GUIDELINES FOR THE PREPARATION OF PLANS AND BUDGET FOR 2017/18

MINISTRY OF FINANCE AND PLANNING

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GUIDELINES FOR THE PREPARATION OF PLAN AND BUDGET FOR 2017/18

1.0 INTRODUCTION

1. The Plan and Budget Guidelines (PBG) is a Government instrument for the preparation and implementation of Government Budget, Public Entities' budget and National Development Plan for 2017/18. The PBG for 2017/18 guides mobilization and allocation of financial resources for the implementation of Annual Development Plan which is the second in the series of five annual plans for the implementation of the second Five Year Development Plan (2016/17 - 2020/21). The PBG has been prepared pursuant to Section 21 of the Budget Act No. 11 of 2015 and its Regulations.

2. The preparation of this PBG takes into account: the 2015 Ruling Party Election Manifesto; President's Inauguration Speech of the 11th Parliament on 20th November, 2015; the Fifth Phase Government decision of shifting the operations of Government headquarters to Dodoma; the FYDP II; and the Sustainable Development Goals (SDGs) consistent with other agreements at regional, bilateral and international levels ratified by the United Republic of Tanzania.

3. The core objective of PBG for 2017/18 is to guide Accounting Officers of Ministries, Independent Departments and Executive Agencies (MDAs); Regional Secretariats (RSs); Local Government Authorities (LGAs); and Public Entities on preparation and implementation of their plans and budgets for 2017/18.

4. The PBG for 2017/18 is organized into eight sections, namely: Introduction; Current Budgetary Reforms; Preparation of Institutions' Plans and Budgets; Instructions for Preparation of Plans and Budgets; Other Issues to be Considered during Budget Preparations; Specific Instructions to RSs and LGAs; Monitoring, Evaluation and Reporting; and Conclusion. These Guidelines should be read together with its **Annex**.

2.0 BUDGETARY REFORMS

5. The Government has undertaken various reforms in order to make the budget management more efficient, accountable and transparent. These include preparation and endorsement of the Budget Act No. 11 of 2015 and its Regulations of 2015; preparation of Programme Based Budgeting; implementation of the Public Finance Management Reforms Programme (PFMRP) Phase IV; and adoption of the Public Investment Management – Operational Manual (PIM-OM) 2015.

2.1 Budget Act No. 11 of 2015

6. The main objective of the Budget Act is to ensure effective budget management and accountability, whereby all Accounting Officers are obliged to adhere to the Act and its Regulations during the preparation and implementation of their plans and budgets.

2.2 Programme Based Budgeting

7. The Government intends to prepare its budget using Programme Based Budgeting (PBB) approach to enhance budget coherence and prioritization of expenditure to improve efficiency and effectiveness in service delivery to the public. This change is a result of various reforms adopted by international institutions responsible for managing budgets and public funds. This program will start as a pilot in eight selected ministries which have been trained, namely: Ministry of Health Community Development, Gender, Elderly and Children; Ministry of Water and Irrigation; Ministry of Works, Transport and Communication; Ministry of Agriculture, Livestock and Fisheries; Ministry of Education, Science and Technology; Ministry of Finance and Planning; Ministry of Energy and Minerals; and Ministry of Industry, Trade and Investment.

8. The PBB requires Accounting Officers of the pilot ministries to prepare their budget based on programmes by considering guidelines and international standards. They are also required to prepare shadow budgets reflecting their objectives which indicate key outcome(s) and performance indicators that will be used to measure progress on the implementation of programme.

2.3 Public Investment Management – Operational Manual of 2015

9. The Government has introduced the Public Investment Management - Operational Manual (PIM – OM) which provide guidance on the project identification and analysis, financing, implementation, management, monitoring and evaluation, and management of database for public investment projects. Therefore, Accounting Officers are instructed to comply with the Manual and to build professional capacity in their respective votes as may be needed.

3.0 PREPARATION OF PLANS AND BUDGETS

3.1 Budget Committees

10. Section 18(2) of the Budget Act No. 11 of 2015, provides for the establishment of Budget Committees in Government and Public Entities to facilitate planning and budgeting processes. The Committees are required to carry out their responsibilities in the preparation of institutional plans and budget as provided for under Regulation 17(3) of the Budget Act No. 11 of 2015. Furthermore, Accounting Officers for Public Entities should abide to the Treasury Registrar Circulars.

3.2 Roadmap for Plans and Budgets Preparation

11. MDAs, RSs, LGAs and Public Entities are directed to prepare plans and budget estimates using Medium Term Expenditure Framework (MTEF) and submit to MoFP for scrutinization in the first week of February, 2017. RSs and LGAs are directed to prepare and submit their estimates to President's Office – Regional Administration and Local Government (PO-RALG) after approval by their respective Legislative Authorities by the third week of January, 2017.

12. The MoFP will consolidate budgets of all votes and submit the same for Government approval. In addition, MDAs will prepare their MTEF and submit to their respective Parliamentary Sectoral Standing Committee from the third week of March, 2017 to the first week of April, 2017 for scrutiny

and preparations of recommendations to be submitted to the Parliament. Thereafter, the consolidated estimates shall be submitted to the Parliament for deliberation and approval from second week of April to fourth week of June, 2017. Budget implementations will commence from 1st July, 2017 to 30th June, 2018.

3.3 Shifting Operations of the Government Headquarters to Dodoma

13. Shifting of headquarter's operations from Dar es Salaam to Dodoma will be implemented in phases during the medium term. In 2017/18, Accounting Officers are required to accommodate their budgetary needs in the plans and budgets in line with the roadmap issued by the Government. All plans to construct buildings and other government infrastructure in Dar es Salaam should be shifted to Dodoma. Construction and development of new infrastructure should only commence after approval by the Prime Minister.

3.4 Budget Dialogue and Scrutinization Process

14. Accounting Officers are instructed to prepare and table a draft plan and budget estimates to their respective Workers' Councils as provided for under the Public Service Negotiation Machinery Act, CAP 105.

15. Budget scrutinization for revenue and expenditure estimates of the MDAs, RSs, LGAs and Public Entities will be conducted by MoFP in collaboration with President's Office, Public Service and Good Governance (PO-PSGG); President's Office, Regional Administration and Local Government (PO-RALG); the Office of the Treasury Registrar (OTR); and other Stakeholders. Public Entities shall prepare budget estimates and submit to MoFP for scrutinization and approval pursuant to Section 22(1) of the Budget Act No. 11 of 2015.

16. MDAs, RSs, LGAs and Public Entities are required to submit five (5) hard copies and an electronic copy of their MTEF to MoFP for technical scrutinization and thereafter, submit 3 final copies to the same authority. RSs and LGAs are also required to submit 3 copies of the final MTEF to PO-RALG, whilst, Public Entities are required to submit three (3) signed copies

of the same to their respective parent ministries and OTR. In order to enhance clarity and transparency, the budget scrutinization process will be conducted based on the following:

i. Review of the previous year (2015/16) budget implementation;
ii. Review of revenue and expenditure performance up to mid-year for 2016/17 including challenges and measures to mitigate them;
iii. Adherence to MTEFs presentation format for 2017/18 as indicated in Chapter V of the annexes;
iv. Adherence to the priorities provided in the PBG and ceilings provided by MoFP;
v. Submission of budget estimates through the Strategic Budget Allocation System (SBAS) for MDAs and RSs, as well as Planning and Reporting software (PlanRep) for LGAs;
vi. Compliance with the PIM-OM of 2015; and
vii. Adherence to instructions provided in this PBG, the Budget Act No. 11 of 2015 and its Regulations of 2015, Treasury Registrar's Circulars, as well as other Government Circulars and instructions.

3.5 Data Entry into the Integrated Financial Management System

17. According to the roadmap of budget preparation and scrutinization, Accounting Officers are required to:

i. Timely completion of data entry and ensure accuracy of data;
ii. Adhere to the Government Finance Statistics (GFS) 2014 coding and project coding as provided by MoFP;
iii. Use appropriate standard units of measure especially those provided for in the SBAS and PlanRep; and
iv. Ensure appropriate estimates of overheads costs such as rent, electricity, water and telephones.

4.0 INSTRUCTIONS FOR PREPARATION OF PLANS AND BUDGET

4.1 Medium Term Revenue and Expenditure Framework

18. Coherent to the macroeconomic and fiscal policy objectives, the resource envelope for 2017/2018 is projected to be Shillings 32,945.8 billion which is expected to be collected and spent during the period. These are preliminary estimates and final estimates will be established after assessment of the mid-year review; report of the Task Force on Tax Reforms; and the final commitment of Development Partners. The estimate comprises of tax revenue amounting to Shillings 18,097 billion, non-tax revenue Shillings 2,022 billion, and LGAs own sources Shillings 753.3 billion, external grants and concessional loans is Shillings 3,699.8 billion, external non-concessional loans is Shillings 2,080.2 billion and domestic borrowing is Shillings 6,293.5 billion.

19. In 2017/18, the Government intends to spend a total of Shillings 32,945.8 billion in accordance with key priorities stipulated in FYDP II and this Guideline. Recurrent expenditure is estimated at Shillings 19,782.3 billion, of which Shillings 7,205.8 billion are for wages and salaries, Shillings 2,853.1 for other charges and Shillings 9,723.4 billion for Public Debt servicing. Development expenditure is estimated at Shillings 13,163.5 billion, of which local component is Shillings 9,960 billion and foreign component is Shillings 3,203.5 billion.

4.2 The Medium Term Indicative Budget Ceilings

20. Budget ceilings for MDAs, RSs, LGAs and Public Entities will be determined based on resource allocation criteria and priority areas stipulated in this guideline and FYDP II. Further, there will be no room for extra budgetary provision outside approved ceiling. In that regard, Accounting Officers should adhere to the approved budget ceilings for 2017/18.

4.3 Strategies to Enhance Revenue Collection

21. The Government has put in place strategies and measures to enhance revenue collection as elaborated in the Annex. The responsibility of revenue

collection is vested upon MoFP. However, on behalf of the MoFP, MDAs and RSs shall collect and deposit all revenues into the Consolidated Fund and thereafter disbursements will be as per approved budget. Public Entities are instructed to maintain revenue accounts at the Bank of Tanzania (BoT) while maintaining revenue collection and expenditure accounts at commercial banks. Funds from the collection accounts shall be transferred to BoT revenue accounts within 24 hours of collection.

22. The release of funds from the BoT revenue accounts to operational accounts of each Public Entity shall be based on the cash flow plan of the approved budget. The Treasury Registrar will be responsible for approval of cash flow plans and monitoring of Public Entities' BoT revenue accounts.

23. Accounting Officers are instructed to continue enhancing revenue collection by:

   i. Identifying all potential sources of revenue as part of improving revenue collection strategies;
   ii. Ensuring that landed properties are valued at realistic market value and collection of property tax is based on that value. In addition, all unvalued properties must be charged a flat-rate property tax under an interim arrangement;
   iii. Undertaking land use survey and mapping for issuance of title deeds;
   iv. Formalizing informal businesses and properties to broaden tax base;
   v. Reviewing fees, levies and charges to rationalize with current socio-economic development;
   vi. Ensuring the use of electronic system in collection of taxes, fees, levies, and charges in order to curb revenue leakages;
   vii. Awarding contracts only to suppliers, contractors and service providers who use Electronic Fiscal Devices (EFDs);

viii. Avoiding entering into contracts with tax exemption clauses without prior approval by the Minister for Finance and Planning; and

ix. Strengthening management and undertaking frequent inspections at collection centres, checkpoints, ports, airports and border posts.

24. Accounting Officers are required to ensure that all revenues collected, estimated and projected are properly presented in a format provided in Form No. 4 of the Annexes so as to ensure that all revenue sources are accurately captured and are in line with the existing potentials.

4.4 Criteria for Financial Resource Allocation

25. The Government expenditure estimates are grouped into Recurrent and Development expenditures.

4.4.1 Recurrent Expenditure

a) Personnel Emoluments

26. The allocation of Personnel Emoluments (PE) estimates to MDAs, RSs, LGAs and Public Entities shall be based on five cost items, which are: existing employees, annual increments, promotions, new employees to be recruited and statutory contributions. In preparation of the PE budget estimates, Accounting Officers should compute those items correctly and adhere to instructions issued by President's Office, Public Service Management and Good Governance (PO-PSMGG) and OTR as appropriate. In preparing PE budget estimates the following should be observed:-

i. Conduct human resource data cleaning and staffing level assessment using the HCMIS;

ii. Preparing PE estimates using verified human resource information and establishment approved by PO-PSMGG;

iii. Identify the required establishment by conducting assessment of existing employees in consistence with the approved establishment and submit establishment report to PO-PSMGG through HCMIS;

iv. Budgeting for acting allowances as an integral part of PE and not part of other charges budget to avoid double counting. Payment of acting allowances will be made through the payroll. However, acting allowances for reasons such as absence of the incumbent due to illness, leave, and travel will continue to be paid under the other charges budget as per PO-PSMGG Staff Circular No.1 of 2015; and

v. Correctly budgeting for statutory contributions including gratuity for contractual employees.

27. In the 2017/18, priority for new recruitments will be on sectors with shortage of staffs. These sectors are: education (teachers for science and mathematics subjects and laboratory technicians); health (doctors, nurses and nutrition specialists); agriculture and livestock (extension officers) and energy (oil and gas). New recruitment in other sectors will depend on the availability of financial resources and vacancies arising due to attrition reasons.

b) Consolidated Fund Services

28. In managing Consolidated Fund Services (CFS), the Government shall scrutinize cost items for public debt servicing, employees' contributions to social security funds and gratuity of employees under contractual terms. These expenditure items shall be budgeted under vote 22 – Public Debt and managed by MoFP.

c) Other Charges

29. Accounting Officers are required to ensure that, first charge and core functions expenditure items are budgeted for. In addition, Accounting Officers are required to budget for outstanding commitments to suppliers and service providers to avoid further accumulation of arrears and minimize costs accruing from interest and penalty.

d) Local Government Fiscal Transfers

30. The Government will continue to provide financial resources to LGAs in the

form of grants to meet their obligations of ensuring quality service delivery in their areas of jurisdictions. The grants will be provided in the form of recurrent block grants, Local Government Development Grant and sector specific development grants. The ceilings will be determined by the annual performance of the respective LGAs and resource allocation formula. In preparing their plans and budgets, LGAs are instructed to consider the following issues:

i. The capitation grant for primary schools will continue to be Shillings 10,000 per enrolled pupil per annum, including pre-primary pupils and those in special schools. Forty percent (40%) of the capitation grant to be kept centrally for purchase of books in bulk and the remaining sixty percent (60%) for operational costs at school level.
ii. The capitation grant for secondary schools will continue to be Shillings 25,000 per enrolled day and boarding student per annum. Fifty percent (50%) of the grant will be used to purchase books in bulk centrally and the remaining fifty percent (50%) for operational costs at school level; and
iii. The criteria for allocating the budget for school meals will be at an average of Shillings 540,000 per annum (i.e. Shillings 2,000 x 270 school days) per student enrolled in registered boarding primary and secondary schools.

4.4.2 Development Budget

31. In preparing development budget estimates, MDAs, RSs, LGAs and Public Entities should align plans and budgets to the priority areas indicated in Chapter III of Annexes and use PIM-OM in preparation of public investments projects. Accounting Officers are required to ensure that priority is given to the following:

i. Completion of ongoing development projects before embarking on new projects so as to minimize the risks of cost overruns;

ii. Settlement of outstanding commitments to contractors so as to minimize costs accruing from interest and penalty;
iii. Flagship projects for industrialization and human development as provided for in FYDP II;
iv. Valuation and compensation of land and property in strategic investment areas for industrial development;
v. Carrying out industrial research geared towards facilitating development of natural resource based industries;
vi. Developing industrial clusters and facilitating availability of simple and affordable industrial technology; and
vii. Strategic projects prepared in line with the Annual Development Plan for 2017/18 and PIM-OM of 2015 requirements.

32. Projects with multi-years commitments shall be verified and approved by the MoFP as provided for under Section 51 of the Budget Act No. 11 of 2015 and Public Private Partnership (PPP) Act No. 18 of 2010 as amended in 2014. In addition, allocation of Local Government Development Grant will continue to follow the criteria stipulated in the Revised Local Government Development Grant Implementation Guide.

33. With regard to foreign funded projects and programmes, MDAs, RSs, LGAs and Public Entities shall prepare development budgets based on confirmed foreign resources. Accounting Officers are required to ensure that:-

i. Counterpart funds are fully budgeted for;
ii. Donor funded projects (including direct, reimbursable and cash categories) are reflected in the budget estimates; and
iii. All projects receiving foreign financial support should have contracts and submitted to MoFP; and
iv. Report of cash, equipments and technical assistance received through the Direct to Project Funds (D- Funds) modality should be submitted to MoFP on quarterly basis.

5.0 OTHER ISSUES TO BE CONSIDERED DURING PLAN AND BUDGET PREPARATION

5.1 Controlling Accumulation of Arrears

34. Accounting Officers are instructed to abide with the procedures for securing loans for new and on-going projects in line with the Government Loans, Guarantees and Grants Act CAP 134 as amended in 2004. For the LGAs, loans scrutiny should be in line with the Local Government Finance Act, CAP 290. In addition, all government institutions requiring borrowing should obtain prior approval of the Minister for Finance and Planning as stipulated under Sections 60(4) and 62(b) of the Budget Act No. 11 of 2015.

35. In order to avoid accumulation of arrears, Accounting Officers are required to comply with Section 52(1) of the Budget Act No. 11 of 2015 and Paymaster General's Circular No.4 of 2014. In this regard, Accounting Officers are obliged to:

    i. Accord priority in budgeting for verified arrears;
    ii. Ensure that no arrears are created;
    iii. Committing all financial obligations through IFMS;
    iv. Identify existing arrears and ensure are included in the financial statements; and
    v. Ensure all arrears are verified by the Internal Auditor General and included in the respective vote's financial statement.

5.2 Contingent Liabilities

36. In order to manage and control contingent liabilities, Accounting Officers are instructed to closely monitor guaranteed contracts that may lead to creation of contingent liabilities. Accounting Officers should take into account all contingent liabilities in their budget preparation.

5.3 Expenditure Control and Cost Reduction Measures

37. Accounting Officers should continue to implement cost reduction measures under their jurisdictions without compromising the quality of service delivery. Thus, they are instructed to:

    i. Ensure that all contracts with Government Entities (MDAs, RSs, LGAs and Public Entities) are quoted in Tanzanian Shillings to minimize Government exposure to fiscal risks, unless the contracts involve foreign transactions;
    ii. Continue reducing unnecessary expenditure and minimize costs in areas such as national ceremonies, sitting allowance, printing of T-shirts, caps, bags, foreign travels, overseas short term training and imported office furniture;
    iii. Use Government's and Public Entities' facilities in conducting meetings including board meetings, training, seminars and workshops;
    iv. Procure service such as insurance, courier, internet, telephone, media and transport from Public Entities as long as this is cost-effective;
    v. Ensure that all commercially viable Public Entities are operating profitably and not dependent upon Government subvention;
    vi. Control procurement of goods, services and works to achieve the desired value for money through appropriate procedures including use of force account, bulk procurement, competitive bidding and direct local market;
    vii. Control costs arising from public utilities including use of energy saving technologies and ensure that ring-fenced funds for utilities are solely used for the intended purposes;
    viii. Conduct periodic audits of public utility systems (water, telephone and electricity) to avoid nugatory expenditure;
    ix. Ensure that salaries are paid to eligible employees only;
    x. Utilize mortgage financing arrangement to acquire office buildings for our Embassies and Consulates abroad instead of renting;

xi. Limit foreign travel and associated delegation subject to approval by the State House;

xii. Procurement of motor vehicles through Government’s Procurement Services Agency (GPSA) after obtaining permit from the Prime Minister's Office (PMO);

xiii. Control of students’ loans in higher learning institutions to ensure that loans are granted only to eligible beneficiaries; and

xiv. Utilize ICT to facilitate communications between Government Offices, particularly during the interim period of shifting operations of the Government headquarters from Dar es Salaam to Dodoma.

5.4 Exchange Rate

38. All budget estimates should be denominated in Tanzanian Shillings. In this regard, budget components that are in foreign currency should be converted in Tanzanian shilling by indicative exchange rate of 1 USD to Tanzanian Shillings 2,311.35 for the year 2017/18.

5.5 Mainstreaming Cross-cutting Issues into Plans and Budgets

39. All Accounting Officers are required to integrate cross-cutting issues into their 2017/18 plans and budgets and ensure effective implementation. Accordingly, all MDAs, RSs, LGAs and Public Entities are urged to make budgetary allocations for implementation of cross cutting interventions. These include gender issues, physically challenged people, nutrition, environment and climate change as well as combating new HIV infections. In addition, Accounting Officers should give priority on the issues pertaining to people with special needs particularly employment, health, education and construction of user friendly infrastructure for physically challenged people.

5.6 Good Governance

40. In 2017/18, the Government will continue to implement cross-cutting reforms that are necessary to improve governance, service delivery and accountability. These reforms include: Public Service Reform Programme

(PSRP), Local Government Reform Programme (LGRP), Legal Sector Reform Programme (LSRP), Public Financial Management Reform Programme (PFMRP) Phase V, Second Generation Financial Sector Reforms Programme (SGFRP), Business Environment Strengthening for Tanzania (BEST) Roadmap and National Anti-Corruption Strategy and Action Plan (NACSAP).

41. Other initiatives are: Anti-Money Laundering, Open Government Partnership (OGP), Africa Peer Review Mechanism (APRM) and National Human Rights Action Plan. Thus, each institution is obliged to re-design their programmes and allocate resources for implementing their respective reforms effectively.

5.7 Employment and Economic Empowerment

42. In 2017/18, the Government will continue to support economic empowerment initiatives through Economic Empowerment Fund, Youth Development Fund, Women Development Fund, National Economic Empowerment Fund, SELF, and Presidential Trust Fund (PTF).

43. In implementing the ruling party election manifesto of 2015, the Government intends to allocate Shillings 50 million to each village, mtaa and sheia through the Revolving Fund. The Fund will be administered by the PO - RALG and implemented at village, mtaa and sheia levels. Accounting Officers are instructed to ensure that, funds are availed to the targeted beneficiaries and repayment is done timely and in accordance with instructions and rules of the Fund to ensure attainment of its intended objectives and sustainability of the Fund. In addition, accounting officers are required to ensure that projects/businesses are properly selected and in line with Fund's agreed criteria.

5.8 Regional Integration and International Cooperation

44. Being a member of the United Nations (UN), African Union (AU), Southern African Development Community (SADC) and East African Community

(EAC), Tanzania has signed and ratified several regional, bilateral and international conventions, agreements and protocols. Several bilateral Development Cooperation Frameworks have also been signed with Partner Countries in order to support development initiatives. In order to participate effectively and benefit from the regional, bilateral and international cooperation, priority will be given to the implementation of the agreed regional, bilateral and international, policy and cooperation frameworks (such as the 2030 SDGs, AU Agenda 2063, EAC Vision 2050, SADC-RISDP and AGOA) and other agreements and protocols.

45. In view of the above, MDAs, RSs, LGAs and Public Entities are instructed to continue:-

i. Ensuring budget provision for the agreed and planned regional, bilateral and international projects including resettlement and compensation of the UN Centre in Arusha at LakiLaki area;
ii. Ensuring all activities to be implemented (particularly those which needs to be ratified) are submitted to the Ministry responsible for Foreign Affairs, East African and International Cooperation for clearance;
iii. Ensuring overall monitoring and coordination in the implementation of various agreement in their sectors as agreed between Tanzania and other partner states as well as regional and international corporation;
iv. Providing oversight, monitoring and coordinating roles in the implementation of various agreements, treaties, and protocols under their respective sectors;
v. Creating awareness to the public in collaboration with other stakeholders on the existing opportunities in EAC and SADC member states as well as International communities of which Tanzania is a member so as to benefit from it;
vi. Exploiting potential financing opportunities pooled under regional, bilateral and international cooperation arrangements;

vii. Building capacity of Government officials who are in Tanzanian embassies so as to represent the country effectively in the International meetings and conferences;

viii. Budget for all key international meetings and conferences under their sectors; and

ix. Submitting all commitments for eligible regional and international organizations contributions to MoFP for budgeting and payment.

5.9 Management of Public Properties

46. Accounting Officers are instructed to continue allocate funds for management of public properties within their areas of jurisdiction. In addition, they should plan and budget for surveying, mapping, demarcating and formalizing all public land for effective management and accounting purposes. These include open spaces, industrial areas, schools, universities, hospitals, dispensaries, health centers, military and other security organs, farms and other landed properties. The Ministry of Lands, Housing and Human Settlements Development (MLHHSD) in collaboration with RSs and LGAs through PO-RALG are required to facilitate the attainment of the aforementioned activities

47. The OTR in collaboration with other ministries should make follow-up of the privatized farms and industries and ensure they are operational. Further, OTR together with Ministry of Industry, Trade and Investment should engage social security and pension funds, financial institutions and other stakeholders with the view of revamping privatized farms and industries.

5.10 Public Private Partnerships

48. Accounting Officers are required to implement projects under the Public Private Partnership (PPP) arrangement in accordance with PPP Act No. 18 of 2010 as amended in 2014. In order to scale up implementation of PPP projects, priority will be given to projects currently under feasibility studies including: Dar – Chalinze toll road; manufacture of pharmaceuticals and

medical supplies, DART Phase I and Kinyerezi III gas fired electricity generation plant. Thus, respective MDAs, RSs, LGAs and Public Entities are required to complete feasibility studies to enable implementation of those projects under the PPP framework. In addition, in formulating PPP projects and building institutional capacity, the Government will continue to capitalize the PPP Facilitation Fund.

49. All MDAs, RSs, LGAs and Public Entities intending to partner with private sector should conduct thorough feasibility studies before engaging private partners to implement such projects. Accounting Officers are required to:

i. Identify projects that can attract private sector investment and submit to MoFP for scrutiny in accordance with PPP Act No. 18 of 2010 as amended in 2014. In the case of RSs and LGAs, projects proposals should be submitted to PO-RALG for scrutiny and thereafter forwarded to MoFP;
ii. Create conducive environment to promote private sector participation;
iii. Integrate PPP projects into their sectoral strategies and plans; and
iv. Submit to MoFP for appraisal of Government obligations such as feasibility studies, viability gap funding, and availability payment and guarantees in PPP projects implemented under their jurisdictions.

5.11 Risk Management

50. In 2013, the Government issued Guidelines for Developing and Implementing Institutional Risk Management in Public Sector in order to ensure systematic implementation of risk management. In the same vein, the Paymaster General issued Treasury Circular No. 12 of 2012/2013 stipulating to Accounting Officers among others, roles, responsibilities and implementation instructions. Therefore, Accounting Officers are required to ensure that risk mitigation measures are embedded in their respective 2017/18 Plans and Budgets.

6.0 SPECIFIC INSTRUCTIONS TO RSs AND LGAs

51. In the preparation of 2017/18 Plan and Budget estimates, RSs and LGAs are required to comply with the following:-

i. Focus on their core functional mandates, such as maintaining peace, order and tranquility in their respective areas of jurisdictions;

ii. Conduct statutory meetings especially Village Assemblies, Ward Development Committees, District Consultative Committee and Regional Consultative Committee to enhance good governance and accountability at all levels;

iii. Review and amend LGAs by-laws to reflect the current developments especially revenue collection reform measures;

iv. Review and strengthen implementation of Decentralization by Devolution policy within their areas of jurisdictions to improve service delivery focusing on subsidiarity principle and empowering lower levels (wards and villages);

v. Prepare General Planning Schemes (GPS)/Masterplans and Profiles and integrate them with their Strategic Plans as strategy to address urban unplanned settlements.

vi. Prepare Regional and Councils Strategic Plans and Profiles in line with the Ruling Party Election Manifesto 2015, FYDP II and PO-RALG instrument;

vii. Strengthen sustainable land use planning in rural and urban areas, land survey, acquisition and demarcation of plots for industrial and agricultural activities as well as construction of water infrastructure, schools, health facilities, bus stations, markets and recreation centres pursuant to Land Act No. 4 of 1999 and Village Act No. 5 of 1999;

viii. Establish and formalize demarcations of areas for industries, agriculture, pastoralism, residential, game and forest reserves, and water sources in all councils to avoid conflicts and costs for land compensation and resettlement;

ix. Implement e-Government initiatives on the RSs and LGAs in order to improve service delivery;

x. Improve environmental hygiene by strengthening institutional capacity in proper solid waste management; collection centres; relocation of dump sites; and street lights infrastructure, public toilets and drainage systems;

xi. Strengthen Councils and Regional Health Management Teams to ensure availability of quality health care services in Councils, Regional and Referral Hospitals including specialized care services;

xii. Improve quality of health and nutrition services and increase accessibility of nutrition services at community level and health centres;

xiii. Strengthen LGA own source revenue collection and ensure that sixty percent (60%) is allocated for development activities;

xiv. Continue to collect property tax from all Municipal Councils that are not yet covered by TRA. Those Councils are instructed to provide support in integrating and transfering their systems to TRA;

xv. Continue to construct, rehabilitate, maintain and equip social and economic infrastructure, especially in the sectors of education, water, health, agriculture, livestock, fisheries, and roads, in line with national standards;

xvi. Continue with construction, rehabilitation and equipping regional referral hospitals, regional and district commissioners' offices and residences, regional and district administrative secretaries' residences, divisional secretaries' offices, wards' and villages' offices. Priority should be given to completion of buildings which are at advanced stage;

xvii. Implement activities with carried over funds in compliance with Section 29(3) of Budget Act No. 11 of 2015 and the Budget Regulations of 2015;

xviii. Allocate resources for people with disabilities and special needs including learning equipment and albinism special requirements;

xix. Establish and strengthen rural water management entities such as Community Owned Water Sources Organisation (COWSO) to ensure sustainability of clean and safe water supply;

xx. Strengthen management of marketing oriented extension services delivery and ensure compliance with D by D; and promotion of private sector participation in agricultural and industrial sectors development;

xxi. Re-invest in major sources of revenue so as to ensure sustainability of own source revenues collection;

xxii. Set aside ten percent (10%) of the Council's total revenue for Youth and Women Development Funds;

xxiii. Conduct mass valuation of landed properties and update Valuation Rolls and Registers for property tax of both urban and rural councils;

xxiv. Strengthen food and cash crops production to stimulate agro-processing industries and ensure food security;

xxv. Promote Small and Medium Enterprises (SMEs), SACCOS, Village Community Banks (VICOBA) and other social economic groups to generate employment;

xxvi. Submit education sector statistical data as of January 2017. These should include: Government schools; Government schools' pupils/students; boarding schools students; and Ward Educational Coordinators;

xxvii. Submission of statistical data to MoFP should be channeled through Regional Secretariats and be approved by PO-RALG; and

xxviii. Ensure that resources are allocated to priority areas to avoid reallocation of funds during budget execution.

7.0 MONITORING, EVALUATION AND REPORTING

52. Monitoring and evaluation shall be conducted in order to ensure effective implementation and value for money. In view of this, Accounting Officers

are urged to ensure that development projects, programme and activities are properly designed, aligned and sequenced; and public financial resources are prudently and efficiently allocated based on approved budget.

53. MDAs, RSs, LGAs and Public Entities are required to adhere to PIM-OM 2015 and FYDP II monitoring and evaluation framework so as to achieve quality of public investments, effective implementation and value-for-money.

54. Accounting Officers are instructed to allocate resources for M&E, deploy capable M&E officers and utilize them effectively. In addition, Accounting Officers are required to submit M&E reports for development projects pursuant to PIM-OM 2015.

7.1 Performance Reporting

55. Pursuant to Section 55(4) of the Budget Act No. 11 of 2015 and Section 30(5) of the Budget Regulations of 2015 all Accounting Officers are required to submit quarterly progress reports to MoFP within 30 days after the end of each quarter. Further, they are required to submit Annual Performance Reports to MoFP not later than 15th October after the end of financial year.

56. Quarterly progress and annual performance reports in hard and soft copies should be submitted to MoFP, PO-PSMGG, PO-RALG (for RSs and LGAs) and OTR (for Public Entities). All Accounting Officers are required to adhere to the structure of the aforementioned Reports as per the formats presented in the **Annex**.

8.0 CONCLUSION

57. MDAs, RSs, LGAs and Public Entities are instructed to adhere to these Guidelines and the Annexes. In addition, they should strengthen implementation of their plans by focusing more on realization of strategic interventions and flagship projects earmarked in the FYDP II and other initiatives in order to achieve the aspirations of Tanzania Development Vision 2025.

58. Therefore, Accounting Officers are urged to be vigilant to ensure that public investments are prepared adequately, approvals obtained as appropriate and the financial resources allocated to their respective votes are spent judiciously and efficiently.

ANNEX

DETAILED EXPLANATION OF THE GUIDELINES FOR PREPARATION OF PLANS AND BUDGET FOR 2017/18

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LIST OF ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
ADP	Annual Development Plan
AGOA	Africa Growth and Opportunity Act
ATCL	Air Tanzania Company Limited
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
ARV	Antiretroviral
BRN	Big Results Now
CDR	Council Development Reporting
CFR	Council Financial Reporting
CHF	Community Health Fund
CFS	Consolidated Fund Services
CNHI	China Merchant Holding International
DART	Dar es Salaam Rapid Transit
DSA	Debt Sustainability Analysis
DSF	Debt Sustainability Framework
DUCE	Dar es Salaam University College of Education
DPs	Development Partners
DRC	Democratic Republic of Congo
EAC	East Africa Community
ENCB	External Non Concessional Borrowing
EFD	Electronic Fiscal Devices
EPZ	Export Processing Zone
EU	European Union
FYDP	Five Year Development Plan
GBP	Great Britain Pound
GBS	General Budget Support
GDP	Gross Domestic Product
GWh	Giga Watts Hour
GNI	Gross National Income
HIPC	Highly Indebted Poor Countries
HIV	Human Immunodeficiency Virus
ICT	Information Communication Technology
IFMS	Integrated Financial Management Systems
IMF	International Monetary Fund
JAST	Joint Assistance Strategy for Tanzania
JNIA	Julius Nyerere International Airport

KIA	Kilimanjaro International Airport
KPIs	Key Performance Indicators
LGAs	Local Government Authorities
LGDG	Local Government Development Grant
LICs	Low Income Countries
LTPP	Long Term Perspective Plan
M3	Extended Broad Money Supply
MDAs	Ministries, Independent Departments and Agencies
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiatives
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini
MSCL	Marine Service Company Limited
MOEVT	Ministry of Education and Vocation Training
MoF	Ministry of Finance
MTEF	Medium Term Expenditure Framework
MUCE	Mkwawa University College of Education
MW	Mega Watts
NFA	Net Foreign Assets
NDC	National Development Corporation
NDS	National Debt Strategy
NER	Net Enrolment Rate
NKRAs	National Key Results Areas
NOP	Net Open Position
NHIF	National Health Insurance Fund
OC	Other Charges
ODA	Official Development Assistance
OFC	Optic Fibre Cable
OTR	Office of the Treasury Registrar
OPEC	Organisation of Petroleum Exporting Countries
PBB	Programming Based Budgeting
PE	Personnel Emoluments
PIM-OM	Public Investment Management - Operational Manual
PMO	Prime Ministers' Office
PMO-RALG	Prime Ministers' Office - Regional Administration and Local Government
POPC	President Office, Planning Commission
POPSM	President Office, Public Service Management
PPP	Public Private Partnership
PV	Present Value

RSs	Regional Secretariats’
SADC	Southern Africa Development Community
SAGCOT	Southern Agriculture Growth Corridor of Tanzania
SDGs	Sustainable Development Goals
SEZ	Special Economic Zone
EPZ	Economic Processing Zone
SME	Small and Medium Enterprise
STI	Science, Technology and Innovation
SIDO	Small Industry Development Organisation
TANESCO	Tanzania Electricity Supply Company
TAZARA	Tanzania – Zambia Railways Authority
TANCIS	Tanzania Customs Integrated System
TDV	Tanzania Development Vision
TRA	Tanzania Revenue Authority
TRL	Tanzania Railways Limited
TADB	Tanzania Agricultural Development Bank
USD	United States Dollar
USA	United State of America
UK	United Kingdom
VAT	Value Added Tax
WEO	Ward Executive Officers
WEO	World Economic Outlook

CHAPTER ONE

REVIEW OF RECENT ECONOMIC DEVELOPMENT AND MACROECONOMIC OUTLOOK

1.1 Introduction

1. This chapter presents a review of the trend of macroeconomic indicators and implementation of the 2015/16 budget. The chapter also highlights macroeconomic outlook for the medium term (2017/18-2019/20).

1.2 Annual GDP Growth

2. Tanzania economic performance remained buoyant and strong with real GDP growing at an average rate of 6.8 percent between 2011 and 2015. In 2015, GDP grew by 7.0 percent supported mainly by stability in power supply; increase in cement production to cater for construction activities; moderation in global oil price; and improved financial services to the private sector to finance economic activities.

3. Economic activities which recorded the highest growth in 2015 include: construction, information and communication, financial and insurance services, and mining and quarrying. The construction activities grew by 16.8 percent in 2015 compared to 14.1 percent in 2014, explained by the increased real estate development for residential and non-residential purposes and ongoing construction of road networks and bridges. Information and communication activities grew by 12.1 percent in 2015, compared to 8.0 percent in 2014, attributed to the expansion of mobile phone services which led to the increase in airtime sales and expansion of broadcasting and internet services in the country. Financial and insurance activities

grew by 11.8 percent in 2015 compared to 10.8 percent in 2014. This growth was attributed to the increase in deposits, credit to private sector as well as commercial and insurance services.

4. Agriculture registered a much slower growth of 2.3 percent in 2015 compared to 3.4 percent in 2014 due to below average rainfall which affected some of the crop producing areas. Despite the decline in growth, agricultural activities continued to account for the largest share to GDP that stood at 29.0 percent in 2015, followed by construction (13.6 percent); trade and repair (10.7 percent); and public administration and defense (6.4 percent).

1.2.1 Semi Annual GDP Growth

5. In the first half of 2016, GDP at current prices amounted to shillings 52,739,777 million compared to shillings 45,642,600 million recorded in the corresponding period in 2015. In the same timeframe, real GDP grew by 6.7 percent compared to 5.8 percent recorded in the first half of 2015. During the review period, the growth was attributed to the increase in natural gas production and commencement of pipeline transportation of natural gas; increased transportation of passengers by road and railways including Dar es Salaam rapid transport; increase in government spending on account of implementation of the government policy to provide free basic education which started in January 2016; increase in airtime used by mobile phone customers; increase in production of metal and non-metal ores; and expansion and improvement of financial services. Transport and storage recorded the highest growth of 17.4 percent during the review period, followed by mining and quarrying (13.7 percent); information and communication (13.0 percent) and financial and insurance (13.0 percent). Trend in GDP growth is shown in **Chart 1.1** and **1.2**

Chart 1.1: Annual and Semi Annual GDP growth (2005 – 2016)

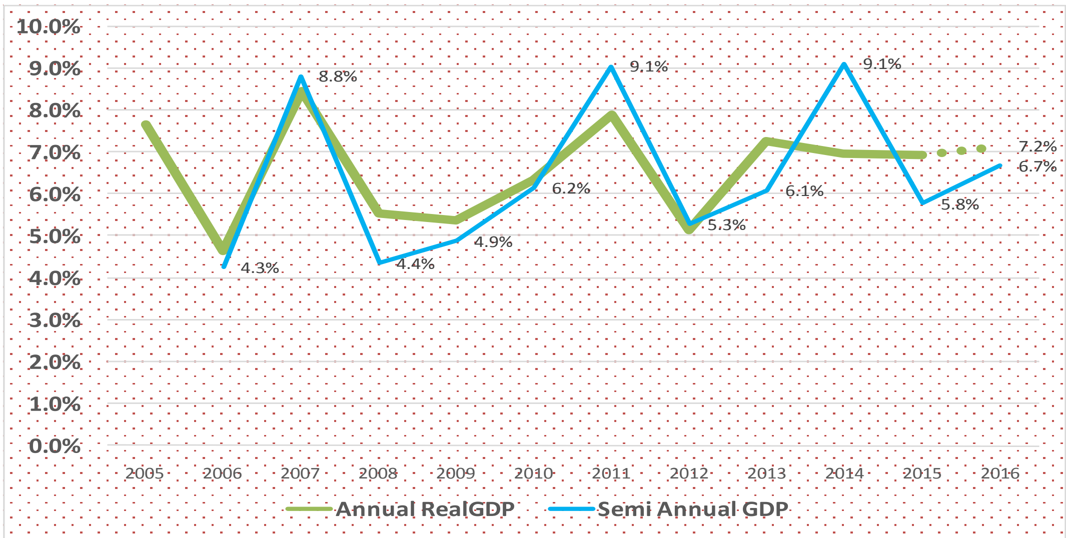
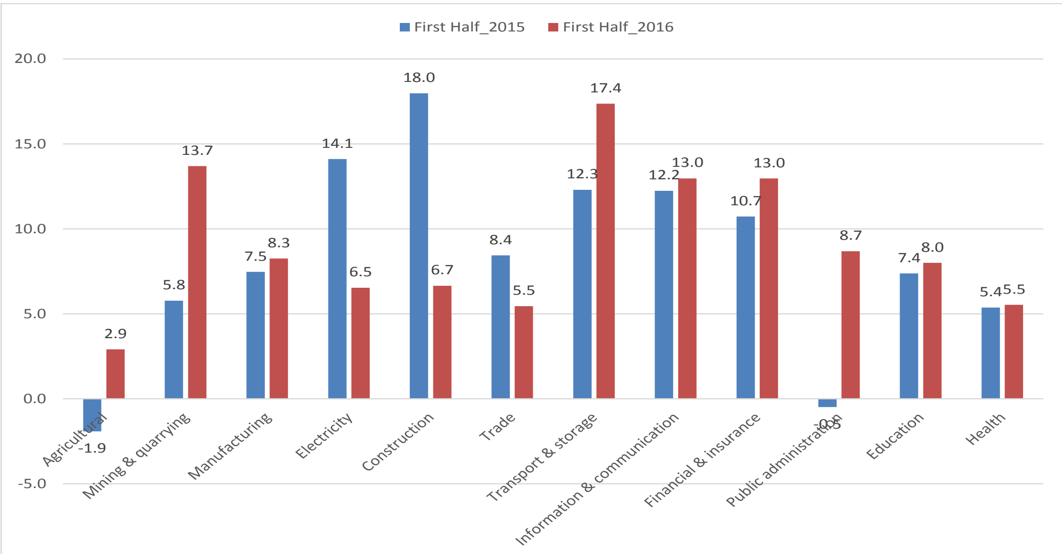


Chart 1.2: Semi Annual GDP Growth by selected Economic Activities (%) 2015 and 2016

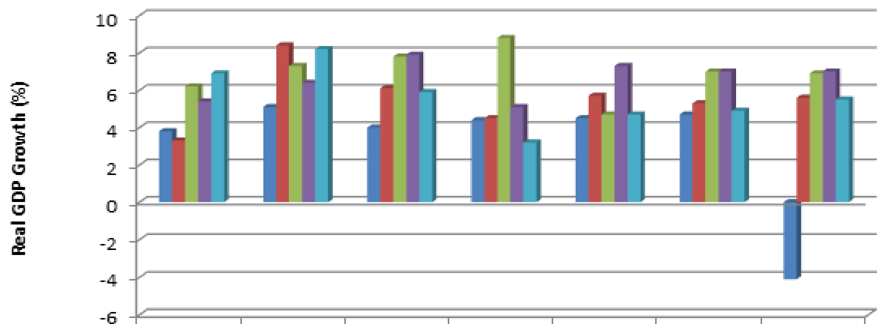


1.2.2 GDP Growth for East Africa Member States

6. Tanzania continued to record the highest growth rate among EAC member states while Burundi's economy contracted by 4.1 percent in 2015, the lowest growth rate in the region due to political unrest. Trend in real GDP growth in EAC member states is shown in **Chart**

1.3

Chart 1.3: Real GDP Growth in EAC member States (2009-2015)



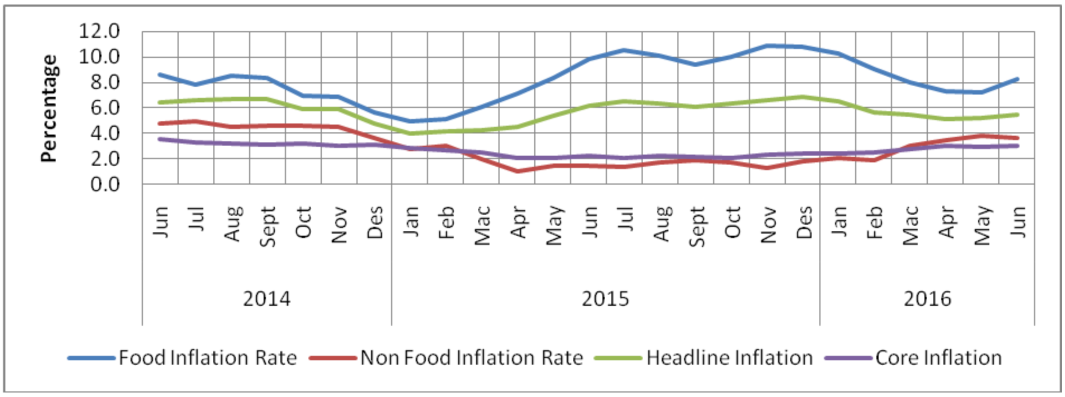
	2009	2010	2011	2012	2013	2014	2015
BURUNDI	3.8	5.1	4.0	4.4	4.5	4.7	-4.1
KENYA	3.3	8.4	6.1	4.5	5.7	5.3	5.6
RWANDA	6.2	7.3	7.8	8.8	4.7	7.0	6.9
TANZANIA	5.4	6.4	7.9	5.1	7.3	7.0	7.0
UGANDA	6.9	8.2	5.9	3.2	4.7	4.9	5.5

1.3 Inflation Trends

1.3.1 Tanzania

7. The monthly annualized headline inflation remained at single digit throughout the year 2015 consistent with sustained tight fiscal and monetary policy, general slowdown in global commodity prices especially oil prices, and slower pace in the increase of domestic food prices. Tight monetary policy contributed in containing core inflation (excluding food and energy) within the desired trajectory of below 3.0 percent in 2015/2016. During the period ending June 2016, headline inflation was 5.5 percent compared to 6.1 percent recorded in the corresponding period in 2015 and against the target of 5.0 percent **(Chart 1.4).**

Chart 1.4: Inflation Trends (June 2014- June 2016)



8. In September 2016, inflation continued to decline to 4.5 compared to 6.1 percent recorded in September 2015, with food inflation declining from 9.4 to 6.1 percent. On the other hand, in the same timeframe, non-food inflation increased from 1.9 to 2.7 percent due to relative increase in oil prices in the world market while core inflation rising from 2.2 to 2.4 percent. Inflation by major categories is shown in **Table 1.1**

Table 1.1: Trend of Inflation by Major Categories (%)

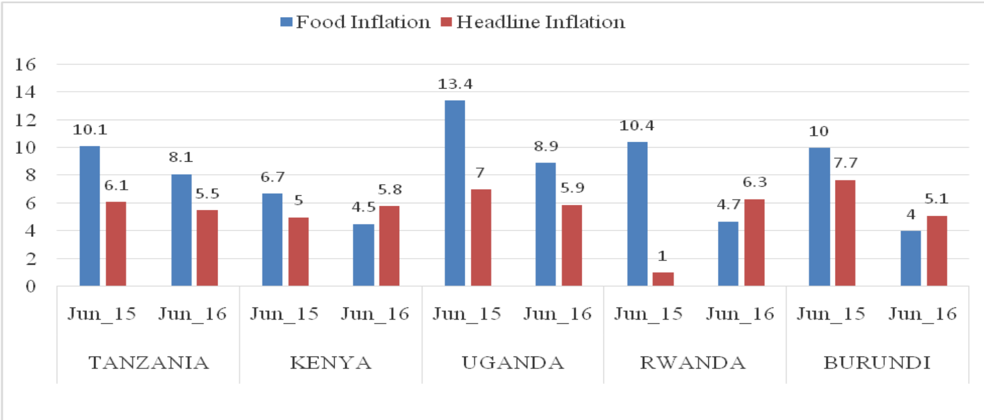
	Weight	Sep-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Food Inflation Rate	37.1	9.4	10.3	9.1	8.0	7.3	7.2	8.3	7.8	7.0	6.1
Energy Inflation Rate	8.7	0.6	0.3	-0.6	5.2	6.6	9.0	7.5	7.3	5.9	4.9
Non Food Inflation Rate	62.9	1.9	2.0	1.9	3.0	3.5	3.8	3.6	3.2	3.0	2.7
Core Inflation	54.3	2.2	2.4	2.5	2.8	3.0	3.0	3.0	2.6	2.6	2.4
Overall Inflation		6.1	6.5	5.6	5.4	5.1	5.2	5.5	5.1	4.9	4.5

1.3.2 Comparable Inflation Trends for EAC Member States

9. The average inflation rate in the EAC region continued to be stable maintaining a single digit in 2015/16 **(chart 1.5).** This was generally on account of stable food supply in the region and decrease in the world oil prices. By August 2016, inflation was highest in Rwanda

which recorded annual rate of 7.5 percent, followed by Burundi (6.6 percent), Kenya (6.3 percent), Tanzania (4.9 percent), and Uganda was the lowest at 4.8 percent.

Chart 1.5: Headline and Food Inflation for EAC Member States (%)



1.4 Government Finance

10. During 2015/16, implementation of the budget was characterized by good performance in domestic revenue collections with shortfalls in disbursements of GBS and external non-concessional loans. The Government relied on domestic borrowing to finance key expenditures.

1.4.1 Domestic Revenue

11. In 2015/16, the Government estimated to collect Shillings 13,997.6 billion. Actual collections were Shillings 14,139.3 billion, equivalent to 101 percent of the target equivalent to an increase of 28.4 percent compared to 2014/15 collections **(Table 1.2).**

Table 1.2: Domestic Revenue Performance (2014/15 and 2015/16)

	2014/15	2015/16		Performance against target (%)	% Growth
	Actual (bn)	Target (bn)	Actual (bn)		
Total Tax Collections (Net)	9,938.4	12,363.0	12,525.4	101.3	26.0
Non - Tax revenue (excl. GAs)	714.5	1,112.7	1,188.0	106.8	66.3
LGA own sources	360.1	521.9	425.9	81.6	18.3
Total domestic revenue	**11,013.0**	**13,997.6**	**14,139.3**	**101.0**	**28.4**

Source: Ministry of Finance and Planning

Tax Revenue

12. The Government estimated to collect tax revenue amounting to Shillings 12,363 billion in 2015/16, which is 13.1 percent of GDP and an increase of 24.8 percent of the actual collection in 2014/15. Actual collections were Shillings 12,525.4 billion, equivalent to 101.3 percent of the estimate which is 26.4 percent increase from the actual collection of 2014/15. The growth of 26.4 percent also surpassed the average growth rate of 17.6 percent recorded for the period of 2010/11-2014/15. In terms of tax yield, collections in 2015/16 were 13.3 percent of GDP compared to 11.6 percent in 2014/15. This achievement was mainly attributed to exploiting the existing revenue potentials, measures taken to recover tax arrears, increased compliance by government institutions in withholding tax upon payments for goods and services, enhanced use of custom integrated system (TANCIS) to facilitate clearing process as well as improved cargo management activities at Dar es Salaam port and other ports of entry.

Non-Tax Revenue

13. In 2015/16, actual non-tax revenue collection (excluding LGAs own sources) was shillings 1,188 billion, equivalent to 107 percent of the estimate and a growth of 66 percent from the preceding year. Contributions and dividends from Government Entities were shillings 246.5 billion against the target of 142.5 billion in 2015/16. The good performance was attributed to initiatives taken by the Government on enhancing revenue collection measures, increased compliance by Parastatals to remit 15 percent of their gross revenue to the Consolidated Fund and enforcement to use electronic systems in collecting non-tax revenues.

14. During the year 2015/16, LGAs collection from own sources was shillings 425.9 billion, equivalent to 81.6percent of the annual estimates of shillings 521.9 billion, and 18 percent higher compared to shillings 360.1 collected in 2014/15. The underperformance was due to inadequate capacity in revenue collection including inefficient collection systems.

15. Non-tax revenue (excluding LGAs) collected for the period July – August 2016 was Shillings 271.1 billion against the target of Shillings 448.4 billion which is equivalent to 60 percent of the estimate. LGAs collection from own sources was Shillings 45.4 billion, equivalent to 41 percent of the estimates of Shillings 110.9 billion for the same period. The underperformance was partly due to changes in non-tax administration including shifting of property tax collection from urban councils to TRA.

Tax Exemptions

16. Tax incentives are important in any tax regime as it has been widely

used to promote investment. However, tax exemptions have negative impact on resource mobilization and reduction of dependence from external sources. In 2015/16, tax exemptions were Shillings 1,103.3 billion compared to Shillings 1,642.3 billion in 2014/15 equivalent to a decline of 33 percent. Similarly, the proportion of tax exemption to total tax collection declined from 15 percent of tax revenue collected in 2014/15 to 7.8 percent in 2015/16. The share of exemption to GDP has also declined to 1.2 percent in 2015/16 from 1.9 percent registered in 2014/15.

17. Decline in exemption was attributed to measures taken by the Government to introduce new VAT Act, 2014 with effect from July, 2015 which has reduced concessions from three exemptions schedules to one schedule which caters for exemption on supplies and imports. The new law has introduced fundamental changes in terms of reducing the level of exemption granted as a measure to widen VAT base. Other efforts include both policy and administrative measures which were aimed at minimizing unproductive tax exemptions, scrutinizing and monitoring of exemption requested during the period.

External Resources

18. The Government has continued to engage with Development Partners (DPs) for assistance through General Budget Support (GBS) and specific programs towards economic growth and poverty reduction. In 2015/16, Development Partners had committed to provide equivalent of Shillings 2,322 billion, of which Shillings 660 billion were through GBS, Shillings 199 billion through Basket funds and Shillings 1,463 billion for direct projects support. The actual performance was 74 percent, with GBS disbursement amounting to

Shillings 291.8 billion, equivalent to 44 percent of the commitment. Basket funds amounted to Shillings 248 billion representing 125 percent of estimate while project funds were Shillings 1,186 billion equivalent to 80 percent of estimate. The over-performance in basket funds is attributed to higher disbursement by some DPs compared to the commitment.

19. Poor performance of the GBS is mainly caused by the shift in the foreign development policies in most bilateral donor countries towards other aid modalities such as direct project financing. It is worth noting that donor countries have withdrawn their support through GBS in many other developing countries. However, in an effort to minimize the impact of unpredictability of the GBS, the Government has initiated a joint review work with DPs on overall development cooperation relationship, which is expected to strengthen future engagements. External resources development is shown in **Table 1.3.**

Table 1.3: Trend of Foreign Financial Support for 2010/11 - 2015/16 (Billion Shillings)

FY	2011/12		2012/13		2013/14		2014/15		2015/16	
Modality	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
GBS	869	916	843	919	1,163	1,041	922	717	660	292
Basket Fund	688	472	415	478	500	434	274	290	199	248
Projects	2,366	1,425	1,899	1,562	2,192	1,236	1,745	1,339	1,463	1,186
Total	3,923	2,813	3,157	2,959	3,855	2,711	2,941	2,346	2,322	1,726

Source: Ministry of Finance and Planning

1.4.2 Expenditure

20. During 2015/16, government expenditure was estimated at shillings 22,495.5 billion, of which recurrent expenditure was Shillings 16,576 billion and development expenditure was Shillings 5,919.1 billion. As of end June, 2016 actual disbursement to all votes was Shillings 22,099 billion equivalent to 98 percent of the total estimated expenditure for the period. Out of that, shillings 17,759.6 billion was for recurrent expenditure equivalent to 91 percent of the estimate and shillings 4,339.6 billion for development expenditure, equivalent to 73 percent of the annual estimates. Total disbursement for 2015/16 increased by 51 percent from the actual expenditure of Shillings 14,603.7 billion in 2014/15.

21. Despite the increase in domestic revenue collection in 2015/16, the Government faced additional expenditure need arising from TANESCO arrears, provision of free basic education and expansion of higher education students' loan programme. In addition, the government budget experienced shortfalls in disbursements of GBS and external non-concessional loans during the period under review. Thus, the Government had to rely on domestic borrowing to finance key expenditures.

22. In 2016/17, the Government estimated to mobilise Shillings 29,540 billion from all sources and spend the same for recurrent and development expenditure. The budget aimed at implementing priorities as articulated in the annual plan for the FYDP II which focuses on nurturing industrial transformation and human development. Major projects to be implemented include upgrading the central railway line to standard gauge; roads transport; port improvement; improving water and power infrastructure; and increase production of agricultural produce.

1.4.3 National Debt

23. As of June, 2016 the National Debt (comprising domestic and external debt) amounted to USD 18,614.9 million compared to USD 16,959.5 million recorded in the corresponding period in 2015, equivalent to an increase of 9.8 percent. The increase was on account of new borrowing to finance development projects particularly construction of water, electricity, roads and bridge infrastructures. The total national debt stock is estimated at USD 23,093.3 million if the social security arrears (estimated at USD 1,649.3 million) and private sector external debt (amounting to USD 2,829.3 million) are included.

Debt Service

24. The government debt service has been increasing due to increased borrowing needs to finance various development projects. In 2015/16, debt service amounted to Shillings 4,996.3 billion, out of which domestic debt service was Shillings 4,015.4 billion and external debt service Shillings 980.9 billion. Out of domestic debt services, Shillings 3,005.8 billion were for rolling over maturing obligation and Shillings 1,009.6 billion were for interest payment.

The actual roll over was more than budgeted amount by Shillings 405.8 billion mainly caused by the converted liquidity papers of Shillings 170.2 billion and short term borrowings of Shillings 235.6 billion. Interest payment was 95.3 percent of the budgeted amount partly due to postponement for the issuance of non-cash special bonds.

25. Actual principal repayment for public external debt amounted to Shillings 504 billion compared to the targeted amount of Shillings 421.2 billion, being an increase of 19.65 percent. The increase was partly attributed to the depreciation of Tanzanian shilling against US Dollar. Interest payment was Shillings 476.8 billion equivalent to 94.5 percent of the budgeted amount of Shillings 504.6 billion.

Debt Sustainability Analysis

26. The Government Loans Guarantees and Grant Act CAP 134, requires the Government to conduct annual Debt Sustainability Analysis (DSA) which among other things, shows the trend of various debt sustainability indicators including description of economic situation in different scenarios and recommend measures for maintaining sustainable level of debt. The DSA conducted in September, 2015 showed that Tanzania remains at low risk of debt distress and that the debt outlook in the medium to long term is sustainable both under baseline and alternative scenarios. All of the debt burden indicators have remained below their indicative thresholds as indicated in **Table 1.4.** The Present Value (PV) of public debt to GDP ratio in 2015/16 is 36.8 percent which is below the threshold of 74 percent.

Table 1.4: Debt Sustainability Indicators to be changed

Indicators	2015	2017	2019	2022	2025	2035	Threshold
External debt							
PV of debt-to- GDP ratio	20.9	23.5	21	21.4	20.9	18.4	**50**
PV of debt-to-export ratio	104.4	99.2	95.7	98.2	98	87.3	**200**
PV of debt-to- revenue ratio	157.2	141.9	122.9	116.8	116	102.3	**300**
Debt service- to- export ratio	8.7	7.9	9.3	5.1	3.3	3	**25**
Debt service- to- revenue ratio	13	11.4	11.9	6	4	3.5	**22**
total public debt							
PV of debt-to- GDP ratio	36.8	41	38.8	40.1	39.3	37.6	**74**
PV of debt-to- revenue ratio	253.5	230.7	215.5	209.1	210	201.3	
Debt service- to- revenue ratio	21	26	45.1	29.3	26.3	29.9	

Source: MOF DSA Report Sep 2015

1.5 Monetary Developments

1.5.1 Money Supply

27. Annual growth of monetary aggregates was broadly within the targets in the year ending June 2016, with extended broad money supply (M3) growing at 12.5 percent, compared with the projected rate of 16.0 percent. The growth of M3 was also lower than 13.1 percent registered in the year ending June 2015 and the recent peak of 18.8 percent recorded in the year ending December 2015. This development was consistent with the sustained tight monetary policy stance pursued by the Bank of Tanzania, which led to a slowdown in the growth of net foreign assets (NFA) of the banking system and credit to the private sector.

28. During the period, NFA of the banking system contracted by 6.9 percent compared with the growth of 18.5 percent recorded in the corresponding period of 2015. In the same period, net foreign exchange holding of banks contracted by USD 139.4 million, compared to an increase of USD 62.5 million recorded in the year ending June 2015, largely due to increase in banks' foreign borrowing and decrease in short-term placements with parent banks

and transferable deposits with non-residents. On the other hand, contraction of NFA of the Bank of Tanzania reflects less foreign exchange inflows in form of program assistance and non-realization of ENCB relative to the year ending June 2015.

1.5.2 Credit to Private Sector

29. Annual growth of credit to the private sector slowed down to 19.1 percent in June 2016 from 21.0 percent in June 2015 and a peak of 25.3 percent recorded in January 2016. Nevertheless, growth of credit was in line with the projected growth rate of 19.3 percent. During the period, credit extended to all major economic activities slowed down except personal loans which increased by shillings 439 billion when compared with credit extended during the year ending June 2015. Trade and personal activities continued to hold the largest share of total outstanding credit (by 39 percent), followed by manufacturing (9.9 percent) and transport and communication (7.5 percent). Annual Change in Credit Extended by Banks to selected Economic Activities is shown in **Chart 1.6** and **1.7**

Chart 1.6: Annual Change in Credit Extended by Banks to Selected Economic Activities

Billions of Shillings

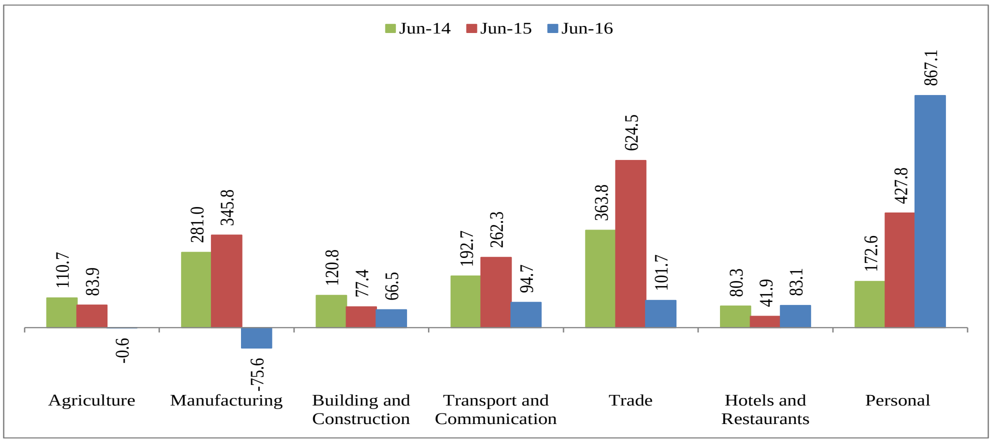
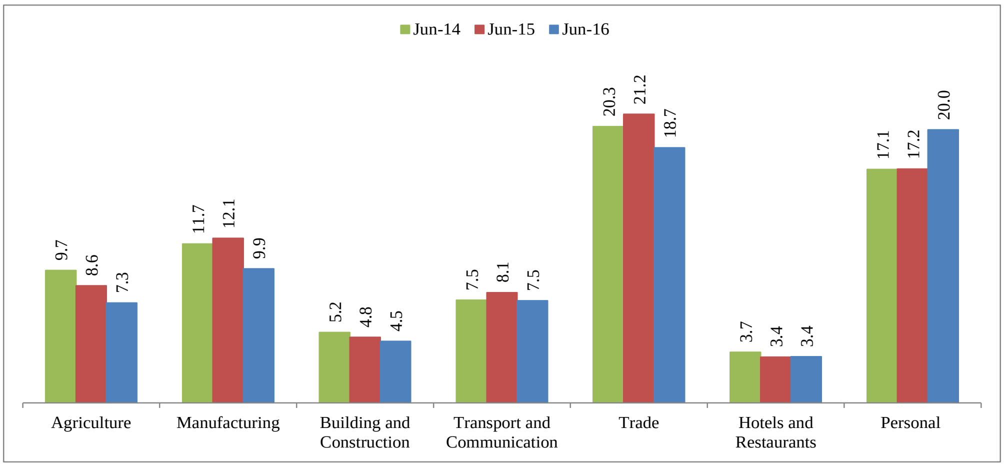


Chart 1.7: Percentage Share of Credit Extended by Banks to the Major Economic Activities



1.5.3 Interest Rate Developments

30. During the year ending June 2016, commercial banks' deposits rates recorded a decreasing trend, with overall time deposits rate decreasing to 8.18 percent, from 8.89 percent in June 2015. Likewise, the overall lending rate decreased to 15.99 percent from 16.06 percent. During the period, the 12 months deposits rate

increased from 10.45 percent in June 2015 to 11.52 percent, while, the one year lending rate decreased by 1.05 percent to 13.67 percent, leading to a narrowing of the spread between the two to 2.16 percentage points in June 2016 from 3.87 percentage in June 2015. Chart 1.8 and **Table 1.5** depict selected bank interest rates.

Chart 1.8: Selected Interest Rates Developments

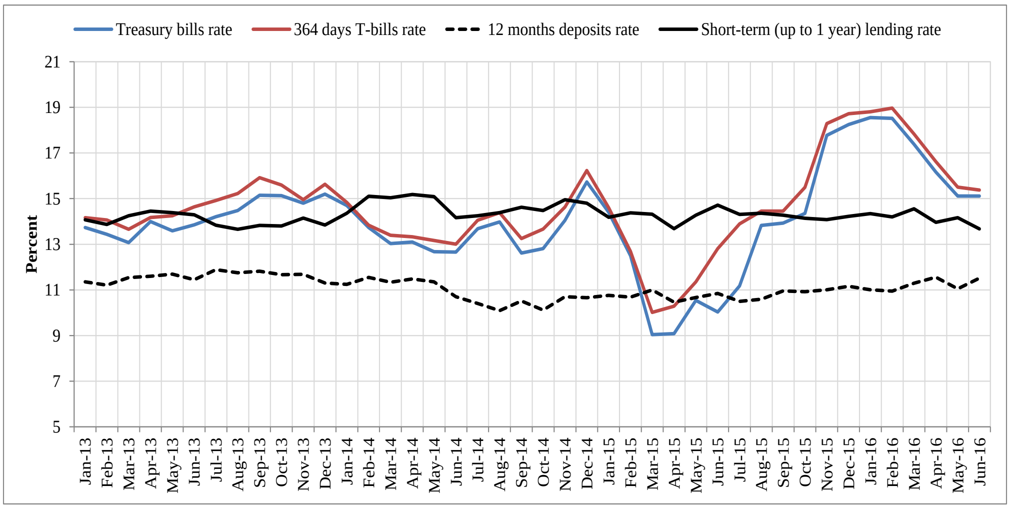


Table 1.5: Selected Interest Rates Developments

	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr16	May-16	Jun-16
Treasury Bills	10.04%	11.17%	13.83%	13.93%	14.35%	17.77%	18.25%	18.55%	18.52%	17.39%	16.16%	15.12%	15.12%
364-TB rates	12.81%	13.89%	14.45%	14.45%	15.49%	18.29%	18.72%	18.81%	18.96%	17.83%	16.62%	15.50%	15.38%
12-Months deposit rates	10.85%	10.50%	10.59%	10.95%	10.92%	11.01%	11.16%	11.01%	10.95%	11.30%	11.56%	11.75%	12.39%
Short term (up to one year) lending rates	14.72%	14.31%	14.36%	14.27%	14.14%	14.08%	14.22%	14.34%	14.20%	14.55%	13.96%	14.17%	13.68%

***Source**: Bank of Tanzania*

1.5.4 Exchange Rate Movement

31. During 2015/16, the value of the Tanzanian Shilling against the USD remained stable especially in the second half of the year on account of tight monetary and prudential measures taken by the Bank of Tanzania in the last quarter of 2014/15. The exchange rate depreciated by an average of 3.5 percent in June, 2015 while in June, 2016 it depreciated by 0.1 percent. During the period January to July 2016, the Shilling depreciated marginally from an average of Shillings 2,172.38 per USD in January 2016 to an average of 2,180.54 in July, 2016.

1.5.5 External Sector Development

32. The current account deficit narrowed from USD 4,776.9 million in 2014/15 to USD 2,459.5 million during 2015/16. This development was largely explained by an increase in exports of goods and services coupled with a substantial decline in imports of goods and services **(Table 1.6).** Despite improvement in the current account balance, the overall balance of payments registered a deficit of USD 381.8 million from a deficit of USD 225.9 million in the year ending June 2015 on account of underperformance in the capital and financial accounts. Consequently, the stock of gross official reserves as at end June 2016 amounted to USD 3,870.3 million which is sufficient to cover 3.7 months of projected imports of goods and services excluding those financed by foreign direct investment. Meanwhile, gross foreign assets of banks stood at USD 835.0 million during the period under review.

Table 1.6: Tanzania Current Account

Millions of USD

Items	2014/15	2015/16^{P}	% Change
Goods Accoujnt (net)	**-5,275.6**	**-2,948.8**	**-44.1**
Exports	5,383.8	5,893.7	9.5
Imports	10,659.4	8,842.5	-17.0
Services Account (net)	**782.5**	**1,139.0**	**45.6**
Receipts	3,493.1	3,632.8	4.0
Payments	2,710.7	2,493.8	-8.0
Goods and services (net)	**-4,493.1**	**-1,809.8**	**-59.7**
Export of goods and services	8,876.9	9,526.5	7.3
Import of goods and services	13,370.1	11,336.3	-15.2
Income Accpunt (net)	**-858.5**	**-982.5**	**14.4**
Receipts	121.3	110.1	-9.2
Payments	979.8	1,092.6	11.5
Current Transfers (net)	**574.8**	**332.7**	**-42.1**
Inflows	650.8	410.7	-36.9
o/w General Government	289.9	41.0	-85.9
Outflows	76.0	78.0	2.6
Current Accoun Balamce	**-4,776.9**	**-2,459.5**	**-48.5**

Source: *Bank of Tanzania*

33. The value of exports of goods and services amounted to USD 9,526.5 million compared to USD 8,876.9 million recorded in the year ending June 2015. Good performance was recorded in the export value of travel, manufactured goods and gold while traditional exports recorded a decline. Export of manufactured goods grew by 11.1 percent to USD 1,462.6 million with notable increase recorded in edible oil, textile and apparel, plastic items and iron and steel products. The development in manufacturing exports is consistent with booming of manufacturing activities in the economy. Similarly, gold exports which constitute the largest share of non-traditional exports recovered slightly by registering 7.9 percent increase to USD 1,334.6 million on account of export volume as prices in the world market remained low.

34. In 2015/16, value of import of goods and services was USD 11,336.3 million, being 15.2 percent lower than the value in 2014/15. The decline was noted in capital goods, oil, and food and food stuff. The

value of oil which accounts for the largest share in goods import declined by 8.5 percent to USD 2,803.2 million due to a fall in prices in the world market as volume of imported oil increased. The volume of imported white petroleum products increased slightly to 2.0 million metric tons compared to 1.9 million metric tons, while prices in the world market went down to USD 548.03 per metric ton compared with USD 750.3 per metric ton recorded in 2014/15. The observed decline in imports was on account of good harvest in the domestic economy, exchange rate depreciation and completion of major projects such as the Dangote cement factory natural gas exploration and Kinyerezi I power plant.

1.6 Macroeconomic Outlook and Medium Term Focus

1.6.1 Global Economic Growth and Outlook

35. According to IMF World Economic Outlook (WEO) update of July 2016, the global economic growth for 2016 and 2017 is projected at 3.1 percent and 3.4 percent, respectively. This projection reflects the expected macroeconomic consequences of a sizable increase in uncertainty on the political front as the UK vote out of EU with the implication of downside risk for the world economy. As a result, the global economy for 2016/17 has been revised downward, despite the better-than-expected performance in early 2016. The growth in advanced economies is projected at 1.8 percent in 2016 and 2017 while in emerging market and developing economies the growth is projected at 4.1 percent in 2016 and 4.6 percent in 2017. Growth in the United Kingdom is expected to slow down due to the upsurge in uncertainty following the weakened domestic demand.

36. China's growth outlook is still high, though projected to slow down in 2016 and 2017. The direct impact of the U.K. referendum will likely be limited, in light of China's low trade and financial exposure to the United Kingdom as well as the authorities' readiness to respond to achieve their growth target range. In India, economic activity remains buoyant, but the growth forecast for 2016/17 was trimmed slightly, reflecting a more slow investment recovery.

37. In the Middle East, oil producing countries are benefiting from the recent modest recovery in oil prices while continuing fiscal consolidation in response to structurally lower oil revenues, but many countries in the region are still plagued by strife and conflict. The recovery in financial and oil markets that had started about mid-February 2016 broadly continued through June 2016, as markets assumed the United Kingdom would remain in the European Union. The slight increase in oil prices was mainly due to declining excess in oil supply on account of gradual slow down in non-OPEC production and supply disruptions notably in Nigeria and Canada.

38. Growth projections were revised down substantially in sub-Saharan Africa, reflecting challenging macroeconomic conditions, which are adjusting to lower commodity prices. In Nigeria, economic activities are projected to contract in 2016, as the economy adjusts to foreign currency shortages as a result of lower oil receipts, low power generation, and weak investor confidence. These revisions for the largest low-income country (Nigeria) are the main reason for the downgrade in growth prospects for low-income countries in sub – Saharan Africa. **Table 1.7** presents the world economic performance and outlook.

Table 1.7: World Economic Performance and Outlook (%)

	Actual		Projections	
	2014	**2015**	**2016**	**2017**
World	3.4	3.1	3.1	3.4
Advanced economies	1.9	1.9	1.8	1.8
Emerging and Developing Economies	4.6	4.0	4.1	4.6
United Kingdom	3.1	2.2	1.7	1.3
Developing Asian Countries	6.8	6.6	6.4	6.3
China	7.3	6.9	6.6	6.2
India	7.2	7.6	7.4	7.4
Sub-Saharan Africa	5.1	3.3	1.6	3.3
Tanzania	**7.0**	**7.0**	**7.2**	**7.5**

Source: IMF World Economic Outlook Update, July, 2016

1.6.2 National Medium Term Outlook and Targets

Macroeconomic Assumptions

39. In achieving the desired government targets, a set of assumptions have to be in place and considered in setting the targets. Some of the key assumptions underlying macroeconomic projections and policy targets in the medium term (2017/18-2019/20) are as follows:

i. Peace, unity, political stability and tranquillity within and across the region will be maintained;
ii. Macroeconomic stability and social economic gains will continue to be improved and sustained, including GDP growth, domestic revenue collection and inflation;
iii. Stability in the global economy will be sustained;
iv. Stability in the world oil market prices; and
v. Favourable weather conditions in the region.

vi. Maintain strong relationship with neighbouring and regional countries as well as strengthening international cooperation
vii. Favourable legal and regulatory framework for investment

Economic Growth

40. The overall GDP growth for 2016 is projected at 7.2 percent supported by on-going implementation of the priority projects under the FYDP II. In addition, assessment of leading indicators to growth has shown a higher growth of GDP in 2016. The assessment considered various indicators such as GDP growth in the first half of 2016; electricity generation; production and consumption based tax revenues; importation of industrial raw materials; and exports of manufactured goods. These indicators provide vital information about the likely performance of GDP in 2016. Assessment of these indicators in the first half of 2016 revealed the following:

i. GDP growth was 6.7 percent compared to 5.8 percent in the corresponding period in 2015;
ii. Production of cement increased to 1,906,000 tons compared to 1,389,000 tons produced in the corresponding period of 2015, which was an increase of 37.2 percent. This supports not only good performance in the manufacturing sector but also a major input in the construction economic activity;
iii. Electricity generation, which is a major ingredient to many economic activities, increased by 14.5 percent to 3,454.2 million kWh from 3,016.7 million kWh generated in the corresponding period in 2015;

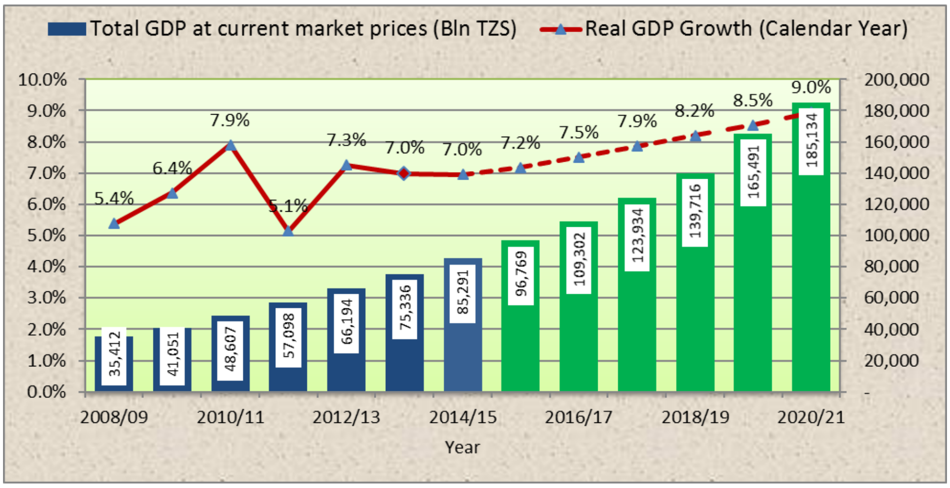
iv. Export of manufactured goods amounted to USD 728.5 million, being 15.6 percent higher compared to the level recorded in the corresponding period of 2015. This gives prospects of better performance in manufacturing activity in 2016 compared to 2015.

v. All tax items registered positive growth compared to the same period in the preceding year. The overall growth of major tax revenue items reflects continuous increase in the level of economic activities which are taxable and

vi. Growth of credit to private sector slowed down to 19.1 percent in June 2016 from 21.0 percent in June 2015 but still was in line with the projected growth of 19.3 percent.

41. In the medium-term, annual average growth is expected to increase to 8.2 percent in 2020. The projected growth is supported by improvement and stability in power supply mainly from natural gas which is expected to boost performance of other sectors including manufacturing and trade; revival of the central railway line in standard gauge; increase in the capacity and efficiency of the Dar es Salaam and Tanga Ports; increase in financial deepening; and implementation of economic policies under the FYDP II. The scaling-up of onshore gas production and construction of oil pipeline from Uganda to Tanzania are also contributing factors to higher real GDP growth in the medium term. Actual GDP (2008/09 – 2014/15) and projected GDP (2015/16 – 2020/21) are shown in **Chart 1.9** and **Table 1.8.**

Chart 1.9: Actual and Projected GDP (2008/09-2020/21)



*Note: **Calendar year corresponding to for example 2008/09 is 2009.***

Table 1.8: Nominal and Real GDP (Actual and Projection)

NORMINAL GDP BIL. SHILLINGS								
2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
61,434	70,953	79,718	90,864	102,675	115,928	131,939	147,494	183,488
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
57,098	66,194	75,336	85,291	96,769	109,302	123,934	139,716	165,491
REAL GDP BIL.SHILLINGS								
2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
35,936	38,547	41,231	44,101	47,270	50,821	54,813	59,309	64,371
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
35,058	37,242	39,889	42,666	45,686	49,046	52,817	57,061	61,840

Source: Abridged from FP September 2016

Inflation Outlook

42. Inflation is projected at 5.0 percent in December 2016 and June 2017, and is expected to remain constant in the medium term. The slowdown in inflation rate is due to the following:

i. Reduction in the production costs on account of reliable and affordable power supply resulting from completion of natural gas pipeline project, completion of Kinyerezi I power plant and cost reduction in oil import for power generation;
ii. Improvement in food supply in 2016 and 2017 on account of favourable weather condition in the region;
iii. Prudent fiscal policy including public expenditure management and continued monetary policy tightening;
iv. Stability in regional consumer price index particularly for EAC region;
v. Low and stable oil prices in the world market; and
vi. Stability of the Shilling exchange rate against the US Dollar.

Monetary Policy

43. The extended broad money supply (M3) is projected to grow in line with the projected pace of expansion of nominal GDP and the expected change in velocity of circulation. M3 is therefore projected to grow by 14.8 percent in 2016/17 and about 14.0 percent in the medium term. Monetary projections are consistent with an expansion in credit to the private sector of about 20 percent in 2016/17 and remain around that level in the medium term.

External trade Sector

44. In the year 2016/17, the current account balance is projected to record a deficit of 6.2 percent of GDP, compared to 5.5 percent of GDP in the preceding year. This development is largely due to projected increase in imports particularly capital goods that offset the impact of the increase in exports. The rebound in imports is supported by the anticipated sizeable investments particularly in infrastructure such as modernizing the central railway line and construction of oil pipeline to Uganda. Gold exports are expected to bounce back compared to a negative growth in 2014/15 due to increase in both price and volume. Manufactured exports are also projected to maintain positive growth in line with the projected performance of manufacturing activity in the economy. In the medium term, the ratio of current account deficit to GDP is projected to remain at an average of 6.1 percent.

1.7 Macroeconomic Projections and Policy Targets

45. The assumptions for the medium term targets are summarized in **Table 1.9**

Table 1.9: Medium Term Targets

	Previous Target	**Actual**	**Target**				
	2015	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Real GDP Growth	7.0%	7.0%	7.2%	7.5%	7.9%	8.2%	8.5%
Inflation (eop)	8.0%	6.8%	5.0%	5.0%	5.0%	5.0%	5.0%
	Actual	**Previous Target**	**Actual**	**Targets**			
	2014/15	**2015/16**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Inflation (eop)	6.1%	6.0%	5.5%	5.0%	5.0%	5.0%	5.0%
M3 Growth	13.1%	16.1%	12.5%	14.8%	15.0%	14.0%	13.1%
Growth of Credit to Private Sector	21.0%	16.9%	19.1%	20.0%	20.2%	20.0%	17.8%
Official Foreign Reserves (month of Import)	3.8	3.9	4.1	4.0	4.0	4.0	4.1

Source: Abridged from FP September 2016

CHAPTER TWO

IMPLEMENTATION STATUS OF THE NATIONAL PLANS, STRATEGIES AND OTHER NATIONAL INITIATIVES

2.1 Introduction

46. The Government adopted the Tanzania Development Vision (TDV) 2025 in 2000, as a guiding framework in the formulation of the National plans, strategies and other sectoral development initiatives. The Vision envisages Tanzania to attain a middle income status by 2025, attributed to high quality livelihood; peace, stability and unity; good governance; a well educated and learning society; and a competitive economy capable of producing sustainable growth and shared benefits.

47. Since its adoption, several short, medium and long term plans, strategies and other sectoral initiatives have been formulated with a view to achieving the Vision's attributes. Among the plans, strategies and other development initiatives prepared and adopted include: the Long Term Perspective Plan (LTPP), the Five Year Development Plan I; the National Strategy for Growth and Reduction of Poverty popularly known as MKUKUTA; the Big Results Now (BRN) initiative; and other sectoral policies and plans.

48. These plans had been implemented in parallel, requiring institutions to align their priorities with the plans' strategies so as to achieve the desired output. Given the limitations in financial resources and duplication of efforts, the Government merged the Five Year Development Plan priorities and MKUKUTA framework into a single document which is the Five Year Development Plan 2016/17 – 2020/21 (FYDP II) currently under implementation. The FYDP II

has therefore taken on board all the MKUKUTA strategies and other initiatives in a more streamlined manner capable of fast tracking the implementation of TDV 2025 attributes. Globally, the United Nation's resolution of September, 2015 adopted the 2030 Agenda for Sustainable Development Goals (SDGs), a successor global development framework to MDGs. Tanzania adopted the SDGs and started its implementation through Five Year Development Plan.

49. This chapter presents highlights of the major achievements and challenges encountered during implementation of projects and programmes during the year 2015/16 and the first quarter of 2016/17.

2.2 Annual Development Plan 2015/16 and 2016/17

50. The Annual Development Plan (ADP) 2015/16 is the last in the implementation of FYDP I (2011/12 – 2015/16), while the Annual Development Plan (ADP) 2016/17 is the first in the implementation of FYDP II (2016/17 – 2020/21). Both plans are part of the implementation of LTPP towards achieving the aspirations of TDV 2025. The ADP 2015/16 implemented strategic projects under FYDP I, including projects which are key to the national development. The ADP 2016/17 focuses on building industries to strengthen economic growth, implement flagship projects and other infrastructure projects which will support industrial development, and linking industrialization and Human Development. The Plans also take into consideration non-income dimensions, especially the sectors of social services such as education, water supply, and health. The achievements recorded in each sector are as follows:-

2.2.1 Flagship Projects for 2015/16

51. The flagship projects are critical with positive multiplier effects to

the economy and particularly for the areas that can catalyze the aspired transition towards Tanzania's industrialization and socio-economic transformation. Most of the strategic projects identified for implementation in FYDP I particularly infrastructure projects, have been carried over as flagship projects in FYDP II. The status of some flagship projects are as follows:

i. Construction of New Standard Gauge Central Railway Line

52. This project involves construction of Dar – Isaka (970 kms), Isaka – Keza – Kigali/Musongati (702 kms). The project intends among others, to serve the neighbouring countries of Democratic Republic of Congo (DRC), Rwanda, Burundi and Uganda. In view of this, Tanzania, Rwanda and Burundi entered into agreement to implement the project where the feasibility study for the project has been completed, tender notice has been announced for procurement of a contractor for detailed feasibility study and consultancy service. In addition, implementation process for the construction of the railway network branches into standard gauge has started andthe status is as follows:- Tabora – Kigoma (404km) and Kaliua – Mpanda (210km) detailed design in progress, whilst Mpanda – Karema (150km) and Uvinza – Musongati (200km) feasibility study and preliminary design is ongoing. These projects are expected to be completed during the financial year 2016/17

ii. Bagamoyo Special Economic Zone and New Port

53. This project aims at facilitating the establishment of industries which will use local inputs to produce goods for domestic and foreign markets. Achievements recorded under these projects include payment of compensation for 5,742.52 out of 9,800 hectares of land that was earmarked for the project and signing of the Tripartite

Agreement among the Government of Tanzania, China Merchant Holding International (CMHI) and State General Reserve Fund of Oman.

iii. Kurasini Trade and Logistics Centre

54. This Centre will be developed by a joint venture between Tanzania and China aim at setting up a modern trade and logistics centre at Kurasini in Dar es Salaam. The project includes construction of a modern trade hub in an area covering 60.4 hectares in Kurasini. Compensation payment has been completed.

iv. Mchuchuma and Liganga Projects

55. Mchuchuma coal project is set to produce 3 million tons of coal per annum. The project will generate 600MW, of which 300MW will be used by Liganga Iron Project and the remaining 300MW will be fed into the national grid. The Liganga project is expected to produce 2.9 million tons per annum of iron ore and 1.0 million tons per annum of steel. The Mchuchuma and Liganga projects are implemented by a joint venture company between Tanzania China International Mineral Resource (TCIMR) Ltd owned by NDC on behalf of the Government of Tanzania and Sichuan Hongda Group (Corperation) Ltd of China.

56. Implementation status includes: - completion of drilling to determine the estimated quantity and quality of iron ore and coal; design of both mining, electricity generation plant and iron production industry; construction of roads to project areas to gravel standard; and valuation for compensation. Certificate of environmental impact assessment for both projects; special mining and water rights licenses; and technology for extraction of titanium and vanadium have been obtained.

2.2.2 Achievements attained in other Sectors

57. Achievements attained in other sectoral development projects include:-

Roads

i. A total of 466.49 km of trunk and regional roads were constructed to bitumen standard and a total of 758.4 km were rehabilitated to bitumen standard;
ii. A total of 82.4 km against target of 113 km trunk roads were upgraded to bitumen standard;
iii. A total of 676 km of regional roads were rehabilitated to gravel standard against target of 1,252 km;
iv. Completion of construction of Dar es Salaam Bus Rapid Transit (BRT) infrastructure and commencement of intern operation services; and
v. Construction of Nyerere (Kigamboni) and Lukuledi II bridges were completed.

Agriculture

i. The number of cooperative societies increased from 3,865 in March, 2015 to 4,093 in March 2016;
ii. Production of horticultural produce increased from 5.7 million tons in 2014/15 to 5.9 million tons in 2015/16;
iii. Production of grain was 2,804 tons against 3,081 tons targeted in 2015/16 equivalent to 9.9 percent;
iv. Sales of cash crops such as coffee, cotton, tobacco and cashew nuts increased from Shillings 325.7 billion in 2014/15 to Shillings 662.6 billion in 2015/16; and
v. The Tanzania Agricultural Development Bank (TADB) has conducted capacity building training for 89 farmers' groups

covering 21,526 farmers and provided loans worth Shillings 1.006 billion to 8 groups.

Livestock and Fisheries

i. A total Shillings 976.5 billion was obtained in 2015/16 from sales of 1,470,805 cattle, 1,161,840 goats and 253,243 sheep;
ii. A total of 2,699,139 pieces of hides and skins worth Shillings 52.5 billion were produced in 2015/16 out of which 311,000 pieces worth Shillings 2.5 billion were exported;
iii. Milk production increased from 2.06 billion litres in 2014/15 to 2.14 billion litres in 2015/16;
iv. Production of meat (cattle, goats, sheep, pigs and chicken) increased from 597,757 tons in 2014/15 to 648,810 tons in 2015/16; and
v. A total of 362,645 tons of fish were produced worth Shillings 1,480 billion, out of which 40,540.95 tons worth Shillings 542.8 billion was processed and exported in 2015/16.

Railway

i. Commuter train in Dar es Salaam city from TAZARA main station to Pugu Mwakanga (34.5km) has been launched;
ii. Central Railway Line Cargo transportation capacity increased from 154,150 tons in 2014/15 to 156,104 tons 2015/16;
iii. Cargo transportation through TAZARA increased to 95,379 tons in 2015/16 from 54,537 tons in 2014/15 while the number of passengers increased from 454,380 in 2014/15 to 489,680 in 2015/16;
iv. Detailed design for construction of Tabora-Kigoma and Kaliua-Mpanda railway lines is completed; and

v. Feasibility study and preliminary design of Mtwara-Mbambabay and Mchuchuma/Liganga railway line to standard gauge is completed while for Tanga – Arusha – Musoma the work is in progress.

Airports

i. Rehabilitation of Bukoba airport has been completed;
ii. Rehabilitation of Kilimanjaro International Airport (KIA) is expected to be completed in May, 2017;
iii. Rehabilitation of Dodoma Airport is in progress;
iv. Construction of Phase I of Terminal III at Julius Nyerere International Airport (JNIA) is in progress;
v. Rehabilitation of Mafia, Tabora, Shinyanga, Mtwara, and Mwanza air ports is in progress; and
vi. Construction of Songwe Airport is at final stage.

Ports

i. Cargo transport through lake ports increased to 33,015 tons in 2015/16 from 31,013 tons in 2014/15;
ii. Rehabilitation of Lindi and Pangani (Indian Ocean), Kagunga and Kalya/Sibwesa (Lake Tanganyika), Ndumbwi (Lake Nyasa) and Kyamkwikwi (Lake Victoria) ports is in progress; and
iii. Construction of Lushamba and Ntama ports along Lake Victoria is in progress.

Health

i. Enrolment in health training institutions in 2015 increased to 11,192 students surpassing the enrolment target of 10,000 students per year by year 2017;
ii. Maternal mortality rate declined from 454 per 100,000 live births in 2010 to 398 in 2015;

iii. A total of 743,773 people living with HIV were put on ARVs against the annual target of 880,681 people;
iv. A total of 42,390 gender based violence survivors were investigated and treated;
v. A total of 11,729,281 people equivalent to 27 percent of the population are registered with health insurance funds schemes, out of which 8,390,526 are Community Health Fund (CHF) members and 3,338,755 are National Health Insurance Fund (NHIF) members; and
vi. Number of health facilities (hospitals, health centres and dispensaries) increased from 6,969 in 2014 to 7,249 in 2015 and
vii. Continuing with construction of Muhimbili University of Health and Allied Science- Mloganzila campus.

Education

i. Number of pupils enrolled in pre-primary education increased from 1,069,823 pupils in 2015 to 1,562,770 in 2016, which is equivalent to 46 percent. The large increase in this year's enrolment is a result of the government's free basic education policy statement which was introduced in November 2015;
ii. Number of pupils enrolled in primary education increased from 8,222,667 in 2014 to 8,639,202 pupils in 2016, equivalent to 5.1 percent;
iii. Total enrolment in secondary education level (Form 1 – 6) increased from 1,774,383 in 2015 to 1,806,955 students in 2016 equivalent to 1.8 percent;
iv. Pass Rate for Secondary Education (form four) Examination (in Division I – III) increased from 9.5 percent in 2012 to 25.4 percent in 2015;

v. Upgrading of 308 school infrastructures against the target of 528 is completed; and

vi. Student to textbook ratio indicator in 2015 is on average of one textbook for every one student in Science subjects (Physics, Chemistry, Basic Mathematics & Biology) and one textbook for every two students in Language subjects.

Water

i. A total of 22,795,378 people living in rural areas equivalent to 72 percent of the rural population have access to clean and safe water in 2015/16 compared to 60 percent in 2014/15;

ii. Production of clean and safe water in Urban areas has increased from an average of 287 to 405 million litres per day;

iii. Supply of clean and safe water in Dodoma urban has increased from 32 to 61.5 million litres, resulting in an increased number of residents accessing clean and safe water from 361,416 to 444,000;

iv. Expansion of water plants at both Upper and Lower Ruvu was completed. Consequently, production capacity of Upper Ruvu plant increased from 82 to 196 million litres per day whereas that of Lower Ruvu increased from 180 to 270 million litres per day; and

v. A total of 122 water sources were identified, demarcated and declared as catchment areas.

Energy

i. Installed generation capacity increased from 1,226.24 MW in June, 2015 to 1,461.69 MW in April, 2016 equivalent to 19 percent;

ii. Electricity injected in the National Grid increased to 6,227 GWh in 2015 from 6,033.98 GWh in 2014 equivalent to 3 percent;

iii. Generation from off grid centers increased from 191.8 GWh in 2014 to 201.44 GWh in 2015 equivalent to 5 percent;

iv. Construction of Kinyerezi I power generation plant with capacity of 150 MW is completed and is currently supplying power to the National Grid;

v. Construction of 11/33 kV substations in six districts; 33 kV transmission line with a total of 15,000 km; installation of 3,100 transformers with 33/0.4/0.23 kV; and construction of 7,000 km 11 kV transmission line through Rural Electrification Turnkey Phase II Project have been completed by 91 percent;

vi. Thirteen District Headquarters have been electrified and a total of 220,128 new customers out of 250,000 equivalent to 88 percent were connected to electricity in 2015/16;

vii. Construction of Iringa – Shinyanga 400 kV Transmission Line (backbone), substation expansion and electrification of villeges along the transmition line is 94 percent complete;

viii. Construction of five mini - hydro electricity generation projects of Andoya (Mbinga), Darakuta (Manyara), Tulila (Songea) and Yovi (Kilosa) with total capacity of 6.6 MW was completed; and

ix. Construction of biogas plants at household level increased from 12,000 in 2014/15 to 14,000 in May, 2016.

Industrial Sector

i. The sector share to total country's export increased from 23.3 in 2014 to 23.9 percent in 2015;

ii. A total of 186 new technologies were developed in 2015 as compared to 20 developed in 2014; and

iii. A total of 140 companies were registered by Economic Processing Zone Authority under SEZ and EPZ arrangements and 36,227 jobs were created since its establishment.

Tourism

i. Three revenue collection tracking systems were developed namely:- tourism hunting; photographic safaris; and tourism registration and licensing systems;
ii. A total of 106,320 patrol man-days were conducted in and outside Game Reserves and 849 alleged wildlife offenders were arrested;
iii. A total of 189 cases out of 424 cases filed in different courts were concluded in which a total of Shillings 219,673,659 was collected as fines; and
iv. A total of 1,236 rounds of ammunitions were confiscated.

Trade

i. The value added of trade economic activities to GDP increased from 32.6 billion Shillings in 2014 to 36.4 billion Shillings in 2015;
ii. Sales of goods and services to EAC member states increased to 1,062.4 million US Dollar in 2015 from 598.1 million US Dollar in 2014;
iii. Sales of goods and services to SADC member states increased to 1,357.7 million US Dollar in 2015 from 1,235.9 million US Dollar in 2014; and
iv. Sales to USA market through AGOA program has reached US Dollar 25 million and created 4,000 jobs.

Financial Sector

i. Financial institutions under the supervision of BoT increased from 59 in 2014 to 63 in December, 2015 while commercial bank branches increased to 725 from 702 branches in the same period, equivalent to 3.3 percent;

ii. The amount of mobile money transacted accross mobile networks increased from 52,500 billion shillings in 2014/15 to 66,200 billion shillings in 2015/16;

iii. The National Payment Systems Act, 2015 was enacted and Electronic Money Regulations and Payment Services Providers Licensing Regulations were issued;

iv. Total deposits were 18.0 trillion Shillings in the second quarter of 2016 compared to Shillings 16.2 trillion in the corresponding quarter of 2015; and

v. Total lending by financial institutions reached 16.1 trillion Shillings in the second quarter of 2016 from 13.7 trillion Shillings in the corresponding quarter of 2015.

Good Governance and Accountability

i. A total of 3,816 corruption allegations were received for investigation by the Prevention and Combating Corruption Bureau, out of which investigation of 366 allegations was completed;

ii. The 2015 General Election was successfully conducted whereby a total of 15,193,862 citizens voted equivalent to 65.3 percent of 23,253,982 registered voters;

iii. Amendment of Public Procurement Act No. 7 of 2011 was made; and

iv. Whistleblower and Witness Protection Bill, 2015 was passed but its use is awaiting presidential endorsement.

2.3 Sustainable Development Goals (SDGs)

58. The 17 Sustainable Development Goals (SDGs) are contained in Agenda 2030 of the United Nations. This Agenda, officially known as "Transforming our World: Agenda 2030 for Sustainable Development", is a global development agenda succeeding the Millennium Development Goals (MDGs) which ended in 2015. A set of 17 SDGs were adopted and cover a broad range of sustainable development issues including ending poverty and hunger, improving health and education, making cities more sustainable, combating climate change and protecting oceans and forests.

59. Broadly, the SDGs have been integrated in the prevailing national medium term development plan, Five Year Development Plan (FYDP II) 2016/17-2020/21 which identifies four broad priority areas as follows:

a) ***Growth focused*** interventions which are geared to transforming the country into a middle-income status through industrialisation and modernisation. Interventions earmarked in this category include:

i. Improving productivity and adding value to the country's vast array of natural resources and primary products; (SDG 1, 2, 8, 9,12,14, 15);
ii. Creating, penetrating and securing markets at the national, regional and international levels particularly in areas where Tanzania has comparative advantages (SDG 17);
iii. Strategically using the country's unique geographical advantage to position itself as a gateway to and from the Eastern and Southern African region (SDG 9, 17);

iv. Promoting industries that use medium level technology for creation of employment opportunities for the youthful population that the country is endowed with (SDG 8); and
v. Facilitating the efforts to layout a solid base for the development of basic industries (e.g. steel, chemical, fertilizer, and cement) (SDG 9).

b) ***Human development focused*** interventions aiming at improving human development, quality of livelihood, and championing the fight against poverty through enhancing income security, increased access to social services, responsive governance and social protection. Particular interventions earmarked for this broad priority area include:

i. Improving access and quality of basic education as well as skills development and enhancement (SDG 4);
ii. Improving access and quality of basic health services (SDG 3);
iii. Improving the provision of water, sanitation and hygiene (SDG 3, 6);
iv. Developing Human Settlements and fostering sustainable urban management (SDG 11); and
v. Strengthening development capabilities and social protection (SDG 10).

c) ***Creating a conducive environment for enterprises and business*** to grow and thrive. These include:

i. Ensuring macroeconomic stability (SDG 8,17);
ii. Providing requisite infrastructure (SDG 7,9); and
iii. Improving ease of doing business global ranking (SDG 17).

d) ***Strengthening implementation effectiveness*** *(SDG 17).*

i. Improving skills in project preparations in all stages;
ii. Using government budget as an incentive to parastatals and private sector investment in priority projects;
iii. Setting SMART indicators to development projects;
iv. Timely disbursement of funds;
v. Identification of risks and mitigation measures; and
vi. Improving monitoring, evaluation and reporting of development projects.

60. In order to effectively implement the SDG the following has to be considered:-

i. Assessing and to the extent possible, and ensuring the alignment at the sectoral and local Government levels where implementation will actually take place;
ii. Strategically sequence and prioritise initiatives associated with implementation of the SDGs in the national plan given the different implementation time spans (15 years for the SDGs and 5 years for the National Plan) base on resource limitations. Strategic choices on which initiatives will be undertaken under the current plan and which ones to be undertaken in the subsequent national medium term plans have to be made; and
iii. Due to the different time frames between the global and local agenda, the relevant targets and indicators have to be identified in order to effectively assess progress made after the completion of each national medium term plan going up to 2030.

2.4 Challenges

61. Despite of the registered achievements in the implementation of the Annual Development Plan and sectoral development initiatives, the following were the challenges:

    i. Matching government resources with its commitments;
    ii. Timely fulfilment of development partners commitments in budget support;
    iii. Participation of private sector in Public Private Partnership (PPP) projects;
    iv. Utilization of advanced and modern technologies in production;
    v. Capacity utilization in manufacturing sectors;
    vi. Capacity to cope with the increased demand for water for domestic and industrial use;
    vii. Land disputes between investors and citizens; and
    viii. Data availability to support sectoral plans.

CHAPTER THREE

PRIORITY AREAS FOR 2017/18 IN THE CONTEXT OF NATIONAL FIVE YEAR DEVELOPEMNT PLAN II (2016/17 – 2020/21)

3.1 Introduction

62. This chapter presents priorities and sequence of project implementation for 2017/18. Priorities have been derived from the FYDP II, taking into account the four areas of interventions: Fostering Economic Growth and Industrialization; Human Development; Provision of an Enabling Environment for Doing Business and Investment; as well as Enhancing Implementation Effectiveness. The implementing agencies responsible for identified priority areas are required to establish key milestone and targets to be undertaken in 2017/18. These interventions are described as follows:-

3.1.1 Fostering Economic Growth and Industrialization

63. Under this area, interventions will focus on the implementation of flagship and other strategic projects as highlighted below:

Flagship Projects

64. Flagship projects listed below are deemed critical as their implementation has significant multiplier effects to the economy particularly for the areas that can catalyze transition towards industrial economy and social development. These flagship projects are as follows:

i. Mchuchuma Coal Mining;
ii. Liganga Iron Ore Mining;

iii. Central Railway Line; this project will involve the construction of a Standard Gauge railway line from Dar-Isaka- Keza with branches to Kigali and Musongati; Tabora – Kigoma, Uvinza – Musongati; Isaka – Mwanza; Kaliua – Mpanda; and Mpanda – Karema;
iv. Revamping of Air Tanzania Company Limited (ATCL);
v. Construction of Liquefied Natural Gas (LNG) plant in Lindi;
vi. Establishment of Special Economic Zones in Tanga, Bagomoyo, Kigoma, Ruvuma and Mtwara;
vii. Establishment of Kurasini Logistics Centre;
viii. Training of youths in specialized areas including oil and gas, engineering and health;
ix. Establishment and development of Mkulazi as a model Agricultural City;
x. Procurement of new and rehabilitation of existing ships for Victoria, Tanganyika and Nyasa Lakes;
xi. Upgrading of Kidahwe – Kanyani – Kasulu – Kibondo – Nyakanazi road to bitumen standard; and
xii. Upgrading of Masasi - Songea – Mbamba Bay road to bitumen standard.

Strategic Projects

i. Engaruka Soda Ash Mine – Arusha;
ii. Reviving of Arusha General Tyre plant ,;
iii. Construction of Dodoma Trade and Logistics Centre;
iv. Construction of Tractors assembling plant at TAMCO, Kibaha;
v. Improvement of SIDO Industrial Estates/Parks in

Morogoro, Dar es salaam, Mbeya, Mwanza and Arusha as well as establishment of regional headquarters in Njombe, Geita, Simiyu, Songwe and Manyara for SIDO;

vi. Establishing the National Entrepreneurship Development Fund for Small and Medium Enterprises (SMEs);

vii. Strengthening agriculture for food and industrial raw materials through improved irrigation infrastructure, provision of agricultural inputs subsidies as well as post-harvest management and research;

viii. Enhancing productivity in livestock sector including water infrastructure and pasture, training and research institutes;

ix. Enhance fishing activities including construction of fishing centers; strengthen and increase the production of fish, protection of fisheries resources and combating illegal fishing;

x. Enhancing wildlife management including sustainable management of wildlife resources, wetlands and biodiversity; and strengthening strategies to address poaching in the country;

xi. Increase the contribution of forestry products to economic growth;

xii. Strengthening capacities for management of the environment and climate change; and

xiii. Strengthening institutional infrastructure governing mining and jewelry.

Urban Planning, Housing and Human Settlement Development

i. Develop Dodoma as the capital city to support

Government operations through Surveying of land for residential, commercial and industrial use; and Strengthening infrastructure and provision of social and economic services;

ii. Transform Dar es Salaam by improving land-use planning; expanding DART Agency interventions; and introduce integrated transport system; and

iii. Improve urban land use plans in the fast growing cities and towns.

3.1.2 Human Development

65. Human development interventions are intended to build improved social services delivery systems. The priorities for 2017/18 are as follows:

a) Education

i. **Strengthening Early Childhood Education:** training teachers to meet demand; implementation of comprehensive plans for free Basic Education; construction and rehabilitation of school infrastructure; and enhancing quality and school inspections.

ii. **Strengthening Primary Education:** improvement of literacy and numeracy strategy; implementation of comprehensive plans for free Basic Education; construction and rehabilitation of primary school infrastructure; implementation of free Basic Education Strategic Plan; and enhancing quality and school inspections.

iii. **Strengthening Secondary Education:** construction and rehabilitation of education infrastructure; Preparing a sustainable financing system for the implementation of free Basic Education; Ensuring availability of adequate number of teachers especially for science and mathematics subjects; Quality control by strengthening accreditation and inspections; and Enhancing the use of ICT in teaching and learning;

iv. **Strengthening Vocational Education:** Construction and rehabilitation of workshops in vocational training institutes; Construction and rehabilitation of infrastructure in vocational and teachers training institutes; Enhancing quality and inspections; and Increase the use of ICT in vocational training institutes.

v. **Strengthening Higher Education:** enhancing capacity to continue issuing loans to higher learning students; strengthening loans recovering mechanism; expanding the use of ICT; Training adequate number of lecturers for different courses; Enhancing quality, inspections and practical trainings; construction and rehabilitation of infrastructure in higher learning institutes.

b) Health and Social Welfare

i. **Improvement of the referral system**: Construction and improvement of health services in dispensaries; health centers; district and referral hospitals; laboratories; and health research institutes;

ii. **Improvement of specialized treatments**: Installation of modern medical equipment in all specialized hospitals;

iii. **Improvement of health institutes**: rehabilitation and construction of health institutes; and funding practical training to health staff; and

iv. Implement the strategic plan for nutrition.

c) **Clean and Safe Water and Sanitation:** Management of water sources and control of water quality; improving water distribution in regional headquarters, districts and small towns; improving water distribution in rural areas; improving water distribution in Dar es Salaam, Dodoma and other investment areas; improving water storage through construction of dams in arid regions; and improvement of sewage system.

d) **Work, Youth, Employment and People with Disabilities:** Strengthening of the Youth Development Fund for provision of soft loans; provision of education to suit the current needs of the labour market, enhance integrity and improved working culture; promote creativity and entrepreneurship spirit; demarcate special areas for investment, business activities and incubation centers for creativity and innovation; strengthening market for domestic products including trade exhibitions centers; and demarcating special business centers to facilitate self employment for youth and people with disabilities.

e) **Economic Empowerment:** enabling citizens' participation to economic activities; improving access to capital including implementation of a sustainable mechanism of the empowerment scheme through revolving fund of 50 million shillings per village, mitaa and shehia. Other interventions include expanding entrepreneurship training and access to investment areas.

3.1.3 Improving Business Environment

66. The implementing agencies of the interventions on improving

business environment are required to assess and identify key milestones and targets to be undertaken in 2017/18 as follows:-

a) Infrastructure

i. **Railway Infrastructure:** construction of central railway line to standard gauge, rehabilitation of TAZARA and central railway line with a view to make Tanzania a regional transport hub and improving metro railway transport in the city of Dar es salaam.

ii. **Roads:** Construction and rehabilitation of roads connecting Tanzania with neighboring countries as well as upgrading internal road networks to bitumen standard including addressing traffic jams in fast growing cities, and improvement of rural roads.

iii. **Bridges:** Construction and rehabilitation of major bridges as well as construction of flyovers in the city of Dar es salaam.

iv. **Energy:** streghthening generation, transmission, distribution and ensure reliability in supply of electricity;

v. **Ports:** Construction and rehabilitation of ports and port facilities including purchase of equipment for servicing marine cargo in sea ports and the Great Lakes;

vi. **Water Transport:** Procurement and rehabilitation of new cargo and passenger ships in the Great Lakes.

vii. **Ferries:** Purchase and rehabilitation of ferries.

viii. **Air Transport:** Strengthening of air transport by construction of airports, purchase of aircrafts and improving working facilities.

b) **Information Technology and Communication:** Strengthening ICT systems; continue with the construction of the National Optic Fiber Network; expand the usage in various locations; and revamping of TTCL.

c) **Financial Services, Tourism, Trade and Marketing:**

i. Financial Services

- Strengthening TIB Development Bank to provide loans to Finance priority projects;
- Strengthening Tanzania Agricultural Development Bank (TADB) with a view to provide short, medium and long-term financing to agricultural sector; and
- Strengthening Tanzania Women's Bank in order to empower women.

ii. Promoting and strengthening the tourism sector; and

iii. Promoting and strengthening the trade and marketing sector.

d) **Regional Integration and International Cooperation:** Strengthening regional integration and international cooperation and promoting economic diplomacy to attract more foreign investment.

e) **Land and housing services:** Improve quality of housing and settlement, appropriate use of land and management of infrastructure projects.

3.1.4 Enhancing Implementation Effectiveness

a) **Good Governance:** Strengthening good governance including construction and rehabilitation of office accommodation for institutions responsible for good governance; defense and national security; marine patrols; and provision of national identity; and

b) **Rule of Law:** construction and rehabilitation of infrastructure; improvement of systems and working tools; and deploying qualified and competent staff.

CHAPTER FOUR

RESOURCE ENVELOPE AND EXPENDITURE FRAMEWORK FOR THE PERIOD 2017/18-2019/20

4.1 Introduction

67. This chapter highlights some of the key areas on resource envelope and expenditure frameworks for the fiscal year 2017/18 and two subsequent years. The highlights take into account the focus of FYDP II which is geared towards nurturing industrialization for economic transformation, human development and improving business environment. The FYDP II is intended to accelerate the pace of development towards achievement of Long Term Perspective Plan (LTPP) in realisation of Vision 2025.

68. In the medium term, the Government will continue to emphasise on fiscal discipline as a key value in public finance management at national and local levels. Preparation and implementation of the budget will ensure that actual levels of revenue, expenditure, and borrowing are aligned with macroeconomic targeted levels. Effective allocation of resources and operational efficiency are desired outcomes in systematic planning for and allocating of public resources. The Budget for 2017/18 is estimated at shillings 32,945.8 billion, which is an increase of 12 percent from 2016/17 approved budget. This are preliminary estimates and final estimates will be established after assessment of the mid-year review; report of the Task Force on Tax Reforms; and the final commitment of Development Partners. The budget frame for 2015/16 – 2019/20 is shown in **Table No. 4.1, 4.2** and **4.3.**

4.2 Revenue Policies

69. The Government will continue to strengthen effort already made to build effective domestic revenue systems with a view to having a predictable and sustainable revenue needed to finance its spending. Strengthened revenue administration will help in formalizing economic activities by broadening participation and reducing tax evasion; as well as encouraging growth of small and medium business sector that is an engine for employment generation and economic growth. Therefore, in the medium term it is expected to raise the domestic revenue-to-GDP ratio above Sub-Saharan Africa average yield of 16.5 percent.

70. In the medium term, implementation of revenue policies are expected to increase domestic revenue (including LGAs own source) to 17.8 percent of GDP in 2019/20 from 16.9 percent of GDP predicted in 2016/17. Domestic revenue is projected to increase to 16.8 percent of GDP in 2017/18 and 17.6 percent of GDP in 2018/19, consistent with the effort to improve revenue policies and administration.

71. Tax policies and administration interventions will be geared towards increasing tax revenue yield from 13.8 Percent of GDP in 2016/17 to 14.6 percent of GDP in 2017/18 and 15.8 percent of GDP in 2019/20. The Government will continue with the review of tax exemption regime and improving presumptive taxation scheme. Administrative intervention will include among others: providing a single platform for processing clearance of documents through implementation of Electronic Single Window system for port community and cross border trade; implementing an Integrated Domestic Revenue Administration System (IDRAS); strengthening the compliance management function; establishing data base for exchange of

information; strengthening management and controls at Dar es Salaam port and other ports of entry; and building capacity in administration of specialized areas.

72. The Government efforts will also be directed towards rising non – tax revenue collection (including LGAs own source) to about 2 percent of GDP in the medium term. In this regards, the Government will continue undertaking policy measures in strengthening non – tax revenue collection by MDAs, LGAs and Public Entities. In addition, the Government will continue with implementation of roadmap for gradual transfer of non-tax revenue administration function to Tanzania Revenue Authority and enhance Revenue Gateway system to accommodate the accounting of non-tax revenue. Moreover, the Government will continue to enforce the transfer of non – tax revenue collected by MDAs, LGAs and Public Entities to Consolidated Fund in accordance with the Budget Act No. 11 of 2015.

73. The Government will also continue strengthening capacity to monitor transfer pricing and invoice mispricing by multinationals; enhancing risk based compliance management; continue enforcing the use of "EFDs"; enhancing administration and monitoring of block management system; and enhancing information sharing and exchange with Government Agencies and Regional and international revenue bodies to combat tax evasion. Specific policy and administrative interventions will include:

i. Review and monitoring of the implementation of tax incentives with the aim of curtailing the revenue losses;
ii. Streamlining multiplicity of levies and taxes;

iii. Modernizing revenue collection methods to enhance real time revenue collection;
iv. Enforcing the use of electronic systems in non – tax revenue collection in order to enhance efficiency and control revenue losses;
v. Strengthening monitoring of Public Entities to ensure appropriate dividends, contribution and surplus are remitted to the Consolidated Fund; and
vi. Strengthening capacity of LGAs in projection and collection of non-tax revenue.

4.3 External Resources

74. The Government will continue to engage Development Partners to ensure that their support is aligned with national priorities as stipulated in the FYDP II. In this context, the Government is reviewing the current Development Cooperation Framework that will effectively guide engagement with Development Partners. These measures will ensure that Official Development Assistance (ODA) is available in an appropriate way for the Government to implement planned development interventions.

4.4 Innovative Way of Financing Infrastructure

75. For effective and strategic financing, there is a need to separate “revenue generating projects” from “service oriented projects”. The service oriented projects (social service projects) can be financed through the normal government development budget while the revenue generating projects can be profitably funded jointly between the Government and commercial creditors. The later can be done in two ways: first, is through leveraging whereby available resources (part of development budget) can be used to obtain additional

resources and thus amplify the benefit from an investment. The second is syndication whereby multiple lenders work together to provide the borrowers with the capital needed at an appropriate rate agreed upon by all lenders.

4.5 Expenditure Framework

76. In the medium term, Government expenditure policy will be guided by macroeconomic target levels set to achieve fiscal discipline. The annual expenditure framework for 2017/18 aims at aligning plans, budgets and available resources to ensure that there is no disruption to spending or accumulation of arrears during budget execution.

77. The Government will continue to emphasize on the use of public resources in line with national priorities. In 2016/17 budget, a major shift for expenditure policy has been adopted by allocating more resources to development activities where the budget increased from 26.3 percent to 40 percent of the total budget while recurrent spending declined from 73.7 percent to 60 percent when compared to 2015/16 budget. The Government will ensure optimal resource allocation to meet government priorities, improve the quality of service delivery and payment of domestic arrears within fiscal limit. Total expenditure is estimated to be 26.6 percent of GDP in 2017/18. Out of this, recurrent expenditure is expected to be 16 percent of GDP of which wages and salaries (including Parastatals) are estimated to be 5.8 percent of GDP, National Debt Services are expected to be 7.8 percent of GDP and Other Charges 1.9 percent of GDP. Allocation of resources to implement various development projects is projected to be 10.6 percent of GDP in 2017/18. Development expenditure will focus on strategic projects earmarked in 2017/18 Development Plan and ongoing projects rolled over from 2016/2017.

4.6 Management of Domestic Arrears

78. The Government will continue to improve its public financial management systems to ensure greater control in creation of new arrears by strengthening IFMS commitment control functionalities at all levels and finalizing payments of existing verified stock of arrears by Internal Auditor General. Accounting Officers should continue to adhere to Treasury Circulars and submission of quarterly reports on clearance of arrears. In addition, Accounting Officers are required to:

    i. Make payments or accept charges in their accounts or incur commitments or expenditure only if authorized by warrant as per the Budget Act No. 11 of 2015;
    ii. Ensure that verified arrears are among priority commitments for the proposed budget;
    iii. Ensure that all expenditure commitments are made through IFMS to avoid creation of new arrears;
    iv. Develop and maintain a database for development projects contracts which commit Government funds beyond one year.; and
    v. Obtain prior approval of the Minister responsible for Finance on multi-year commitments as per Section 51 of the Budget Act No. 11 of 2015.

4.7 Fiscal Deficit

79. The Government will continue to finance development expenditure by borrowing from domestic and external sources. The overall deficit is projected at 3.9 percent of GDP. The projected level of deficit is in line with the recent Debt Sustainability Analysis (DSA), which suggests that Tanzania could afford a somewhat higher deficit about

4.5 percent of GDP for a few years and still keep its low risk of debt distress. It is expected that upon completion of the main infrastructure projects and its operationalization will start generating revenue to the government, thus reducing fiscal deficit to 3 percent of GDP by 2022 consistent with regional commitments to converge toward the East African Monetary Union (EAMU). The projected deficit will be financed using concessional and non-concessional loans.

4.8 External Financing

80. Consistent with new MTDS, budget financing will continue to rely on borrowing from multilateral development banks and export credit agencies who offer more affordable terms compared to other commercial lenders. Given such situation, and the needs to develop infrastructure projects in 2017/18 the Government will borrow USD 900 million from external non-concessional sources. The funds will be raised through issuance of Euro bond and other modalities including tapping the syndicated loan and Export Credit Agencies (ECA). ENCB will exclusively be used for development budget specifically to finance infrastructure investment projects as stipulated in FYDP II. The Government will continue to maintain good relationship with traditional and new emerging creditors to sustain concessional borrowing as the most preferable source of external funding, and ensure that there is an appropriate mix between concessional and commercial borrowing.

4.9 Domestic Financing

81. The strategy for domestic financing is to establish benchmark issues by issuing long term instruments and therefore lengthen the maturity profile of the domestic portfolio. The goal of maintaining a well-

functioning domestic debt market requires a borrowing strategy to be predictive and transparent with issuance. In order to achieve this and to stir the domestic market, in 2017/18 the Government intends to borrow domestically an amount of Shillings 6,293.5 billion to finance its development budget. Domestic borrowing will be undertaken though issuance of Treasury Bonds. Net domestic borrowing will be only 1.5 percent in order to minimize crowding out of the private sector in the credit market which is an engine of economic growth and development. The Government also intends to pay 20 percent of the matured Treasury bills by using its revenue as a one of the strategy to reducing rolling over costs and risks.

4.10 Public Private Partnership (PPP)

82. The Government has enacted the PPP Act No.18 (R.E 2014) and its Regulations of 2015 in order to operationalize Public Private Partnership (PPP) arrangement as part of the financing options for development projects. In 2017/18, the Government will continue to expedite implementation of the ongoing PPP Projects with a view to ensuring that they are successful. The PPP projects in the pipeline are: DART Phase I Project in Dar es Salaam; Dar es Salaam – Chalinze Toll Road; Manufacture of Pharmaceuticals and Medical Supplies; and Kinyerezi III gas fired electricity generation plants in Dar es Salaam. The Government will continue to improve business environment to attract more private sector resources through the PPP modality.

Table 4.1: Budget Frame for 2015/16 - 2019/20 (In mil shs)

	2015/16 APPROVED BUDGET	2015/16 ACTUAL BUDGET	2016/17 APPROVED BUDGET	2017/18 PROJECTE D BUDGET	2018/19 PROJECTED BUDGET	2019/20 PROJECTED BUDGET
I. TOTAL RESOURCES	**22,495,492**	**25,660,639**	**29,539,603**	**32,945,807**	**36,956,111**	**41,659,007**
Domestic Revenue including LGAs own source	**13,997,523**	**14,048,034**	**18,463,533**	**20,872,290**	**24,657,470**	**29,384,801**
Domestic revenue	13,475,644	13,622,182	17,798,118	20,118,956	23,809,818	28,382,783
O/w TRA Revenue Baseline	12,362,959	12,525,377	15,105,100	18,096,970	21,718,376	26,111,826
O/w Non Tax Revenue	1,112,685	1,188,000	2,693,018	2,021,986	2,091,442	2,270,957
LGAs Own Sources	521,879	425,852	665,415	753,334	847,652	1,002,018
Programme loan and grants	660,337	291,381	483,002	496,283	507,499	518,969
Project loans and grants	1,115,355	1,186,982	2,745,659	2,821,158	2,884,916	2,950,115
Basket Support Loans	117,953	161,842	193,472	198,792	203,284	207,879
Basket Support Grants	81,073	86,199	178,675	183,588	187,738	191,980
MCC (MCA-T)	347,800	0	0	0	0	0
Domestic Borrowing (Rollover)	2,600,000	3,005,789	3,777,112	4,434,483	4,528,593	3,990,300
Net Domestic Financing	1,432,983	2,299,151	1,597,157	1,859,003	2,095,745	2,481,364
Adjustment to cash	0	0	0	1	2	3
Non-Concessional borrowing	2,142,469	0	2,100,995	2,080,211	1,890,866	1,933,599
Financing Gap	0	4,581,261	0	0	0	0
II. TOTAL EXPENDITURE	**22,495,492**	**25,660,639**	**29,539,603**	**32,945,807**	**36,956,111**	**41,659,007**
RECURRENT EXPENDITURE	16,576,439	21,321,086	17,719,100	19,782,291	22,177,155	24,987,932
CFS	6,396,602	6,480,906	8,000,000	9,723,384	10,801,833	11,550,114
o/w Interest payments	1,543,367	1,486,276	1,709,922	2,318,389	2,713,042	3,059,069
Pension Bond	0	0	0	0	0	0
Amortization	3,082,887	3,561,488	4,742,980	5,753,160	6,275,418	6,472,661
o/w Rollover	2,600,000	3,005,789	3,777,112	4,434,483	4,528,593	3,990,300
CFS Others	684,733	1,433,142	405,954	405,954	405,954	405,954
Employee's Contr. To Pension Funds	1,085,615	1,085,615	1,141,144	1,245,882	1,407,420	1,612,431
Recurrent Exp (excl. CFS)	10,179,837	14,840,180	9,719,100	10,058,907	11,375,322	13,437,817
Wages & Salaries	6,466,481	6,553,257	6,600,000	7,205,768	8,140,054	9,325,769
Designated Items	214,067	214,067	305,747	200,000	200,000	200,000
LGAs Own Sources	208,751	170,340	266,166	339,000	381,443	450,908
Other Charges	3,290,538	3,947,370	2,547,188	2,314,139	2,653,825	3,461,140
DEVELOPMENT EXPENDITURE	5,919,053	4,339,553	11,820,503	13,163,516	14,778,956	16,671,076
Local	4,256,873	2,904,530	8,702,697	9,959,978	11,503,018	13,321,101
o/w Fuel Levy and Transit Fee	866,626	630,000	832,349	1,115,402	1,257,447	1,488,818
o/w Railways & Water Fund	215,000	226,566	287,388	301,757	331,933	365,126
o/w Local Govt own source	313,128	255,511	399,249	452,000	508,591	601,211
o/w REA	447,057	247,763	321,594	337,673	354,557	372,285
o/w HESLB	348,290	402,658	427,555	448,932	471,379	494,948
o/w Ports Expansion	0	0	510,677	0	0	0
o/w TEA	49,340	32,392	10,000	15,000	22,500	33,750
o/w Clearance of arrears	628,307	0	630,000	1,000,000	1,000,000	1,000,000
Foreign	1,662,181	1,435,023	3,117,805	3,203,538	3,275,938	3,349,974
o/w MCC (MCA-T)	347,800	0	0	0	0	0

Table 4.2: Budget Frame for 2015/16 - 2019/20 (In mil. shs) as % of GDP

	2015/16 APPROVED BUDGET	2015/16 ACTUAL BUDGET	2016/17 PROJECTED BUDGET	2017/18 PROJECTED BUDGET	2018/19 PROJECTED BUDGET	2019/20 PROJECTED BUDGET
I. TOTAL RESOURCES	**23.9%**	**27.2%**	**27.0%**	**26.6%**	**26.5%**	**25.2%**
Domestic Revenue including LGAs own source	14.8%	14.9%	**16.9%**	**16.8%**	**17.6%**	**17.8%**
Domestic revenue	14.3%	14.4%	16.3%	16.2%	17.0%	17.2%
O/w TRA Revenue including measure	13.1%	13.3%	13.8%	14.6%	15.5%	15.8%
o/w Non Tax Revenue	1.2%	1.3%	2.5%	1.6%	1.5%	1.4%
LGAs Own Sources	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%
Programme loan and grants	0.7%	0.3%	0.4%	0.4%	0.4%	0.3%
Project loans and grants	1.2%	1.3%	2.5%	2.3%	2.1%	1.8%
Basket Support Loans	0.1%	0.2%	0.2%	0.2%	0.1%	0.1%
Basket Support Grants	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%
MCC (MCA-T)	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Domestic Borrowing (Rollover)	2.8%	3.2%	3.5%	3.6%	3.2%	2.4%
Bank Borrowing	1.5%	2.4%	1.5%	1.5%	1.5%	1.5%
Adjustment to cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Concessional borrowing	2.3%	0.0%	1.9%	1.7%	1.4%	1.2%
Financing Gap	0.0%	4.9%	0.0%	0.0%	0.0%	0.0%
II. TOTAL EXPENDITURE	**23.9%**	**27.2%**	**27.0%**	**26.6%**	**26.5%**	**25.2%**
RECURRENT EXPENDITURE	17.6%	22.6%	**16.2%**	**16.0%**	**15.9%**	**15.1%**
CFS	6.8%	6.9%	7.3%	7.8%	7.7%	7.0%
o/w Interest payments	1.6%	1.6%	1.6%	1.9%	1.9%	1.8%
Pension Bond	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	3.3%	3.8%	4.3%	4.6%	4.5%	3.9%
o/w Rollover	2.8%	3.2%	3.5%	3.6%	3.2%	2.4%
CFS Others	0.7%	1.5%	0.4%	0.3%	0.3%	0.2%
Employee's Contr. To Pension Funds	1.2%	1.2%	1.0%	1.0%	1.0%	1.0%
Recurrent Exp (excl. CFS)	10.8%	15.7%	8.9%	8.1%	8.1%	8.1%
Wages & Salaries	6.9%	7.0%	6.0%	5.8%	5.8%	5.6%
Designated Items	0.2%	0.2%	0.3%	0.2%	0.1%	0.1%
LGAs Own Sources	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
Other Charges	3.5%	4.2%	2.3%	1.9%	1.9%	2.1%
DEVELOPMENT EXPENDITURE	6.3%	4.6%	**10.8%**	**10.6%**	**10.6%**	**10.1%**
Local	4.5%	3.1%	8.0%	8.0%	8.2%	8.1%
o/w Fuel Levy and Transit Fee	0.9%	0.7%	0.8%	0.9%	0.9%	0.9%
o/w Railways & Water Fund	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%
o/w Local Govt own source	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%
o/w REA	0.5%	0.3%	0.3%	0.3%	0.3%	0.2%
o/w HESLB	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%
o/w Ports Expansion	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%
o/w TEA	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
o/w Clearance of arrears	0.7%	0.0%	0.6%	0.8%	0.7%	0.6%
Foreign	1.8%	1.5%	**2.9%**	**2.6%**	**2.3%**	**2.0%**
o/w MCC (MCA-T)	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 4.3: Budget Frame for 2015/16 - 2019/20 as % of Total Budget

	2015/16 APPROVED BUDGET	2015/16 ACTUAL BUDGET	2016/17 APPROVED BUDGET	2017/18 PROJECTED BUDGET	2018/19 PROJECTED BUDGET	2019/20 PROJECTED BUDGET
I. TOTAL RESOURCES	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Domestic Revenue including LGAs own source	**62.2%**	**54.7%**	**62.5%**	**63.4%**	**66.7%**	**70.5%**
Domestic revenue	59.9%	53.1%	60.3%	61.1%	64.4%	68.1%
o/w TRA Revenue including measure	55.0%	48.8%	51.1%	54.9%	58.8%	62.7%
o/w Non Tax Revenue	4.9%	4.6%	9.1%	6.1%	5.7%	5.5%
LGAs Own Sources	2.3%	1.7%	2.3%	2.3%	2.3%	2.4%
Programme loan and grants	2.9%	1.1%	1.6%	1.5%	1.4%	1.2%
Project loans and grants	5.0%	4.6%	9.3%	8.6%	7.8%	7.1%
Basket Support Loans	0.5%	0.6%	0.7%	0.6%	0.6%	0.5%
Basket Support Grants	0.4%	0.3%	0.6%	0.6%	0.5%	0.5%
MCC (MCA-T)	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Domestic Borrowing (Rollover)	11.6%	11.7%	12.8%	13.5%	12.3%	9.6%
Net Domestic Financing	6.4%	9.0%	5.4%	5.6%	5.7%	6.0%
Adjustment to cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Concessional borrowing	9.5%	0.0%	7.1%	6.3%	5.1%	4.6%
Financing Gap	0.0%	17.9%	0.0%	0.0%	0.0%	0.0%
II. TOTAL EXPENDITURE	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
RECURRENT EXPENDITURE	73.7%	83.1%	**60.0%**	**60.0%**	**60.0%**	**60.0%**
CFS	28.4%	25.3%	27.1%	29.5%	29.2%	27.7%
Interest payments	6.9%	5.8%	5.8%	7.0%	7.3%	7.3%
o/w Rollover	11.6%	11.7%	12.8%	13.5%	12.3%	9.6%
o/w Pension Bond	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	13.7%	13.9%	16.1%	17.5%	17.0%	15.5%
o/w Rollover	11.6%	11.7%	12.8%	13.5%	12.3%	9.6%
o/w Salaries & wages	28.7%	25.5%	22.3%	21.9%	22.0%	22.4%
LGAs Own Sources	0.9%	0.7%	**0.9%**	**1.0%**	**1.0%**	**1.1%**
Other Charges	14.6%	15.4%	8.6%	7.0%	7.2%	8.3%
DEVELOPMENT EXPENDITURE	**26.3%**	**16.9%**	**40.0%**	**40.0%**	**40.0%**	**40.0%**
Local	18.9%	11.3%	29.5%	30.2%	31.1%	32.0%
o/w Fuel Levy and Transit Fee	3.9%	2.5%	2.8%	3.4%	3.4%	3.6%
o/w LGAs own source	1.0%	0.9%	1.0%	0.9%	0.9%	0.9%
o/w Clearance of arrears	2.8%	0.0%	2.1%	3.0%	2.7%	2.4%
Foreign	**7.4%**	**5.6%**	**10.6%**	**9.7%**	**8.9%**	**8.0%**
o/w MCC (MCA-T)	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%

4.11 Resource Allocation Criteria

83. The FYDP I set the ratio of budgetary allocation between development and recurrent expenditure budget to be 40 and 60 percent, respectively. The Government intends to maintain the same ratio in the implementation of FYDP II. In 2017/18, the Government will adopt more effective approach in the allocation of the scarce resources to finance national priorities through MDAs, RSs, and LGAs. The approach will be based on the following key criteria:

4.11.1 Recurrent Expenditure

84. Resource allocation will be based on the following priority order:

a) **Personnel Emolument (PE),** which is the amount allocated for basic salaries, promotions, and increments;

b) **Consolidated Fund Services (CFS**), which refers to the amount set out for payment of government debts and employers contributions to social security funds;

c) **Contingency Fund,** which is one percent of the total budget for the year as provided for in the Budget Act No. 11 of 2015;

d) **Protected Expenditures,** which covers operating expenses committed by the Government and cannot be postponed. These include; ration allowance, examination expenses for primary and secondary schools, capitation, school meals, foreign service allowance, grants to political parties, government contributions to regional and international organizations, rental charges to government offices, entitlements for retired leaders, internship allowances, medical supplies, on-call allowance, prisoners food, transfer to Zanzibar, constituency catalyst development fund and constituency allowance;

e) **One-off expenditure**, which is expenditures set for specific needs that will not recur in the next financial year. In 2016/17 budget there were no one time expenditure; and

f) **Core Functions of MDAs,** whereby each vote is allocated with funds to perform core functions as specified in the establishing instrument.

4.11.2 Specific criteria for Regional Secretariats

85. Allocation of other charges budget to RSs will be determined according to their responsibility of coordinating and backstopping LGAs in their endeavour to attaining social services and economic development at local levels. The following criteria will be used to distribute resources allocated to RSs from the national budget:

i. Administration costs;
ii. Regions sharing borders with neighboring countries;
iii. Number of District Councils in the Region;
iv. Number of state visitors (Local and International);
v. Distance from Region headquarter to Dar es salaam (number of km);
vi. Distance from region headquarter to Dodoma (number of km);
vii. Distance from Regional headquarter to District headquarter (number of km);
viii. Geographical size (square kilometres); and
ix. Regional hospital operations (population).

4.11.3 Criteria for Local Government Authorities

86. 121 The formula for resource allocation to LGAS will be on the cost variations for providing local services. LGAs are categorized as follows:

i. Category A Urban LGAs (TC/MC/CC);
ii. Category B Rural LGAs (> 50 p/km);
iii. Category C Rural LGAs (< 50 p/km); and
iv. Category D Special cases (determined).

87. Population density and any special circumstances affecting the cost of social service delivery will be additional criteria. In allocating resources to specific sector, the following criteria will be adopted:

a) Education Sector Block Grant

The criteria will include:- proportion to the (cost-adjusted) number of school-aged children (primary), proportion number of students (Secondary) and proportion to enrolment of eligible students, as approved by MOESTVT.

b) Health OC Block Grant

The criteria will include number of residents and estimated number of poor residents and Under 5 Mortality Rate.

c) Health Sector Basket Fund

The criteria will include proportion to the number of residents, estimated number of poor residents and Under 5 Mortality Rate.

d) Agriculture OC Block Grant

The criteria will include proportion to number of villages, estimated number of rural residents and rainfall.

e) Water Sector Block Grant

The criteria will include fixed amount per council and proportion to the number of rural residents.

f) Local Government Development Grant (LGDG)

The criteria will include proportion to the (cost-adjusted) number of residents and estimated number of poor residents.

4.11.4 Development Expenditure

88. The FYDP has been used to set priorities for development projects. Criteria for allocating development budget will include:

i. Contractual obligation arrears;
ii. New projects approved by MoFP for implementation under FYDP II;
iii. Projects implemented under PPP framework;
iv. Foreign funded projects requiring counterpart funds;
v. Projects implemented under the earmarked development expenditures financed through ring fenced sources of revenue such as fuel levy; skills development levy; livestock development fund; petroleum levy; railway development levy; National Water Investment Fund; and education levy;
vi. Projects funded by social security funds which requires counterpart fund;
vii. Land acquisition and property compensation; and
viii. Quick win projects.

CHAPTER FIVE

PLAN AND BUDGET SUBMISSION, IMPLEMENTATION AND REPORTING

5.1 Introduction

89. This chapter provides guidance and standard formats for MDAs, RSs, LGAs and Public Entities to adhere during planning, budget execution, monitoring and evaluation as well as performance reporting for 2017/18-2019/20. The chapter provides guidance on the general presentation of MTEF document and reporting formats for revenue and expenditure. Detailed information for each stage is found in the Medium Term Strategic Planning and Budgeting Manual (2008), Public Investment Management - Operational Manual (PIM-OM), the Council Development Reporting (CDR) and Council Financial Reporting Manual (CFR), Operational Manuals for Strategic Budget Allocation System (SBAS) and Planning and Reporting Tool (PLANREP).

90. Further information can be found in Ministry of Finance and Planning website (www.mof.go.tz), President`s Office, Regional Administration and Local Government website (www.pmoralg.go.tz), Planning Commission website (www.mipango.go.tz), as well as President`s Office, Public Service Management and Good Governance website (www.utumishi.go.tz). Hence, MDAs, RSs, LGAs and Public Entities are urged to use the aforementioned documents during budgeting process and also to observe the deadlines for submission of the required documents in line with the Public Finance Act CAP 348 and its Regulations of 2004, and the Budget Act No. 11 of 2015 and its Regulations of 2015 (as amended).

5.2 Plan and Budget Preparation

91. **Strategic Plan**: During planning stage, MDAs, RSs, LGAs and Public Entities should start by reviewing their Strategic Plans (SPs) so as to address their priority areas on annual basis. In addition, they should ensure that their Strategic Plans (SPs) are aligned with FYDP II, Policies and other National Planning Frameworks. Thus, **Form No. 7**, which deals with Institutional Results Framework, should be dully filled.

92. **Medium Term Expenditure Framework**: MDAs, RSs, LGAs and Public Entities should ensure that preparation of their Medium Term Expenditure Framework (MTEF) for 2017/18 - 2019/20 takes into account respective issues in their strategic plans and be aligned with core functions, national priorities and available resources. Also, priority areas have to be adequately funded taking into account that according to the Budget Act No. 11 of 2015 and its regulations (as amended), there will be no reallocation of funds before mid-year review. Further, provided ceilings must be adhered to during planning and budgeting. **Forms No. 1, 3, 4, 6, 7, 8, 9 and 10** in this chapter should be appropriately filled and submitted timely.

93. **Revenue Estimates**: Pursuant to section 58(b) of Budget Act No.11 of 2015 any person who is vested with authority for the collection of public revenue is accountable for efficient collection, accounting and reporting based on the applicable law and taking precautions to prevent mismanagement of revenue. Public Institutions should ensure that revenue estimates are realistic, detailed and exhaustive by exploring all possible revenue sources falling under their mandate. In presenting their revenue estimates, the Public Institutions are required to fill properly **Form No.4** shown in this chapter. In

addition, LGAs and Public Entities should start by indicating subvention from the Central Government followed by revenue from their own sources.

94. **Expenditure Estimates**: Expenditure estimates should be prepared in two categories which are recurrent and development expenditure. Recurrent expenditure consists of two main categories; Personnel Emoluments (PE) and Other Charges (OC) to finance operations and maintenance of public assets. Public Entities should also estimate 15 percent of gross revenue as contribution to Consolidated Fund and loan servicing as part of recurrent expenditure items. Development expenditure should focus on implementation of strategic investment projects identified in the Annual Plan Framework in line with FYDP II priorities.

5.3 Recurrent Expenditure

95. **Personnel Emoluments Estimates:** Pursuant to section 8 of the Public Service Act No. 8 of 2002 (As amended) and other circulars and guidelines, PE estimates for MDAs, RSs and LGAs should be submitted to PO-PSMGG and Public Entities to OTR for approval. In addition, the estimates should be submitted to PO-PSMGG through Human Capital Management Information System (HCMIS) by 31st December 2016.

96. PE estimates for MDAs, RSs, LGAs and Public Entities incorporated in Annual Plan and Budget Estimate should be prepared in accordance with the approved establishment by PO-PSMGG and OTR and presented to MoFP in a format as per PE Form No. 8A-8F and 9.

97. **Other Charges Estimates**: MDAs, RSs, LGAs and Public Entities are required to prepare their OC estimates observing ceilings and appropriate unit of measure provided using **Form No. 3B** and **3C** by aligning inputs with activities and targets for attaining set objectives.

98. **Development Expenditure Estimates**: MDAs, RSs, LGAs and Public Entities which implement strategic investment projects (flagship) under FYDP II are required to fill in **Form No. 6, 10A, 10B and 10C.** For all other development projects, the following forms should be used as shown in this Annex:-

a) Form No.6 - development expenditure details of annual and forward budget;
b) Form No.10A - project profile data form; and
c) Form No.10C - summary of project forward budget estimates at vote level.

5.4 Submission of MTEF

99. All Accounting Officers are required to ensure that budget proposals are timely completed as per budget calendar provided in these guidelines and should be ready for submission to MoFP at least **seven (7)** days before respective scrutinization date. Institution's plan and budget estimates should be presented in accordance with the required standard MTEF format. **Two (2)** hard copies of MTEF documents must be submitted to MoFP and **a soft copy** of the same. In this case, presentation and discussion during budget scrutinization will be conducted using the soft copy. Moreover, Public Entities should follow the same model in submitting their MTEF documents to MoFP and OTR. The standard MTEF presentation format is as shown below:

MTEF PRESENTATION FORMAT FOR 2017/18 – 2019/20
Overview and Policy Statements i. Policy Statement of the Minister/RCs/Council or Board Chairperson ii. Executive Statement of the Accounting Officer **Chapter 1: Environmental Scan** 1.1 Stakeholders' analysis 1.2 SWOC analysis 1.3 Key issues **Chapter 2: Budget Performance Review** 2.1 Performance – 2015/16 2.1.1 Annual Approved Revenue Vs Actual Collection 2.1.2 Annual Approved Expenditure Vs Actual Expenditure 2.1.3 Summary of Planned Targets Vs Main Achievements 2.1.4 Summary of carry over funds per Programme and Physical Implementation 2.2 Mid Year Review – 2016/17 2.2.1 Annual Approved Revenue Vs Actual Collection 2.2.2 Annual Expenditure Vs Actual Expenditure 2.2.3 Summary of MTEF targets Vs Main Achievements 2.3 Challenges Experienced in 2015/16 and Future Strategies **Chapter 3: Estimates for MTEF (2017/18 – 2019/20)** 3.1 Summary of Annual and Forward Budget Estimate (Form 1) 3.2 MTEF Sheet for Objectives, Targets and Activities – Segment 2 (Form 3A) 3.3 Activity Costing Sheet (Form 3B) 3.4 Recurrent Expenditure Summary of Draft Estimates (Form 3C) 3.5 Revenue Estimates and Projections (Form 4) 3.6 Development Expenditure Detail of Annual and Forward Budget (Form 6) 3.7 Results Framework (Form 7) 3.8 Summary of Personal Emoluments Estimates per Vote (Form 8A) 3.9 Summary of Personal Emoluments Estimates per Sub Vote (Form 8B) 3.10 Item I – Summary of Existing Employees on Payroll (Form 8C) 3.11 Item II – Summary of Existing Employees Not on Payroll (Form 8D) 3.12 Item III – Summary of New Employees to be Recruited (Form 8E) 3.13 Employees to retire (Form Na. 8F) 3.14 Schedule of Personal Emoluments Establishment and Strength (Form 9) 3.15 Project Profile Data Form (Form 10A) 3.16 FYDP's Project Information and Performance Assessment (Form 10B) 3.17 Summary of Project Forward Budget Estimates All Sources (Form 10C)

5.5 Operational Planning

100. MDAs, RSs LGAs and Public Entities should provide accurate and reliable information regarding funds and activities to be implemented. Operational Planning Forms including **Form No. 11A, 11B, 14B, 14C** and **15A** should be coherently filled in and submitted to MoFP before **1st July 2017**.

5.6 Programme Based Budgeting (PBB)

101. The PBB pilot Ministries are urged to prepare an alternative budget estimates for the 2017/18 based on the developed PBB template. These Ministries are: Ministry of Water and Irrigation, Ministry of Works, Transport and Communication; Ministry of Agriculture, Livestock and Fisheries, Ministry of Health, Community Development, Gender, Elderly and Children; Ministry of Education, Science and Vocational Training and Ministry of Finance and Planning; and Ministry of Industry, Trade and Investment; and Ministry of Energy and Mineral. As per PBB framework, allocation of resources for each program and sub programme should focus on the output expected per programme and sub programme in a specific period of time. Also, they should formulate programme objectives which specify the key outcome(s) and the programme performance indicators which will be used to assess programme outcomes and outputs. The presentation of estimates will be based on the PBB template **(Form No. 16)** as shown in the annex.

5.7 Performance Reporting

102. Pursuant to Section 55(4) of the Budget Act No. 11 of 2015 and the Regulation 29(5) of 2015 (as amended), all Accounting Officers are required to submit Quarterly Progress Reports to the Paymaster General. In addition, Section 53(1) of the Budget Act requires

Accounting Officers to prepare and submit quarterly expenditure commitments report to the Paymaster General indicating the actual and forecast commitments and cash position based on activities and the execution of the budget of the Vote.

103. MDAs, RSs, LGAs and Public Entities are required to account for received funds and expenditure made during the year. Responsibility for the preparation of relevant reports as per the guidelines lies with the Accounting Officer for each institution. In this case, Accounting Officers should ensure Cummulative Quarterly Reports and Annual Performance Report are prepared and submitted timely and as per required standard format stipulated in these guidelines. Thus, Public Institutions should correctly fill in **Forms No. 12(A-C), 13(A-B).** Moreover, while LGAs are required to fill in **Forms No. 13(C1-C5),** Government institutions should fill in **Form No. 15B** for new employment opportunities originating from the development projects. In addition, Public Institutions are urged to link their performance against plans.

5.8 Report Submission

104. Accounting Officers should submit a signed hard and soft copies of quarterly and annual performance reports to MoFP, copied to PO-RALG (for RSs and LGAs) and to OTR (for Public Entities). The PE component in each report should also be submitted to PO-PSMGG. The Quarterly progress reports should be submitted within 30 days after the end of each quarter and not later than 15th October after the end of financial year for Annual Performance Reports. The structure of Quarterly Progress and Annual Performance Reports should be presented in the format as shown below:

STRUCTURE OF THE QUARTERLY REPORT
I. Title/cover page II. Table of contents III. Main body ***Introduction*** • *Overview of Implementation of Milestones/Priority Interventions:* • This Section of the quarterly report describes progress in implementing milestones, which are developed during the planning process. To collect information on the implementation of milestones the officer responsible for preparing the report should informally interview implementers (verbally), rather than distribute a form or sheet for them to fill out. ***Issues and Constraints:*** • During the process of monitoring milestones and targets, issues and constraints should typically be identified. Issues arising may concern, delays in implementation, reduced scope or quality of outputs, constraints in terms of resource availability, etc. The identification of issues to be reported is, however, a subjective matter and there will be a need to prioritize which issues affected the achievement of the set milestones and targets within the specified period. ***Remedial Actions*** IV. ****** Summary of budget variations and their justification (for Quarter II only) V. Annex and Tables • Annex 1: Form 12A: Quarterly Cumulative MTEF Target Monitoring Form • Annex 2: Form 12B: Quarterly Cumulative Milestone (Priority) Form • Annex 3: Form 13A: Quarterly Cumulative Financial Overview Form • Annex 4: Form 13B: Quarterly Cumulative Financial Detailed Form **Key: ** included during the mid-year progress report only**

STRUCTURE OF AN ANNUAL PERFORMANCE REPORT

TITLE/COVER PAGE
TABLE OF CONTENTS
PREFACE

1. Statement by the Minister/RC/Board Chairperson/Council Chairperson
2. Statement by the Accounting Officer.
3. Executive Summary

MAIN BODY

1. **Part 1: Introduction**. This should include the following:
    - Section 1.1 (Introduction): a short description of the purpose of the report, the approach adopted, and the methods used.
    - Section 1.2 (structure) Describe the layout and structure of the remainder of the document.
2. **Part II: Overall Performance**
    - Section 2.1 (Progress towards reaching outcomes): Provides highlights of performance, in words and in a summary indicator table format. Makes reference to a more detailed annex. This should explicitly make reference to progress in meeting MDG, FYDP II goals and targets, or ruling party commitments.
    - Section 2.2 Progress in improving service delivery (quality, efficiency, timeliness, or satisfaction); discuss what changes have occurred within the organization to improve the services it provides to its clients. For example, if passports are delivered more quickly, if cost savings have been generated for the taxpayer, etc.
    - Section 2.3 (Evaluation and Reviews): Summarizes (very briefly) the results of studies that will be used to prepare the 3-Year Outcome report, and the general progress in terms of evaluation results.
    - Section 2.4 Milestones or Priority Interventions: a discussion of interventions that were considered to be critical to achieve overall objectives or ensure effective implementation of the plan.
    - Section 2.5 (Issues): Highlight problems or issues, carefully identifying targets at risk or targets which were not met. This may be brief with more details explained in Part III. Describe the actions taken by management to address these problems.
3. **Part III: Achievement of Annual Targets**. This chapter should be presented on a sub-vote by sub-vote basis. It should provide the written details about each target and what happened during implementation. The chapter may also document details about key activities (especially those not implemented) and overview expenditure data on a particular target.
4. **Part IV: Financial Performance**. This chapter should provide overall aggregate expenditure data compared to budgets as well as revenue collection trends (where applicable). Expenditure information should be derived from the Integrated Financial Management Systems (IFMS.
5. **Part V: HR Review**. Summarizes staffing levels, vacancies, and other key issues including the balance between PE and OC.

ANNEX and TABLES

- Annex 1: Form 12A: Quarterly Cumulative MTEF Target Monitoring Form
- Annex 2: Form 12B: Quarterly Cumulative Milestone (Priority) Monitoring Form
- Annex 3: Form 12C: Outcome Indicator Monitoring Form
- Annex 4: Form 13A: Quarterly Cumulative Financial Overview Form

Annex 5: Form 13B: Quarterly Cumulative Financial Detailed Form

BUDGET PREPARATION, SUBMISSION AND REPORTING FORMS

FORM 1: SUMMARY OF ANNUAL AND FORWARD BUDGET ESTIMATES REVENUE, RECURRENT AND DEVELOPMENT EXPENDITURE

('000 SHILLINGS)

VOTE: ………. VOTE NAME ……………………………………………………………………………..

Description			**Actual 2015/16**	**Approved Budget Estimates 2016/17**	**Annual Budget Estimates 2017/18**	**Forward Budget Estimates 2018/19**	**Forward Budget Estimates 2019/20**
1			**2**	**3**	**4**	**5**	**6**
1. Revenue Estimates	Government grant						
	Loan						
	Own Source						
	Other Sources						
TOTAL REVENUE							
2. Recurrent Expenditure	PE	PE for Vote proper					
		PE Subvention					
	Total PE						
	OC	OC for Vote Proper					
		OC Subvention					

Description		Actual 2015/16	Approved Budget Estimates 2016/17	Annual Budget Estimates 2017/18	Forward Budget Estimates 2018/19	Forward Budget Estimates 2019/20
	Total OC					
Total Recurrent Expenditure						
3. Development Expenditure	Govt. Funds					
	Foreign Funds					
	Own Source					
	Other Funds					
Total Development Expenditure						
TOTAL EXPENDITURE						

Note: Total Revenue = Total Expenditure
Total Expenditure = Total Recurrent Expenditure + Total Development Expenditure
Total recurrent expenditure = Total PE + Total OC
Total PE = PE for vote proper + PE subvention
Total OC = OC for vote proper + OC subvention
Total Dev = Govt. Funds + Foreign Funds +Own Source + Other Funds
Other Sources = Accrued interest, dividends, interest earned and other returns from investments
Other funds = Community contribution, PPP funds from private sector, etc.

FORM 3A: MTEF SHEET FOR OBJECTIVES, TARGETS AND ACTIVITIES

VOTE: ………… VOTE NAME ……………………………………………………………………………..
SUB-VOTE CODE: ………… SUB-VOTE NAME ……………………………………………………………………………...

OBJECTIVE	TARGET	TARGET TYPE	ACTIVITY	DESCRIPTIONS FOR ACTIVITY	SEGMENT 2
A					
	01				
		S			
			01		A01S01

FORM 3B: ACTIVITY COSTING SHEET

VOTE: ………… VOTE NAME ……………………………………………………………………………..
SUB-VOTE CODE: ………… SUB-VOTE NAME ……………………………………………………………………………..
OBJECTIVE NO: ………… OBJECTIVE DESCRIPTION:………………………………………………………
TARGET CODE: ………… TARGET DESCRIPTION:…………………………………………………………………

Tick the appropriate (√)

FYDP II ☐

Other ☐

Segment 2 Code and Description	Segment 4 (GFS Code)	Required Inputs			Annual Budget Estimates Y_0		Forward Budget Estimates Y_{0+1}		Forward Budget Estimates Y_{0+2}	
		Segment 4 Description (GFS Code Description)	**Unit of Measure**	**Unit cost of Inputs**	**No of Units**	**Estimates**	**No of Units**	**Estimates**	**No of Units**	**Estimates**
1	2	3	4	5	6	7	8	9	10	11
Total TShs…………………….										

Notes

Column 1: Segment 2 includes objective, target, target type and activity**;**
Column 7 equals column 5 x column 6
Column 9 equals column 5 x column 8
Column 11 equals column 5 x column 10

FORM 3C: RECURRENT EXPENDITURE SUMMARY OF DRAFT ESTIMATES

VOTE: ………..   VOTE NAME ……………………………………………………………………………..
SUB-VOTE CODE: ………..   SUB-VOTE NAME ……………………………………………………………………………..

Segment 4 (GFS Code)	**Segment 4 Description (GFS Code Description)**	**Actual Budget** Y_{0-2}	**Approved Budget Estimates** Y_{0-1}	**Annual Budget Estimates** Y_0	**Forward Budget Estimates** Y_{0+1}	**Forward Budget Estimates** Y_{0+2}
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Notes
Columns 5, 6 and 7 is a Summary of Form No. 3(b) Activity Costing Sheet

FORM 4: REVENUE ESTIMATES AND PROJECTION

VOTE: ……….. VOTE NAME ……………………………………………………………………………..
SUB-VOTE CODE: ……….. SUB-VOTE NAME ……………………………………………………………………

Segment 4 (GFS Code)	Description	Actual Collection Y_{0-2}	Approved Estimates Y_{0-1}	Draft Estimates Y_0	Forward Budget Y_{0+1}	Forward Budget Y_{0+2}
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Total of Sub-Vote					
	TOTAL OF VOTE					

Notes:

Y_0 = Current Financial Year
Y_{0-1} = Previous financial year (last Financial Year)
Y_{0-2} =2 Previous years (2 years back)
Y_{0+1} =Forward Budget (Next year)
Y_{0+2} = Forward Budget (next 2 years)

** LGAs and Public entities should start by describing revenue from the central government followed by own sources revenue

FORM 6: DEVELOPMENT EXPENDITURE DETAILS OF ANNUAL AND FORWARD BUDGET

VOTE: ………… VOTE NAME ……………………………………………………………………………..
SUB-VOTE CODE: ………… SUB-VOTE NAME ……………………………………………………………………..
PROJECT CODE: ……………….. PROJECT NAME : ……………………………………………………
OBJECTIVE NO: ………… OBJECTIVE DESCRIPTION:…………………………………………………………
TARGET CODE: ………… TARGET DESCRIPTION:………………………………………………

Tick the appropriate (√)

FYDP II ☐
Other ☐

(Seg. 2) Performance Budget Codes	Activities Description	Segment 4 (GFS Code)	Segment 4 (GFS Code Description	Annual Budget Estimates Y_0						Forward Budget Estimates Y_{0+1}			Forward Budget Estimates Y_{0+2}		
				Government Funds						Government Funds			Government Funds		
				Local	Foreign	L/G	C/D	Donor	Total	Local	Foreign	Total	Local	Foreign	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total of Target															
Total of Project															
TOTAL OF SUB-VOTE															

Notes

Total Target is Sum of all activities under a Target
Total Project is Sum of all targets under a Project
Total Sub-Vote is Sum of all Projects under the Sub-Vote
Total = Local fund + Foreign fund
L/G = Loan/Grant
C/D = Cash/Direct to project

FORM 7: INSTITUTIONAL RESULTS FRAMEWORK

VOTE: ………… VOTE NAME ……………………………………………………………………………..

PERIOD: PROJECTED RESULTS COVERING THE PERIOD FROM FINANCIAL YEAR ………. TO FINANCIAL YEAR ……

Objective Code and Description	Indicator Name and description	BASELINE		INDICATOR TARGET VALUES (AS PER SP)			CLASSIFICATION				Source of Data / Means of verification
		Baseline Date	Baseline Indicator Value	Y_0	Y_{+1}	Y_{+2}	FYDP II	SDG	P	R	
1	2	3	4	5	6	7	8	9	10	11	12

<u>Notes</u>

Each row on this form describes a single performance indicator. Indicators are used to measure progress towards meeting objectives; they are performance measures. Descriptions of each column are as follows:

Column 1. Objective Code and Description: the objective (in words) and its code, being measured by the indicator, for example: "B. Increase Access to Education"

Column 2. Indicator Name and Description: this is in two parts. The indicators name should be in italics while its description (how the indicator is calculated) should be listed below it in a bullet or in parenthesis, for example: *Annual Salary Arrears as a percentage of total annual salaries*

Column 3. Baseline date: describes the most recent date, prior to the current planning phase that the indicator was collected.

Column 4. Baseline indicator value is the value of the indicator, on the most recent date prior to the current planning phase. If indicator values (and their date) is not known place a dash.

Columns 5 to 7: Indicator targets: the expected or projected annual future value of the indicator at the end of the first, second, and third year of implementation, as found in the Strategic Plan. (Y_0 = the end of the current financial year being planned, (Y_{+1}) = the next financial year, and Y_{+2} is the next two years and Y_{+3} is the next three years

Column 8 to 11: FYDP II, P, R" Place a check mark (tick or X) in the columns FYDP II, SDG, P, R as follows: FYDP II= Second Five Year Development Plan, P = PAF Matrix; R = Ruling Party Manifesto. This will help link the indicator to other coordinating plans

Column 12. The source is where the indicator is collected (its data source) while means of verification is the supporting evidence.

FORM 8A: SUMMARY OF PERSONAL EMOLUMENTS ESTIMATES AT VOTE LEVEL (MINISTRY/REGION/DISTRICT/URBAN COUNCILS/PUBLIC ENTITIES)

VOTE: ………..   VOTE NAME ……………………………………………………………………..

Item	Number of Employees	Basic Salary	Annual Increment	Promotion	Total Salary	NSSF 15%	ZSSF 15%	LAPF 15%	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	NHIF 3%	WCF 0.5%	Total Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
I															
II															
III															
Grand Total															

Notes

(Summary Items I, II, and III)

Item I = Existing Employees on Payroll

Item II = Existing Employees not on Payroll

Item III = New Employees to be Recruited Y_0

Column 6 Gives Total Sum of Columns 3 to 5

Column 16 Gives Total Sum of Columns 7 to 15

FORM 8B: SUMMARY OF PERSONAL EMOLUMENTS ESTIMATES AT SUBVOTE LEVEL (MINISTRY/REGION/DISTRICT/URBAN COUNCILS/ PUBLIC ENTITIES)

VOTE: ………… VOTE NAME ……………………………………………………………………………..

Sub Vote	Item	Number of Employees	Basic Salary	Annual Increment	Promotion	Total P.E	NSSF 15%	ZSSF 15%	LAPF (15%)	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	NHIF 3%	WCF 0.5%	Total Contribution
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**	**(15)**	**(16)**	**(17)**
	ITEM I															
	ITEM II															
	ITEM III															
	Sub Total															
	ITEM I															
	ITEM II															
	ITEM III															
	Sub Total															
Grand Total																

<u>Notes</u>

(Summary Items I, II, and III)

For each sub-vote, sum the employees and Personal emoluments for item I, item II, and item III

Item I = Existing Employees on Payroll

Item II = Existing Employees not on Payroll

Item III = New Employees to be Recruited Y_0

Column 7 Gives the total sum of Columns 4 to 6;

Column 17 Gives the total sum of Columns 8 to 16

FORM 8C: ITEM I - SUMMARY OF EXISTING EMPLOYEES ON PAYROLL

Sub-vote	Number of Employees	Basic Salary	Annual Increment	Promotion	Total P.E	NSSF 15%	ZSSF 15%	LAPF 15%	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	NHIF 3%	WCF 0.5%	Total Contribution
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
TOTAL															

VOTE: ………… VOTE NAME ………………………………………………………………………………..

Notes

Column 7 – Gives the Total Sum of Columns 3 to 6

Column 17– Gives the Total Sum of Columns 8 to 16

FORM 8D: ITEM II - SUMMARY OF EXISTING EMPLOYEES NOT ON PAYROLL

VOTE: ………… VOTE NAME ……………………………………………………………………………..

Sub-vote	Number of Employees	Basic Salary	Annual Increment	Promotion	Total P.E	NSSF 15%	ZSSF 15%	LAPF 15%	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	NHIF 3%	WCF 0.5%	Total Contribution
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
TOTAL															

Notes

Column 7 – Gives the Total Sum of Columns 3 to 6

Column 17 – Gives the Total Sum of Columns 8 to 16

FORM 8E: ITEM III - SUMMARY OF NEW EMPLOYEES TO BE RECRUITED

VOTE: ………… VOTE NAME ……………………………………………………………………………..

Sub-vote	Number of Employees	Basic Salary	Total P.E	NSSF 15%	ZSSF 15%	LAPF 15%	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	NHIF 3%	WCF 0.5%	Total Contribution
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
TOTAL													

Notes

Column 4 – Gives the Total Sum equals to Column 3

Column 14 – Gives the Total Sum of Columns 5 to 13

FORM. 8F: LIST OF EMPLOYEES EXPECTED TO RETIRE

VOTE:……………………. VOTE NAME (MDA/RS/LGA/PUBLIC ENTITIES)………………………………………

S/No	NAME OF EMPLOYEES	CHECK NUMBER	DESIGNATION	SALARY SCALE	BASIC SALARY	DATE TO RETIRE
1						
2						
3						
.						
.						
.						
.						

FORM 9: SCHEDULE OF PERSONAL EMOLUMENTS (ESTABLISHMENT AND STRENGTH)

VOTE: ………… VOTE NAME ……………………………………………………………………………..
SUB VOTE: ………… SUB VOTE NAME ……………………………………………………………………………...

Employee Code	Description	Salary Scale Tshs.	ESTABLISHMENT					Actual Strength at Present	Variation (+ Over) or (- Under)	Remarks
			Y_{0-2}	Y_{0-1}	Y_0	Y_{0+1}	Y_{0+2}			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Y_{0-2} = Preceding years (2 years back)
Y_{0-1} = Previous year (last Financial Year)
Y_0 = Current Financial Year
Y_{0+1} =Forward Budget (Next year)
Y_{0+2} = Forward Budget (Next 2 years)

FORM 10A: PROJECT PROFILE DATA FORM (FOR NON STRATEGIC PROJECTS)

A1. Vote Name: ______________________________ Vote Code: ____________
A2 Sub vote Name ____________________________ Sub vote Code /__/__/__/__/__/__/
A3. Project Number: ___/___/___/___/___/___/___/
A4. Date this form was completed ___/___/___/___/___/___/___/___/(Day/Month/Year)
A5. Project Name ____________________________________
A6. Is this project recurrent in nature?
Yes ….. 1 No …… 2
A7. Implementation Status of Project:
Not started …….………………………..1
Started but abandoned……………..2
On schedule ……………………………...3
Ahead of schedule …………………...4
Behind schedule ……………………….5
Completed but facility not in use. 6
Completed and facility in use …….7

(STOP HERE IF YOU HAVE ENTERED CODE 6 OR 7 IN BOX)

A8. Does this Project have feasibility study or project document?
Feasibility study ………....1
Project document ………...2
No Document ………………3
A9. Feasibility study Number of Project ___________________
A10. Project document Number ______________________
A11. Project Description (describe major components/activities)…………………………………………
A12. Project coverage:
National wide (beneficiaries of project in entire
Country, or in more than one region) …………………1
Regional (beneficiaries of project in one Region) …..2
District (beneficiaries of project in one District) ……..3

A13. Geographic Location of Project

(a) Nation wide ---------------------------(Tick)
(b) Region Name---------------------------
(c) District Name ------------------------
(d) LGA------------------------------------

A14. Type of Implementing (Executing) Agency:

Ministry ………1 Parastatal …… …5
Region ……...2 LGA ……….....….6
Donor …………3 Agency ……….....4

A15. Lead Implementing Agency Name ________ Code /__/__/__/

A16. Other Agencies /Collaborators providing critical inputs to project implementation: ………..,………..,……..,

A17. Planned Start date (Month & Year) /__/__/__/__/

A18. Actual Start Date (Month & Year) /__/__/__/__/
A19. Planned Completion Date (Month & year) /__/__/__/__/
A20. Latest revised completion Date (Month & Year) /__/__/__/
A21. Status of project funding in Development budget

a) Adequate Funds included to cover remaining costs
b) Inadequate Funds to cover remaining costs
c) Adequate Funds outside Government budget exist to cover remaining cost.

A22. PPP Projects:

Total project cost, ……………………………….
of which Tshs……………………………….. Government, Tshs …………………….. Private
Project name ……………………………………………………………………………………

Project status:
Feasibility study…………………………………………………………………………..…
Design …………………………………………………………………………………………....
Fund mobilization ……………………………………………………………………...……
Contract document …………………………………………………………………………...

REMARKS

SECTION B: PROJECT FINANCE (EXTERNAL ONLY)

(Please complete this section if project is financed (or to be financed) from external financial sources?

B1 Total Number of Donors for this Project /__/

B2 The Project Funded through Basket funding? Yes ☐ No ☐

(ONE FORM SHOULD BE COMPLETED FOR EACH DONOR PROJECT, IF A PROJECT RECEIVES FUNDS FROM MORE THAN ONE DONOR AGENCY)

B3. Donor 1 Name ____

B4. Donor 1 Code /___/___/___/

B5. Total Donor Commitments (Tshs.) ________________________

B6. Type of Currency in Agreement _____________

B7. Total Donor Commitment in currency of agreement _____________

B8. Date of Agreement (Month/Year) /__/__/__/__/

B9 Funding Terms

Grant …1 ☐

Loan ……2

Loan with grant element…..3

B10 Amount of Grant (Tshs.): __________________________________

B11 Amount of Loan (Tshs.): __________________________________

B12. Type of Disbursement:

Direct ………..1 ☐

Cash …………2

FORM 10B FYDP II PROJECT IMPLEMENTATION - QUARTERLY PERFORMANCE ASSESSMENT FORM FOR FISCAL YEAR ……………………

(THIS FORM SHOULD BE FILLED ONLY FOR PROJECTS UNDER STRATEGIC INVESTMENT)

1. EXPLANATIONS AND DEFINITIONS FOR THE TERMS USED FOR QUARTERLY PERFORMANCE ASSESSMENT FORM

TERM	**EXPLANATION/DEFINITION**
Project/Activity Name:	The exact name of the assessed Project/Activity/Name as listed under investments it is associated with.
Responsible Ministry	Ministry under which Project/Activity is implemented
Lead implementer	Institution responsible for day to day management of the Project/Activity
Contact Person(s):	Name (if possible), designation and phone as well as well as e-mail contacts for the person(s) who will be responsible for providing the required information, so that this person can be contacted for clarification if needed.
Project /Activity Location	Physical address of the Project/Activity
Annual Target(s) for 2017/18:	Stage(s)/steps of the project/activities expected to be completed/reached by end of FY 2017/18
Target(s) for Each Quarter:	Stage(s)/steps of the project/activity expected to be completed/reached by end of each quarter in FY 2017/18
Achievements for	Stage(s)/steps of the project/activity actually completed/reached by end of each Quarter in FY 2017/18
Constraints:	Any current or anticipated obstacle that is hindering or has potential to hinder the project/activity reaching its fruitful completion in the allocated time
Remarks:	• Proposals on how the identified constraints can be addressed • Any information deemed pertinent for the successful implementation and completion of the Project/Activity
Target(s) for next/ following Quarter :	Stage(s)/Steps of the project/activities expected to be completed /reached by end of next quarter
Annual Budget 2017/18	Total Planned expenditure on the Project/Activity for FY 2017/18 as well as a breakdown of expected source of funds to be used
Expenditure Approved for specific quarter	Total Planned expenditure on the Project/Activity for the specific quarter of FY 2017/18 as well as a breakdown of expected source of funds to be used for the quarter
Funds Released for Q	Actual funds allocated to the Project/Activity for that Quarter and break down of the sources of the released funds.
Cumulative Expenditure	Total expenditure on the project/activity for up to that Q of FY and a breakdown of where the funds used were sourced.
Percent (Expenditure *vs.*	Proportion of planned total fund spent on the project/activity up to that Quarter with breakdown according to source of funds.

TERM	EXPLANATION/DEFINITION
Budget)	
Constraints	Current or potential financial constraint facing the project/activity
Remarks	• Proposals on how the identified financial constraints can be addressed • Any financial information deemed pertinent for the successful implementation and completion of the project/activity
GOT	Funds from the Government of Tanzania
PPP	Funds obtained from Public Private Partnerships
DPs	Funds from Development Partners
Others	Funds from sources other than the ones listed

2. BASIC PROJECT/ACTIVITY INFORMATION

Project/Activity/Name; …...……………………………………………….…………….……..………………

Responsible Ministry:……………………………...………………………………………….…….………

Leading Implementer:………………………………………………………………………………………….

Contact Person(s):

Designation:………………………………..………………..……………………..

Phone:……………………………………………...………...…………………..

E-mail:…………………………………………………...……………...……..…

3. IMPLEMENTATION ASSESMENT

TABLE A: ACTIVITY ASSESSMENT

Project Location	
Annual Target(s) for 2017/18	
Target(s) for Q	
Achievements for Q	
Constraints	
Remarks	
Target(s) for next Q	

TABLE B: FINANCIAL ASSESSMENT

Item	Source of Fund	Million Shillings.
Annual Budget 2017/18	Total	
	GOT	
	PPP	
	DPs	
	Others[1]	
Amount Approved for Quarter	Total	
	GOT	
	PPP	
	DPs	
	Others[1]	
Amount Released for Quarter	Total	
	GOT	
	PPP	
	DPs	
	Others[1]	
Cumulative Expenditure 2016/17	Total	
	GOT	
	PPP	
	DPs	
	Others[1]	
Percent (Expenditure vs Budget 2016/17)	Total	
	GOT	
	PPP	
	DPs	
	Bank Loans	
	Others[12]	
Constraints		
Remarks		

[1] Please Identify this source of funds

[2] Please identify this source of funding

FORM 10C: SUMMARY OF PROJECT FORWARD BUDGET ESTIMATES AT VOTE LEVEL (ALL SOURCES)

VOTE: ………..   VOTE NAME ………………………………………………………………………………..

DEVELOPMENT EXPENDITURE (in '000' Tshs)	Approved Budget Estimate Yo-1	Annual Estimate Yo	Forward Budget Estimates Yo+1	Forward Budget Estimates Yo+2
A: Government Funds: -Local				
-Foreign				
B: Other Sources: -Special Funds				
-Own Funds				
-Bank Loans				
-PPP				
-Others				
TOTAL BUDGET ESTIMATES				

OPERATIONAL PLANNING FORMS PBF   PBF 5.2 (a)

FORM 11A (R): CURRENT YEAR MTEF TARGET VALUE FORM (RECURRENT EXPENDITURE)

VOTE: ………..   VOTE NAME ………………………………………………………………………..

FINANCIAL YEAR …………..

SUB-VOTE CODE: ………..   SUB-VOTE NAME …………………………………………………………………….

OBJECTIVE CODE AND DESCRIPTION: ………………………………………………………………………………………….

CODES AND LINKAGES				TARGET IN WORDS		QUARTERLY TARGETS FOR THE CURRENT YEAR				
Target Code	FYDP II	P	R	Target Description (5 year)	Target Description for the Current Year	Units of Measure	Q1	Q2	Q3	Q4
1	2	3	4	5	6	7	8	9	10	11

Notes

Each row on this form describes a single target (output). Descriptions of each column are as follows:

- **Column 1. Target Code** is the Segment 2 code at the target level, for example "A03C"
- **Columns 2 to 4: FYDP II, P, R**" Place a check mark (tick or X) in the columns FYDP II, P, R as follows: FYDP II= Second Five Year Development Plan, P = PAF Matrix (if it is a PAF target); R = Ruling Party Manifesto. This will help link the MTEF target to other coordinating plans
- **Column 5. Target Description (5 year)**: The target (in words) describing the final state at the end point of the current 3 year MTEF period (i.e. three years in advance); for example "build 500 kilometres of road by 30 June 2018"
- **Column 6. Target Description (current year)**: The target (in words) describing the final state at the end point of the current year; for example "build 150 kilometres of road by 30 June 2018"
- **Column 7**. **Units of measure**: how the level of the target would be measured, for example "number of kilometres."
- **Columns 8 to 11: Cumulative Measures for each quarter:** is the expected CUMULATIVE level of the target at the end of each quarter in the upcoming financial year. For example if the target is to build 150 kilometres of road by 30 June 2018" the quarterly cumulates may be 0, 25, 75, and 150.

PBF 5.2 (b)

FORM 11A (D) CURRENT YEAR MTEF TARGET VALUE FORM (DEVELOPMENT EXPENDITURE)

VOTE: ………… VOTE NAME ………………………………………………………………………………..
FINANCIAL YEAR ……………
PROJECT CODE AND NAME: ………………………..
SUB-VOTE CODE AND NAME: ……………………..
OBJECTIVE CODE AND DESCRIPTION: …………..

CODES AND LINKAGES				TARGET IN WORDS		QUARTERLY TARGETS FOR THE CURRENT YEAR				
Target Code	FYDP	P	R	Target Description (5 year)	Target Description for the Current Year	Units of Measure	Q1	Q2	Q3	Q4
1	2	3	4	5	6	7	8	9	10	11

Notes

Each row on this form describes a single target (output). Descriptions of each column are as follows:

- **Column 1. Target Code** is the Segment 2 code at the target level, for example "A03C"
- **Columns 2 to 4: FYDP, P, R**" Place a check mark (tick or X) in the columns FYDP, P, R as follows: FYDP= Five Year Development Plan, P = PAF Matrix (if it is a PAF target); R = Ruling Party Manifesto. This will help link the MTEF target to other coordinating plans
- **Column 5. Target Description (5 year)**: The target (in words) describing the final state at the end point of the current 3 year MTEF period (i.e. three years in advance); for example "build 500 kilometres of road by 30 June 2018"
- **Column 6. Target Description (current year)**: The target (in words) describing the final state at the end point of the current year; for example "build 150 kilometres of road by 30 June 2018"
- **Column 7. Units of measure**: how the level of the target would be measured, for example "number of kilometres."
- **Columns 8 to 11: Cumulative Measures for each quarter:** is the expected CUMULATIVE level of the target at the end of each quarter in the upcoming financial year. For example if the target is to build 150 kilometres of road by 30 June 2018" the quarterly cumulates may be 0, 25, 75, and 150.

PBF 6.2 (a)

FORM 11B (R): ANNUAL CASH FLOW PLAN FOR RECURRENT BUDGET

VOTE: ………. VOTE NAME ……………………………………………………………………..
SUB-VOTE CODE: ………. SUB-VOTE NAME ……………………………………………………………..
PROJECT CODE: ……………….. PROJECT NAME: ………………………………………………
OBJECTIVE No: ………. OBJECTIVE DESCRIPTION:……………………………………………………
TARGET CODE: ………. TARGET DESCRIPTION:…………………………………………………………

Tick the appropriate (√)
FYDP II ☐
Other ☐

Activity Code	Activity Description	Source of Financing	Approved Annual Budget	Planned Quarterly Expenditures (Projected Cash Flow)			
				Quarter I	Quarter II	Quarter III	Quarter IV
1	2	3	4	5	6	7	8
		Government					
		Own Funds					
		Total					
		Government					
		Own Funds					
		Total					

<u>Notes</u>

Each row is a single activity under a target. This row is broken into 3 parts describing the cash flow for Government Financing (subvention or recurrent funding) and own funds. Descriptions of each column are as follows:

- **Column 1. Activity Code**: Segment 2 code for the activity, for example: A02C03
- **Column 2. Activity Description**: the activity description in words, for example "Train 100 people in results management by 30 June 2018"
- **Column 4. Approved Annual Budget**: the total budget (in Tanzanian Shillings) for the current financial year. This is divided into 2 sources of funds: Government and Own Funds. Own funds apply only to LGAs and Executive Agencies and may include revenues collected and contributions from citizens or communities.
- **Columns 5 to 8. Quarter I, II, III, and IV:** the projected cash flow (in Tanzanian Shillings), for each quarter, divided into 2 sources of funds: Government and Own Funds.

PBF 6.2 (b)

FORM 11B (D): ANNUAL CASH FLOW PLAN FOR DEVELOPMENT BUDGET

VOTE: ………… VOTE NAME ……………………………………………………………………………..
SUB-VOTE CODE: ………… SUB-VOTE NAME ……………………………………………………………………..
PROJECT CODE: ……………….. PROJECT NAME: ……………………………………………………
OBJECTIVE No: ………… OBJECTIVE DESCRIPTION:……………………………………………………………
TARGET CODE: ………… TARGET DESCRIPTION:………………………………………………………………

Tick the appropriate (√)

FYDP II ☐
Other ☐

Activity Code	Activity Description	Source of Financing	Approved Annual Budget	Planned Quarterly Expenditures (Projected Cash Flow)			
				Quarter I	Quarter II	Quarter III	Quarter IV
1	2	3	4	5	6	7	8
		Foreign					
		Local					
		PPP					
		Own Funds					
		Total					
		Foreign					
		Local					
		PPP					
		Own Funds					
		Total					

Notes

Each row is a single activity under a target. This row is broken into 3 parts describing the cash flow for Government Financing (subvention or recurrent funding) and own funds. Descriptions of each column are as follows:

- **Column 1. Activity Code**: Segment 2 code for the activity, for example: A02C03
- **Column 2. Activity Description**: the activity description in words, for example "Train 100 people in results management by 30 June 2018"
- **Column 4. Approved Annual Budget**: the total budget (in Tanzanian Shillings) for the current financial year. This is divided into 2 sources of funds: Government and Own Funds. Own funds apply only to LGAs and Executive Agencies and may include revenues collected and contributions from citizens or communities.
- **Columns 5 to 8. Quarter I, II, III, and IV:** the projected cash flow (in Tanzanian Shillings), for each quarter, divided into 2 sources of funds: Government and Own Funds.

PBF 6.3(a)

FORM 14B (R): ANNUAL ACTION PLAN FOR RECURRENT BUDGET FOR THE FY ………. …..

VOTE NO: …….……………….. VOTE NAME: ………..………………………..

SUB-VOTE CODE: …………….. SUB-VOTE NAME: ……….…………….

Objective Code and Description	Target Code and Description	PAF	FYDP II	Manifesto	Activity Code and Description	Main Tasks (activity phases)	Sub – Tasks (Milestone)	Planned Start Date	Planned Finish Date	Approved Budget	Work Days	Lead Agency	Responsible Person (Officer)
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Notes

Each row of this form describes a single activity. The form should only be used internally.

- Column 1: the Objective Code (A, B, C, etc) as well as the objective's description, for example: "A. Improve Access to markets." Part of the Segment 2 code.
- Column 2: the Target Code (A01C or B02S etc) as well its description, for example: "A01D. Construct 25 Kilometres of road by June 2018."
- Columns 3 to 5: place a check mark (√) to link your target as appropriate with those planning frameworks as described in other forms above.
- Column 6: the Activity Code (A01C03 or B02S01 etc) as well as the activity's description, for example: "A01D05. Train 100 people in Results Management by June 2018." Part of the Segment 2 code.
- Column 7: list main tasks or phases which enable respective activity to be completed when such tasks are implemented.
- Column 8: list sub tasks or milestone which enable respective task to be completed when such milestones are implemented.
- Column 9: the date at which the activity should start. The start of an activity should include its procurement, where applicable.
- Column 10: the date at which the activity should be completed.
- Column 11: the approved budget of the target or activity. The target's budget is the sum of the budgets for all activities under it
- Column 12: the expected workdays on the activity. Some activities may have long durations in which implementation is sporadic. For example an activity "supervision of procurement" may take place over a 3 month period, but may only involve 2 workdays per month.
- Column 13: the institution or agency responsible (accountable) for the execution of the activity. This should be shown as a institution, such as "TRA, UDOM, COSTECH, TMMA, etc."
- Column 14: the person responsible (accountable) for the completion of the activity. This should be listed as a position, such as "Commissioner for Budget, DPP, DHRM, etc."

PBF 6.3(b)

FORM 14B (D): ANNUAL ACTION PLAN FOR THE DEVELOPMENT BUDGET FOR THE FY ………. ……..

VOTE NO: …………………….. VOTE NAME: ……………………………..

SUB-VOTE NO: …………….. SUB-VOTE NAME: ……………………..

PROJECT CODE ……………. PROJECT NAME ……………

Objective Code and Description	Target Code and Description	PAF	FYDP II	Manifesto	Activity Code and Description	Main Tasks (activity phases)	Sub – Tasks (Milestone)	Planned Start Date	Planned Finish Date	Approved Budget	Work Days	Lead Agency	Responsible Person (Officer)
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Notes

Each row of this form describes a single activity. The form should only be used internally.

- Column 1: the Objective Code (A, B, C, etc) as well as the objective's description, for example: "A. Improve Access to markets." Part of the Segment 2 code.
- Column 2: the Target Code (A01C or B02S etc) as well its description, for example: "A01D. Construct 25 Kilometres of road by June 2018."
- Columns 3 to 5: place a check mark (√) to link your target as appropriate with those planning frameworks as described in other forms above.
- Column 6: the Activity Code (A01C03 or B02S01 etc) as well as the activity's description, for example: "A01D05. Train 100 people in Results Management by June 2017" Part of the Segment 2 code.
- Column 7: list main tasks or phases which enable respective activity to be completed when such tasks are implemented.
- Column 8: list sub tasks or milestone which enable respective task to be completed when such milestones are implemented.
- Column 9: the date at which the activity should start. The start of an activity should include its procurement, where applicable.
- Column 10: the date at which the activity should be completed.
- Column 11: the approved budget of the target or activity. The target's budget is the sum of the budgets for all activities under it
- Column 12: the expected work days on the activity. Some activities may have long durations in which implementation is sporadic. For example an activity "supervision of procurement" may take place over a 3 month period, but may only involve 2 work days per month.
- Column 13: the institution or agency responsible (accountable) for the execution of the activity. This should be shown as a institution, such as "TRA, UDOM, COSTECH, etc."
- Column 14: the person responsible (accountable) for the completion of the activity. This should be listed as a position, such as "Commissioner for Budget, DPP, DHRM, etc."

FORM 14C: DETAIL IMPLEMENTATION PLAN FOR DEVELOPMENT BUDGET FOR THE FY ……….……..

VOTE NO: …………………….. VOTE NAME: ………………………………..
SUB-VOTE NO: …………….. SUB-VOTE NAME: ………………………..
PROJECT CODE …………….. PROJECT NAME ……………………………

Activity Code and Description	Sub – activity (Activity Phases)	Milestone (Specific sub-sub-activity)	Timeline (start – finish date)	Budget	Responsible Agency and Officer
(1)	(2)	(3)	(4)	(5)	(6)

FORM NO. 15A - FRAMEWORK FOR MAINSTREAMING EMPLOYMENT CREATION IN SECTOR DEVELOPMENT PLANS – PLANNING LEVEL

Financial Year: ……………..																
VOTE NO: …………………….		VOTE NAME: ……………………………..														
SUB-VOTE NO: ……………..		SUB-VOTE NAME ……………………..														
PERIOD COVERED:																
Objective ……………..																
Sector	Employment Opportunities (Project Name)	Project Code	Target Description	Activities code and description	Total approved budget (Tshs)	Name of Region	Name of District	Total planned No. of jobs to be created	Number of jobs to be created segregated by sex and age groups							
									Male				Female			
									15*-35	36-60	61+	Total	15-35	36-60	61+	Total
	Specific Instructions to Sector Ministries, Independent Departments and Agencies (MDAs), Regional Secretariats (RS) and Local Government Authorities (LGAs)															
1	This form should be filled once a year during the preparation of annual budget and submitted to the Permanent Secretary, Prime Minister's Office, Policy, Parliament, Labour, Employment, Youth and Disables															
	Permanent Secretary, Treasury															
	15* As per Section 5 (a)&(b) of the Employment and Labour Relations Act No. 6 of 2004															

PERFORMANCE REPORTING FORMS

FORM 12A: CUMULATIVE QUARTERLY MTEF TARGET MONITORING FORM

VOTE: ………… VOTE NAME ………………………………………………………………………………..
PERIOD COVERED: QUARTER ENDING ……………………………….. IN THE FINANCIAL YEAR …………………………
BUDGET COVERAGE: (DEVELOPMENT OR RECURRENT)……………………………………………………………………
PROJECT CODE AND NAME: ……………………………………………………………………………………………
SUB-VOTE CODE AND NAME:……………………………………………………………………………………
OBJECTIVE CODE AND NAME: ……………………………………………………………………………………

CODES AND LINKAGES				ANNUAL PHYSICAL TARGET	CUMULATIVE STATUS ON MEETING THE PHYSICAL TARGET					EXPENDITURE STATUS			REMARKS ON IMPLEMENTATION
Target Code	FYDP II	P	R	Target Description	Actual Progress	Estimated % Completed	On track	At Risk	Off track	Cumulative Budget	Cumulative Actual Expenditure	% Spent	
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Notes: Each row is a single target. Descriptions of each column are as follows:
Column 1. Target Code is the Segment 2 code at the target level, for example "A03C"
Column 2 to 4: FYDP, P, R" Place a check mark (tick or X) in the columns FYDP, P, R as follows: FYDP= Five Year Development Plan, P = PAF Matrix (if it is a PAF target); R = Ruling Party Manifesto. This will help link the MTEF target to other coordinating plans
Column 5. Annual Physical Target Description (current year): The target (in words) describing the final state at the end point of the current year; for example "build 150 kilometres of road by 30 June 2017"
Column 6: this is the cumulative total as of the current quarter, for example "60 kilometres were constructed by 31st March 2018."
Column 7: Estimated % complete: if the target is quantitative divide the Actual Value by the Planned Value, for example 60 kms built / 150 km planned = 40%

Columns 8-10 (Assessment): Check or tick one of the columns "on track," "at risk" or 'unknown"
Columns 11-12: Cumulative Actual Expenditure as of Quarter XXX: this is the actual expenditure (not the disbursed or the released amount) while the Cumulative Budget is the amount that was expected to be spent (according to the cash flow plan) by quarter XXX;.
Column 14: % spent: the actual expenditure to date divided by the budgeted expenditure for the financial year.

MEF 7.2

FORM 12B: QUARTERLY CUMULATIVE MILESTONE (PRIORITY) MONITORING FORM

VOTE: ……….. VOTE NAME ……………………………………………………..

Period covered: Quarter ending …………….. In the FY ……………………

Planned Key Priority Interventions or milestones	Current Implementation Status	Assessment			Comments
		On track	At Risk	Off-track	
1	2	3	4	5	6

Notes

Each row is a single milestone. Descriptions of each column are as follows:
Column 1: Institution's Key Priority intervention or milestone. Should be selected from the Institution's MTEF
Column 2 Brief implementation on the status for each priority area
Columns 3, 4, & 5 General Assessment of key priority areas. Tick one only.
Column 6 Comment: describe possible reasons for variation (if not on track) as well as remedial actions planned or implemented for each priority area.

FORM 12C: OUTCOME INDICATOR MONITORING FORM

VOTE: …………   VOTE NAME ……………………………………………………………………………..

PERIOD: RESULTS AS OF THE END OF FINANCIAL YEAR …………………………

Objective and Code	Indicator Name and description	BASELINE		INDICATOR TARGET VALUES (AS PER SP)				ACTUAL INDICATOR VALUES				CLASSIFICATIONS				Source of Data / Means of verification	Comment
		Base-line Date	Baseline Indicator Value	y0	y+1	y+2	y+3	y0	y+1	y+2	y+3	FYDP	SDG	P	R		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

Notes

Each row on this form describes a single performance indicator. Indicators are used to measure progress towards meeting objectives; they are performance measures. Descriptions of each column are as follows:

Column 1. Objective Code and Description: the objective (in words) and its code, being measured by the indicator, for example: "B. Increase Access to Education"

Column 2. Indicator Name and Description: this is in two parts. The indicators name should be in italics while its description (how the indicator is calculated) should be listed below it in a bullet or in parenthesis, for example:Annual Salary Arrears as a percentage of total annual salaries.

Column 3. Baseline date: describes the most recent date, prior to the current planning phase that the indicator was collected.

Column 4. Baseline indicator value is the value of the indicator, on the most recent date prior to the current planning phase.

Columns 5 to 8: Indicator targets: the expected or projected annual future value of the indicator at the end of the first, second, and third year of implementation, as found in the Strategic Plan. (y0 = the end of the current financial year being planned, (y+1) = the next financial year, y+2 is the next two years and y+3 is the next three years

Columns 9 to 12: Actual Indicator values: the actual or realized value of the indicator at the end of the first, second, and third year of implementation, as found in the Strategic Plan. (y0 = the end of the current financial year being planned, (y+1) = the next financial year, y+2 is the next two years and y+3 is the next two years.

Columns 13 to 16: FYDP, P, R" Place a check mark (tick or X) in the columns FYDP, P, R as follows: FYDP= Five Year Development Plan, P = PAF Matrix; R = Ruling Party Manifesto. This will help link the indicator to other coordinating plans

Column 18: The source is where the indicator is collected (its data source) while means of verification is the supporting evidence that the indicator may have

Column 19: Comment: any comment describing implementation

MEF 7.4 (a)

FORM 13A: QUARTERLY CUMULATIVE FINANCIAL OVERVIEW FORM

VOTE: ………..   VOTE NAME ……………………………………………………………………………..

PERIOD: CUMULATIVE RESULTS FOR THE QUARTER ENDING …………….. IN THE FINANCIAL YEAR ……………

ITEM / COMPOSITION	BUDGET		RELEASED		ACTUAL EXPENDITURE		
	Amount in TShs. (Millions)	% of Total	Amount in TShs. (Millions)	Amount Released as a % of the Budget Amount (4 ÷ 2)	Amount in TShs (Millions)	Actual Value as a % of the Budget Amount (6 ÷ 2)	% of Total
1	2	3	4	5	6	7	8
EXPENDITURE BY BUDGET CATEGORY							
P.E							
O.C							
Development Local Funds							
Development Foreign Funds							
Total		100					100
EXPENDITURE BY FYDP II CATEGORY (Excludes PE)							
FYDP II Strategic Projects							
FYDP II Other Projects							
Total		100					100

Notes: This report should be printed from the Integrated Financial Management System (IFMS)

MEF 7.4 (b)

FORM 13B: QUARTERLY CUMULATIVE FINANCIAL DETAILED FORM

ITEM / COMPOSITION	**BUDGET**		**RELEASED**		**ACTUAL REVENUE/EXPENDITURE**		
	Amount in TShs. (Millions)	% of Total	Amount in TShs (Millions)	Amount Released as a % of the Budget Amount (4 ÷ 2)	Amount in TShs (Millions)	Actual Value as a % of the Budget Amount (6 ÷ 2)	% of Total
1	2	3	4	5	6	7	8
EXPENDITURE BY SUB-VOTE (Recurrent Only)							
Sub-Vote 1001							
Sub-Vote 1002							
ETC							
Total							100%
EXPENDITURE BY SUB-VOTE BY PROJECT (Development funds only)							
Sub-Vote 1							
Project 1							
Project 2							
Sub-Vote 2							
Project 1							
Project 2							
Total							100%
REVENUES (NON-TAX) COLLECTION							
Revenues Collected			N/A	N/A			

Revenues Retained			N/A	N/A				
SOURCE OF FUNDING (LGAs and Agencies ONLY)								
Subvention								
Own Sources			N/A	N/A				
Total								100%

VOTE CODE AND NAME: ……………………………….

PERIOD: CUMULATIVE RESULTS FOR THE QUARTER ENDING …… IN FY…………………………………

Notes. This report should be printed from the Integrated Financial Management System (IFMS)

COUNCIL FINANCIAL REPORT (CFR)

FORM 13 C1: Quarterly Financial Progress Report - Own Revenues (LGA's)

Council Name: ……………………………

Quarterly Financial Report As At:……………………………….

All amounts in Tanzanian Shillings

Own Source Revenues	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
	A	B	C	D	E
Local Taxes (Rates, Levies and Cesses)					
Property Tax	-	-	-	-	0.0
Land Rent	-	-	-	-	0.0
Produce Cess	-	-	-	-	0.0
Service Levy	-	-	-	-	0.0
Guest House Levy	-	-	-	-	0.0
Other Levies on Business Activity	-	-	-	-	0.0
Subtotal, Local Taxes	**-**	**-**	**-**	**-**	**0.0**
Licenses and Permits					
Licenses and permits on	-	-	-	-	0.0

Own Source Revenues	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
	A	B	C	D	E
business activities					
Permits on construction activities	-	-	-	-	0.0
Licenses on extraction of forest products	-	-	-	-	0.0
Licenses/permits on vehicles and transport.	-	-	-	-	0.0
Sub-Total, Licenses and Permits	**-**	**-**	**-**	**-**	**0.0**
Fees and Charges					
Market fees and charges	-	-	-	-	0.0
Sanitation fees and charges	-	-	-	-	0.0
Specific service fees	-	-	-	-	0.0
o/w Parking Fees	-	-	-	-	*0.0*
o/w Central Bus Stand Fees	-	-	-	-	*0.0*
Sub-Total, Fees and Charges	**-**	**-**	**-**	**-**	**0.0**
Other Own Revenues					0.0
Fines and penalties	-	-	-	-	0.0
Income from sale or rent	-	-	-	-	0.0
Other own revenues	-	-	-	-	0.0
Sub-Total, Other Own Revenues	**-**	**-**	**-**	**-**	**0.0**
Total, Own Source Revenues	**-**	**-**	**-**	**-**	**0.0**

Account Balances		Opening Account Balance for Budget Year	Opening Account Balance for Quarter	Closing Account Balance for Quarter	Change in Balance for Quarter
Own Source Revenue Collection Account		-	-	-	0.0
Personal Emoluments Account		-	-	-	0.0
Other Charges Account		-	-	-	0.0
Miscellaneous Deposit Account		-	-	-	0.0
Development Account		-	-	-	0.0
Road Fund Account		-	-	-	0.0
Total Account Balances		**-**	**-**	**-**	**0.0**

COUNCIL FINANCIAL REPORT (CFR)
FORM 13 C2: Quarterly Financial Progress Report – Transfers (LGA's)
Council Name
Quarterly Financial Report As At:……..……………………
All amounts in Tanzanian Shillings

Description of Transfer Sources	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
	A	B	C	D	E
Recurrent Grants:					
(I) Block Grants					
Primary Education Block Grant: PE Amount	-	-	-	-	0.0
: OC Amount	-	-	-	-	0.0
Secondary Ed. Block Grant : PE Amount	-	-	-	-	0.0
: OC Amount	-	-	-	-	0.0
Health Block Grant : PE Amount	-	-	-	-	0.0
: OC Amount	-	-	-	-	0.0
Agriculture Block Grant : PE Amount	-	-	-	-	0.0
: OC Amount	-	-	-	-	0.0
Roads Block Grant : PE Amount	-	-	-	-	0.0

Description of Transfer Sources	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
: OC Amount	-	-	-	-	0.0
Water Block Grant : PE Amount	-	-	-	-	0.0
: OC Amount	-	-	-	-	0.0
General Purpose (incl. Admin) : PE Amount	-	-	-	-	0.0
: OC Amount	-	-	-	-	0.0
Sub-Total, Block Grants	**-**	**-**	**-**	**-**	**0.0**
(II) Sector Baskets and other subventions					
Primary Education	-	-	-	-	0.0
Secondary Education	-	-	-	-	0.0
Health (HSBF and MSD supplies)	-	-	-	-	0.0
Roads	-	-	-	-	0.0
HIV/AIDS (TACAIDS, Global Fund and others)	-	-	-	-	0.0
National Mult-sectoral Strategic Fund (NMSF)	-	-	-	-	0.0
Other subventions	-	-	-	-	0.0

Description of Transfer Sources	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
Sub-Total, Sector Baskets and Other Subv.	**-**	**-**	**-**	**-**	**0.0**
Sub-Total, Recurrent Transfers	**-**	**-**	**-**	**-**	**0.0**
(III) Development Grants / Funds:					
LG Development Grants (LGDG): CDG and CBG	-	-	-	-	0.0
Primary Education Development Grants	-	-	-	-	0.0
Secondary Education Development Grants	-	-	-	-	0.0
Health Development Grants	-	-	-	-	0.0
Roads Sector Development Grants	-	-	-	-	0.0
Water Sector Development Grants	-	-	-	-	0.0
Agriculture Sector Development Grants	-	-	-	-	0.0
TASAF	-	-	-	-	0.0
Tanzania Strategic Cities Project Fund (TSCP)	-	-	-	-	0.0
Constituent Development Catalyst Funds (CDCF)	-	-	-	-	0.0
Other Dev. Grants / Funds *	-	-	-	-	0.0

Description of Transfer Sources	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
Sub-Total Dev. Grants / Funds	**-**	**-**	**-**	**-**	**0.0**
Total, Transfers	**-**	**-**	**-**	**-**	**0.0**
Local Borrowing:					0.0
Local Government Loans Board	-	-	-	-	0.0
Other Loans	-	-	-	-	0.0
Total, Local Borrowing	**-**	**-**	**-**	**-**	**0.0**

*Other Development Grants means: VTTP, LGTP, UDEM,SWM, PFM,

Others – exceeding 5% of the total own source should been explained

COUNCIL FINANCIAL REPORT (CFR)
FORM 13 C3: Quarterly Financial Progress Report – Expenditure (LGA's)
Council Name
Quarterly Financial Report As At:……………………………………
All amounts in Tanzanian Shillings

Description of Broad Expenditure Areas	Annual Estimate as per approved Budget	Actual Expenditure			Outstanding Commitments	Cumulative Expenditure & Comm's to date	Total Cum Expenditure & Comm'ts as % of Annual Est.
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date			
	A	**B**	**C**	**D**	**E**	**F**	**G**
EXPENDITURE							
Recurrent Expenditure							
Primary Education: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Secondary Education: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Health: PE	-	-	-	-	-	-	0.0
	-	-		-		-	0.0

Description of Broad Expenditure Areas	Annual Estimate as per approved Budget	Actual Expenditure			Outstanding Commitments	Cumulative Expenditure & Comm'ts to date	Total Cum Expenditure & Comm'ts as % of Annual Est.
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date			
	A	B	C	D	E	F	G
OC			-		-		
Roads: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Water: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Agricult. & Livestock: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Sub-Totals: PE	-	-	-	-	-	-	***0.0***
OC	-	-	-	-	-	-	***0.0***
Local Administration PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Trade & Econ. Affairs PE	-	-	-	-	-	-	0.0

Description of Broad Expenditure Areas	Annual Estimate as per approved Budget	Actual Expenditure			Outstanding Commitments	Cumulative Expenditure & Comm'ts to date	Total Cum Expenditure & Comm'ts as % of Annual Est.
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date			
	A	B	C	D	E	F	G
OC	-	-	-	-	-	-	0.0
Works (Excl. Roads) PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Lands PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Natural Resources PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Community Dev. PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Other Departments PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Sub-Totals:	-	-		-		-	***0.0***

Description of Broad Expenditure Areas	Annual Estimate as per approved Budget	Actual Expenditure			Outstanding Commitments	Cumulative Expenditure & Comm'ts to date	Total Cum Expenditure & Comm'ts as % of Annual Est.
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date			
	A	B	C	D	E	F	G
PE			-		-		
OC	-	-	-	-	-	-	*0.0*
Sub-Total; Recurrent: PE	-	-	-	-	-	-	*0.0*
OC	-	-	-	-	-	-	*0.0*
Sub-Total, Recurrent Exp.	-	-	-	-	-	-	**0.0**

Description of Broad Expenditure Areas	Annual Estimate as per approved Budget	Actual Expenditure			Outstanding Commitments	Cumulative Expenditure & Comm'ts to date	Total Cum Expenditure & Comm'ts as % of Annual Est.
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date			
Development Expenditure							
Primary Education	-	-	-	-	-	-	0.0
Secondary Education	-	-	-	-	-	-	0.0
Health	-	-	-	-	-	-	0.0
Roads	-	-	-	-	-	-	0.0
Water	-	-	-	-	-	-	0.0
Agriculture	-	-	-	-	-	-	0.0
Administration	-	-	-	-	-	-	0.0
Other Sectors / Departments	-	-	-	-	-	-	0.0
Sub-Total, Development Exp.	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**
TOTAL EXPENDITURE	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**
Surplus / Deficit:							
Surplus/Deficit - Current FY	-	-	-	-	XXXXX	-	0.0
Surplus/Deficit - incl. B/B Forward	-	-	-	-	XXXXX	-	0.0

COUNCIL FINANCIAL REPORT (CFR)

FORM NO. 13 C4 Quarterly Financial Progress Report - Sectors(LGA's)

Council Name

Quarterly Financial Report As At:…….………………………..

All amounts in Tanzanian Shillings

Description of Detailed Sectoral Expenditures	**Annual Estimate as per Approved Budget**	**Actual Expenditure**			**Cumulative as % of Annual Estimate**
		Cumulative Amount, Previous Quarter	**For the Quarter**	**Cumulative Amount, Year to Date**	
	A	**B**	**C**	**D**	**E**
Primary Education OC Spending					
Capitation Fees	-	-	-	-	0.0
Examination Fees	-	-	-	-	0.0
Allocation for Special Schools	-	-	-	-	0.0
Other Primary Education OC	-	-	-	-	0.0
Sub-Total, Primary Education OC Spending	**-**	**-**	**-**	**-**	**0.0**
HIV/AIDS Spending					
Care and Treatment	-	-	-	-	0.0
Community Response	-	-	-	-	0.0
Workplace intervention	-	-	-	-	0.0
Coordination on HIV/AIDS	-	-	-	-	0.0
Sub-Total, HIV/AIDS Spending	**-**	**-**	**-**	**-**	**0.0**

Description of Detailed Sectoral Expenditures	Annual Estimate as per Approved Budget	Actual Expenditure			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
	A	B	C	D	E
Secondary Education OC Spending					
Capitation Fees	-	-	-	-	0.0
Examination Fees	-	-	-	-	0.0
Allocation for Special Schools	-	-	-	-	0.0
Other Secondary Education OC	-	-	-	-	0.0
Sub-Total, Secondary Education OC Spending	**-**	**-**	**-**	**-**	**0.0**
General purpose grant - OC spending					
Natural Resources	-	-	-	-	0.0
Planning	-	-	-	-	0.0
Community Development	-	-	-	-	0.0
Internal Audit					
Cooperatives (Ushirika)	-	-	-	-	0.0
Trade (BIASHARA)	-	-	-	-	0.0
Land (ARDHI)	-	-	-	-	0.0
Ration allowance	-	-	-	-	0.0
General purpose grant - Administration	-	-	-	-	0.0
Sub-Total, General Purpose Grant Spending	**-**	**-**	**-**	**-**	**0.0**

Form No. 13 C- 5 QUARTERLY FINANCIAL AND PHYSICAL PROGRESS REPORT FOR LGA DEVELOPMENT ACTIVITIES
Cover page

Council:	Select your council here - - - - - - - -				
Vote Code:	000000				
FY:	FY 20../..				
Quarter	Q1				
Period ending:	September 30, 20..				
CDR Workbook Number:	1				

Project Type:	Select				Project Initiated:		Select	
Name of Project:						**Contract Details**		
Council:	[No Council Selected]					Type of Procurement		Select
Location:						Procurement Method		Select
Description:						Contractor/Consultant/Serv. Prov.		
						Contract Sum		
						Start Date *(Planned)*		mm/dd/yyyy
						Completion Date *(Planned)*		mm/dd/yyyy

Project Budget:			**Project Details:**				**Main Project Outputs:**	
Approved Council Budget:			Project (Activity) Code :				Number	Unit
Supplementary Council Budget			Sector / Dept. :		Select			Select
Total Approved Council Budget	0		HLG / LLG:		Select			Select

Community Contribution:			FYDP II:		Select			Select
Other Off Budget Funding:			Objective:					Select
Total Budget (incl Comm. Contr. and Off Budget Funding)	**0**		Target:					Select
			Expenditure Category:	Select				
Main Funding Source:	Select							
Co-Funding From Other Source:	Select							

Financial Progress Report: Actual Allocations and Expenditures

Quarter	Actual Allocation (Quarter)	Cumulative Allocation	Actual Expenditure (Quarter)	Cumulative Expenditure	Performance Ratio (%)	Balance (TShs.)	Remarks Regarding Financial Progress
1		0		0		0	
2							
3							
4							

Physical Progress Report

Quarter	Planned Activity	Actual Implementation	Cumulative Implementation (0-100%)	Remarks on Physical Progress
1				
2				
3				
4				

Notes

i. In the Council Development Reporting (CDR) forms there are DP1-DP100, each DP is one development activity as it appears in the Plan-Rep

ii. Select the Council Name and Quarter from the dropdown menu in the cover page sheet, other information (Dates and Reporting Period will be generated automatic)

iii. The forms are self-explanatory, you are required to type or select the information from only the coloured cell (other areas is protected and the information will generated automatic

iv. Second and third boxes represents the Council Planned Budget as it appears in *PlanRep* and is prepared once in a year while the fourth and fifth boxes is for reporting the implementations and is to be filled in Quarterly basis in the respective quarter.

v. The form contains the formulas which provides a cumulative information building from each quarter of reporting

FORM NO. 15B - FRAMEWORK FOR MAINSTREAMING EMPLOYMENT CREATION IN SECTOR DEVELOPMENT PLANS – EXECUTION LEVEL

FINANCIAL YEAR: ……																	
VOTE NO: ………………………… …………………………………										**VOTE NAME:**							
SUB-VOTE NO: …………………										**SUB-VOTE NAME: ………………………**							
PERIOD COVERED: ……………																	
Objective:																	
Sector	**Employment Opportunities (Project Name)**	**Project Code**	**Target Description**	**Activities code and description**	**Total approved budget (Tshs)**	**Actual Release (Tshs)**	**Name of Region**	**Name of District**	**Total actual No. of jobs created**	**Actual number of jobs created segregated by sex and age groups**							
										Male				**Female**			
										15*-35	**36-60**	**61+**	**Total**	**15-35**	**36-60**	**61+**	**Total**

	Specific Instructions to Sector Ministries, Independent Departments and Agencies (MDAs), Regional Secretariats (RS) and Local Government Authorities (LGAs)													
1	**This form should be filled quarterly and;**													
2	**Submitted to the Permanent Secretary Prime Minister's Office, Policy, Parliament, Labour, Employment, Youth and Disables**													
	15* As per Section 5 (a)&(b) of the Employment and Labour Relations Act No. 6 of 2004													

PROGRAM BASED BUDGETING TEMPLATE **Form No.16**

VOTE DESCRIPTIONS

(eg. MINISTRY OF WATER AND IRRIGATION)

VOTE CODE

(eg. VOTE 49)

PART 1: VISION AND MISSION

- *Vision*
- *Mission*

PART 2: MEDIUM TERM STRATEGIC OVERVIEW

(Content of the page)

- The mandate of Vote
- The overall sector Objectives, programs and subprograms
- Major achievements and challenges
- Resource allocations for previous year and coming years
- Summary of key output and performance indicators

PART 3: PROGRAMMES, OBJECTIVES AND KEY ACTIVITIES

Programmes	Objectives	Key Activities

PART 4: PROGRAMMES KEY OUTPUT AND PERFORMANCE INDICATORS

Programme Name:
01: XXXX
Outcome: XXXXX

Sub programme Name:
01: XXXX

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Baseline (2016/17)	Target (2020)	2017/18	2018/19	2019/20	Source of verification

Sub programme Name:
02: XXXX

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Baseline (2016/17)	Target (2020)	2017/18	2018/19	2019/20	Source of verification

PART 5: ESTIMATES OF EXPENDITURE
5A: MEDIUM TERM ALLOCATIONS BY ECONOMIC CLASSIFICATION

Expenditure Type	Sub Group	2016/17	2017/18	2018/19	2019/20
Compensation of Employees					
O/w	Wages and Salaries				
	Employers' social contributions				
	Allowances				
Use of goods and services					
O/w	Office and general supplies and services				
	Utilities supplies and services				
	Fuel, oils, lubricants				
	Medical supplies & services				
	Military supplies and services				
	Clothing,bedding, footwear and services				
	Rental expenses				
	Training - domestic				
	Training - foreign				
	Travel - in - country				
	Travel out of country				
	Communication & information				
	Educational materials, services and supplies				

	Hospitality supplies and services				
	Agricultural And Livestock Supplies & Services				
	Printing, advertizing and Information Supplies and Services				
	Food Supplies and Services				
	Routine Maintenance And Repair Of Roads And Bridges				
	Routine maintenance and repair of buildings				
	Routine maintenance , Repair of Water And Electricity Installations				
	Routine Maintenance And Repair Of Vehicles And Transportation Equipment				
	Maintenance of Specialized equipment				
	Routine Maintenance and Repair of Machinery, Equipment and Plant				
	Other Routine Maintenance Expenses not elsewhere classified				
	Expenses on Professional fees and charges				
	Other operating Expenses				
Interest					
o/w					
	Domestic				
	Foreign				
Subsidies					

Grants					
o/w	Grant to local government authorities				
	Grant to extra budgetary Accounts				
Social benefits					
o/w	*Social security benefits*				
	Employee social benefits				
	Social assistance benefits				
Others expenses					
o/w	*Transfers not elsewhere classified*				
Net/gross investment in nonfinancial assets					
o/w	Fixed assets				
	Inventories				
	Valuables				
	Nonproduced assets				

5B: MEDIUM TERM ALLOCATIONS BY PROGRAM AND SUBPROGRAMS

Programme/ Sub-Programme	Name	(Budget (TZS Millions)			
		2016/17	2017/18	2018/19	2019/20
0101-					
0101					
0102					
Total Programme					
02					
0201					
0202					
Total Programme					
TOTAL VOTE XX					

5C: MEDIUM TERM ALLOCATIONS BY PROGRAM AND ECONOMIC CLASSIFICATION

Programme/ Sub-Programme	Economic Classification	(Budget (TZS Millions)			
		2016/17	2017/18	2018/19	2019/20
Programme 1	**Compensation of Employees**				
	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				
	Debt repayment				
Total Programme					
Programme 2	**Compensation of Employees**				
	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				

	Debt repayment				
Total Programme					
TOTAL VOTE XX (By Programmes)					

5D: MEDIUM TERM ALLOCATIONS BY PROJECTS AND ECONOMIC CLASSIFICATION

Projects	Economic Classification	(Budget (TZS Millions)			
		2016/17	2017/18	2018/19	2019/20
XXXX - Project 1	**Compensation of Employees**				
	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				
	Debt repayment				
Total Project					
XXXX - Project 2	**Compensation of Employees**				

	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				
	Debt repayment				
Total Project					
TOTAL VOTE XX (by Project)					