

UNITED REPUBLIC OF TANZANIA



Prime Minister's Office

**The Government Roadmap for Improvement of Business Environment and
Investment Climate in Tanzania**

**Business Environment Focal Persons Orientation
Meeting**

21-22, MARCH 2017

BACKGROUND

- BE Reforms in the context of PSRP since 2000 in Tanzania
- Govts pursue BE Reforms to enhance efficiency in public service delivery to the private sector:
 - ✓ Minimize the **TIME** required to comply with business regulations
 - ✓ Lower the **COST** of doing business
 - ✓ Streamlining and Harmonization of **PROCEDURES**
- From **BEST PROGRAMME** to the **ROADMAP** (Government Roadmap for Improvement of BE and Investment Climate in Tanzania).
- The Ease of Doing Business Indicators
- BE Reforms under the BRN! Initiative
(BE Lab Recommendations and NKRAAs)

POLICY CONTEXT

- The Government Roadmap for Improvement of Business Environment and Investment Climate in Tanzania was endorsed by the Govt. vide Cabinet Paper No. 48/2009-10 of July, 2010
 - ✓ Provides a robust **Governance Structure** and Institutional Framework for implementation of BE Reforms
 - ✓ Provides a **Comprehensive account** of the Ease of Doing Business Indicators in any economy (OECD, WB, WEF)
 - ✓ Provides means for creating **enabling business environment for the private sector** and enhancing the country's **competitiveness**

POLICY CONTEXT ...

- **Institutional Framework of the ROADMAP**

- ✓ **Thematic Technical Working Groups (TWGs)** at the technical level is formed by the **Business Environment Focal Persons** from implementing Agencies and the relevant **Private Sector Organizations (PSOs)**.
- ✓ **DPPs Task Force** is formed by **Directors of Policy and Planning** from the implementing Agencies with the role of ensuring that business environment activities are adequately reflected in the sector **Strategic Plans** and **MTEF**.
- ✓ **Permanent Secretaries and CEOs Task Force** is formed by **Permanent Secretaries** and **CEOs** of implementing Agencies and **Private Sector Organizations** with the role of making strategic decisions and providing oversight
- ✓ **Reform Coordination Unit** is constituted in the **Office of the Chief Secretary, President's Office** as an **Oversight and Appeal Body** for all reform programs; with the role of resolving any inter-ministerial challenges that may be encountered

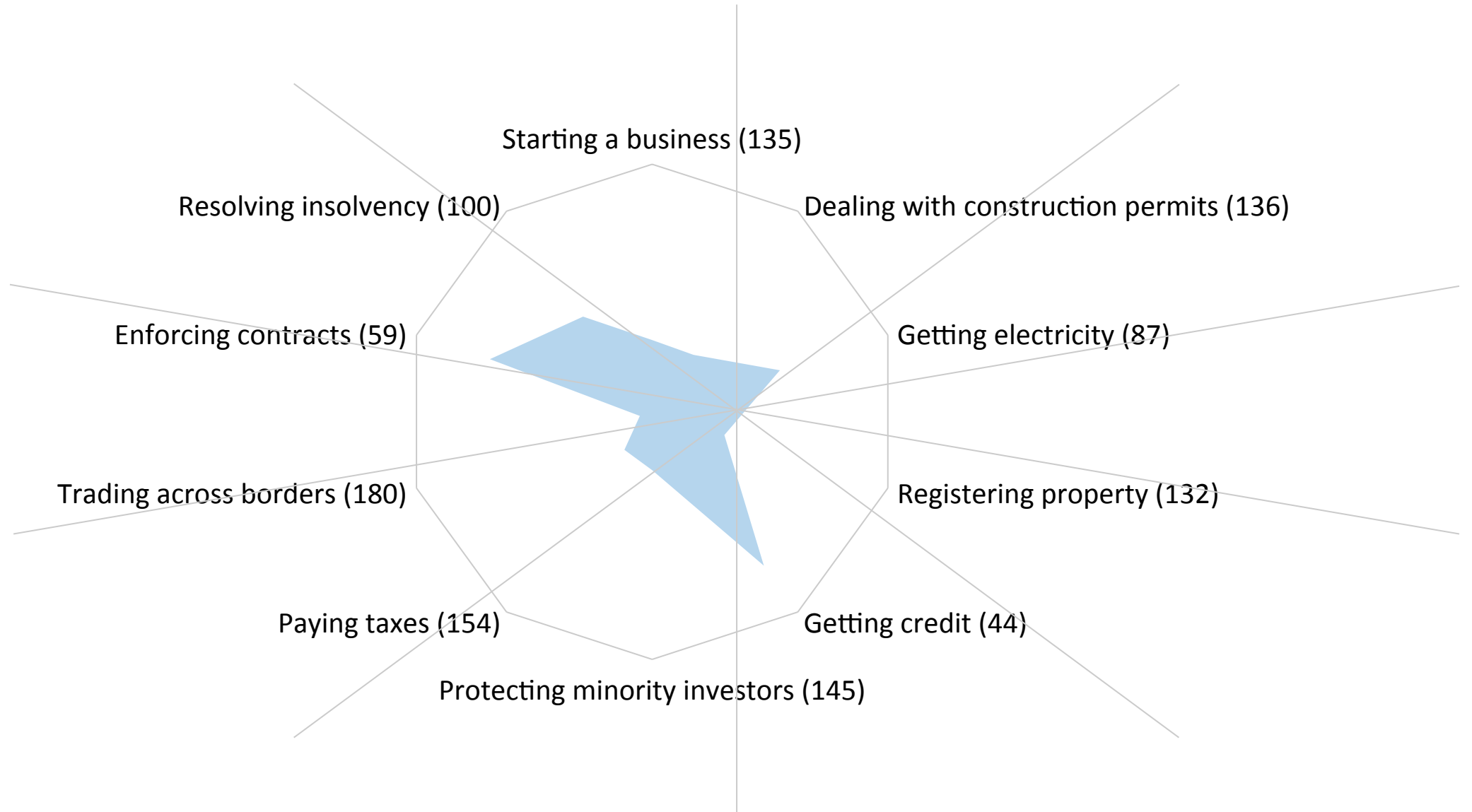
POLICY CONTEXT ...

- The overarching goal of the ROADMAP is to achieve higher rates of shared and inclusive economic growth
- Critical catalyst for propelling Tanzania's economy into the Middle Income industrialized status by the year 2025 (Tz Development Vision - TDV, 2025).
- BE Reforms are enshrined in the Second Five Year Development Plan (FYDP 2).
- Regulatory Reforms (Policy, Legal and Administrative Processes) – crucial for achievement of a double-digit ranking in the WB Ease of DB Report.
 - ✓ Tanzania's Ranking: DB 16 (**139**), DB 17 (**132**)

POLICY CONTEXT ...

- “Nations develop ... by implementing bold policy and institutional reforms” – **Dr. Jim Yong Kim**, President of the WBG, March 20, 2017; Ubungu, Dsm, Tanzania.
- To become a MIC in just 8 years, here’s Dr. Jim’s advise to Tanzania based on the experiences drawn from the economic development trajectory of the RSK:
 - ✓ Develop policies that encourage investment
 - ✓ Encourage policy reforms by going upstream to improve the investment climate of the entire country

TANZANIA'S RANKING IN DB 17



COMPARISON BETWEEN DB 2016 AND DB 2017

NO.	INDICATOR	LEAD IMPLEMENTING MINISTRIES/ AGENCIES	2016	2017
1.	STARTING BUSINESS	Ministry of Industry, Trade and Investment	129	135
2.	DEALING WITH CONSTRUCTION PERMITS	President's Office - RALG	126	136
3.	GETTING ELECTRICITY	Ministry of Energy and Minerals (TANESCO)	83	87
4.	REGISTERING PROPERTY	Ministry of Land, Housing and Human Settlements Development	133	132
5.	TRADING ACROSS BORDERS	Ministry of Works, Transport and Communication (TPA, TRA)	180	180
6.	GETTING CREDIT	Ministry of Finance and Planning (BOT)	152	44
7.	PAYING TAXES	Ministry of Finance and Planning (TRA)	150	154
8.	PROTECTING MINORITY INVESTORS	Ministry of Finance and Planning (CMSA)	122	145
9.	ENFORCING CONTRACTS	Ministry of Constitutional and Legal Affairs (High Court - Commercial, Land and Labor Divisions)	64	59
10.	RESOLVING INSOLVENCY	Ministry of Constitutional Affairs and Justice (RITA)	99	100
11.	EMPLOYING WORKERS AND SKILL SETS	Prime Minister's Office – Labor, Employment, Youth and PWD	-	

COMPARISON WITH SELECTED SSA COUNTRIES

COUNTRY		RANKING	
MAURITIUS		49	
RWANDA		56	
BOTSWANA		71	
SOUTH AFRICA		74	
KENYA		92	
ZAMBIA		98	
UGANDA		115	
TANZANIA		132	
MALAWI		133	
MOZAMBIQUE		137	
COMOROS		153	

DB METHODOLOGY

- DB Indicators: Key Considerations
 - ✓ Focus on **REGULATIONS** relevant to the entire life cycle of a small to medium-size domestic enterprise
 - ✓ Are built on **STANDARDIZED** case scenarios
 - ✓ Measured for the **LARGEST BUSINESS CITY** in each economy; and the second-largest city for countries with more than 100 Million inhabitants
 - ✓ Focused on the **FORMAL SECTOR**

DB METHODOLOGY ...

- **Rationale for DB Indicators: WB**

- ✓ Govt. policy has a huge impact on the daily operations of domestic small to medium enterprises
- ✓ Onerous business regulations can divert the energies of entrepreneurs away from developing their businesses or innovating
- ✓ DB Indicators are assessed to encourage regulation that is designed to be **SMART, ACCESSIBLE, EFFICIENT, TRANSPARENT AND SIMPLE.**

SPECIFIC DB INDICATORS METHODOLOGY