Statement by Godfrey Gaoseb  
Date of Meeting: June 15, 2000

**Tanzania: Country Assistance Strategy**

On behalf of my Tanzanian authorities, let me thank the donors who have supported Tanzania's reform efforts. The past three years have been characterized by strong macroeconomic performance, an increased form of spending for the sectors with an impact on poverty, and continued measures strengthening governance. The recent consultative group meeting highlighted some of the successes and the challenges that lie ahead.

The present CAS capitalizes on the gains made in the 1997 CAS. It complements the government's efforts encapsulated in the Tanzania Assistance Strategy (TAS). The TAS creates a new framework for donor-government relationship. It also provides for a mechanism for increasing the percentage of aid going through the budget. The government is fully committed to the TAS, the country's long term development goals and the National Poverty Eradication Strategy. We thus commend management, firstly, for the joint IDA/IFC CAS, and secondly, for the choice of strategic priorities for Bank intervention.

Reviews conducted by the OED and OEG indicated that Bank strategies from 1996 are encouraging. We are supportive of this assessment and we are encouraged by the CAS’s emphasis on private sector and infrastructure development, sustainable rural development, improved social infrastructure, public sector reform and institution building. The government has presently embarked on broadening the gains from improved macroeconomic conditions to the society. Investment in social infrastructure, rural development, and institution building tops the government's agenda.

On selectivity and donor coordination, we are pleased to note the degree to which selectivity has been exercised. Bank involvement with parastatals has been limited thereby allowing private partners to enter the markets. We welcome this trend as it sends a positive signal to international investors that Tanzania has viable business opportunities. In addition to fostering private sector development, the government is committed to protecting the country's
bio-diverse natural heritage. The IDA/IFC assistance in bio-diversity conservation management is welcome.

Given its recent record with reforms, the Government is confident that slippages with the PRGF and the PRSP will be minimal. The current Bank portfolio has a total commitment of US$ 1.2 billion. The quality and performance of the portfolio has been improving over the past two years. This signifies clarity of purpose and effective partnership between the Bank and the country. Accordingly, the Government is focused on improved implementation and a faster disbursement ratio. Despite the challenges in capacity, there is a marked improvement on financial management, disbursement and procurement. My authorities appreciate the presence of the country Director on the field. It has rendered the exchange of ideas between ministries and the Bank more meaningful.

My authorities appreciate the inclusion of regional trade and HIV/AIDS in the proposed lending program. HIV/AIDS is a serious threat to Tanzania's development and a multisectoral strategy in the fight against AIDS has been developed. Tanzania has well developed regional linkages in the East African Community and Southern African Development Community. The Government will coordinate policies and learn from its neighbors strategies that have worked in the fight against HIV/AIDS. It is also committed to regional peace.

The need to scale up the fight against corruption, improved governance and accountability cannot be over-emphasized. My authorities appreciate the position of the Bank in this regard. They welcome the involvement of WBI in the Tanzanian anti-corruption program. Currently the President has been emphatic in his support for improved ethics within Government. We believe that his involvement in this campaign sends a clear message of intolerance of corrupt practices in all spheres of government.

In conclusion, we endorse the thrust of the CAS and the strategic directions chosen by the Bank Group. We acknowledge the risks identified in the document. My authorities would like to assure its development partners that with their continued support, the objectives of the TAS and the CAS will be achieved.