

*2015 Development Policy Financing Retrospective
Consultation Meeting*

FEEDBACK SUMMARY

Date: July 28, 2015

Location: Dar Es Salaam, Tanzania

Total Participants: 15

Consultations on the preliminary findings of the 2015 Development Policy Financing (DPF) Retrospective were held in Tanzania with representatives from the government, donor community, civil society organizations, think tanks and the private sector (see participants list in Annex). Emmanuel A. Mungunasi (Acting Country Manager, World Bank Tanzania Office) gave brief opening remarks and Appolenia Mbowe (Senior Economist, Operations Policy and Country Services) presented the preliminary findings of the Retrospective. The meeting was moderated by Loy Nabeta (Communications Specialist, World Bank Office in Tanzania).

Overview and General Reactions

Overall, the feedback on Development Policy Financing was positive. Participants noted the important contribution the instrument has made towards supporting the country's development results and the role it has played in fostering important policy dialogue in the country. Specifically, the participants noted the important contribution the Bank has made in supporting the country's drive towards poverty reduction, with poverty declining from 34% to 28% over the last few years.

Main Issues Raised/Discussed

How to make DPF more effective

There was broad consensus on important contributions the instrument has made towards supporting the achievement of the country's results. This notwithstanding, participants made some suggestions on how the instrument could be further strengthened to enhance its effectiveness. These included the need to reassess the design of the instrument taking into account the new operating environment, improve the participatory approach and transparency as well as enhance collaboration with other key stakeholders. More specifically, comments on these issues include:

- The operating environment in Tanzania is increasingly becoming more open, with more opportunities for participation by diverse stakeholders, including media, CSOs and a strong legislative branch. As a result, the exact shape of reforms is not always known in advance, but only after broad consultations. DPF should provide more flexibility to account for this changing context.
- In the case of Tanzania, the authorities' preference is for the programmatic approach in the provision of budget support with increased focus to sector specific DPOs as opposed to broad based approach (characteristic of PRSCs). This approach was largely driven by need to better manage risks, allow for a more comprehensive and flexible approach as well as ensure predictability of resource flows. The programmatic approach has been particularly useful in supporting sectoral reforms, especially as it was credited for providing room for close monitoring and evaluation as well as ensuring necessary adjustments during the implementation phase. However, some cautioned against the tendency for consistent downgrading of prior actions.
- At the same time, the move towards several smaller sector-specific DPOs (rather than one large broad-based PRSC) has increased transaction costs, especially for MoF officials. Some participants raised the possibility of greater consolidation of the preparation process, while maintaining the sector focus of new operations.
- Several participants stressed that DPF remains the main instrument to foster policy dialogue, while acknowledging the important roles that the Bank's other financing instruments play. However, one challenge is that DPF resources are disbursed after the implementation of reforms, while financing is often needed before and during implementation.
- On governance, the Bank was called to work with the authorities to ensure that the country has more effective and efficient governance systems.
- Some of the participants expressed concerns on the apparent lack of ownership of reforms across government ministries, departments and agencies beyond the Ministry of Finance and also weak capacity to coordinate reforms in concerned ministries. On capacity building, the importance of working with other development partners to help build capacity was emphasized. In this context, the Bank was also urged to ensure that it brings its expertise into the design of the policy actions supported by DPF.
- There is need for better alignment, coordination, and collaboration among donors and other development partners on budget support, which could help strengthen linkages between sectors.
- The Bank was urged to play a catalytic role in helping to push forward private sector development using this instrument.
- Regarding the management of environmental and social risks, DPF could be leveraged to support improvements in E&S management in public investment more general, rather than just focusing on the E&S risks in each DPF.
- Participants also inquired about the Bank's approach to measuring longer term impacts of the policies supported by DPF, and in particular their contribution to the poverty reduction target that the Bank has set for itself.

Participatory processes, accountability and results

- There is need to enhance the policy requirement for consultations and participatory approaches and ensure that information on the outcome of these consultations is made available in a timely manner. More could also be done to ensure a more upstream engagement with civil society on consultations; and a better sense of accountability for the results and performance of operations.

- The issue of shared accountability was also emphasized, where all key players should be responsible for achieving results.

Annex:



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PARTICIPANTS LIST

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	Participant Name	Organization Represented [NAME]	Organization Type	Country
1	Santina Benson	CEO Round Table	Private Sector	Tanzania
2	Blandina Kilama	Policy Research for Development (REPOA)	Think Tank	Tanzania
3	Robert Rutajama	Tanzania Revenue Authority (TRA)	Government	Tanzania
4	Timothy Donnay	USAID	Bilateral Development Organization	United States
5	John Kalage	Haki Elimu	Non-governmental Organization	Tanzania
6	Florian Schweitzer	Sikika	Non-governmental Organization	Tanzania
7	Ronald Ndesanjo	Institute of Development Studies (IDS)	Academic	Tanzania

8	Kati Manner	Embassy of Finland	Government	Finland
9	Máire Matthews	Embassy of Ireland	Government	Ireland
10	Gideon H. Kaunda	Tanzania Private Sector Foundation (TPSF)	Non-Governmental Organization	Tanzania
11	Barney Laseko	Prime Minister's Office (PMO)	Government	Tanzania
12	Marie-Helene Cote	Foreign Affairs, Trade, and Development Canada	Government	Canada
13	Benno Ndulu	Bank of Tanzania	Government	Tanzania
14	Jasmin Chakeri	The World Bank	Multilateral Organization	United States
15	Uwi Basaninyenzi	The World Bank	Multilateral Organization	United States