  4. Joint Coordination Group; the highest level of the structure drawing membership from Permanent Secretaries and Heads of Missions/ Heads of Development Cooperation

# Division of Labour among DPs

## Objectives of Division of Labour among Development Partners

- To achieve even engagement of Development Partners in sectors and thematic areas;
- To reduce transaction costs for both the Government and Development Partners and enhance aid effectiveness by reducing duplications and enhancing complementarities.

# 1. LEAD Development Partner

## *Definition*

- A Lead DP is the one that leads all DPs in any classified sector or thematic area, and is the focal contact point in dialogue between the Government and DPs in that sector/thematic area
- **Selection of lead DPs:** is proposed by DPs and the Government approves proposals based on comparative advantage and selection criteria stated in JAST

## *Tasks*

- Spokesperson for and coordinator of all active DPs in dialogue with Government in the given sector / thematic area
- Forges consensus among DPs on policy priorities before engaging in dialogue with the Government, and reports divergent views between DPs in case consensus cannot be reached
- Coordinates analytical work among DPs within the sector and contributes analytical capacity together with other active partners to undertake sector work in line with the government requirements and priorities

# 1. LEAD Development Partner cont.

## *Tasks*

- Facilitate the sector / thematic working group as a whole to review individual strategies of DPs in the sector / thematic area to ensure consistency with national priorities and the JAST
- Ensures adequate human resource, institutional and financial capacity of its own to take forward this task
- Ensures that CVs of its own key technical staff are circulated and agreed with Government and other DPs, to ensure suitable support as lead
- Ensures an adequate and functional Secretariat to act as record keeper and information provider for the DP Working Group, using the DPG website to the largest extent possible as a means to share information

# 1. LEAD Development Partner cont.

## ***Tasks***

- Commits to the lead role for an agreed period of at least one year, whether through a Troika system or other agreed arrangements
- Manages a professional handover to its successor as lead
- Ensures that Ministerial or official visits to Tanzania by DPs are better coordinated through the lead serving as a focal point for incoming visits, avoiding “back door” bilateral meetings inconsistent with JAST

## 2. ACTIVE Development Partner

### *Definition*

- Active DP is the one that is selected to engage in dialogue and other development issues with the Government in a particular sector or thematic area
- Should be among the GBS DPs or provide financial or technical support to the sector / thematic area

### *Tasks*

- Participates actively in policy dialogue with the lead and other active partners
- Engages in dialogue with the Government at sector meetings, reviews etc. and may lead on specific sub-sector / sub-theme discussions as agreed with the lead
- Contributes analytical capacity to undertake sector work in line with government requirements and priorities

## 2. ACTIVE Development Partner, cont.

### ***Tasks***

- Ensures adequate human and institutional capacity of its own to take forward this task
- Acts on behalf of the lead during the latter's absence
- Can manage policy dialogue or funding arrangements on behalf of delegated DPs if this has been agreed bilaterally
- Ensures that Ministerial or official visits to Tanzania by DPs are coordinated through liaison with the lead as a focal point, avoiding "back door" bilateral meetings inconsistent with JAST
- Writes and circulates a brief record to other DPs of such Ministerial or official visits
- Informs the Government and other DPs on delegated cooperation arrangements between itself and delegating DPs.

### 3. DELEGATING Development Partner

#### *Definition*

- Delegating DP is the one that does not engage in direct dialogue with Government on sector issues, but can engage in policy dialogue or funding arrangements through an active DP

#### *Tasks*

- Is free to attend DPG WG meetings and can continue to voice policy concerns in the DPG WG meetings
- Tracks developments through the DPG Secretariat, annual sector reviews or an active partner

### 3. DELEGATING Development Partner, cont.

#### ***Tasks***

- Continues to support existing projects, but over time is expected to shift to GBS or to new Government-led funding arrangements managed by active partners
- Can participate in major consultations, e.g. annual sector reviews
- Ensures that Ministerial or official visits to Tanzania are coordinated through the lead, avoiding “back door” bilateral meetings inconsistent with JAST; writes and circulates a brief record to the lead DP of such Ministerial or official visits

# Achievements of the Dialogue Structure

The dialogue has been instrumental in informing Government budget process. The following are some of the recent achievements:

- ✓ A single Annual National Policy dialogue was conducted in November 2009 and 2010 involving all the three processes;
- ✓ PER/MKUKUTA dialogue has been useful in monitoring PAF implementation, hence facilitated GBS commitments;
- ✓ Budget process has been benefiting from PER outputs. For example (i) Water Sector PER and Public Expenditure tracking Survey (PETS) in Education were useful inputs in the preparation of the Plan and Budget Guidelines 2010/2011-2012/2013;
- ✓ Review of MKUKUTA was conducted through PER/MKUKUTA dialogue involving key stakeholders. The output from this review informed preparation of MKUKUTA II ;
- ✓ The Joint Coordination Group approved the division of labour among DPs in November 2009. It aims at supporting government leadership and enhancing the quality of dialogue through ensuring appropriate and rationalized DPs engagement in sectors.

# Challenges of the Dialogue

The following are key challenges:

- ✓ Existence of multiple/parallel Sector Working Groups for bilateral decision making and financial disbursement procedures. This is evident in basket funding modality.
- ✓ The dialogue has been narrowly focusing on 'processes rather than 'substance'. For example, almost all Sectors Cluster and PER Main meetings have essentially focused on GBS process.
- ✓ A tendency of some sectors to outsource consultants to conduct sector review without effective sector participation. This jeopardises a streamlined expenditure analysis and weakens in-house capacity of sector groups;
- ✓ Lack of Government ownership of various analytical work done under the PER process. This resulted to inconsistent follow-up on previous year recommendations and lack of update on the status of implementation of key recommendations (such as PEFAR, PEFA, Rapid Budget Analysis, etc);

## Challenges of the Dialogue (Cont)

- ✓ In some sectors, the dialogue existing is between DPs and Lead MDAs and not including all MDAs in the sectors and CSOs.
- ✓ Ad hoc CSOs engagement in sector/cluster meetings. However the Ministry of Finance has taken initiative to assist CSOs to prepare their division of labor in line with dialogue structure.
- ✓ In CWGs and some sectors there is no effective secretariat to coordinate analytical work to support the dialogue.
- ✓ Failure of CWGs/SWGs to carry out meaningfully dialogue or undertake PER studies to inform policy choice;
- ✓ Frequent failure of regular attendance by cluster leads/deputy leads to PER/MKUKUTA Main meetings and thus, undermining the PER/MKUKUTA Main WG function as the overarching forum for PER management;

# Way forward

- Integrating multiple/parallel bilateral decision making and financial disbursement procedures like Basket funding into the PER/MKUKUTA sector dialogue;
- CWGs/SWGs to prepare work programme consisting of PER, MKUKUTA, GBS. A generic work programme for CWG and PER Main work programme has been prepared and was discussed at the last PER Main Meeting held on the 9<sup>th</sup> September, 2010.
- Look at the possibility of further harmonizing and rationalizing meetings within the Government to reduce overburdening of CWG/SWG leads and ensure their effective participation in PER-MKUKUTA dialogue.
- Cluster/ Sector secretariats to be strengthened and maintain a list of MDA, DP and CSO members in their respective cluster/sector working groups.
- Conduct semi-annual review on the effectiveness of the PER/MKUKUTA dialogue;
- Rotation of cluster leadership in the medium term.
- DPs continue supporting and respecting DoL among DPs in line with the Government Structures;

15th September 2011

**THANK YOU**