



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE



**DEVELOPMENT COOPERATION
FRAMEWORK (DCF)
2017/18-2029/30**

As Revised on 2022/23



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ABBREVIATIONS

A4T	Aid for Trade
API-DCF	Action Plan for the Implementation of Development Cooperation Framework
BF	Basket Fund
CSO	Civil Society Organization
DAC	Development Assistance Committee
DCF	Development Cooperation Framework
DCPs	Development Cooperation Partners
DPF	Direct to Project Funds
DPG	Development Partners Group
DPs	Development Partners
FYDP	Five Year Development Plan
GBS	General Budget Support
HLSD	High Level Strategic Dialogue
IMG	Independent Monitoring Group
JAST	Joint Assistance Strategy for Tanzania
LGA	Local Government Authority
LTPP	Long Term Perspective Plan
MDAs	Ministries, Department and Agencies
M&E	Monitoring and Evaluation
MTEF	Medium-Term Expenditure Framework
NAO	National Audit Office
NGOs	Non-Governmental Organisations
NSAs	Non-State Actors
OCAG	Office of the Controller and Auditor General
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PER	Public Expenditure Review
PFM	Public Financial Management
PPP	Public Private Partnership
RGoZ	Revolutionary Government of Zanzibar
SBS	Sector Budget Support
TAS	Tanzania Assistance Strategy
TDV	Tanzania Development Vision
TLSD	Technical Level Strategic Dialogue
URT	United Republic of Tanzania
ZADEP	Zanzibar Development Plan
ZDV	Zanzibar Development Vision



CHAPTER 1 INTRODUCTION

1.1 Introduction

Development cooperation is an important feature of Tanzania's overall development strategies, helping to marshal contribution of resources by the various domestic and foreign partners towards implanting the country's development plans. The cooperation is subject to a Development Cooperation Framework (DCF) that outlines Tanzania's broad principles for development cooperation. It defines the overall objectives and principles surrounding the development partnership as well as the undertakings by the various partners supporting Tanzania's Development in the medium term. The DCF serves as guideline for steering the contributions of various development stakeholders in order to optimise resources to attain development results. This is an updated version of the DCF that was first adopted in 2017 and will be implemented through Financial Year (FY) 2029/30 in order to align with the Country Assistance Strategies (CASs), Agenda 2030 and the National Development Plans.

The DCF implementation is intended to sustain the continual support of Development Cooperation Partners (DCPs) for eventual realization of Tanzania Development Vision 2025 and Zanzibar Development Vision 2050, and successors thereof. The realisation of the aspirations stated in Tanzania Development Vision 2025 is guided by the Long-Term Perspective Plan (LTTP) which is further decomposed into three sequential and thematic medium-term strategies and plans, currently implementing the third and final epoch of the plans (FYDP III). Zanzibar's development aspirations are guided by Vision 2050, with Zanzibar Development Plan (ZADEP) 2021-2026 as its current medium-term implementation tool. The earlier version of DCF which was implemented between 2017/18 to 2020/21 was instrumental in supporting the attainment of lower middle-income status for the United Republic of Tanzania in 2020. The eventual aspiration of the United Republic of Tanzania is to have a robust and result oriented development cooperation that will support the countries' efforts to attain, among others, industrialisation, competitiveness, good governance, and high levels of quality livelihood.

1.2 Review of Aid Management Reforms for Tanzania

Tanzania has made good progress in implementation of aid management reforms since the 1990s as demonstrated by:

- (a) Improved predictability of external resources as a result of enhanced capacity for aid management;
- (b) Improved dialogue structure and division of labour among Development Partners;
- (d) Improved domestic resource mobilization; and
- (e) Progress in Public Financial Management Reforms, notably in transparency and oversight.



Despite these achievements, challenges still remain in relation to predictability of aid, fragmentation, use of country systems and conditionality. Also, occasional loss of trust among the partners has led to breakdowns in dialogue and incipience of low levels of a sense of partnership.

1.3 The Kaberuka Report

In early 2016, a facilitation team led by Dr. Donald Kaberuka was requested by the Government of Tanzania and DPs to facilitate discussions aimed at addressing constraints that affected the development cooperation. The team reviewed (i) the causes of the disruption in development cooperation and (ii) the emerging dynamics of development cooperation the context of today's Tanzania, and recommended ways in which cooperation could be strengthened. In its report from May 2017, the team recommended specific and general measures on development cooperation dialogue, capacity and institution building, and mechanisms for financing Tanzania's development agenda. The report's recommendations presented to the Government and partners in March, 2017 have informed the review of this DCF.

1.4 Rationale for Development Cooperation Framework

Recently, the world has witnessed significant changes in the development cooperation space through:

- a) The emergence of new development partners, including vertical funds and members of the BRICS (Brazil, Russia, India, China and South Africa) group of nations and other non-DAC partners;
- b) Evolution of aid policies in some traditional/ Organization for Economic Cooperation and Development (OECD) DCP countries;
- c) Increased diversity of sources of financing for development, including strengthening of domestic resources capabilities and collaboration with other financing entities such Private Sector;
- d) The shift from aid effectiveness to development effectiveness at the international arena (including trade and investment effectiveness);
- e) Emergence of entrenched political dynamics within multilateral organizations entrusted with overseeing economic globalization poses a barrier to enacting essential and timely reforms;
- f) Emergence of global pandemics such as Corona Virus Disease (COVID-19), geopolitical tensions and global energy challenges, all of which are having monumental consequence on implementation of development cooperation initiatives.

Tanzania is not isolated from the impact of these changes in development cooperation. The following factors also influence the pattern of the Development Cooperation for Tanzania, namely:

- a) Improved economic status and sustained growth over the recent decades and discovery of commercially viable natural resource reserves;



- b) Increased recognition and engagement of the NSAs including private sector and other NSAs as vital partners in implementing Tanzania development strategies;
- c) Shifting preferences of financing modalities by some of the Development Partners away from General Budget Support (GBS), which remains the Government of United Republic of Tanzania's (URT) preferred financing modality compared to all other modalities;
- d) Tanzania's expanding participation in regional economic integration programs; and
- e) Increased national focus on development results in development programming;

In view of the above, the Governments and DPs consider it necessary to continue with the implementation of the second phase of the DCF for consolidating and further strengthening coordination of development cooperation in the country as stipulated in Chapter 6. In reviewing the framework for cooperation, it has been necessary to re-examine the dialogue structure and financing modalities for viability/acceptance, efficiency, effectiveness, and sustainability. This second phase framework will serve as a policy tool to guide a broader spectrum of development partnerships between the URT and all Development Cooperation Partners contributing to national development efforts.

1.5 The DCF Mid-Term Review

In June 2022, the Government of the URT and its DPs initiated a Mid-term review of the DCF for implementation period from 2017/18 to 2021/22. This review, mandated by **Chapter 6** of the DCF, focuses on assessing the performance, a task entrusted to the Independent Monitoring Group (IMG). The team led by Mr. Gerase Mugisha Kamugisha was commissioned to carry out the review process, focusing specifically on (i) reviewing the DCF and Action Plan for the Implementation of DCF (API-DCF), (ii) assessing to what extent the implementation of DCF and API-DCF had been successful, and studying and understanding the policy context of the two, (iii) studying the drivers for success and challenges in the course of the DCF and API-DCF implementation including the local and international drivers of development cooperation dynamics and (iv) recommending ways for strengthening development cooperation between Governments and development stakeholders.

In its report, the team recommended the following for consideration towards strengthening partner collaboration for Tanzania's development agenda: (i) sustain the DCF objectives and principles, (ii) make partner engagement stronger by enhancing inclusiveness of all stakeholder groups (especially Local Government Authorities (LGAs), private sector, and CSOs), (iii) expand the financing architecture to include climate financing and titivating the PPP approach, and (iv) special focus on building national capacity to manage a middle income economy. The report's recommendations were presented to the Government and partners in August, 2022 and have informed the content of this DCF.



CHAPTER 2

OBJECTIVES AND GUIDING PRINCIPLES

2.1 Introduction

This framework reiterates the Governments' commitment to ownership and leadership of the development processes, including the related cooperation with all state and non- state partners. The URT recognises the opportunities and challenges presented by the evolving global development cooperation veracity, and the ambitious partnership launched in 2011 at the Fourth High Level Forum on Development Effectiveness in Busan, South Korea; the 2030 Agenda for Sustainable Development; and the African Unions Agenda 2063.

This DCF also draws on the lessons from recent developments in Tanzania, and the recommendations of the DCF Mid-Term Review Report. The DCF therefore, expands the scope of development cooperation and, as a result, objectives and guiding principles of development cooperation to ensure that both internal and external resources are used effectively and efficiently to support national development priorities.

2.2 Objectives

The overall objective of this framework is to contribute to Tanzania's sustainable development in line with the Tanzania Development Vision 2025 and the Zanzibar Development Vision 2050 and successors thereof, by consolidating and coordinating the joint efforts of the Governments and all other DCPs including the private and civil society sectors. It also aims to support strengthening of the Governments capacity to mobilize resources, analyse potential investment opportunities and optimize returns from both regional and international markets.

The specific objectives of the DCF are to:

- (i) Consolidate national ownership and Government leadership in development programming and cooperation management;
- (ii) Espouse effective mobilisation and management of resources for development results;
- (iii) Strengthen both domestic transparency and mutual accountability among partners; and
- (iv) Promote Tanzania's benefits from increased trade, and domestic and foreign investment.

2.3 Guiding Principles

Strong partnership is likely only if the partners share an understanding and commit to honour a set of general principles to guide their engagement and collaboration. The Governments and DCPs are guided by the following eight principles emanating from URT's own history (informed by the Kaberuka process and the latest DCF review process) and aligned to international frameworks:



The General Principles for an Effective Development Cooperation in Tanzania are:

- (i) ***Government Leadership.***
The Government must be in the driver's seat (i.e. coordinate development cooperation and use own analyses to reach key decisions).
- (ii) ***Shared Vision.***
Successful development cooperation requires the sharing of a common vision in addressing the needs of URT.
- (iii) ***Mutual Accountability.***
Commitments must be honoured by all sides.
- (iv) ***Effective Dialogue and Experience Sharing.***
Regular formal and informal forums for the exchange of views between the Government and DCPs are necessary for effective policy dialogue.
- (v) ***Government Capacity.***
Adequate capacity in Government departments is key to effective development cooperation.
- (vi) ***Minimal Transaction Costs.***
High transactions costs related to development cooperation are counterproductive and must be avoided.
- (vii) ***Predictability.***
Predictability and effective delivery of development support are essential, but require good policy design, forward planning and effective implementation.
- (viii) ***Effective Monitoring and Evaluation.***
Periodic Monitoring and Evaluation (M&E) are crucial for determining whether progress is being made and in the right direction.

2.4 Underlying Principles

This second phase DCF continues to focus and apply the principles, commitments and understandings of the High-Level Forums (HLFs) on Aid Effectiveness and the Global Partnership High-Level Meetings (HLMs) for Effective Development Cooperation including The Monterrey Consensus (2002), the Rome Declaration on Harmonization (2003), the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (AAA) of 2008, the Addis Ababa Action Agenda (2015), and the Global Partnership for Effective Development Cooperation meetings as overall guiderails to the pursued quality of



development cooperation in Tanzania. The DCF recognises and emphasizes the following internationally adopted underlying principles:

- (i) ***Ownership:*** DCPs should commit to fostering national ownership of the development process through the Governments. This includes supporting the Governments in effectively addressing all development challenges in accordance with nationally adopted development strategies and plans. Particularly, DPs should minimize conditionalities attached to their assistance or creation of parallel structures and systems while positively contributing to the national effort to build capacity for managing development agenda;
- (ii) ***Alignment:*** DCPs should continuously optimize the alignment of all development programmes and projects to national priorities. Particularly, the choice of initiatives for partner support shall be guided by the instruments used by the respective Governments to implement Tanzania Development Vision (TDV) 2025 and Zanzibar Development Vision (ZDV) 2050 and successors thereof (i.e. FYDP and ZADEP);
- (iii) ***Use of Country systems:*** All Government development programmes and projects should utilise the respective Government's country systems for Planning, Accounting, Procurement, Auditing, M&E or any other relevant procedures. DCPs should strive to adhere these to the maximum extent possible. System challenges or bottlenecks will be addressed in a coordinated manner under Government leadership. In this regard, support to domestic Non-State Actors (NSAs) including private sector and CSOs is to be coordinated with the relevant Government to ensure alignment and accountability for resources and results;
- (iv) ***Information on Aid:*** DCPs should provide timely and disaggregated information on their assistance, in order to enable the Governments to better plan for efficient utilisation of the resources and also record the relevant assistance in the annual budget and thus foster its alignment with national priorities. Similarly, URT will address infrastructure and similar challenges for data capture in a coordinated and inclusive manner to enhance effectiveness and efficiency;
- (v) ***Strengthening Accountability:*** All partners should promote national ownership in development cooperation; with special emphasis on strengthening accountability of all stakeholders. By articulating the vision and objectives of the development cooperation and roles of different actors, the DCF lays the ground for this purpose. DCPs should refrain from running parallel results frameworks which could risk misalignment with Government priorities and increase the reporting burden for all;



- (vi) ***Country Knowledge Building:*** The Governments and DCPs should prioritize and effectively support country knowledge building while focusing on national development priority areas. This includes promoting the use of local expertise or joint teams in carrying out assignments and supporting a dedicated capacity development fund;
- (vii) ***Aid for Trade:*** The Government recognizes the need to address supply-side constraints in both domestic and international markets to stimulate investment. To achieve this, it will collaborate with DCPs to mobilize resources, complementing ongoing efforts in trade and investment facilitation. Key areas of focus include development of economic infrastructure, trade policy and regulation, adjustment assistance, and productive capacity building. These efforts aim at enabling the country to benefit from the multilateral trading system, ultimately reducing dependency on foreign assistance and expanding the domestic revenue base; and
- (viii) ***Increase Domestic Revenues:*** The Governments will continue to broaden the national tax base and prudently managing of domestic revenue collection in order to reduce aid dependency in the medium to long-term. Reforms of the revenue collection systems will be geared towards increasing the system's productivity in an economically efficient manner.



CHAPTER 3

DEVELOPMENT COOPERATION DIALOGUE

3.1 Introduction

Development cooperation is only as good as the quality of stakeholder engagement and information sharing. Quality and effective communication are both essential enablers and outcomes of effective development cooperation. On one hand, sharing information about development plans and outcomes is required for sustained partners' engagement and interest in the process and continued commitment to Tanzania's development agenda. On the other hand, effective dialogue enables all partners to properly plan their contributions in order to optimize the development results, thus increasing the quantum and quality of results from the joint effort.

Establishing mutual understanding and trust stands as a fundamental prerequisite for successful development cooperation. This process demands time, since it involves broad spectrum of development stakeholders. Effective dialogue plays a crucial role in making all partners feel genuinely welcomed and respected as equal participants in the development process. It is only through this inclusivity that one can anticipate effective contributions in terms of information exchange, as well as the allocation of resources and energy toward implementing initiatives outlined in the country's development plan to ensure sustainable outcomes. Moreover, it is the responsibility of the Governments to organise, convene and manage the dialogue process. In this respect, the Governments will exercise leadership, and facilitate the participation of stakeholders in the dialogue.

3.2 Partner Groups and Categories

Effective Dialogue must be inclusive of all-important development stakeholder groups, including (i) the Governments (ii) Development Partners (DPs) and (iii) Non-State Actors (NSAs) such as Private Sector, NGOs and Civil Society. Each of these groups has a unique contribution to the development process, and it is critical that the dialogue process facilitate, rather than deter, the flow of such contribution. Only through effective participation by all stakeholder groups can the political economy risk of development cooperation be effectively managed.

3.3 Objectives of Dialogue

An inclusive consultative process, managed and led by the Governments of Tanzania Mainland (URT) and Zanzibar (RGoZ), serves as the framework for development cooperation among partners contributing to the country's development agenda. Effective dialogue aims to bring stakeholders together to build a shared understanding on the development ambitions and approaches towards achieving them. Through dialogue and inputs from analytic work supporting the dialogue, the Governments are able to reach well-informed



public policy decisions, and thereby facilitate accelerated transition towards Tanzania's development ambitions. Dialogue also builds mutual trust among partners, potentially increasing commitment and effort contributions in pursuit of shared development goals.

3.4 Guiding Principles of Dialogue

In the context of development cooperation, dialogue should be conducted in accordance with the established principles for effective development cooperation. Dialogue will be guided by the cooperation principles outlined in **Chapter 2**, and informed more specifically by the following principles:

- (i) ***Government leadership.*** The Governments should provide leadership at all levels of dialogue (strategic and sectoral). In this regard, partners agree to respect the compact between the Government and its citizens, which is the foundation of crucial domestic accountability;
- (ii) ***Inclusiveness.*** Participation of all key stakeholders at each level of dialogue should be encouraged with the view of enhancing ownership, transparency, accountability and sustainability. This way, the dialogue will promote inclusive development i.e. ensuring that average achievements improve and inequalities fall;
- (iii) ***Mutual trust, respect and accountability.*** Dialogue should be open, honest, and based on mutual trust and respect as well as providing equal opportunity to all partners. Dialogue should adhere to the agreed dialogue structures and uphold the sovereignty of the state. Mutual trust requires that partners act in honest, fair and reasonable way, and no party shall attempt to improperly exploit the other;
- (iv) ***Minimize transaction costs.*** Dialogue should minimize transaction costs through simplification of processes and procedures as well as rationalisation around the national calendar of policy and consultative processes. Connected to this, the Governments will promote a “quiet time”, a period in each annual cycle during which meetings, reviews and missions shall be avoided, to allow for the Governments' maximum focus on annual budget processes;
- (v) ***Effective information sharing.*** Information should be shared among stakeholders in a transparent, timely, clear and accessible manner. Fostering knowledge sharing networks is key to enriching conversations and to connecting policymakers, practitioners and other stakeholders. Information sharing requires strong information collection, analysis and dissemination mechanism; and
- (vi) ***Inbuilt monitoring.*** A joint follow-up mechanism will be established to assess how the dialogue outputs feed into policy processes. Other objectives of monitoring are to catch problems and



divergence from agreed principles and conduct early, ensure resources are used efficiently, help organisations learn from their mistakes, establish good practices and help organisations replicate them.

3.5 Shared Development Vision

A "shared vision" in development cooperation refers to a collective understanding and agreement among various stakeholders about the goals, values, and strategies for Tanzania's development agenda. Generally, it entails the following:

- (a) ***Common Goals:*** A shared vision means all parties involved agree on the main objectives of the development effort. The shared development vision is the Tanzania Development Vision 2025, Zanzibar Development Vision 2050 and their successor documents adopted by the rightful Tanzanian authorities;
- (b) ***Aligned Values:*** It is not just about agreeing on goals, but also about having aligned values. This involves understanding and respecting each other's perspectives, cultural contexts, and priorities;
- (c) ***Collaborative Strategies:*** Developing a shared vision involves creating strategies and plans that everyone is on board with. This means discussing and agreeing on the methods and actions needed to achieve the goals;
- (d) ***Mutual Benefits:*** A shared vision ensures that all stakeholders can see the benefit from the collaboration. When each party recognizes how the project aligns with their own goals and needs, it fosters commitment and cooperation; and
- (e) ***Ongoing Communication:*** Maintaining a shared vision requires continuous dialogue and feedback. Regular communication helps address any misunderstandings, realign goals if needed, and ensure that everyone remains engaged and motivated throughout the project.

3.6 Dialogue Structure

The dialogue structure is intended to ensure effective and broad participation of all partner groups in the development dialogue process. In this regard, the following shall be the structure for dialogue:

- (a) ***High-Level Strategic Dialogue (HLSD)***
This is the upper most level of stakeholder engagement which takes place once a year. It is a culmination of a year-long dialogue processes upwards from the Sector level dialogue/reviews. This forum is dedicated to high level deliberations on the overarching strategies for development, including plans, implementation, results, matters related to financial commitments or development,



and any reports on DCF implementation. The main purpose will be to share knowledge, information and experiences, and reflect on alternative policies and strategies for the country.

The dialogue will be led by the ministry responsible for finance (URT and RGoZ), which also provides an interface for strategic interactions between the respective Government Ministries and other stakeholders such as Private Sector and Civil Society.

(b) ***Technical Level Strategic Dialogue (TLSD)***

This is a technical-level engagement between the Government and Development Cooperation Partners which will take place once every year, and in any case will convene at least a month before the High-Level Strategic Dialogue.

This forum will facilitate the deliberation on agenda for the HLSD. The HLSD agenda will be informed by key issues emanating from sector reviews. It will also deliberate and approve the theme for the HLSD. The TLSD will receive, and consider the report on the implementation of DCF & API-DCF, in addition to the “DCF Monitoring Index” Report.

This meeting will draw participation from the Government (at the level of Permanent Secretaries), Development Partners (at level of Heads of Cooperation), private sector and CSOs. Dialogue at this level will be coordinated by the ministry responsible for finance (URT and RGoZ).

(c) ***Sector Level Dialogue:***

The Governments and Development Partners are collaborating to implement a number of Government-led sector-specific programmes that benefit from mutually agreed dialogue processes. Existing structures and modalities for engagement at the sector level will largely be sustained under the DCF but subject to reviews from time to time as may be agreed among the relevant partners. The dialogue at this level will be led by the respective Governments lead ministry for the sector, and will draw participation from the Government, DPs and NSAs including Private sector.

A comprehensive review of the sector working groups will be carried out to identify and replicate best practices across all sectors of the economy. The review may also look at basket fund arrangements with a view to enhancing the instrument's effectiveness.

There will be one Sector Review for each sector annually. The sector review will be informed by the sector performance reports based on jointly agreed indicators.

(d) ***Engagement with the Ministry responsible for Foreign Affairs:***

Should an issue arise which threatens the underlying principles of cooperation, the Governments and DCPs will immediately engage through dialogue to ensure trust and confidence are sustained. Such meetings may be called by either of the parties and will be led by the ministry responsible for



foreign affairs. While the discussions are ongoing, DCPs are expected to refrain from taking pre-emptive actions that could undermine budget implementation.

3.7 Engagement by Representation

With the open-door policy, the Government is committed to engaging all development stakeholders. The Development Cooperation Framework fosters broad participation and inclusive dialogue, ensuring diverse stakeholder representation. The Government also recognizes the need to create an environment that enables full and effective engagement.



CHAPTER 4

FINANCING INSTRUMENTS AND ARRANGEMENTS

4.1 Introduction

Besides the centrality of policy engagement and goodwill, financing and related arrangements form an important part of development cooperation. Development Cooperation Partners, within the provisions of their respective financing agreements and frameworks, will continue to explore technical and financing support for national development plans and strategies. This support will be provided through various financing instruments including General Budget Support (GBS), Sector Budget Support (SBS), Basket Funds (BF), Direct to Project Funds (DPF), Technical Assistance (TA), Capacity and Institution Development, Public Private Partnership (PPP), Aid for Trade (A4T), Climate Funds, mobilizing private investors and other development financing instruments. Several other modalities may also be sought and blended to achieve a particular objective. The Governments will continue to emphasize full integration of development resources into the respective Government's budget and exchequer system, in order to achieve effective planning, implementation, monitoring and accountability.

4.2 Financing Instruments

The following financing instruments will be used by Development Cooperation Partners as overarching modalities to deliver development support to the Governments:

4.2.1 General Budget Support (GBS)

General Budget Support funds are disbursed through the recipient government's financial management system without being earmarked for specific uses. It is the Governments' preferred financing instrument as it aligns with international commitments and the Constitution of the United Republic of Tanzania and Revolutionary Government of Zanzibar (RGoZ). The conditionalities usually focus on macroeconomic credibility, economic management and financial accountability. GBS strengthens national budget and accountability processes, with funds treated like domestically mobilized resources. Accountability for how the resources are spent relies solely on Governments systems. The GBS mechanism is designed to reduce transaction costs, promote alignment to national priorities, and increase harmonization and transparency.

4.2.2 Sector Budget Support (SBS)

This is like a modified General Budget Support instrument that is meant for sector specific programme, where funds are disbursed/provided directly to the Government's budget without conditions as to their use. SBS is based on implementation progress of pre-agreed set of reforms or indicators in a given sector or programme. SBS ranks close to GBS in terms of alignment with government ownership and leadership but



is slightly lower due to its attached conditions and disbursement triggers, which establish performance thresholds for fund release.

The Governments will agree with participating Development Cooperation Partners on the respective sectors or programmes, the indicators, and amounts to be provided against achievement. In the interest of keeping transaction cost within rationally acceptable range, Governments may set minimum criteria for the instrument including necessity for delegated funding arrangements in case interested participating partners if they so wish. When disbursed, SBS resources are channelled directly to the Governments' budget, subject to full contestability in its allocation, and flow through the Governments' accounting and accountability systems.

4.2.3 Basket Funds (BFs)

This is a financing modality that pulls together multiple Development Cooperation Partners to collectively finance a country's development programme at sector level, using harmonised procedures and processes. Management of this modality suffices the criteria for a Sector Wide Approach (SWAP), thereby increasing DCP alignment with Government policy, sectorial priorities and expenditure framework. This ensures greater Government ownership, flexibility and accountability over resource allocation and usage. The modality also reduces transaction costs within sectors by avoiding unnecessarily parallel implementation and management systems, structures and financing mechanisms.

4.2.4 Direct to Project Funding

There are two ways of channelling funds through this modality:

A. Project Funds through Exchequer System (C-Funds)

This is a financing arrangement whereby funds are channelled through the Governments' Exchequer Systems and the DCPs deposit funds in either the URT Government or RGOZ revenue accounts at the Bank of Tanzania, with a corresponding amount allocated to the target project in the Government budget.

B. Direct to Project Funds (D-fund)

This is a financing arrangement whereby funds, goods or services are provided directly to a specific project and have the project report to the Treasury, with relevant supporting documents to evidence the disbursement and purchases on the quantity and value of goods, equipment or services received. Direct to project funds will be utilized for instance in large scale infrastructure investment, especially when piloting particular service delivery innovations or policies before being mainstreamed in the normal Government



system, and also used for emergency aid where quick and localized service delivery is needed.

Financing of Government projects through this arrangement will be guided by the following principles:

- (i) The projects support national, sectoral and local priorities, as outlined in national strategies, plans and programs, and are based on a government(s)' request through the minister responsible for finance to have such activities funded through this modality. Where it is proposed that the modality be used for a particular project, the implementing agency shall indicate to the Minister why the direct to project funding approach is necessary or appropriate, and how the activities are designed to support and be integrated in local, sector, national strategies and plans;
- (ii) The projects are as much as possible integrated in the national budget process and hence subjected to contestability of resources within the Government budget process with equal level of accountability as other Governments' own resources;
- (iii) The projects continuously strive towards operating within Government structures, systems, regulations and procedures and are consistent with achieving sustainability/complementarities/low transaction cost and local ownership;
- (iv) The projects are designed and implemented under the same conditions as other Government funded activities; and
- (v) The projects align to the proper Government process for project and program approval.

Approval for using the Direct to Project funding shall be sought from the Minister responsible for finance, or an officer authorised as such by the Minister for that purpose.

4.2.5 Aid for Trade

Aid for Trade (A4T) is financial and/or technical assistance that facilitates the integration of Tanzania into the global economy through initiatives that expand investment in order to enhance trade. Trade has a potential to be an engine for broad based growth, thus lifting millions of Tanzanians out of poverty.

The Governments are expected to work with Development Cooperation Partners to mobilise market funds, including setting up structured funds from institutional and private investors to finance development programmes in Tanzania. For this purpose, the Government's aim to continually enhance the environment for private investment and business operations in the country. Public funds could also serve as a 'risk buffer' for private investors. The focus for this instrument will be to address the constraints to trade, and building private sector capacity to play its rightful roles.



For Aid for Trade to be meaningful, Development Cooperation Partners are expected to: -

- (i) Provide additional funding, considering that Aid for Trade should not divert resources away from other development priorities such as infrastructure, health and education;
- (ii) Scale up trade expertise and capacity by integrating trade and growth issues in DCPs aid programming as well as strengthening trade expertise;
- (iii) Invest in appropriate trade enhancing infrastructure; and
- (iv) Open markets for Tanzania goods and services.

4.2.6 Public Private Partnerships (PPPs)

Public Private Partnerships is a strong instrument for sourcing expertise and financing from the private sector to support implementation of Government development strategies. The Government Plans and strategies accord significant prominence to the modality as a tool to tap private sector contributions for their implementation. Through PPPs, financing will be sought for implementing key infrastructure and specialised social services projects as earmarked by the Governments in selected sectors or as per the Governments' priorities, and in accordance with existing legal, policy and institutional frameworks. With regards to identification, technical appraisal, procurement and management of PPP projects, the respective Government institutions and authorities will take a leading role in guiding the engagement of private sector stakeholders in the identified sectors in compliance with the PPP Policy; PPP Act, Cap 103; and the Public Private Partnership Regulations.

External DCPs are expected to support the Governments' PPP programmes by marketing such investment opportunities to prospective investors in their respective home countries, and providing facilitation and other support to prospective private sector partners to PPP projects. Governments will endeavour to build the needed capacity in key areas such as human and technical capacity in negotiation skills, design, project structuring and appraisal of PPP projects, procurement, risk profiling and risk allocation, among other skills areas. DCPs will be encouraged to collaborate with Governments to help build capacity in the identified areas. The use of export credit facilities and funding by development finance institutions based in DCP countries will also be particularly encouraged, in addition to locally available financing options.

4.2.7 Climate Finance

Climate finance incorporates public, private, and alternative financial flows at local, national, and transnational levels which aims to minimize the effects of climate change in the country. It aims to support adaptation (enhancing resilience to climate impacts) and mitigation (reducing greenhouse gas emissions). The climate finance should align with:



- (i) National priorities, including the National Climate Change Strategy (2012); National Climate change response strategy of 2021-2026; National clean cooking strategy of 2024-2034 and the National Adaptation Programme of Action (NAPA);
- (ii) International frameworks such as the Paris Agreement and the Sustainable Development Goals (SDGs), especially Goal 13 on climate action; and
- (iii) National Acts, Regulations and Guidelines on different aspects of implementing national interventions.

A. Mechanisms for Climate Finance Mobilization

A critical element of the DCF is the establishment of robust mechanisms to mobilize and manage climate finance. A dedicated Climate Financing Instrument or National Climate Green Fund is essential. This fund would serve as a central platform for pooling resources from various actors—domestic and international, public and private—and directing them toward climate mitigation and adaptation initiatives.

The fund should be managed by the ministry responsible for finance, and models from other climate finance facilities could be explored. These funds focus on mobilizing investments for projects that promote environmental sustainability and climate resilience.

B. Resource Needs Assessment and Strategic Allocation

The Governments should conduct comprehensive resource needs assessments to quantify the financial requirements for its climate response. This will help establish the magnitude of investments needed and guide resource mobilization efforts. Informed by frameworks like the National Climate Change Strategy and sectoral policies on agriculture, energy, and water, this assessment should ensure a balance between:

- (i) Adaptation measures (e.g., water management systems, flood prevention) and
- (ii) Mitigation efforts (e.g. renewable energy projects, reforestation).

Best practices from other countries highlight the importance of targeting both adaptation and mitigation. Striking this balance ensures comprehensive support for climate-vulnerable communities.

C. Institutional Leadership and Coordination

Clarification of the roles of key institutions should be as follows:

- (i) The ministry responsible for finance is responsible to manage the fund and oversee resource mobilization efforts and



The office responsible for Environment related matters - will retain the mandate for policy formulation and leads dialogues on climate-related issues, coordinating with the ministry responsible for finance. A joint leadership approach ensures that climate finance is aligned with national policies and international commitments.

D.Integration of Private Sector and Innovative Financing

URT should leverage innovative financing mechanisms to attract private investments in renewable energy and sustainable infrastructure while ensuring compliance with national laws and existing government frameworks and circulars. Private sector participation is vital to scale up climate finance. The Development Cooperation Framework encourage public-private partnerships (PPPs) and explore innovative financing mechanisms such as:

- (i) Green bonds to fund sustainable projects; and
- (ii) Carbon credits to incentivize emission reductions in line with the Paris Agreement

4.3 Financing Arrangements

Financing is an important component of the development cooperation on equal measure as the accompanying process such as dialogue which also serves as a complementary instrument for sharing ideas, consensus building, and learning. Financing will be considered part of development cooperation on the basis of the following principles:

- (i) It explicitly aims to support national development objectives;
- (ii) Is not driven by profits or other similar goals;
- (iii) Deliberately aims at creating new development opportunities; and
- (iv) Is based on a cooperative relationship that respects and seeks to enhance country ownership.

4.4 Use of Country Systems

In order to facilitate effective budget planning, execution and accounting, external resources to the Governments will be integrated into the Government budget and Exchequer system to the maximum extent possible. Integration of resources into Government budget and Exchequer system is a particular and specific requirement of the Constitutions of the URT and the RGoZ.

Development Cooperation Partners will inform the Government, according to the agreed timetable through agreed communication channels, of the full amount of funds committed over the Medium-term Expenditure Framework (MTEF) period. In enhancing alignment with country priorities and promote ownership, Development Partners are will share information on funds provided to NSAs and the nature of the programs funded. This will enable the government to consider these factors in its planning, avoid duplication, and ensure accountability for the NSAs.



The Governments expect DPs to increasingly disburse Official Development Assistance (ODA) through the Governments' budget and Exchequer systems to the extent feasible. DPs' pledges and commitments will be incorporated in national budget after mutual confirmation and agreement. The Governments prefer to receive preliminary commitments from DPs for the upcoming financial year during the first quarter and firm commitments in the second quarter of the ongoing financial year respectively. This approach aims to enhance the budget's effectiveness from planning to execution and evaluation stages.

The Governments are responsible for ensuring the timely release of funds to spending agencies, whose duty include the proper utilization and accountability for resources received. Aid commitments and disbursements made to the Governments and to NSAs will be reported by DCPs in the agreed platform in a timely and transparent manner and in accordance with the prevailing platform guidelines.

4.5 Disbursement arrangements for RGoZ

Besides assistance to Tanzania through the Government of URT, Development Cooperation Partners may also channel external resources to programmes, baskets and projects directly through the Zanzibar Exchequer system.

4.6 Procurement Arrangements

Development Cooperation Partners will, to the extent possible, work towards providing development assistance to the URT that is freely and fully available to finance procurement of goods and services from any country and source. Government procurement systems will be used to manage procurement in accordance with prevailing legislations including the Public Procurement Act No. 7 of 2011 (URT) and the Procurement and Disposal of Public Assets Act No. 9 of 2005 (RGoZ) and their Regulations, procedures and guidelines issued by the respective regulatory authorities. The country's procurement framework and related legal architecture provide for the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices, whereby preference may be given to national suppliers, contractors or consultants in specified and justified circumstances.

Development Cooperation Partners will work closely with the Government to address weaknesses and further strengthen Government procurement systems so as to attain international standards. Actions and processes for improvement will continue to be implemented and monitored jointly within the Public Financial Management Reforms.

4.7 Accounting and Auditing

Development Cooperation Partners will increasingly use URT accounting and auditing procedures and systems in line with the Public Finance laws (Act No. 6 of 2001 for URT as revised in 2004 and the Public Finance Act No. 12 of 2005 for the RGoZ and the respective Regulations). The Governments will maintain capacity to provide reliable and timely accounting and audit reports at all levels. The National Audit Office



and Office of the Controller and Auditor General for URT and Zanzibar respectively will continue to take actions and develop indicators to improve public sector accounting and auditing in line with international standards within the Public Financial Management processes which will continue to be jointly monitored.

4.8 Capacity and Institution Building

The Governments recognise that innovations in capacity development and institution building are essential for Tanzania, and that the country would benefit by learning from other countries that have already graduated to upper middle-income status with respect to strengthening state capacities, in the quest of speeding up efforts towards achieving the upper middle-income status having recently successfully attained the lower middle-income status. It is further appreciated that in the wake of the country's ambition to attract more private capital to accelerate growth and development, world-class skills are required in the country across a range of areas, including but not limited to engagement with the private sector, negotiating commercial deals, financial sector management, trade policy, and managing external debt.

Although Tanzania's capacity has increased significantly compared to the situation at the commencement of reforms, it is also recognised that the country's challenges continue to evolve as well, impacted in part by an increasingly sophisticated economic environment, increased domestic resource capacity, discovery of valuable natural resources, a young, increasing and better educated population, climate change challenges, increased reliance on private sector initiatives, among many others. The challenges now faced in managing Tanzania's development are fundamentally different and likely to undergo further metamorphosis, and therefore demand more innovation going forward.

To ensure broad based and sustained capacity across the public sector, the Governments and DCPs will critically review the narrow focus of technical assistance through project funding, so that the efforts may be expanded to encompass leadership and management skills needed for management of an emerging middle-income economy. The Governments will strive to put in place clear institution-specific staff development programs to ensure effective institutions across the public sector. DCPs will be encouraged to work with the Governments to support these programmes. The Governments will also work with DCPs and set up a capacity development fund to support the national capacity development efforts.

4.9 Financing Arrangements for Non-State Actors

The Governments will continue to foster and maintain the independence of national and international Non-State Actors (NSAs) operating in Tanzania to manage their own resources. This entails that DCPs may continue to provide direct development assistance to NSAs in line with prevailing national policies and regulations, particularly the NGO Act of 2002 (URT) and the Tanzania Non-Governmental Organizations (Amendments) Regulations, 2018. At the same time, NSAs will be required to maintain a high level of transparency and accountability, and share information on their activities and financial resources with their



own constituents and the Government. DPs too will be expected to share information about their assistance to Tanzania through NSAs for general public awareness. This will, among others, allow the Governments to take NSAs' activities into account in the planning process and thus avoid duplication of efforts, enhance alignment to the country's priorities.

The Governments will work closely with NSAs and other stakeholders to facilitate the development and adoption of standards/codes of conduct for NSAs' transparency and accountability, including the specification of narrative and financial reporting formats.



CHAPTER 5

ROLES AND RESPONSIBILITIES

5.1 Overview

Implementation of the Development Cooperation Framework (DCF) will involve all key stakeholders including the Governments, Parliament and House of Representatives, Development Partners (DPs) and Non-State Actors (NSAs) including Private Sector. This Chapter outlines the major roles and functions of the key actors in the DCF.

5.2 Key Actors

5.2.1 The Governments

The Governments have a distinct role to play in managing the development process including the cooperation agenda. This entails leading the country's development process, determine priorities, and allocate public resources through inclusive consultative processes. They take responsibility for effective and equitable service delivery, and for ensuring that public expenditure adequately reflect economic growth and poverty reduction targets outlined in national development priorities. Further, the Governments will continue to improve the business and working environment for all development stakeholders to foster national development.

5.2.2 Development Partners

Development Partners will contribute resources to development priorities that create sustainable development outcomes. They will promote a greater sharing of ideas and strategies which enhance national ownership and leadership on development cooperation. Further, they will actively participate at various levels of dialogue and advise the Government and other domestic stakeholders based on an agreed division of labour. DPs are mutually accountable with the Governments to domestic stakeholders and to each other for their actions in fulfilling their shared commitments in development cooperation. They will facilitate domestic accountability by being transparent in the provision of their development assistance to all domestic stakeholders, and by making increasing use of Government systems.

5.2.3 The Parliament and the House of Representatives

The Parliament and the House of Representatives have the responsibility to scrutinize and approve the national budget as well as overseeing Government activities. They will hold the Government accountable for public funds and its performance in achieving development goals and answer back to their electorates on these issues, thus enhancing domestic accountability.

5.2.4 The Private Sector

Private sector participation is essential to implement the country's development strategies. The Governments recognize the private sector as the vital engine for growth through production of goods and services and creation



of employment, thus contributes to domestic resource mobilization. The private sector also provides support through corporate social responsibility initiatives that continue to invest directly in community development and welfare schemes. The Governments' partnership with the private sector will be enhanced through the PPP and private sector investment programmes.

5.2.5 Non-Governmental Organizations and Civil Society Organizations

Local as well as international Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs) will continue to enhance resources contribution and citizen engagement through delivering services to the community. Also, they will participate in planning, policy formulation, implementation, monitoring and evaluation of development strategies and programmes. Further, they will disseminate relevant information to the public with attention to credibility and transparency.

5.2.6 Academic and Research Institutions

Their roles include generation of policy evidence and options, sharing knowledge and offering advice to the Governments and other development stakeholders. Moreover, they facilitate domestic and mutual accountability amongst DCPs by conducting independent monitoring and evaluations of the development cooperation.

5.2.7 Media

The role of the media is to inform and create public awareness including on support, program, projects and activities undertaken by the Development Cooperation Partners. The media also reports on citizens' views about those activities and their level of satisfaction with the results. Their role is key in enhancing transparency and accountability.

5.3 Division of Labour

The aim of Division of Labour (DoL) is to streamline and coordinate engagement of DCPs at sector level. In order to achieve a more even engagement of stakeholders in sectors and thematic areas and reduce transaction costs, stakeholders will rationalise the number of sectors or cross-cutting/thematic areas that they may engage in according to comparative and competitive advantages. Within the same range, the number of DCPs that are active in a sector or thematic area will be limited to an appropriate level, depending on the needs and capacity of the sector/thematic area.

The DCPs outside a particular sector/thematic area will be represented by active partners, who will serve as delegating partners. These partners can still assist within delegated cooperation framework, regardless of the support distribution. Generic Terms of Reference (TORs) will form the basis for sector-specific TORs, guiding stakeholder roles and responsibilities. Flexibility will be maintained to allow new resources and active DCPs to enter sectors, and for capable DCPs to take on leadership role where appropriate.



CHAPTER 6

MONITORING AND EVALUATION

The main objective of Monitoring and Evaluation (M&E) activities is to assess the progress towards set targets, outputs, and results in order to provide space for evidence-based dialogue between the Government and Development Cooperation Partners.

The Government and DCPs will regularly monitor and evaluate their performance relative to jointly agreed principles and commitments, indicators and targets in order to assess their progress towards development effectiveness. Formulation of DCF monitoring indicators and targets will be drawn from and guided by broad principles reflecting the internationally agreed Paris, Busan principles, and other major pronouncements made during the two post Busan High Level Meetings, the first in Mexico City in 2014, and the second in Nairobi in 2016, as well as any subsequent global frameworks and as adapted to the Tanzanian context.

Monitoring and evaluation of DCF will take two forms:

A. Joint Monitoring and Evaluation:

The Government and DCPs will undertake an annual joint review of implementation of this DCF, to be conducted once every fiscal year. This review will be guided by a jointly agreed assessment tool; that entails a set of actions and/or indicators, and/or targets jointly developed and agreed by Governments and DCPs. The review will, to the greatest extent possible, use the existing Government processes as the main avenues for information generation, detailed discussions, and dialogue. Monitoring and evaluation will be integrated in the regular monitoring and evaluation systems of MDAs, Regions and LGAs through sector reviews. For this purpose, internal monitoring and feedback reporting mechanisms will be established and strengthened.

B. Assessment by Independent Monitoring Group

The Government and Development Stakeholders will jointly commission an Independent Monitoring Group to undertake a mid-term and terminal assessment of their performance in implementing the DCF proposed actions to achieve agreed targets. In undertaking the terminal assessment, the IMG will also look at the country's progress towards meeting the international objectives and commitments on development effectiveness, as well as its own development targets. The IMG exercise contributes in strengthening mutual accountability between the Government and DCPs. It also facilitates increased mutual accountability through dissemination of the report to the general public and inspire debate on the findings.



CHAPTER 7

RISKS AND MITIGATION MEASURES

7.1 Introduction

The United Republic of Tanzania has a history of successful aid management systems, for which credit should be accorded to the processes of Tanzania Assistance Strategy (TAS) and Joint Assistance Strategy for Tanzania (JAST) and the teams on both sides that managed the processes. The IMG mechanism has also been considered a best practice to evaluate performance of development cooperation between the Government and Development Cooperation Partners. However, various factors may put the implementation of this DCF at risk. The main imaginable risks in the implementation of this DCF are political, economic, institutional, operational and fiduciary risks.

7.2 Political risks

In implementation of key national policies, there are associated risks of non-implementation, deviation from certain principles or even reversal of the Governments' and Development Cooperation Partners' policies due to political expediency or simply due to other adverse political events.

To mitigate the risks that Development Cooperation Partners reverse their commitments to DCF, the following measures will be considered:

- (i) Firm Government commitment in the implementation of the DCF;
- (ii) Strengthen citizen awareness, collaboration and engagement of key stakeholders (Members of Parliament, Members of the House of Representatives, Councillors, and NSAs) in the process of formulation and implementation of DCF;
- (iii) Use DCF Principles as a guide in the formulation of bilateral agreements and Country Assistance Strategies by Development Cooperation Partners;
- (iv) The Government and Development Cooperation Partners will engage in consultation and dialogue at the appropriate level for decision-making in case of a divergence from DCF partnership arrangements by either party; and
- (v) Development Cooperation Partners will consider their commitment pursuant to the international commitment including Paris Declaration (PD), the Accra Agenda for Action (AAA), the Busan Partnership for Effective Development Cooperation, and the Nairobi Outcome Document on Global Partnership for Effective Development Cooperation.



7.3 Economic Risks

Over time, both Governments and DCPs are faced with far reaching economic and financial risks, including from adverse effects of climate change, the evolving geopolitical environment and a threat of unforeseen pandemics, all with potentially significant adverse bearing on the implementation of DCF.

Mitigation measures against these include maintaining space for rescue packages, effective management of available resources and improved productivity, enhance value chain processes, diversification of exports, building and maintaining more competitive capacity, well-articulated short, medium and long-term development plans and strategies and utilization of existing alternative resources (for example, gas and coal, hydroelectric power) to sustain core productive capacity.

7.4 Institutional and Operational Risks

The complex nature of institutions and operations existing in the United Republic of Tanzania as well as Development Cooperation Partner countries bring about intricate challenges to manage the processes of coordination and dialogue among the partners. There are four types of institutional risks foreseen:

- (i) **Horizontal challenges:** effectiveness of coordination of the interface among MDAs, Region Secretariats and LGAs;
- (ii) **Vertical challenges:** hierarchical relations and coordination between the MDAs and the Local Government bodies;
- (iii) Challenges in interfacing with bodies outside the government (Private sector and other NSAs); and
- (iv) **Independent oversight institutions:** the capacity and practical mandates to conduct supervision and/or enforce compliance, particularly the Parliament, House of Representatives and Supreme Audit Offices (Office of the Controller and Auditor General (OCAG) and National Audit Office (NAO).

To mitigate these risks, the following measures will be undertaken:

- (i) The Governments will exercise bold leadership in all matters pertaining to implementation of the DCF, with particular strong roles played by the Ministries of Finance and the respective Planning Commissions. This requires additional strengthening of the capacities of these institutions so that they can effectively affirm the Governments' role of ownership and leadership;
- (ii) Publication of DCF document and raising awareness among Government officials in all MDAs, Regions and LGAs of the content, benefits and functioning of the DCF;



- (iii) MDAs to be more transparent on their roles and responsibilities in implementing DCF; they will provide relevant data and updated information; and
- (iv) Regular monitoring and reviewing the DCF implementation process, working closely with the DPs and NSAs; in this process, the IMG initiative will be reinvigorated and its recommendations will be implemented systematically.

The risk faced with respect to the DCPs' non-compliance with the DCF will be mitigated by:

- (i) Enhancing transparency, especially by collecting requisite data through established data management systems;
- (ii) Improving institutional memory by reducing staff turnover in Development Partners' country offices; and
- (iii) Working through established intra-DCP fora such as the Development Partners Group (DPG), Non-traditional Partner representatives at the country level may develop shared norms and understandings through repeated interactions and use this to apply peer pressure to influence their colleagues to comply with the DCF spirit, based on international obligations on development effectiveness.

7.5 Fiduciary Risks

Fiduciary risks arise from public funds (i) not being properly accounted for; (ii) not being used for their intended purposes; (iii) not representing value for money; or (iv) Untimely and inadequate disbursement of funds against commitment. It covers the budgetary process, as well as the effectiveness of the financial and legal systems.

In this context, the Government will take seriously the ownership over fiduciary risk management and assessment and will strengthen or establish appropriate systems for this purpose. DCPs will be encouraged to harmonise their fiduciary requirements and safeguards.

Measures to be undertaken by the Governments with the support of Development Cooperation Partners and other partners to address fiduciary risk include the following:

- (i) Encourage DCPs to work with the Governments to improve financial accountability mechanisms of the two Governments, especially by improving the PFM systems;
- (ii) Continue to strengthen strategic and programmatic budget planning and execution as well as effective operation of the financial management and accountability systems at all levels;
- (iii) Continue to emphasize the use of an efficient and effective procurement system;



- (iv) To improve transparency in public spending, including carrying out open Public Expenditure Review (PER);
- (v) To continue and strengthen national anti-corruption measures; and
- (vi) To continue carrying out an open and frank policy dialogue on public financial management and accountability issues.



GLOSSARY OF TERMS

In the context of development partnership in Tanzania, the below listed terms have the following meaning:

Development Cooperation Framework (DCF)

This is a strategic document of the URT that reaffirms ownership and leadership of the development cooperation management processes. DCF gives a broad overview of the cooperation processes and partnership between the URT and her Development Cooperation Partners (DCPs) towards achieving development goals and objectives.

Development Cooperation Partners

These are stakeholders contributing to Tanzania's efforts towards development which include The Government, DPs (Development Assistance Committee - DAC and non-DAC partners), and NSAs (, Academic and Research Institutions, Media, Civil Society Organisations and other Non-Governmental Organisations) the private sector.

Five Year Development Plan III

The third Five Year national Development adopted by the Government of the United Republic of Tanzania to guide the nation's development effort over the period 2021/22 – 2025/26. The plan focuses on realizing competitiveness and industrialization of for human development that aims at increasing efficiency and productivity in manufacturing using resources available in abundance in the country.

Governments

For the purpose of this document, Governments refer to the Government of the United Republic of Tanzania (URT) and Revolutionary Government of Zanzibar (RGoZ).

Exchequer system

The Exchequer System is a system for capturing and accounting for all resources available to the Government and expenditures by the Government. It involves the depositing/channelling of public financial and non-financial resources through the Government Consolidated Fund and appropriation from it by the Act of Parliament and accounting for them by the Minister for Finance. The current Government Exchequer system is managed in a computerized Integrated Financial Management System.



Medium-Term Expenditure Framework (MTEF): The MTEF is the Government's budget planning tool, providing a resource framework for five financial years on a rolling basis.

Public Expenditure Review: A process aimed at improving fiscal policy formulation and management whereby working groups comprising of representatives from the Government, DPs, academia, the private sector and civil society organizations agree on an analytical agenda to improve Government spending plans, finance analytical studies, and follow implementation of resulting recommendations.

Zanzibar Development Plan: The medium-term Plan adopted by the RGoZ to guide its development efforts. ZADEP is an implementation tool of the Zanzibar Development Vision 2050.

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