



Executive summary –

Panel of Experts

Macroeconomic policies and Fiscal Reforms in Tanzania

Presentation of the project's first research study and related findings

10th and 11th of December 2020

Pilot 4 Research and Dialogue - <https://pilot4dialogue.com>

DAY I. 10th of December 2020¹

Attendance

1. Milou Vanmulken, EUD
2. Dr. Donath Olomi, IMED
3. Hans Determeyer, expert
4. Nicodemas C. Lema, expert
5. Prof. William Pallangyo, expert
6. Semkae Kilonzo, expert
7. Dr. Kennedy Wainyaragania, Expert
8. Dr. Kaihula Bishagazii, Expert
9. Prof. Élise Féron, TAPRI
10. Dr. Pascaline Gaborit, Pilot4dev
11. Emmanuel Rivéra, Pilot4dev
12. Bram De Smet, TAPRI

Apologised for absence

1. Richard Rugimbana, Expert
2. Deusdedit Rwehumbiza, Expert
3. Vidah Malle, National authorizing officer

The objective of the panel was to discuss the methodology, the findings, and the 2 case studies of the first project study's interim report **Macroeconomic policies and Fiscal Reforms in Tanzania: positive developments**.

The panel started with welcoming words by Prof. Élise Féron the lead partner and a reminder on the context by Milou Vanmulken from the EU delegation. It was followed by a presentation from all the partners TAPRI, Pilot4dev, and IMED, as well as a round table introduction from the experts.

The research team of Dr. Kaihula Bishagazi, and Dr. Kennedy Wainyaragania presented the research methodology in depth, followed by a presentation of the study's first round of findings.

The partners looked into the methodology highlighting the steps but also the difficulty in the comparison of secondary data (from the NBS and other sources), and the difficult timing before and after the national elections, which generated suspicion among the key informants. It was suggested to add references in a system of footnotes... It was also suggested to analyse the assumptions behind the data to illustrate better how we reach these figures.

The data for 2020 is not entirely available yet, but it can be used for the outlook or forecast. It is also important to indicate clearly which figures apply before and after the COVID 19 crisis.

In this area, it will be difficult to make forecasts, as some sectors like the tourism sector have been more affected than others. But still, no important economic sector should be a priori excluded. On the methodology, we agreed to circulate a template with the suggestions and the recommendations on the study.

Regarding the content of the study, **the research team** of Dr. Kaihula Bishagazi, and Dr. Kennedy Wainyaranaga presented the main findings, highlighting the achievements, and the gaps.

Questions and comments came up from the participants about the communication of the FYDP to the Tanzanian population - as many people were not informed about its objectives - the questions of governance to work on a global information system among the tiers of administration on the implementation of the FYDP II.

The participants and experts had additional questions and recommendations on the business environment which has deteriorated, the question of the agricultural sector which has a slow contribution to GDP, and which will also be affected by the pandemics. In this regard, recommendations on the technology uptakes could be looked at. Questions arose on the FDI to be elaborated upon, as well as on the flagship projects and on how to explain that some of them did not achieve completion.

The question of how to integrate the informal economic sector in the approach has been discussed, while the research team highlighted the need to revise the set of indicators, to be better fitted with the reality and with the needs. This is something that the project could look at.

A main cross-cutting priority has been identified with the question of youth employment which has been highlighted by Dr. Olomi from IMED, with the question on how to bridge the gap between the number of graduates (which is an achievement/outcome); and the needs in terms of opportunities' for youth. This youth unemployment is not only depending on financing, but also on skills, opportunities, and mindsets. The digital economy may be a game-changer in this.

Finally, the project could have a look into how to plan, replicate, scale up reforms, and see what is working, and what is not working for the future developments (and indicators) and to inform future dialogues.

The afternoon session focused on the presentation of 2 interesting case studies: the question of the fiscal reforms in the extractive industries, and the implementation of the S.D.Gs in the FYDP.

The first case study on the extractive industries introduced an example on how a multi-stakeholder dialogue could lead to efficient tax reforms and bring positive results to the surrounding communities, while also considering, security, their external environmental impacts, and their economic potential also in link with other economic sectors. Dr. Olomi suggested that the research team interviews the associations of artisanal and small mining industries and the association of large mining industries to elaborate on the case study.

The second case study illustrated the difficulties in assessing the implementation of the SDGs, especially also because of the 2020 global context and, due to these difficulties, it was decided to integrate it as a key section and to highlight the recommendations on the stakeholders' engagements, conclusions and recommendations to include them into the 3rd FYDP.

The day ended with a wrap up and summary from the lead partner.

Day 2. 11th of December 2020

Attendance:

1. Milou Vanmulken, EUD
2. Dr. Donath Olomi, IMED
3. Hans Determeyer, expert
4. Audax Rukonge, expert
5. Dr. Kennedy Wainyaragania, expert
6. Prosper Kawiche, expert
7. Dr. Kaihula Bishagazii, expert
8. Prof. Élise Féron, TAPRI
9. Dr. Pascaline Gaborit, Pilot4dev
10. Emmanuel Rivéra, Pilot4dev
11. Bram De Smet, TAPRI

Apologised for absence

1. Richard Rugimbana
2. Deusdedit Rwehumbiza
3. Vidah Malle, NAO

The second day started **with a presentation on the presentation of the study's main steps and milestones.**

The next steps will involve data collection in Mwanza (Nyamagana & Nyamagana). Nyamagana is a higher area, and Nyamagana is a lower area. The data collection will be comprised of interviews and visit with traders, youth, and women to take into consideration the marginalized groups.

The festive period (two weeks) will be used to start the analysis of primary data and incorporate it into the report. At the beginning of January, the data collection will be finalized and will be followed by two weeks of data cleaning.

By the end of January, the incorporation of data analysis will be finalized to allow the team to submit the draft report. The experts will receive a draft report before the final version is delivered.

Consultation event in Arusha, March 2021.

The project will organize 3 consultation events in total, each corresponding to one of the studies.

The first consultation event is planned to take place in Arusha at the beginning of March 2021. About 100-200 participants had been initially targeted including key stakeholders, but we will probably have to reduce this number to 30-40 to cope with the current situation.

The aim of the event will be to answer key objectives: enhance the quality of dialogue in Tanzania (public debate/social media) & to increase the availability of relevant information by circulating the results of the study and by presenting them in public conferences.

The event will target a very broad audience, in order to foster an integrated approach, and to relate the results of the study to local challenges.

Depending on the sanitary situation the plan for the event may be altered. A plan B will be discussed in January. Plan B could include a dialogue with key participants (10) carefully chosen, live streamed in high quality so that other participants can join online.

The question of how to respect sanitary recommendations during a potentially large collective event was raised.

It could be interesting to mix the 5 years development plan theme with the different themes. It can be done under different formats, including case studies. Relating to the 5-year development plan to the local situation in Arusha would make the event even more appealing.

For instance, one of the themes of the consultation event could be a presentation on the fiscal reforms of the 5-year plan. The current plan had focused on the industrial transformation and on the human involvement. If we plan to make a presentation along those lines, we will have to invite stakeholders from the Ministry of Industry and the Planning Commission. It needs to be open in terms of participation. The Ministry of Trade can equally be considered for participation. People from vocational training data & the Ministry of Education could join to address the issues related to human development. We can equally invite a few representatives from the Standing Parliamentary Committees. Government officials may need a special attention in terms of work and invitations.

If we hold a mostly online event, we could structure it around half-days sessions focusing on different topics, for instance mining, business environment, fiscal actors. Approaching a case study would be more impactful in person.

The budget for the organisation of the event is of 10.000€ maximum. This means that if needed, the event could be subcontracted.

Due to the context in Tanzania, online meetings vs. in-person events can be very different. The impact of the consultation event's format will be further discussed. For instance, it would be possible to involve local/national media to improve the outreach of the event. The event can also be livestreamed.

The event will need to be thought provoking and have good material. The mining sector will be key in Arusha.

Although a consensus emerged on addressing mining as a main case study, it was also recommended to wait for the study's results before we can move further. We will need one or two months for the full preparation of the event. We need to be careful on the number of participants. An email will be sent in January/February to have gather suggestions on whom to invite.

Project's next steps and invitations by the P4RD Team

- The results of the 1st study will be out in March 2021.
- A 2nd study call was issued in late October. Because of the inadequate quality of the first proposals that were received, it was relaunched call with a deadline of the 6 January 2021.
- The interim report for the 2nd study is expected to be out in April 2021.
- The work on the handbook and book are ongoing. They will be published at the end of 2021.
- A workshop on the book will take place in Dar and/or online in March 2021.
- The first consultation event will take place in Arusha and/or online in March 2021.
- The 2nd Panel of Experts with results on the second study will be organised in April/May 2021. There needs to be three months between the Panels of Experts and Consultation events, in order to leave research teams enough time to integrate the feedback received.
- The 3rd study will be launched in Spring with the corresponding 3rd Panel of Experts expected to happen in June 2021.
- The three studies will be completed by the end of 2021, as foreseen.
- Normally a study takes 6 months (Start of the contract, Panel of Experts, and Consultation Event). Due to COVID-19 this might be lengthened a bit for the 2nd and 3rd studies.

The event ended with thanks and congratulations to the teams, while the next steps will be taken in the following weeks. The organizers would like to thank again all the participants.