

Ref. No. SHC/CI180/1

PRESIDENTIAL CIRCULAR NO.....1.....OF 2001

ESTABLISHMENT OF THE TANZANIA NATIONAL BUSINESS COUNCIL.

Introduction:

1. Trends in today's world have created opportunities and challenges for governments and business firms in both developed and developing countries. The globalization of economic activities, the liberalization of trade and the fierce competition to which local firms are exposed; the poor performance of state owned enterprises and the consequent rise of interest in the private sector in creating the wealth of a nation have all combined to compel governments in Africa to search for new models of economic management.

2. In Tanzania, the Government has embarked on a fundamental restructuring exercise meant to bring the country to a point where it will be able to swim in the main stream of the emerging global economy. The Government has for long realized that the growth of the economy depends ultimately on a dynamic and robust private sector. Its ability to solve problems such as poverty alleviation, employment creation and overall welfare of the people also depends on a growing economy. A healthy private sector increases Government revenue. The private sector, on its part, has been calling for a less constrained operating environment, a more business friendly public service, and a platform for expressing its views in the process of planning and implementing the development of Tanzania. It is now generally realized that the crisis of development of Tanzania cannot be left to the government alone. Neither can it be left to the private sector alone, even though it is acknowledged that the private sector is to become the prime mover of the development process. The Government and the private sector need each other. They have to work together.

3. In the past the Government has had dialogue with the private sector on an ad- hock basis as a result of the sometimes there is no follow-up on decisions made. The Government has, after consultation with the major stakeholder, decided to institute a mechanism for holding regular dialogue with the private sector and other stakeholders on issues concerning the socio-economic development of Tanzania. The purpose of the Circular, is to create the Tanzania National Business Council (TNBC)

Objective of Tanzania Business Council

1. It is intended that the institution of the council will facilitate closer and more regular consultations in order for all concerned.
 - i) to provide a forum for public / private sector dialogue with a view to reaching consensus and / mutual understanding on strategic issues relating to the efficient management of development resources;
 - ii) to promote the goals of economic growth with social equity and even development;
 - iii) to review from time to time developments in the external and domestic business environment, the challenges they pose to Tanzania, and propose a course of action;
 - iv) to exchange views on the prevailing operating and regulatory environment, and propose ways to facilitate the public service to improve on service delivery and make the civil service business friendly;
 - v) to review and propose changes in the policy environment to enhance the attractiveness of Tanzania products in the world market;
 - vi) to encourage and promote the formulation of co-ordinated policies on social and economic matters, including consideration of existing and proposed economic legislation, and make recommendations through the Government to parliament or other appropriate bodies;

- vii) to consider any other matter deemed relevant to the achievement of the above objectives.

Function of Tanzania National Business Council:

- 2. in pursuit of the above objectives, the TNBC shall:
 - i) cause to be conducted, such research or survey or study any aspect of social and economic development policy as it may deem fit;
 - ii) review specific research, reports of policy proposals submitted to it by any of the consultative bodies. It may also call for and consider any such reports as it deems necessary to provide a clearer picture of affairs before it;
 - iii) set targets as well as performance benchmarks for implementing decisions or agreements reached, including assignment of responsibilities;
 - iv) monitor and evaluate implementation of policies and measures agreed upon, as to their effectiveness and/ outcomes.

Membership and Organs of the Council:

- 1. The work of the TNBC shall be conducted through the following organs:
 - The Council
 - Executive Committee
 - Working Committees set up by the Executive Committee and
 - A Co-ordinating Secretariat

a) **Structure and Size of the Council:**

- i) The President of the United Republic of Tanzania shall be Chairman of the Council. The decisions of the Council shall be by consensus

- ii) The Tanzania National Business Council shall have 40 member sitting with the President of the United Republic of Tanzania. The members shall be drawn from both the public and private sectors with equal Representation. The Government will nominate 20 members including representation of the Academia. The entry point of TNBC business in the Government will be determined by the President as he deems appropriate.
 - iii) Other 20 members of the council other than those representing the Government will be nominated by their associations under the auspices of the Tanzania Private Sector Foundation (TPSF) through a transparent and democratic process such that all the major sectors are represented including representation from the labour movement.
- b) **Executive Committee:**
- i) Day- to-day activities of the Council shall be supervised by Executive Committee.
 - The Chief Secretary (Chairman)
 - The Chairman of TPSF (Co Chairman).
 - Four members from the public sector,
 - Four other members from the private sector, and
 - The Executive Secretary of the Council
 - ii) It shall be the responsibility of the Executive Committee:
 - To exercise such functions as the council may delegate to it;
 - To draw rules and procedures for all meetings of the TNBC and its Committees;
 - To draw up procedures and protocols for handling and routing the decisions and agreements of the TNBC including monitoring implementation of Council decisions;

- To appoint officers of the Secretariat on such terms and conditions as the Council may determine;
- To appoint auditors for the purpose of annually auditing the accounts of the Council;
- To appoint working committees as and when required;
- To oversee the work of the Secretariat;
- To prepare the agenda and notices for TNBC meetings

a) **Working Committee:**

In carrying out functions, the Council may establish standing, ad-hoc or other kind of committees to deliberate on such matters as may be referred to it and each such committees shall make their recommendations through the executive committee to the Council.

b) **Secretariat;**

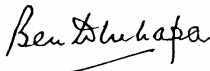
There shall be established the TNBC a Secretariat which will be responsible for servicing its meetings as well as carrying out such functions as the Council may assign to it.

The Council may assign responsibilities for carrying out its decisions. It shall be the duty of the Secretariat to communicate such assignment of responsibilities to such person or persons and monitor its implementation.

Financing:

1. The business and affairs of TNBC shall be financed on a cost-sharing basis between the Government and the private sector. The Government contribution (subvention) to TNBC will be routed through the vote of the designated entry point.

12th.....September, 2001
The State House,
Dar es salaam


BENJAMIN WILLIAM MKAPA,
President