

**STATEMENT BY MR. RAMADHANI M.KHIJJAH, PERMANENT  
SECRETARY TO THE MINISTRY OF FINANCE AND ECONOMIC  
AFFAIRS, AT THE SIGNING OF THE LOAN AGREEMENTS  
BETWEEN THE GOVERNMENT OF THE UNITED REPUBLIC OF  
TANZANIA AND THE WORLD BANK, HELD AT THE TREASURY  
CONFERENCE ROOM ON 29 JANUARY, 2010 AT 11.00 AM.**

**Madam Anne-Marie Leroy,  
Senior Vice President and General Counsel of the World Bank,  
Mr. John Murray McIntire,  
World Bank Country Director for Tanzania, Uganda and  
Burundi,  
Distinguished Guests,  
Members of the Press,  
Ladies and Gentlemen:**

**1.** First let me take this opportunity to thank Madam Anne-Marie Leroy, Senior Vice President and General Counsel of the World Bank for sparing her time to join us in this important event of signing two Additional Financing Agreements, the PRSC-7 and Health Sector Development Program Phase II.

2. Second please allow me, on behalf of the Government of the United Republic of Tanzania to express my gratitude to you Mr. John Murray McIntire, World Bank Country Director for Tanzania, Uganda and Burundi for this opportunity of signing with you today, two Additional Financing Loan Agreements, the ***Additional Financing for the Seventh Poverty Reduction Support Credit (PRSC-7 Additional Financing)*** to support the implementation of ***MKUKUTA*** and the ***Additional Financing for a Project in Support of the Health Sector Development Program-Phase II*** through which the International Development Association (IDA) will extend to the Government of the United Republic of Tanzania financial assistance amounting to **US\$ 170 million** and **US\$ 40 million** respectively.

Indeed, the Government appreciates the World Bank's support which has come at a time when the Government is in critical need of such assistance.

This event, once again, demonstrates the important role that the World Bank plays in the social and economic development in Tanzania.

I wish to take this opportunity, on behalf of the Government and the people of Tanzania, to express our gratitude for the continued support provided by the World Bank for social and economic development in Tanzania.

**3. Ladies and Gentlemen,** the Tanzania Seventh Poverty Reduction Support Credit Additional Financing is an addition to the Seventh Poverty Reduction Support Credit (PSRC-7) signed between the Government of the United Republic of Tanzania and the International Development Association (IDA) on 22 July, 2009 whereby IDA extended to Tanzania financial assistance amounting to **US\$ 190 Million**. This additional financing makes the total financial assistance extended to Tanzania by the IDA in FY 2009/10 to support the PRSC-7 be **US\$360 Million**.

**4. Ladies and Gentlemen,** the primary objective of the Loan for the Tanzania Seventh Poverty Reduction Support Credit (PRSC-7) signed on 22 July, 2009 and its additional financing we have signed today is to support the Government's efforts in the implementation of the MKUKUTA. As you well know, the MKUKUTA focuses attention on the achievement of three major clusters of broad outcomes for poverty reduction, namely:

- I. Growth and reduction of income poverty,
- II. Improved quality of life and social well being, and
- III. Good governance and accountability.

The total resources provided under PRSC-7 will therefore boost our efforts towards achieving these objectives.

**5. Ladies and Gentlemen,** the original Loan Agreement for the Health Sector Program Phase II was signed between the Government of the United Republic of Tanzania and IDA on 13 January, 2004 through which the IDA extended financial assistance to Tanzania amounting to **US\$ 40 Million**. On 31 July, 2007, the Government and IDA signed Amendment Agreement through which IDA extended financial assistance to Tanzania amounting to **US\$ 60 Million**.

The Additional Financing we have signed today makes the total credit extended to Tanzania by IDA in support of the Health Sector Program to be **US\$ 140 Million**.

**6. Madam Senior Vice-President, Mr. Country Director, Ladies and Gentlemen,** the primary objective of the Health Sector Program Phase II additional financing is to assist the Government in continuing to improve the quality of health services and the management of resources allocated to the health sector through the expansion of the health sector and institutional capacity building reforms initiated under the Program.

The project to be funded under the additional financing we have signed today consists of three components:

**Component A: District Health Services**

The primary objective of this component is to carry out Sub-programs to improve the delivery of District-level health services,

through the provision of goods, works and services in various areas identified during project appraisal.

**Component B: Strengthening the Management of Secondary and Tertiary Hospital care.**

The primary objective in this component is to carry out Sub-programs to strengthen the management of secondary and tertiary hospital care services, through the provision of goods, works and services.

**Component C: Regional and National Level Support for the Health Sector Improvements in Quality, Financing and Human Resources.**

The primary objective of this component is to carry out Sub-programs to improve regional and national health care through provision of goods, works and services in various areas.

**7. Madam Senior Vice-President and Mr. Country Director,** the preparation of this Loan has involved many people and long hours of hard work to discuss and negotiate various aspects and provision of both Loans that we have just signed.

On behalf of the Government of the United Republic of Tanzania, allow me to thank you personally for your efforts in ensuring that the process is concluded in time. I would also want to thank all other people who were involved in the process who worked so hard in order to make it possible for this agreement to be signed today. I would urge you to sustain that spirit.

Finally let me conclude by re-affirming the Government's commitment to sustaining reforms in order to achieve the MKUKUTA objectives and to improve the quality of health services and the management of resources allocated to the health sector. Further, I also want to reassure you of our continued commitment towards strengthening the partnership and friendly relationship between Tanzania and the World Bank.

Thank you all once again for your kind attention.