**COMMENTS MADE BY TANZANIA**

**RECOMMENDATIONS**

1. ***There is a frequently unhealthy ‘competition’ among different aid and development agencies.***

TRA COMMENT:

Tanzania is taking note of possibility of having a number of aid and development agencies interested in supporting its revenue authority. In order to ensure that donor efforts and finance are not duplicated, TRA has adopted a coordinated approach by implementing its initiatives in the cooperate plan through a coordinating unit, ie the planning and modernization projects unit (PMPU). Under this arrangement duplication is avoided by sharing with new entrants to support TRA areas which have already been covered and areas where new assistance may be needed. In addition all projects supporting are channeled through the basket funding system.

1. ***Renewable sectors such as fisheries, forestry and wildlife have received relatively limited attention.***

TRA COMMENT:

Tanzania agrees on this observation. Currently initiatives are in place towards building capacity to manage these sectors. In addition Tanzania has hired an independent consultant to study the sector and develop proposals on how to effectively manage the sector and in that way, obtain potential revenue for the Government.

1. ***Coordinated efforts from the international community, including Norway, should correspondingly focus particularly on supporting and encouraging local efforts to overcome political barriers, especially those related to tax exemptions, tax holidays, illicit capital flight and more transparent budgeting.***

TRA COMMENT:

We agree with the author that although a number of interventions have been taken in addressing exemptions, tax holidays, illicit capital flights and transparent budget, high level support at political level may be needed to implement further reforms. Current initiatives have addressed the need for instituting transparent expenditure budget to enable decision makers and the public appreciate the extent of the problem. Local expertise in the area is inadequate. Support thus may be required in capacity building.

1. ***There is a need to strengthen the more general analytical capacity within the revenue authorities in all three countries.***

**TRA COMMENT:**

TRA have some internal research capacity. Due to limited research experience and exposure, it is certainly clear that joint research work with the experienced research organization such as ICTD, ATI, ATAF, CMI, and other local research organizations can help a great deal in building research capacity within the revenue authority.

1. ***Providing advisory, training and research support to improve the technical capacity and basic skills of Members of Parliament in public finance and tax policy, including how to read and understand government budgets.***

**TRA COMMENT:**

We also agree with the comment. However due to high turnover of members of parliament MP) based on their short term office tenure, modalities need to be worked to ensure that resources are not wasted. We are saying this because MPs stay in the office for a period of 5 years according to our constitution and there is no guarantee they will be re-elected to the same position. How these skills will be disseminated in such a way that resource are not wastes, poses a challenge.