Annex B

ANNEX TO THE GUIDELINES FOR THE PREPARATION OF THE ANNUAL PLAN AND BUDGET FOR 2015/16 IN THE IMPLEMENTATION OF THE FIVE YEAR DEVELOPMENT PLAN 2011/12-2015/16

Issued by

Ministry of Finance,
1 Madaraka Street,
11468 DAR ES SALAAM.

President's Office,
Planning Commission,
10 Kivukoni Front,
11405 DAR ES SALAAM

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CHAPTER I

1.0 RECENT ECONOMIC DEVELOPMENTS

1. This section presents a brief description of the new GDP series following the completion of the rebasing process. It also describes performance of key macroeconomic indicators in the most recent available data. Most of the indicators such as GDP growth, inflation and credit to private sector have shown positive progress. However, other indicators including interest rate, domestic revenue collection and current account balance were unfavourable.

1.1 GDP Rebasing

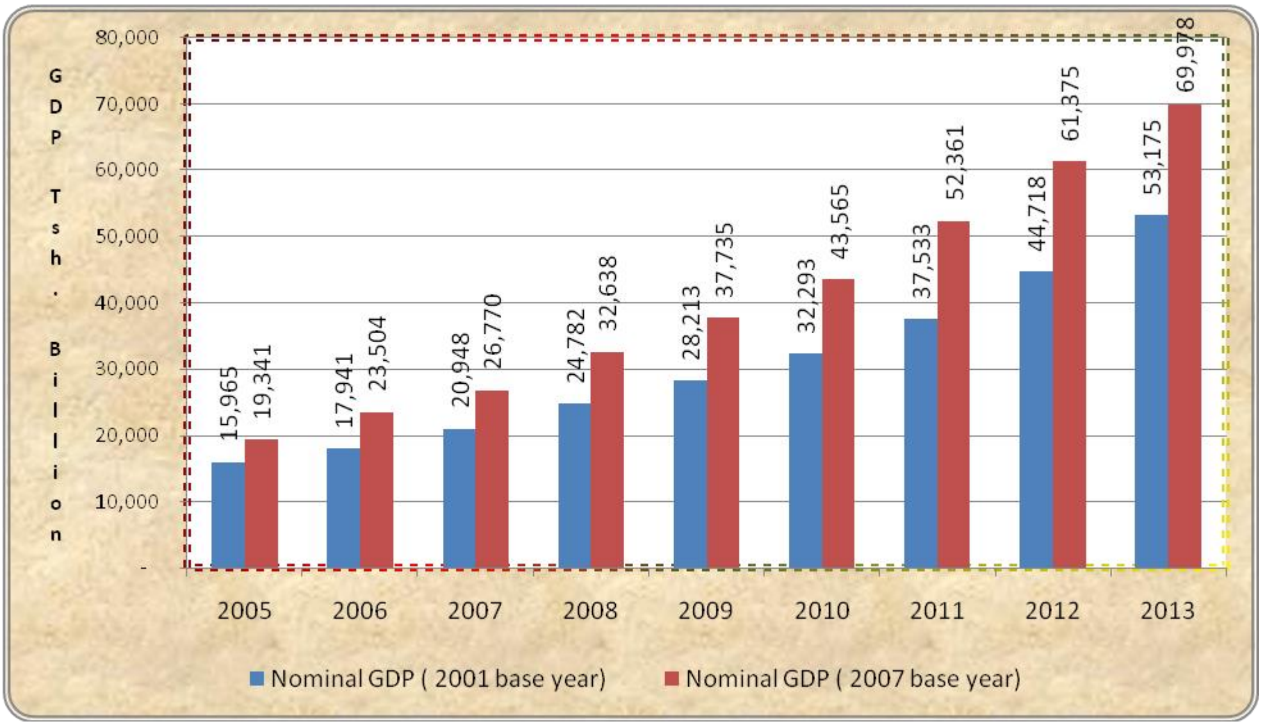
2. The Government through the National Bureau of Statistics (NBS) has updated the national GDP from 2001 base to 2007 consistent with the results of major household based surveys such as Household Budget Survey of 2007, Integrated Labour Force Survey 2006, Agriculture Sample Census 2007/08, Annual Industrial Surveys 2007 and Foreign Direct Investment Surveys 2007. Other data were sourced from administrative records which include imports and exports of goods and services, Government Finance Statistics and Value-Added Tax. In general, the national GDP need to be up dated overtime on the list of products in order to reflect reality in economic activities, as continuous developments and innovations lead to new products and activities to appear in the market while obsolescence causes old products to disappear from the market. New products resulting from changes in science and technology include money transaction using mobile phones, natural gas and art and entertainment.

3. The current revision of GDP has used the UN International Standard Industrial Classification of all economic activities" (ISIC rev. 4) as opposed to ISIC rev. 3 which was used previously. The exercise involved disaggregation of some economic activities to a more disaggregated data and information. For instance, "gas" was recorded as one of the economic activity under electricity and gas sub-activity as electricity being generated and distributed. But in real sense, gas was also supposed to be reported under "mining and quarrying sub activity "as "extraction" activity which was not the case. In that case, it clearly shows that there were some economic activities which were under-recorded (and some unrecorded) with ISIC rev 3. Due to such unreported data and information which were exposed through the results of 2007 HBS and other surveys which are now being used in the base year, the revised GDP is much higher than before. As such, nominal GDP for the new base year (2007) increased by 27.8 percent to shillings 26,770 billion compared to Shilling 20,978 billion using the old series. The increase was mainly on account of improvement in GDP compilation methodology and introduction of new products in the computation of GDP. This will definitely have an impact on all indicators which use GDP as their denominator for setting the target or comparison purpose such as tax revenue, debt and money supply among others.

1.2 GDP growth

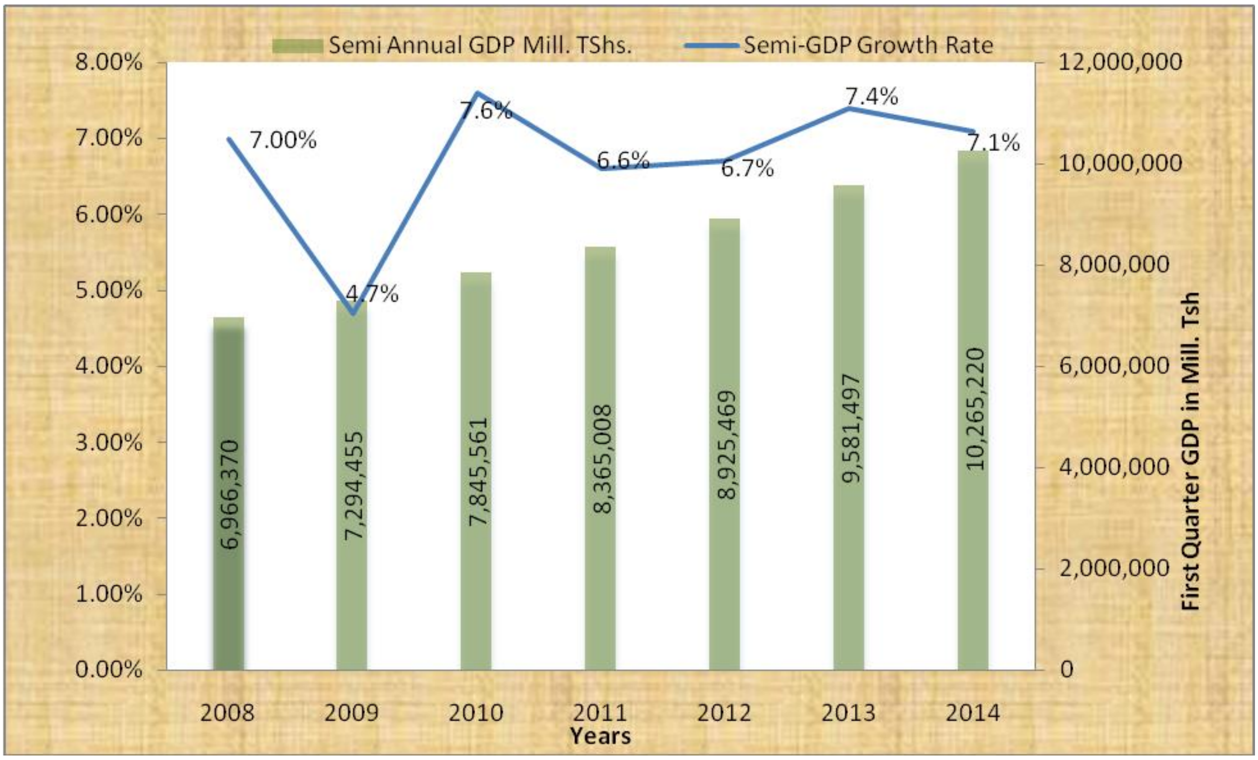
4. The trend of growth for the past decade (2007 – 2013), indicated the growth of real GDP to be at an average of 6.6 percent. The GDP growth at 2007 constant prices was 7.4 percent in 2013 compared to 5.3 percent in 2012. The growth was a result of improved performance in economic activities that have high contribution to GDP including construction, manufacturing and crops. The real growth for 2013 was the highest compared to the rest of East Africa Community member countries. In 2013, nominal GDP increased to Shillings 69,978 billion using 2007 base year as opposed to 53,178 billion on 2001 base year, an increase of 31.6 percent.

Chart 1.1: Comparison of Nominal GDP at 2001 and 2007 Prices



5. For the past five years, the first semi-annual GDP grew at an average rate of 7.1 percent **at 2001 constant prices.** For the period of January –June 2014, real GDP grew by 7.1 percent compared to 7.4 percent in the corresponding period in 2013. Growth was attributed to favourable weather conditions and increased investment in transport and communication infrastructure. The highest growth was recorded in transport and communication, financial intermediation, electricity, manufacturing and trade activities which grew at 16.7, 13.6, 10.1, 7.7 and 7.6 percent respectively. The growth of sub-activities is attributed to expansion of communication services and the increase in electricity generation which also improved industrial production.

Chart 1.2: Semi Annual GDP Trends (2001 prices)



1.3 Inflation Developments

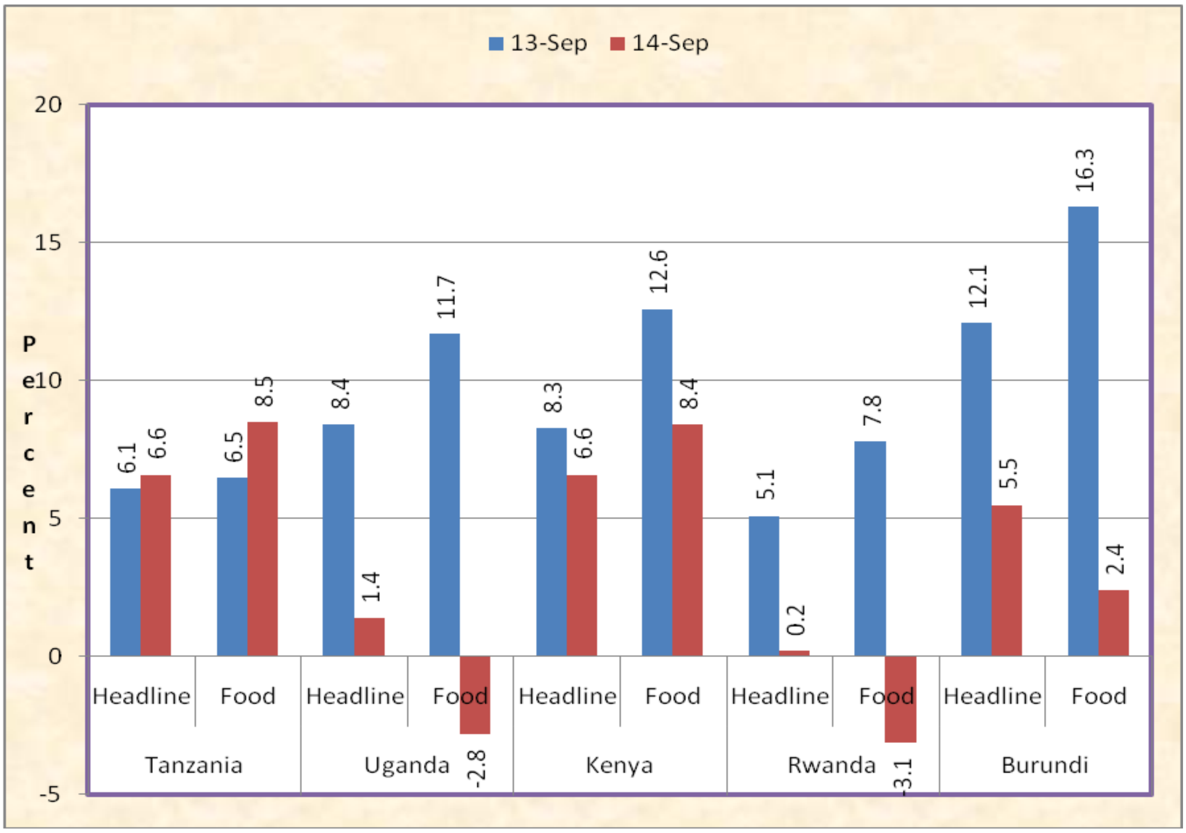
6. The annual headline inflation rate for the year ending June 2014 was at 6.4 percent, having decreased from 7.6 percent recorded during the year ending June 2013. Inflation declined further to 5.8 percent for the year ending November 2014. The decline was largely on account of improved food supply in the country and in Eastern Africa region, prudent monetary policy stance and fiscal consolidation coupled with stability in nominal exchange rate. Food inflation (combining food consumed at home and food consumed in restaurants) increased from 7.4 percent in June 2013 to 8.7 percent in June 2014 before decelerating to 6.9 percent in November 2014. Non food inflation rate declined from 7.9 percent in June 2013, and continued to decrease steadily to 4.8 percent in June 2014 and further down to 4.5 percent in November 2014.

7. Wholesale prices of most food crops continued to show a downward trend. In 2014, annual average wholesale prices for major food crops decreased compared with those in the previous year. The decrease in prices is associated with sufficient food supply due to good harvest. The average prices of oil (white petroleum products average and Dubai F.O.B) increased slightly during the year ending July 2014 compared with the corresponding period in 2013. The slight increase in oil prices is associated with political instability in North Africa and the Middle East countries.

8. Annual inflation rate in the EAC region decelerated from an average of 7.5 percent during the year ending June 2013 to an average of 6.2 percent in the year ending June

2014. This was mainly driven by sufficient food and power supply in the region. In October 2014, inflation decelerated further for all partner state countries, whereas Kenya recorded a rate of 6.1 percent by November 2014 and Uganda recorded the lowest rate of 2.1 percent in November 2014.

Chart 1.3: East African Countries' Inflation Rates



1.4 Government Finance

9. Government budgetary operations in 2013/14 was characterized by shortfall in domestic revenue collections and external loans and grants disbursement resulting to a lower than projected government spending. Overall balance had a deficit of 4.3 percent of GDP compared to 5.7 percent recorded in 2012/13.

10. Total revenue collections including LGAs own sources in 2013/14 reached Shillings 10,253 billion, equivalent to 89 percent of estimates and 21 percent growth from 2012/13 collections. Total tax revenue collection was 90 percent of the target with shortfalls observed in all revenue categories except in income taxes. This was attributed to resistance by some traders in using EFD machines, failure of customers to demand receipts, failure to realize revenue expected from some new tax measures particularly excise duty on Simcard and money transfer and 5 percent withholding tax on professional and consultancy services. Generally, actual tax revenue collection has been growing by an average of 20 percent over the past decade.

Chart 1.4: Performance of Tax Revenue (2004/05 – 2013/14)

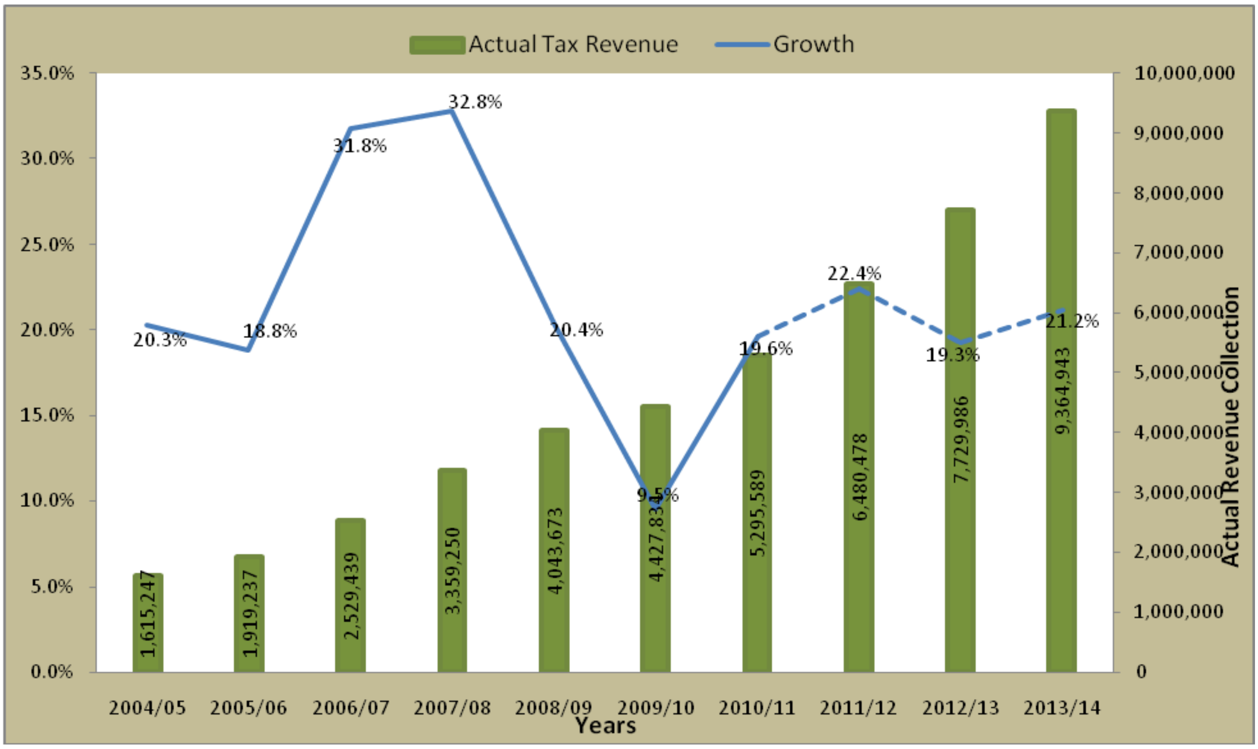
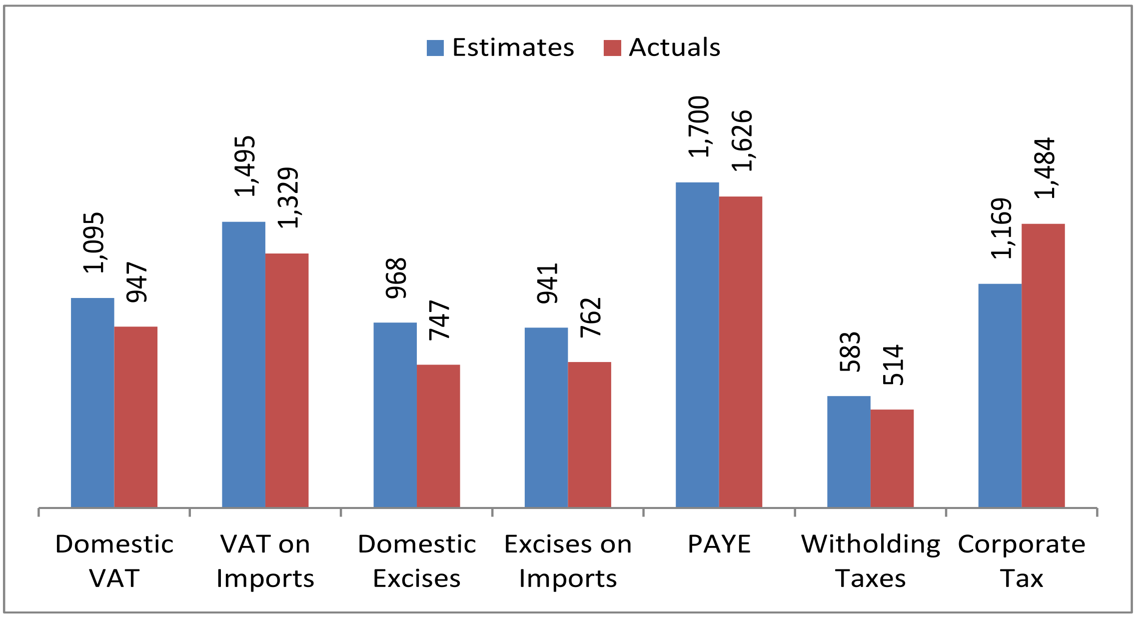


Chart 1.4: Tax performance (2013/14 Tsh Billions)



11. Non-tax revenue (excluding LGAs own sources) was shillings 888 billion equivalent to 78 percent of the estimate. The shortfall was largely caused by the delay in application of the new rates of hotel levy as passed by Parliament. In addition, delays in payment of dividends by some parastatals and failure by some government agencies to remit 10 percent of their gross revenue as required by the law. Also, there is still lack of integrated and interfaced systems of collecting non-tax revenue.

12. Domestic revenue (tax and non–tax) has been performing below the budget targets by about 10 percent. This was mainly attributed to various reasons including: underperformance in property tax; tax evasion; delays in the approval of new revenue measures; and weak revenue collection systems. In addition, tax exemptions, which stood at 3.2 percent of GDP in 2013/14, compared to the threshold of 1.0 percent of GDP, contributes to the insufficient revenues to cater for expenditure requirements.

13. Total expenditure during 2013/14 was shillings 15,274.8 billion equivalent to 84 percent of the budget estimate. Out of that, recurrent expenditure was shillings 11,725.9 billion, equivalent to 93 percent of the estimate, while development expenditure was shillings 3,548.9 billion equivalent to 62 percent. The under-spending is attributed to shortfall in both domestic and external resources. Development expenditure was significantly low due to unrealized projected external non-concessional borrowing, shortfall in disbursement of external project funds and delay in reporting of direct to project expenditure. Locally financed development expenditure was 72 percent of estimate, mainly financed through domestic borrowing due to unrealized external non concessional borrowing and underperformance of domestic revenue collection. Foreign financed development expenditure was also below the estimate due to shortfall in disbursement of foreign project funds.

14. During 2013/14, the Government projected to receive foreign assistance amounting to shillings 3,855 billion, of which shillings 1,163 billion were programme loans and grants, shillings 500 billion as basket funds, and shillings 2,192 billion as project loans and grants. The outturn for the year was shillings 2,775.6 billion equivalent to 72 percent. The major shortfall recorded was in basket and project loans and grants. The shortfall in project funds was attributed to a slow pace in project implementation and delays in reporting project performance by some implementing agencies which in turn affected disbursement.

15. Total financing during the period was 87 percent of the budget estimate, with foreign[1] and domestic financing being 63 percent and 177 percent of estimate respectively. Underperformance in foreign financing was on account of lower than projected disbursements of basket and project loans and non concessional loans. Disbursements were shillings 524.0 billion and shillings 141.3 billion for project, and basket loans, shillings 444.5 billion for external non concessional loans[2], all being below their respective budget estimates. The African Development Bank increased its program disbursements by USD 60 million as a result of its support in the energy sector, which was decided late during budget implementation leading to over-performance in programme disbursements.

[1] The amount excludes on lending to TPDC for Gas pipeline project.
[2] The amount excludes on lending to TPDC for Gas pipeline project.

16. In 2013/14, the Government planned to borrow USD 700 million on External Non-Concessional (ENCB) terms. During 2013/14, the Government contracted ENCB USD 407.9 million including USD 176.9 million from Credit Suisse, USD 83 million from Citi Bank (Guarantee to TANESCO), and USD 148 million from HSBC for the ongoing Dar es Salaam International Airport-Terminal III Project. Negotiations with potential creditors took longer than expected. As a result, the full budgeted amount was not contracted. Actual disbursement by the end of June 2014 was USD 738 million out of which USD 464 million was for Gas Pipeline Project contracted in 2012/13 and USD 274 million was for other development projects. The risks in commercial term borrowing however exists, including higher interest rates, relatively shorter maturities, with some loans tied up to specific projects; and penalties imposed in the case of delayed repayments.

1.5 Payment Arrears

17. In recent years, the Government has incurred huge payment arrears comprising of staff claims, contracted works, suppliers and other services. The total outstanding liabilities reported to the treasury by MDAs, RSs and Local Government Authorities (LGAs) and Pension Funds as of September, 2014 is Shillings 5,740.2 billion. Out of this amount Shillings 3.5 billion is tax refund, Shillings 123.2 billion is staff claims including salary arrears, Shillings 24 billion is Local Government arrears, Shillings 23.7 billion is utilities, Shillings 11.4 billion is rents, Shillings 970.7 billion is construction works, and Shillings 429.4 billion is goods and services. Moreover, the amount includes Shillings 1,800.0 billion for Pre-1999 contribution to PSPF, Shillings 1,177.1 billion is borrowing from Pension funds for construction of projects and Shillings 1,177.2 is public corporation outstanding liabilities.

18. Arrears are detrimental to Government's delivery of public services and they adversely impact on the performance of Tanzania's economy. Factors that have contributed to the accumulation of payment arrears exist at each stage in the budget cycle. These include:

i. **Budget Formulation** – over optimistic of revenue estimates, dependency on donor funds and under costing of expenditure items including development projects;
ii. **Budget approval** – ineffective commitment controls, non-compliance to laws and regulations, inadequate controls and provisions for multi-year commitments, in-year reductions in appropriations, non-inclusion of important activities as well as unforeseen priorities appropriations;
iii. **Budget Execution** – Unrealization of projected revenue, late notifications of allocated resources, limited monthly coverage of fund releases, commitments

outside of IFMIS, implementation of unbudgeted activities to fulfilling unforeseen events, public pressures or political directives; and

iv. **Monitoring and Evaluation** – Non compliance and enforcement of laws in Monitoring and Evaluation of expenditure or payment of arrears. There is also poor management and update of employees' status such as promotions, increments and appointments in the Human Capital Management Information System (HCMIS) as appropriate as well as employees who are not suppose to be in the payroll for whatever reason (E.g retirees, death, abscond, terminated).

19. The Government is committed to address these challenges, and as such is in the processes of developing a strategy for prevention and clearance of the existing stock of arrears. Some short term recommendations have been proposed as guiding tool for Accounting Officers in their preparations for Plan and Budget for 2015/16.

1.6 National Debt Developments

1.5.1 Overview of National Debt

20. As at the end of June 2014, the national debt stood at shillings 30,892.8 billion, equivalent to 55 percent of GDP compared to shillings 25,008.3 billion recorded as at the end of June 2013. This is also equivalent to a 23.5 percent increase mainly on account of new disbursement of both concessional and non concessional external loan and domestic borrowing to finance infrastructure projects. External debt stock stood at shillings 22,870.3 billion equivalent to 40.6 percent of GDP and 74 percent of the total national debt stock while domestic debt stood at shillings 8,022.5 billion equivalent to 14.2 percent of GDP and accounted for 26 percent of the total national debt. Despite the observed rising trend, the Debt Sustainability Analysis (DSA) conducted in September 2013 shows that external and total public debt will continue to remain sustainable in the short, medium and long term. The analysis reveals that all debt indicators remain below debt sustainability thresholds.

Chart 1.5: Debt Stock Trend (2003/04 - 2013/14 in Tsh Billions)

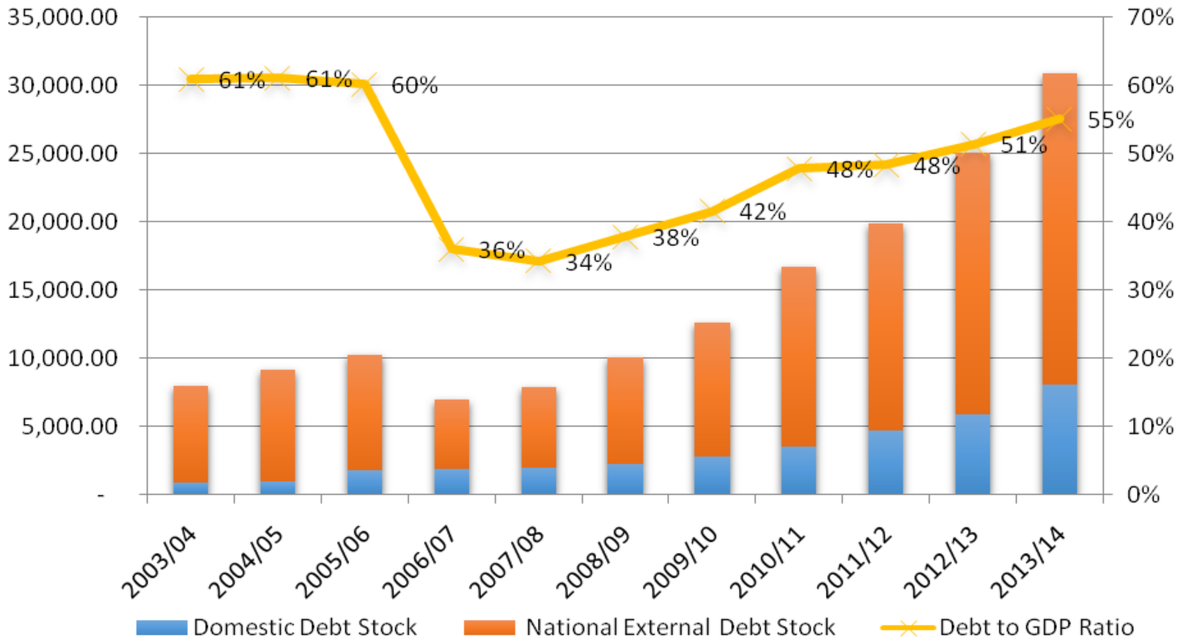


Table 1A: Debt Sustainability Indicators

INDICATORS OF EXTERNAL DEBT	2013	2017	2021	2025	2029	2033	Threshold
PV of debt-to GDP ratio	19.5	19.7	14.9	12.1	10.2	9.4	**50**
PV of debt-to-exports ratio	73.8	72.6	53.9	43.8	36.9	34.0	**200**
PV of debt-to-revenue ratio	95.4	91.5	68.5	55.2	46.0	42.4	**300**
Debt service-to-exports ratio	3.3	5.9	3.8	3.0	2.8	2.8	**25**
Debt service-to-revenue ratio	4.3	7.4	4.9	3.7	3.5	3.5	**22**
INDICATORS OF TOTAL PUBLIC DEBT							
PV of Debt-to-GDP Ratio	30.3	29.6	23.9	20.3	17.8	17.5	**74**
PV of Debt-to-Revenue Ratio	122.5	125.1	100.4	85.0	74.2	73.1	
Debt Service-to-Revenue Ratio	10.4	16.0	10.7	9.4	7.8	7.5	

Source: Ministry of Finance

1.5.2 Government Debt Service Overview

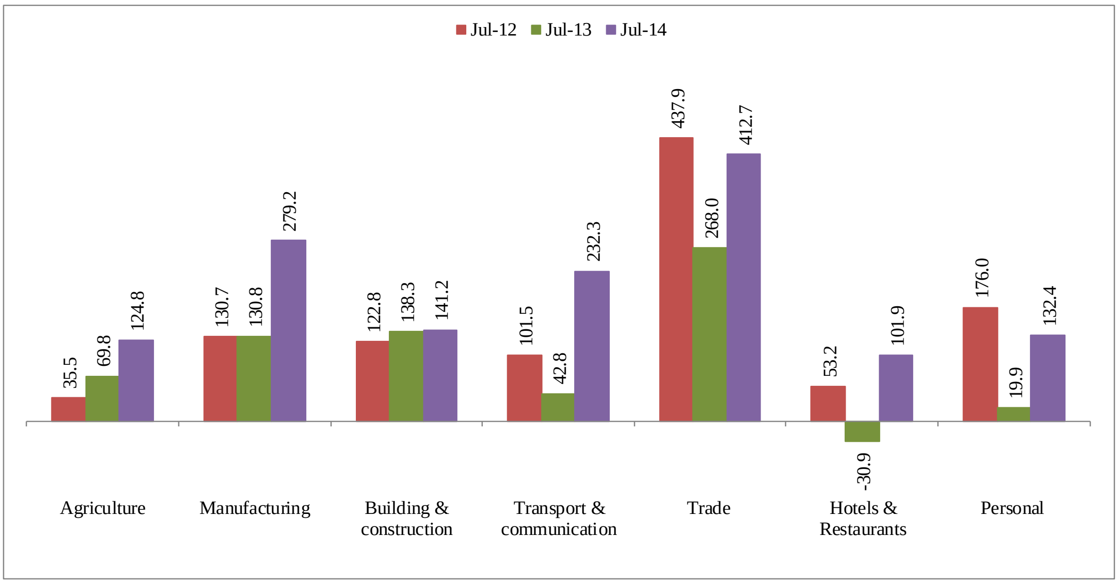
21. Total debt service for the financial year ended June 2014, was shillings 2,962.84 billion. Out of the total debt service, external debt service was shillings 415.57 billion and domestic debt service was shillings 2,547.27 billion. Out of external debt service, principal amortization was shillings 181.21 billion and shillings 234.35 billion was interest payment. Out of domestic debt service, principal roll over was shillings 1,801.36 billion, amortization in respect of Commercial Bank of Africa Loan was shillings 3.18 billion and shillings 742.73 billion was interest payments.

1.7 Money and Credit

22. In the year ending June 2014, extended broad money supply (M3) grew by 15.8 percent, compared with 14.9 percent in June 2013 and projected growth of 15.0 percent (Chart 5.1). The growth in money supply was mostly driven by the accumulation of net foreign assets by the banking system and strong growth of credit to the private sector. In the year ending September 2014, the growth of money supply was 14.7 percent compared to 13.6 percent recorded in the year ending September 2013, driven largely by strong increase in both private and public domestic credit.

23. In the period ending June 2014, credit to private sector grew by 21.4 percent compared with 17.1 percent recorded in June 2013 and the projected rate of 19.6 percent. However, it decelerated slightly to 20.7 percent during the period ending September 2014. During the period ending September 2014, private sector credit increased by shillings 2,048.9 billion compared with an increase of shillings 1,311.9 billion recorded in the preceding year. Credit extended to major economic activities improved, save for agriculture though still accounting for a significant portion of total credit as shown in **Chart 1.6.** The largest share of credit was held in trade activities, accounting for 21.4 percent, followed by manufacturing (11.8 percent), Agriculture (8.9 percent), transport and communication (7.5 percent), and building and construction (5.3 percent). This suggests improvement in socio economic activities.

Chart 1.6: Annual Change in Private Sector Credit by Selected Economic Activities (percent)



1.8 Interest Rates

24. Deposits rates offered by commercial banks eased, while lending rates charged by the banks rose slightly. The overall time deposit rate eased from 8.82 percent registered

in June 2013 to 8.2 percent in June 2014 and 8.19 percent in September 2014. Meanwhile, the overall lending rates rose from 15.57 percent to 16.43 percent in June 2014 before declining to 15.73 percent in September 2014. Consequently, the spread between one year lending and deposits rates widened to 4.11 percentage points in September 2014 from 2.84 percentage points in June 2013.

1.9 Exchange Rate

25. The trends that have recently been seen in the value of the shilling against the USD have been driven mostly by the strengthening of the USD against other currencies due to improving economic data in the US. Indeed, most major currencies have lost more than the shilling against the USD since June 2014. While the shilling depreciated against the USD by 3.2 percent between June and 17th November 2014, the Pound Sterling depreciated by 5.6 percent, Euro by 9.0 percent and SDR by 9.3 percent. These statistics imply that the shilling has appreciated against most major currencies during this period, which is a continued reflection the monetary policy stance taken by the BOT to rein in inflation after two years of high inflation.

1.10 External Sector Developments

26. The current account deficit widened to USD 4,747.9 million in 2013/14 compared to a deficit of USD 4,254.9 million in the preceding year, on an account of an increase in imports of goods and services relative to exports. Likewise, the overall balance of payments recorded a surplus of USD 268.2 million which is lower than the surplus of USD 451.9 million in 2012/13. Moreover, gross official reserves as at end June 2014 amounted to USD 4,638.8 million, higher than the level of reserves of USD 4,356.6 million as of the end June 2013. The increase in gross official reserves was largely due to net inflows in the capital and financial accounts that more than offset the widened current account deficit. The reserves at the end of June 2014 were sufficient to cover 4.2 months of projected imports of goods and services excluding those financed through foreign direct investments.

27. Export of goods and services increased by 6.5 percent to USD 8,885.8 million, compared to the amount recorded in 2012/13. The increase was recorded in traditional exports and service receipts. The value of goods exports was USD 5,619.1 million which was 4.1 percent higher than the amount recorded in the preceding year. The value of traditional exports increased by 2.0 percent to USD 836.4 million in the year ending June 2014, compared with USD 819.9 million recorded in the preceding year. Under traditional exports, strong improvement was recorded in tobacco and cloves largely on account of high export volumes and increases in unit prices; whereas coffee and cotton exports recorded weak performance.

28. During the year ending June 2014, non-traditional exports made a turn-around by recording a positive growth of 4.5 percent amounting to USD 4,049.8 million compared

to a negative growth in 2012/13. This development was largely attributed to improved export performance of manufactured goods, fish and fish products and re-exports. However, gold which is dominant in the non-traditional export category continued to decline following a consistent fall in gold prices in the global market coupled with a decline in export volumes. Further, the share of gold in total value of non-traditional exports declined to 41.0 percent from 49.0 percent in 2012/13.

29. In 2013/14, services receipts increased by 11.0 percent to USD 3,266.7 million compared to the level recorded in the preceding year. Much of the increase was recorded under travel and transportation services. Travel services which mainly consist tourism services increased by 12.3 percent to USD 1,972.8 million while that of transport services went up by 11.0 percent to USD 787.7 million. The increase in tourist arrivals continued to be the main driver of the performance of the services account, particularly travel receipts. Moreover, improved performance in transportation services was largely driven by an increase in transit goods to and from the neighbouring countries.

30. Import of goods and services increased by 8.5 percent to USD 13,966.2 million, compared with the value recorded in the preceding year. The value of import of goods increased by 8.3 percent to USD 11,347.1 million compared to the amount recorded in the previous year. All import categories namely capital, intermediate and consumer goods increased, led by imports of building and construction materials, all other consumer goods and industrial raw materials. Despite low growth, oil remained dominant, accounting for 30.1 percent of goods imports. Service payments amounted to USD 2,619.1 million, equivalent to an increase of 9.6 percent compared with USD 2,389.8 million in the year ending June 2013.

Table 1B: Tanzania: Current Account (Million of USD)

Account/Year	2012/13	2013/14	% Change
Goods Account (Net)	-5,083.8	-5,728.0	12.7
Exports	5,398.1	5,619.1	4.1
Imports	10,482.0	11,347.1	8.3
Service Account (Net)	553.6	647.7	17.0
Receipts	2,943.4	3,266.7	11.0
Payments	2,389.8	2,619.1	9.6
Goods and Services (net)	-4,530.2	-5,080.4	12.1
Exports of Goods and Services	8,341.5	8,885.8	6.5
Imports of Goods and Services	12,871.7	13,966.2	8.5
Income Account (Net)	-501.1	-411.3	-17.9
Receipts	122.6	123.7	0.9
Payments	623.7	535.1	-14.2
Current Transfers (Net)	776.4	743.9	-4.2
Inflows	852.6	800.0	-6.2
o/w General Government	512.9	439.0	-14.4
Outflows	76.2	56.2	-26.3
Current Account Balance	**-4,254.9**	**-4,747.9**	**11.6**

Source: **Bank of Tanzania**

CHAPTER II

2.0 SNAPSHOT ON THE IMPLEMENTATION STATUS OF NATIONAL PLANS, STRATEGIES AND OTHER INITIATIVES

31. The Guidelines for 2015/16 is unique due to the fact that it is the year during which major national events and landmark policy changes will be taking place all with significant budgetary implications. These events/policy processes include general elections, a continuing constitutional review and end of major national plans/frameworks/initiatives such as MKUKUTA II and looking over to the FYDP II.

2.1 MKUKUTA II

32. The MKUKUTA-II implementation period comes to an end in June 2015, which coincides with the MDGs, but this is one year ahead of the FYDP I (2016) which is supposed to come to close in 2015/16. Performance of MKUKUTA II is documented in the MKUKUTA Annual Implementation Report (MAIR 2014). The successor strategy is supposed to be ready by June 2015. However, MKUKUTA II implementation will be extended for one year to accommodate the ongoing processes such as constitutional reviews, Post-2015 Development Agenda and General Elections. The decision to extend MKUKUTA II for one year will ensure harmonized preparation of MKUKUTA III with FYDP II, for efficient use of national capacities and resources. Initial stages towards development of MKUKUTA III have started in 2014/15, while the comprehensive review and preparation of MKUKUTA III will be carried out in 2015/16.

33. Eradication of poverty and hunger, particularly rural poverty remains a challenge. The envisaged MKUKUTA framework will focus on the need to strengthen the fight against poverty through enhancing income security, access to quality social services, social protection and responsive governance, in particular local-level governance and accountability. In the next round, MKUKUTA III will adopt a micro-approach, by providing guiding frameworks for reaching out to the poor, taking into account the geographical disparities and build poor peoples' capacities to tap the opportunities obtained from the developed infrastructures and the industrial sector. However, the envisaged joint reviews of MKUKUTA II/FYDP I will guide the choices, nature, form and timing in developing MKUKUTA III.

2.2 Millennium Development Goals (MDGs)

34. The MDGs, which come to the end in June 2015, was a global framework which has helped to galvanize development efforts and guide global and national development priorities. Progress has been uneven within and across countries. Tanzania has made significant progress in some of MDGs while others have remained as a challenge, particularly reducing poverty and hunger and maternal mortality *(as indicated in the Tanzania MDG Report 2014*). Brief highlights of progress in the implementation of the

MDGs in Tanzania are hereby provided goal by goal as follows:

Goal 1: Eradicate Extreme Poverty and Hunger

35. Income poverty has declined from 39 percent in the 1990s to 34.4 percent in 2007 and further to 28.2 percent in 2012 against a target of 19.5 by 2015. Food poverty declined from 21.6 percent in 1990 to 9.7 percent in 2012 against a target of 10.8 by 2015. GDP growth rates have steadily increased from an average growth rate of 3.5% over the 1990s to the average of over 6.0 percent between 2001 and 2013. The challenge ahead is to sustain pro-poor growth.

Goal 2: Achieve Universal Primary Education

36. Tanzania has made significant progress towards achieving this goal when measured by Net Enrolment Ratio (NER) and completion rate indicators. Compared to a target of 100 percent, NER recorded 89.7 percent in 2013 improving from 54.2 percent in 1990, while completion rate was 87.2 percent in 2013. Literacy rate is high at 80 percent level with a progressive improvement in gender parity at all levels of education. However, quality remains a challenge, and it continues to be one ofthe national priority.

Goal 3: Promote Gender Equality and Empower Women

37. Since the 1990s progress has been registered in the areas of gender parity in education and in women participation in political decision making processes. Primary school enrolment ratios for girls and boys are nearly equal, though the gender balance deteriorates with transition from secondary schools to higher learning levels. Representation by women in the political arena has significantly improved, with the current number of representatives in Parliament standing at 36.5 percent when compared to target of at least 30 percent by 2015.

Goal 4: Reduce Child Mortality

38. Progress has been impressive in the reduction of both infant and under-five mortality rates. Infant mortality rate has declined from 115 per thousand live births in 1990 to 45 deaths in 2012, against a target of 38. Under- five mortality has also declined from 191 per 1,000 live births in 1990 to 81 in 2012 against a target of 64 by 2015.

Goal 5: Improve Maternal Health

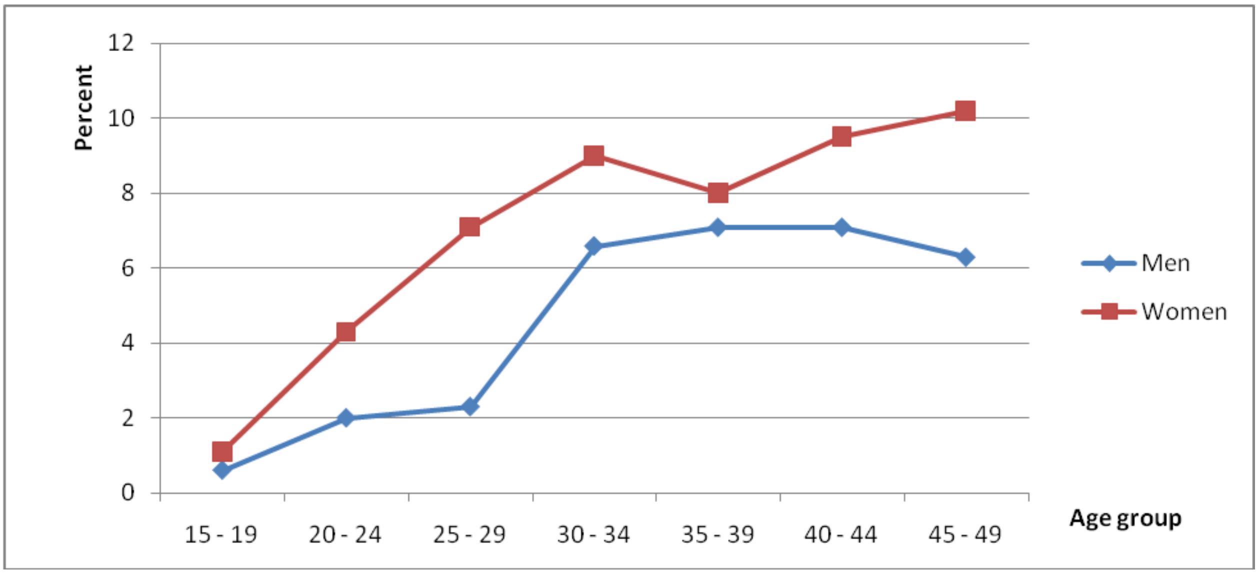
39. Maternal health has improved although it remains below the targets of 133 per 100,000 live births. Maternal deaths have declined from 529 per 100,000 live births in 1990 to 432 in 2012. This may be due to high utilization of antenatal care services at 96 percent for at least one antenatal care visit, coupled with improvement in facility delivery of 50 percent recorded in TDHS 2010.

Goal 6: HIV/AIDS, Malaria and Tuberculosis

40. HIV prevalence among populations for both men and women aged 15-49 recorded 5.3 percent in 2012, which is consistent with the target of reducing the prevalence to

less than 6 percent by 2015. Generally, HIV/AIDS prevalence increases by age, but it is higher among women (6.2 percent) than among men (3.8 percent).

Chart 2.1: HIV/AIDS Prevalence by Age



Source: THMIS 2011/12

41. Malaria prevalence for children under five years of age declined by half from 18 percent in 2008 to 9.0 percent in 2012 (THMS 2011/12). Tuberculosis (TB) cases detection rate is 75 percent of the estimates and treatment success rate remains high at about 90 percent

Goal 7: Ensure Environmental Sustainability

42. Mainland Tanzania has a total land area of 942,600 square kilometres of which 40 percent is covered by grasslands/pasture and about 38 percent (33.5 million hectares) by forests and woodlands. The most typical vegetation is dry grassland scattered with thorny scrubs and acacia found along the Eastern Plateau, makes up most of the country's vegetation cover. Deforestation rate is unlikely to be met by 2015 since it has been reduced only to 372,000 ha/year in 2013 from 403,000 ha/year against the target of zero.

43. THMIS 2011/12 shows that 13 percent of households in Tanzania use improved toilet facilities that are not shared with other households, and 10 percent of households use facilities that would be considered improved if they were not shared. In Mainland Tanzania, 26 percent of households in urban areas have improved toilet facilities compared with 7 percent in rural areas.

Access to Safe Drinking Water and Sanitation

44. The target was to halve, by 2015, the proportion of the population without sustainable access to safe drinking water. In Tanzania's context, this would mean

increasing the proportion of population with access to safe drinking water from 49 percent and 68 percent (baseline in 2000) to 75 percent and 85 percent by 2015 in rural and urban areas respectively. Access to safe water increased from 68 percent in 2000 to 77 percent in 2013 in urban areas and 49 percent to 51 percent in rural areas by June 2014. The Lower Ruvu laying of water pipeline has reached 85 percent of the target. However, the likelihood of achieving the 2015 target is low due to dilapidated water supply infrastructure, climatic change and poor management of community water supply organizations.

Goal 8: Global Partnership for Development

45. This goal seeks to improve, for low income countries, the gains from international trading and financial systems, promote market access and fairer trade rules and tackle debts. The goal also aims at working with pharmaceutical companies to improve access to cheap drugs and spread the use of new technologies. Performance on this goal is mixed with good progress in a few indicators. However, challenges remain in many of the areas. In terms of external resource flows, there has been an increase in FDI from about USD 1.1 billion in 2000 to about USD 2.4 billion in 2011 from DAC countries, mainly in the form of direct budget support, although the share has been gradually declining in recent years. In terms of trade, Tanzania is eligible for AGOA and has qualified for textile and apparel benefits, with USD 22,049.6 million in total goods and services trade (exports USD 8,532 million in 2013.

MDGs Post-2015

46. The United Nations initiated the Post 2015 Development Agenda processes in 2010, with the view to helping define future global development framework after expiry of MDGs. Six processes were initiated as a result, and proposals will be submitted to the United Nations General Assembly (UNGA) for consideration and adoption. Tanzania was fully involved in these processes. In particular, the United Nations Development Group (UNDG) country consultations on "the future we want" and the Open Working Group on Sustainable Development Goals (SDGs). Country consultations involved the poor, the vulnerable groups and other key stakeholders in reviewing the current MDGs and contributing their views on the global future framework. Based on the national consultations and the realities on the ground, Tanzania suggested that current MDG thematic areas should feature in the post-2015 Development Framework, with modifications embracing human capital development, production and economic transformation.

47. Nine key goals were suggested as inputs to the Post 2015 Development Agenda as follows:(I) Eradicate extreme poverty, hunger and inequality; 2) Achieve full and productive employment; (3) Ensure quality service delivery; (4) Eliminate gender inequality (5) Combat diseases with possible targets being linked to (a) malaria, (b) HIV/AIDS, (c) Tuberculosis (TB), and (d) non-communicable diseases (NCDs); (6)

Reduce child and maternal mortality; (7) Promote sustainable development; (8) Improve governance; (9) Enhancing effective development cooperation. Tanzania also suggested that, the design of post 2015 Development Agenda should avoid *one-size-fits all* approach, perhaps with separate targets at global, regional and national level for greater effectiveness of the agenda. Most of the proposals by Tanzania have featured well in the 17 Sustainable Development Goals (SDGs) formulated under the Open Working Group.

2.3 Socio-Economic Development under the Fourth Phase Government (2005-2015)

48. Over the past decade, the Fourth Phase Government (2005-2015) through the Ruling Party Election Manifesto has recorded remarkable achievements in socio-economic development and enhanced Good Governance and Rule of Law despite marked challenges. Broadly, over the past decade the Government has achieved the following:

(i) Overall economic performance has been outstanding in most respects. Growth has been 7 percent on average at constant 2001 prices or 6.6 percent at 2007 prices, and Tanzania's economy is one of the fastest growing economies in Africa;

(ii) Foreign Direct Investment (FDI) has flourished, increasing from an average of USD 447.6 million in 2005 to USD 1,872.3 million in 2013 mainly on account of increasing in gas and oil exploration;

(iii) The number of primary schools increased by 14.6 percent from 14,257 schools in 2005 to 16,343 in 2014, of which over 95 percent are public schools. In addition, the number of secondary schools increased from 1,745 in 2005 to 4,576 in October 2014, two thirds of which are public secondary schools. The number of higher education learning institutions has increased from 23 in 2005 to 49 in October 2014, of which 11 are public and 38 are private. Dodoma University has the capacity to accommodate over 40,000 students and is one of the largest universities in the world while leading in the East and Central African region;

(iv) In the health sector, public and private hospitals have increased from 228 in 2005 to 257 in 2014. Public hospitals have increased from 97 in 2005 to 116 in September, 2014, while private hospitals have increased from 131 in 2005 to 141 in September, 2014;

(v) In terms of access to water, the population with access to quality water supply has decreased from 53.7 percent in 2005 to 51 percent in September, 2014 for rural areas while access of water in urban areas has increased from 74 percent in 2005 to 77 percent in September 2014. The decrease in access to water in rural areas was contributed by deterioration of water infrastructure in rural areas;

(vi) Households with access to electricity increased to 36 percent in September 2014 as compared to 24 percent in 2013 and the target of 30 percent by September 2015. This endeavor has been realized through implementation of priority energy projects and establishment of Rural Electrification Authority (REA) that oversees implementation of rural energy projects;

(vii) Transport infrastructure (roads) network has significantly improved despite the size of the country which is larger than the rest of East African Community combined. Tanzania has the largest tarmac road network that now connects all regional Headquarters and also connects about 60 percent of the district headquarters. In addition, the government continued to modernize urban roads infrastructure to address traffic congestions including the City of Dar Es Salaam where the DART project is being implemented; and

(viii) In agriculture, the government has taken several initiatives to ensure that the sector is growing at a reasonable pace due to the fact that it employs more than 70 percent of Tanzanians. These initiatives include the introduction of the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) in collaboration with the private sector to ensure, among other things, sustainable food production in the country. As a result, the country is now the grain producing hub in the EAC region, food security has been fairly stable and growth has averaged at 4.0 percent over the period. Food production increased from 14 million tons in 2012/13 to 16 million tons in 2013/14. The challenge is still dependency on rainfall and low productivity.

2.4 Constitutional Review

49. Following the enactment of the Constitutional Review Act of 2011, the President of the United Republic of Tanzania H.E Dr. Jakaya Mrisho Kikwete in May, 2012 appointed the National Constitution Review Commission (NCRC), to collect public opinion on the review of the Constitution of Tanzania of 1977. The Commission submitted the first draft of constitution in June, 2013 and thereafter held consultations with special constitution councils commonly known as "Mabaraza ya Katiba". The Second Draft Constitution was submitted to the President of the URT in December, 2013. The Constitution Assembly sessions phases I and II were held from February – April, 2014 and August - October, 2014 and handed over the proposed Tanzania Constitution to the President of URT on the 9th October, 2014. The proposed Constitution will be subjected to a referendum.

2.5 The Big Results Now Initiative

50. In May 2013, the Government introduced the Big Results Now (BRN) Initiative, which has galvanized the implementation momentum by enforcing accountability through time-bound Key Performance Indicators (KPIs). The BRN aims at accelerating social and economic development which will enable Tanzania to become a middle income country by 2025. The six selected sectors are Education, Agriculture, Transport, Resource Mobilization, Water and Energy. Later on, the Business Environment and Health sectors were added into the program of National Key Results Areas (NKRA) of BRN initiative bringing a total of eight (8) sectors. The following section provide a synopsis of performance for the NKRAs:

2.5.1 Resource Mobilization

51. The overall scores for the Resource Mobilization NKRA for 2013/14 was 53 percent against the target of collecting shillings 1 Trillion. The analysis of this score is based on the qualitative and quantitative assessments of the Key Performance Indicators (KPIs). The collection from tax revenue initiatives was Shillings 0.456 billion against the target of collecting Shillings 0.524 billion, a performance of 87 percent of the target. The reasons for under performance were due to several initiatives which were not implemented and others were substituted with other initiatives with low revenue yield. The non tax revenue collection was Shillings 0.099 billion against the target of collecting Shillings 0.0253 billion, reflecting a performance of 26 percent against the target. The main reasons for underperformance were delays in implementing the proposed non tax initiatives, while proposals to auction permits for harvesting natural resources and the auto-deduction methods for collecting revenues from parastatals were not implemented.

2.5.2 Agriculture

(i) Three out of seven targeted commercial farms have secured title deeds. The Bagomoyo farm has already got investor called Bagamoyo Eco-Energy who started the operations on April, 2014;
(ii) 1915 out of 53,000 Certificates of Customary Rights of Occupancy (CCROs) for Ngalimila and Lukulilo farms smallholders out growers was prepared and approved;
(iii) Two out of eight targeted Private Service Provider was recruited and engaged to supervise 30 irrigation schemes, 28 schemes in Mbarali DC and 2 schemes in Kyela DC;
(iv) 195 farmers out of 495 targeted farmers trained good agriculture practices; 92 out of 480 extension/irrigation technicians on rice intensification and rice value chain were trained; and
(v) 26 warehouses in Mbozi and four (4) in Momba districts out of 50 warehouses were rehabilitated. The target was achieved by 60 percent.

2.5.3 Energy

52. Energy was among the selected sectors for the implementation of the BRN in which it had total of 29 projects and 5 initiatives. By the end of 2013/14, Energy NKRA achieved 71 percent of the set targets in the Lab report for the same financial year. The notable milestones include:

(i) 187,188 new electricity customers were connected, reflecting 125 percent of the set target of 150,000;
(ii) Increased Annual Energy Consumption from the targeted 97kWh to 105.8kWh, above the set target of 102 kWh (104 percent);
(iii) Completion and commissioning of 60 MW Nyakato Power plant in Mwanza;

(iv) Construction of the Mtwara – Dar es Salaam Gas Pipeline had reached 94 percent. The target was completion of the on - shore pipeline by the end of this financial year;
(v) Construction of Kinyerezi I Power Plant reached 40 percent. The target was to ensure that Mechanical Installation of the Power Plant is completed within this financial year;
(vi) Transmission and distribution losses were reduced from 21 percent in 2012 to 19 percent in 2013 against the target of 15 percent in 2015/16;
(vii) Publication of the Energy Sector Industry Reform Roadmap; and
(viii) TANESCO's debt level was reduced from USD 344 million to USD 269 million by May 2014, falling slightly off the target of USD 230 million. This reduction reflects 60 percent of the set target.

2.5.4 Transport Infrastructure

53. The transport infrastructure during the year 2013/14 of implementation made significant achievements in ports, railways and roads with an overall progress of 30 percent of the three years implementation (2013/14 – 2015/16) of the transport sector. BRN projects that took off in each sub transport infrastructure are:

Ports

54. The Dar es Salaam port performance surpassed the target of 13 million tons, reaching 14.6 million tons. The average ship turnaround time has been reduced to 3.7 days against the target of five (5) days. The repair of marine vessels is also ongoing to improve lake transport.

Railways

55. During the first year of BRN implementation, the performance of Tanzania Railway Limited (TRL) was low. Cargo capacity went down from the baseline of 0.2 million tons during the year 2011/12 to 0.154 million tons in the year 2013/14 against the target of 0.8 million tons. The low performance was caused by shortage of locomotives.

56. Reli Assets Holding Company (RAHCO) had replaced worn out rail track by relaying new heavier ones of 80 lbs/yard covering between Kitaraka – Malongwe (89 km); three bridges were rehabilitated of which two (2) bridges are between Kilosa and Gulwe (at 293 km and 303 km respectively from Dar es Salaam) and the third bridge between Bahi and Kintinku (at 517 km from Dar es Salaam). With regard to the rolling stock locomotives remanufacturing, three (3) locomotives have been completed at the Morogoro workshop against the target of eight in the year 2013/14.

Roads

57. A total of 135 kilometers of road in the central corridor was upgraded to bituminous

standard, surpassing the target of upgrading 42.8 kilometers of the missing link in the central corridor for the period. The over performance is due to the fact that the projects were already underway before the BRN in anticipation of securing funds through BRN initiatives, contractors used their own means to undertake the projects.

58. As for non-tariff barriers, the police road blocks were reduced along the central corridor from 14 to 6 against the target of three road blocks. The construction of One Stop Inspection Station (OSIS) at Vigwaza is in the final stages and construction of three major bridges is going on and had been completed by 11 percent. Construction of two (2) ferry ramps and installation of two automatic ticketing for ferry were also completed.

2.5.5 Education

59. The pass rate targets of 60 percent, 70% and 80 percent for both Primary School Level Examination (PSLE) and Secondary School Education Examination (CSEE) were set for the years 2013, 2014 and 2015 respectively. The performance of the 2013/14 had shown a significant improvement in most of the focused areas. Student pass rates increased from 30 percent in 2012 to 50.6 percent in 2013 for primary schools and from 43 percent in 2012 to 58.25 percent for secondary schools in 2013, equivalent to 84 percent and 97 percent respectively against the targets.

Official School Ranking

60. The target for FY 2013/14 was to publish a ranking of all schools according to PSLE and CSEE results by December 2013 and January 2014 respectively. The official school rankings, based on the results of the 2012 and 2013 National Examination Council of Tanzania (NECTA) examinations for both the PSLE and CSEE were compiled and published online and print media for transparency.

School Incentive Scheme

61. The School Incentive Scheme initiative will provide both monetary and non-monetary incentives to reward schools which are identified as high performing through the Official School Ranking. For FY 2013/14, the aim was to ensure a pre-determined number of primary and secondary schools received the award within two months of the ranking announcement. A total 3,044 of best performing and most improved schools received their rewards timely at the first ever held Education Week in Dodoma. The endeavor also enabled the Government to identify non-performing schools and thus provide necessary incentives.

School Improvement Toolkit

62. The toolkit complements the existing guidelines, and serves as a comprehensive orientation programme and evaluation mechanism to ensure Heads of School and administrators have the knowledge and tools they require to successfully improve the

quality of their schools. A softcopy of the School Improvement Toolkit was prepared and is available on the website. In the FY 2013/14 a total of 3,001 Heads of secondary schools benefited from the training session against the target of 3,510.

3Rs Assessment & 3Rs Teacher Training

63. The Education NKRA 3Rs (Reading, Writing and Arithmetic) Assessment Framework initiative aims to provide a mechanism for annual monitoring of Standard II student learning in these key areas. The Education NKRA initiative on 3Rs teacher training, will equip teachers with the skills and knowledge to identify struggling students and provide remedial support. In FY 2013/14, the Government aimed to assess 10 percent of public school Standard II students in their 3Rs skills and train 6,167 teachers in 3Rs methodology. The Government assessed 1.0 percent of public school Standard II students in their 3Rs skills using a 3R baseline assessment incorporating a sample size of 200 schools and 2,226 Standard II students.

Student-Teacher Enrichment Programme

64. Student-Teacher Enrichment Programme (STEP) initiative is designed to provide primary and secondary school teachers with the skills, knowledge, and time to identify low performing students and bring these students to the expected competency levels. In FY 2013/14, the Government aimed to provide training to 18,510 primary school teachers and 6,332 secondary school teachers across the relevant subject areas. The outcome of these trainings would enable 6,167 primary schools and 2,048 secondary schools to identify low performing students. A total of 4,064 (65 percent) of Secondary schools teachers received training in STEP methodology and a total of 1,325 secondary schools conducted STEP classes for low-performing students.

Basic Facility Construction

65. Under this initiative, through a systemic restructuring of the Secondary Education Development Programme (SEDP), the Government will expedite the construction of new school facilities to a total of 1,200 schools. The target for 2013/14 was to provide 264 secondary schools with basic facilities (Phase I) as well as to award 528 contracts for the schools facilities construction (Phase II). The construction of new facilities reached 65 schools out of the targeted 264 in 2013/14.

Capitation Grants

66. The 2013/14 NKRA targets prioritized revising the capitation grant system to ensure timely release of funds to the LGAs, and subsequently, to primary and secondary schools. To achieve this, for 2013/14 the Government committed to put in place a more effective mechanism for the distribution of funds to ensure accountability, transparency, and simplicity. A total of Shillings 21,063,691,300/= (91.82 percent) of Secondary School Capitation Grants and Shillings 26,617,561,748/= (50.66 percent) of Primary School Capitation Grants was released against the amount budgeted in FY 2013/14.

2.5.6 Water

67. The overall water key performance indicators achievement is 57 percent of the set targets from the Lab for financial year 2013/14 as follow:

(i) Increase rural water supply coverage from 40 percent to 54 percent. The actual outturn for 2013/14 was 51 percent which is 79 percent of the achievement towards target;
(ii) Increase the number of people with access to clean and safe water in the rural areas to 22.3 million people from 15.2 million. Implementation raised the population with access to safe and clean water up to 19.4, equivalent to 59 percent of the target; and
(iii) Percentage of expenditure covered by tariff collections was supposed to rise from 38 percent to 50 percent. Performance is 42 percent equivalent to 32 percent achievement.

2.5.7 Health

68. Health Sector has been selected to join Big Results Now (BRN) Initiative beginning of the 2015/16 financial year to accelerate the process of improving the availability and access to quality health services as outlined in the Development Vision of 2025. The identified areas include: Human Resource for Health distribution; Human Resource for Performance Management; Health Commodities; and Mother and Child Health Services. The on-going work under the Lab is the preparation of implementation strategies, including work plan to be accommodated in the 2015/16 budget.

2.6 Mid-Term Review of FYDP (2011/12 – 2015/16)

69. The mid-term review of FYDP I was done in December 2013 focusing on the core priorities of the plan; Infrastructure (energy, transport, water and ICT), Agriculture transformation; Industrial development; Human capital development; and Tourism, trade and financial services. The review indicates that, most target areas are on track to achieve the FYDP I goals. However, some of the targets were not achieved due to various factors mainly inadequate financing. This calls for more interventions to achieve the stated goals. The summary performance is highlighted below.

70. **Infrastructure:** Progress has been made in transportation sector particularly on the rehabilitation of the railway line and transportation of cargo and passengers. Whereas 136km out of 197km of the railway line was rehabilitated with an 80 pounds/yard rail cargo-handling volume at 37.7 million surpassed the target of 9.87 million tonnes. As for the roads, 1,566.66 kilometers out of targeted 5,204.7 kilometres were constructed and rehabilitated to bituminous standard. With regard to electricity generation, the pace was slow whereas 1,501MW was generated in 2013 against the set target of 2,750 MW by 2015/16. In improving the means of communication, the Plan aimed to complete the National ICT Infrastructure Backbone, over the period under

review 7,560 km of fibre optic cable was laid to 21 regional headquarters and their respective district. There was slow progress in constructing water infrastructure, as a result no significant improvement in water supply for rural and small towns.

71. **Agriculture:** Under the period reviewed, the overall performance of agriculture target was on track except for irrigation whereby 450,392 hectares out of 1,000,000 hectares were expanded by the year 2012/13. In terms of growth and agriculture labour productivity, the growth averaged at 4 percent against 6 percent targeted in the Plan and agriculture labour productivity increased to Shillings 255,205 per annum per person in 2012/13 against Shillings 345,724 by 2015/16, following the analysis done under to the National Census.

72. **Industrial Development:** The sector shows an encouraging trend in terms of growth and export share to GDP. However the challenge remains on the capacity of industry to generate employment opportunities. The target set for manufacturing employment was 221,000 people to be employed by 2015/16, but the outturn was 126,883 people were employed by December, 2013. Manufacturing share of total country's export it was 20 percent in 2013 out of 19.1 percent planned for 2015/16.

73. **Human capital Development:** the priority areas are education and health, notable achievements have been made on education area comparing to health sector. Various higher learning institutions have been rehabilitated and expanded in some of universities like UDSM (construction of lecture theatre, laboratories), University of Dodoma (laboratory and classrooms), Mlonganzila (Construction of 10 storey building for a training hospital has started) and other universities; the enrolment of personnel and students is at an increasing rate and the number of qualified teachers increased. Total enrolment of diploma and grade A teachers in government and non-government teachers' colleges for three years were 116,601, compared to the requirement of 133,000 by 2015/16. On health sector, in 2012 the maternal mortality rates was 432 deaths 100,000 per live births and under five – mortality rate was 81 per 1,000 live births against the target of maternal mortality of 175 per 100,000 live births and under-five mortality 45 per 1,000 live respectively.

74. **Economic Services:** The overall performance in the tourism industry surpassed the target whereby the number of visitors increased to 1,135,884 by 2013 compared with the target of 940,640 tourists by June 2016. Similarly, the performance of financial services was on track following the implementation of reforms in the sector, the differential between deposits and lending rates (12 months) declined to an average of 3 percent in year ending 2013 from an average of 7 percent in December 2010. Ratio of private credit to GDP increased from 16 percent in 2010 to 23.7 in December 2013 being on track of reaching 28 percent by 2015. On the side of trade, performance of the intra-trade share in EAC, SADC and World market was not good with respect to the target set

as well as comparing to other countries in the region. Its performance was as follows: World market reached 0.047 percent in 2013; East Africa 22.94 percent in 2012; SADC 4.4 percent in 2012 against the World Market share 0.1 percent; EAC 40 percent; SADC 10 percent respectively, by 2015.

2.7 Human Resource Development in the Public Sector

75. Human Resource Development has been a Government priority to address shortage of skills and competencies in the public service. For over the past period, measures were taken to address skills and competencies gaps whereby Human Resource Planning, Succession Planning, Training Needs Assessment, and Leadership Competency Framework tools were established and implemented. The following are some achievements realized, implementation challenges and the way forward.

Achievements

(i) Human Resource Planning and Succession Planning Manual and guidelines were developed and introduced for use in 46 Institutions (21 Ministries, 21 Regional Secretariats and 4 Independent Departments);
(ii) Training Needs Assessment tools were developed in 56 MDAs. The tool is being used in 47 MDAs (16 Ministries, 10 Regional Secretariats, 16 Independent Departments and 5 Executive Agencies) to formulate training plans and budgets of their respective organizations;
(iii) Training institutions have been established to offer in-house training programs in various aspects of technical and managerial leadership competencies of the public service. Those include the Tanzania Public Service College (TPSC), Tanzania Global Learning Agency (TaGLA) and the Uongozi Institute;
(iv) Induction programmes for training newly appointed Senior Government Leaders were conducted; and
(v) The Public Service Training Policy was developed in 2013. The objective of the Policy is to address critical competency gaps in the public sector.

Challenges

(i) Capacity of local training institutions to produce adequate, well trained and competent workforce especially in specialized areas such as oil and gas;
(ii) Missing link between routing training programs, leadership development programmes and succession plans; and
(iii) Lack of comprehensive HR Development Strategy to address human resource and skill needs for envisaged future economy.

Way Forward

(i) Develop comprehensive Human Resource Development Strategy to meet the HR competence and skill needs;

(ii) Systematically build the capacity of leaders by providing necessary skills to Senior Government Executives and nurturing the potential leaders through existing National Institutions; and

(iii) Strengthen the Uongozi Institute to be able to develop public service leaders to instil them with relevant leadership skills, competencies and ethics.

2.8 Regional Cooperation

76. Regional integration is a necessity for creating a large, more viable stable and economic sensible blocks in order to achieve socio economic development. During the period under review, the following achievements were recorded:

77. The EAC Partner States had finalized negotiations for the establishment of Single Customs Territory (SCT) and the implementation commenced in July, 2014. The objective of SCT is to speed up and facilitate trade and reduce the cost of doing business in the Community.

78. Tanzania trade and investment trend with other EAC Partner States continues to grow. The value of Tanzanian goods exported to other Partner States increased from US$ 613.30 million in 2012 to US$ 1120.1 million in the year 2013, the value of Tanzania's exports was which is an increase of 82 percent. This is an indication that Tanzania's traders are responding positively towards the opportunities availed by the East African Customs Union and Common Market. Similarly, in the year 2013, Tanzania imports from other EAC Partner States were US$ 410.2 million, a decrease of 39.5 percent compared to US$ 678.60 million imports in 2012.

79. During the period under review, Tanzania received seven new investments worth US$ 9.11 million from other EAC Partner States. Consequently, 605 new jobs were created.

80. The EAC Partner States have concluded negotiations of the Protocol on the establishment of East African Community Monetary Union and it was signed by the EAC Head of States in November, 2013. Further, the Protocol is undergoing ratification processes in the Partner States.

Challenges

(i) The public awareness on EAC integration is still limited among the various stakeholders in the country, thus constraining their ability to take full advantage of the emerging opportunities from the integration process;

(ii) Administration and collection of customs revenue under a fully fledged EAC Customs Union remains a challenge to the Partner States in a bid to facilitate free circulation of goods in the Community while safeguarding their revenue;

(iii) Ensuring peace and security within the region.

CHAPTER III

3.0 MACROECONOMIC OUTLOOK AND MEDIUM TERM FOCUS

3.1 Global Economic Growth and Outlook

81. The World Economic Outlook (WEO) update for October 2014 projected global growth to maintain same growth 3.3 percent in 2014 as was in 2013 and to rise to 3.8 percent in 2015. These projections are predicated on the assumption that key drivers supporting the recovery in advanced economies—including moderating fiscal consolidation and highly accommodative monetary policy will remain in place. Though projected to pick up, the pace of the global recovery has disappointing in recent years. With weaker-than-expected global growth for the first half of 2014 and increased downside risks, the projected growth may again fail to materialize or fall short of expectations.

82. Growth is projected to pick up in advanced economies from 1.4 percent in 2013 to 1.8 percent in 2014 and further up to 2.3 percent in 2015. In major emerging markets, growth is projected to remain high in emerging Asia, with a modest slowdown in China and a pickup in India. In India, growth is expected to increase in the rest of 2014 and 2015, as exports and investment continue to pick up and more than offset the effect of an unfavorable weather condition which affected agricultural growth earlier in the year. In China, growth projections have been marked down slightly for both 2014 and 2015. Growth is projected to average 7.4 percent in 2014, and for 2015, growth is projected to moderate to 7.1 percent as the economy makes the transition to a more sustainable path. Growth in emerging market and developing economies is projected to increase modestly in the second half of 2014 and into 2015, supported by stronger domestic demand as well as a recovery in external demand associated with faster growth in advanced economies.

83. Growth in Middle East and North Africa is expected to increase in 2015, assuming that security improves, allowing for a recovery in oil production, particularly in Libya. Economic activity in the oil importers is projected to improve only gradually as they continue to deal with difficulties caused by sociopolitical transitions, subdued confidence, and setbacks from regional conflicts. In sub-Saharan Africa, (as indicated in the Regional Economic Outlook – REO Report of October 2014) growth is projected to remain strong at 5.1 percent in 2014 and 5.8 percent in 2015, driven mainly by sustained infrastructure investment, buoyant services sectors and strong agricultural production. Downside risk however exist including the outbreak of Ebola epidemic; domestic policies and challenges in some countries such as electricity bottlenecks, security situation and fiscal vulnerabilities; as well as external risks associated with slowdown in emerging markets which would weaken demand for commodity exports from the region.

Table 3.1: Global GDP Growth Rates and Projections (Annual Percentage Change)

	2006	2007	2008	2009	2010	2011	2012	2013	Projection 2014	Projection 2015
World	5.6	5.7	3.0	0.0	5.4	4.1	3.4	3.3	3.3	3.8
Advanced economies	3.1	2.8	0.1	-3.4	3.1	1.7	1.2	1.4	1.8	2.3
Emerging and Developing Economies	8.2	8.6	5.8	3.1	7.5	6.2	5.1	4.7	4.4	5.0
Developing Asian Countries	10.1	11.2	7.1	7.5	9.5	7.7	6.7	6.6	6.5	6.6
Middle East & North Africa	6.8	5.8	5.3	2.4	5.5	4.5	4.8	2.3	***2.6***	***3.8***
Sub-Saharan Africa	7.0	7.9	6.3	4.1	6.9	5.1	4.4	5.1	***5.1***	***5.8***
Tanzania	6.7	7.1	7.4	6.0	7.0	6.4	6.9	7.0	***7.2***	***7.4***
Kenya	5.6	8.0	-0.4	2.6	8.6	7.6	4.6	4.6	***5.3***	***6.2***
Uganda	7.0	8.1	10.4	4.1	6.2	6.2	2.8	5.8	***5.9***	***6.3***
Rwanda	9.2	7.6	11.2	6.2	6.3	7.5	8.8	4.7	***6.0***	***6.7***
Burundi	5.4	3.4	4.9	3.8	5.1	4.2	4.0	4.5	***4.7***	***4.8***

Source: IMF World Economic Outlook Update October, 2014

3.2 Macroeconomic Assumptions

84. The key assumptions underlying macroeconomic projections and policy targets in the medium term (2015/16-2017/18) are as follows:

(i) Peace, unity, stability and tranquillity within and across the region will be maintained;

(ii) Macroeconomic stability and social economic gains will continue to be sustained and improved, including GDP growth, domestic revenue collection and inflation;

(iii) Supportive monetary and fiscal policies will be pursued;

(iv) Recovery in the global economy will be sustained;

(v) Stability in the world oil market prices; and

(vi) Favourable weather conditions in the region.

3.3 Macroeconomic Assumptions, Justifications and Outlook

3.3.1 GDP Growth

85. Real GDP is projected to grow from a higher base to 7.1 percent in 2014. This is based on the results of the analysis of various indicators that may explain the likely outturn of the performance of GDP for 2014, most of which have shown positive trend. The indicators include: electricity generation; production based tax revenue; importation of industrial raw materials; exports of manufactured goods; mineral; agricultural commodities and GDP growth in the first half of 2014.

86. Going forward, the growth is projected to increase, growing at annual average of 7.8 percent up to 2018. This performance is under the assumption of successful implementation of economic policies; favorable weather condition; continued efforts by the Government to improve and stabilize power supply including the ongoing construction of the gas pipeline from Mtwara to Dar es Salaam; and recovery of the world economy in 2014 as indicated in IMF WEO Report of October 2014.

Figure 3.1: Actual and Projected GDP (2007-2018)

Table 3.2: Nominal and Real GDP (Actual and Projection)

NORMINAL GDP BIL. TSH								
2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
43,565	52,361	61,375	69,978	79,222	90,420	101,497	103,976	114,646
2009/10	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
40,650	47,963	56,868	65,677	74,600	84,821	95,959	102,736	109,311
REAL GDP BIL.TSH								
2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
31,660	34,133	35,932	38,589	41,315	44,298	47,687	51,445	55,721
2009/10	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
30,710	32,897	35,032	37,261	39,952	42,806	45,993	49,566	53,583

Source: Ministry of Finance

3.3.2 Inflation

87. Domestic inflationary pressure is expected to slow down during 2014/15 under the following assumptions:

(i) Favorable weather condition and food production above average;

(ii) Stable world market oil prices;

(iii) Decline of Global consumer price inflation; and

(iv) Continued stability of the shilling against major foreign currencies.

88. Based on the above analysis, inflation is projected at 5.0 percent by June 2015.

3.3.3 Fiscal Policy

89. In the medium term, the Government will focus on allocating resources into strategic areas and projects to ensure public resources are invested in a manner that will leverage private sector investment in the economy. These priorities focus on projects and programs with large multiplier effects as articulated in FYDP. Priority will be given to the projects identified under BRN. With increasing reliance on market financing, it is critical that fiscal deficits be contained to reasonable levels and that public debt continue being perceived as highly sustainable. In addition, the East Africa Monetary Union (EAMU) Protocol requires that fiscal deficits be eventually reduced to well below to 3 percent, to maintain space for fiscal maneuver in case of need. We therefore intend to continue reducing the fiscal deficit gradually beyond FY2014/15.

3.3.4 Monetary Policy

84. Given the underlying assumptions, extended broad money supply (M3) is set to grow by 15.8 percent in the year ending June 2015. The growth of money supply is expected to increase further to around 16 percent in 2015/16, taking into account the impact of the upcoming general election, before trending downwards in the subsequent years. The projected growth of money supply is expected to provide room for private sector credit to grow by 20.0 percent in the medium term.

3.3.5 External Trade

In 2014/15, the current account balance is projected to record a deficit of 13.3 percent of GDP compared to 13.6 percent in 2013/14. This development is largely due to higher growth of exports relative to imports. Moreover, in the medium term, the ratio of current account deficit to GDP is projected to remain at an average of 13.0 percent as growth in imports particularly oil are projected to maintain lower growth relative to exports.

86. The ratio of export of goods and services to GDP in 2014/15 is estimated at 25.5 percent, broadly the same as it was recorded in the preceding year. In the medium term, the ratio of export of goods and services to GDP is projected at an average of 26

percent. On the other hand, the ratio of import of goods and services to GDP is estimated to decrease to 39.5 percent in 2014/15 from 40.0 percent in the preceding year largely due to low growth of oil imports as oil prices in the world market are projected to decline. In the medium-term, the ratio is projected to average 39 percent, consistent with the anticipated lower oil prices in the world market and decline in import volume due to usage of natural gas in power generation.

3.4 Macroeconomic Projections and Policy Targets

90. Based on the assumptions above, macroeconomic projections and policy targets for the Plan period 2015/16 – 2017/18 are as follows:

(i) Attain a real GDP growth rate of 7.1 percent in 2014, 7.2 percent in 2015, 7.7 percent by 2016; 7.9 in 2017; and 8.3 in 2018 using the new GDP series;

(ii) Reduce inflation to 5.0 percent by June 2015 and maintain it at single digit in the medium term;

(iii) Attain total revenue to GDP ratio (including LGAs own sources) of 15.3 percent in 2015/16 and increase gradually to 16.6 percent in 2016/17 and 19.2 percent in 2017/18;

(iv) Attain tax revenue as percent of GDP to 13.9 percent in 2015/16 and increase gradually to 15.0 percent in 2016/17 and 16.4 percent in 2017/18;

(v) Total expenditure is projected at 20.7 in 2015/16, increase gradually to 21.8 percent in 2016/17 and 23.2 percent in 2017/18;

(vi) Fiscal deficit after grants is projected at 2.4 percent of GDP in 2015/16 and decrease below 3.0 percent of GDP over the medium term;

(vii) Extended broad money supply (M3) is projected to grow at 15.5 percent in the year ending June 2015 and increase to around 16 percent by June 2016 and slowdown to an annual average growth of 15 percent through to June 2018 consistent with medium term inflation target;

(viii) Credit to private sector is projected to grow by 19.8 percent in the year ending June 2015 and maintain a constant growth of 21 percent through to June 2018;

(ix) Narrow the current account balance (including transfers) to a deficit of 10.2 percent of GDP in 2014/15, 10.7 percent in 2015/16, 10.3 percent in 2016/17, and 10.1 percent in 2017/18; largely driven by anticipated higher growth of exports relative to imports; and

(x) Maintain official foreign reserves sufficient to cover a minimum of 4.0 months of imports of goods and non-factor services.

3.5 Priority Areas for the Medium Term

91. In the medium term, the Government will focus on allocating resources into strategic areas and projects to ensure public resources are invested in a manner that will leverage private sector investment in the economy. These priorities focus on projects and programs with large multiplier effects as articulated in FYDP. In fast tracking the

implementation of the FYDP, first priority will be given to the projects identified under the Big Results Now (BRN) initiative which involve eight National Key Results Areas, namely, energy, water, agriculture, transport, education, resources mobilization, business environment and Health and Social Welfare. In order to ensure consistency in the implementation of FYDP, other priority areas for 2015/16 will continue to be the same to those implemented in 2014/15. Consequently, during the preparation of Plan and Budget for 2015/16, Ministries, Independent Departments and Agencies (MDAs); Regional Secretariats (RSs); and Local Government Authorities (LGAs) priorities should focus on the following areas:

Agriculture and Livestock

(i) Promoting commercial farms for paddy and sugarcane production in Wami, Ruvu, Kagera, Kilombero and Malagarasi basins (BRN);
(ii) Enhancing smallholder rice irrigation and marketing schemes through professional management (BRN);
(iii) Developing collective warehouse based marketing schemes (COWABAMA) targeted at linking maize farmers to the market (BRN);
(iv) Developing, construction and rehabilitation of irrigation infrastructures;
(v) Increasing availability and utilization of agricultural and livestock inputs and implements as well as extension services;
(vi) Strengthening research and training activities in agriculture and livestock sectors;
(vii) Ensuring availability of water and pasture for livestock as well as improving livestock related infrastructure;
(viii) Promotion of value addition activities and improvement of market access;
(ix) Promoting development of cooperatives and other farmers' based organizations;
(x) Development of commodity exchange market; and
(xi) Strengthening research and training centers.

Forestry and Wildlife

(i) Implementation of Tanzania Sustainable Natural Resources Management Programme;
(ii) Implementation of capacity building programme for combating illegal hunting in game reserve areas and Forest and Beekeeping Training Institutes;
(iii) Implementation of Kilombero and Lower Rufiji Wetlands Ecosystem Management Project (KILORWEMP); and
(iv) Implementation of National Forest and beekeeping Programme (NFBKP).

Fishing

(i) Completion of a feasibility study and a detailed design for construction of fishing port;
(ii) Strengthening fishery training and research centers through improvement of infrastructure;

(iii) Promoting fish farming and aquaculture production and services; and
(iv) Improving fish production services with the aim of expanding aquaculture.

Resource Mobilization

(i) Improve efficiency in taxation of High Net Worth Individual (HNWI), specialized sector of mining, oil and gas and telecommunication;
(ii) Implement measures to broaden tax base through taxation of informal sector;
(iii) Strengthen collection of non-tax revenues system;
(iv) Enhance collection of Local Government revenues by implementing new collection methods for property tax and land rent to all 168 Local Government Councils;
(v) Scale-up implementation of PPP projects including setting up PPP Facilitation Fund;
(vi) Provide sustainable methods of financing infrastructure projects through establishment of the National Transport Infrastructure Fund;
(vii) Achieve sovereign rating and issuance of the sovereign bond;
(viii) Reduce tax exemptions; and
(ix) Promote and enforce the use of electronic payment systems.

Human Capital Development

Education

I. Improving quality of education and build relevant skills at all levels:

(a) Primary and secondary education:

(i) Implementing the agreed Big Results Now (BRN) initiatives;
(ii) Improve education efficiency by increasing completion rate and reducing drop-out rate at all levels of education: and
(iii) Strengthen education systems and institutional arrangement for school accreditation, curricula, quality assurance (inspection) and examinations.

(b) Technical and vocational education and training:

(i) Strengthen the development of Technical and Vocational education institutions and provide graduates with skills required by labour market; and
(ii) Strengthening the curricula and delivery framework so as to make Technical and Vocational Education and Training (TVET) delivery "need based" and relevant for national development.

(c) Higher education:

(i) Strengthening institutional capacity to deliver quality higher education;

(ii) Streamlining and harmonizing higher education programmes and make their delivery "need based" and relevant for national development; and

(iii) Continuation of transformation of higher education and aligning it towards the 3rd generation attributes in higher education for the attainment of the vision 2025 targets through enhancing research and trainings that responds to society's demands and provision of skills based training.

II. Strengthening the quality assurance institutions, monitoring and evaluation so as to be able to deliver and ensure quality education at all levels.

III. Increase access, and improve equity in enrolment across all education levels through:

a. Expansion and rehabilitation of education and training institutes including Vocational & Technical Education; and Folk Development Colleges;
b. Expansion and modernization of secondary schools by Local Government and create conducive environment for other providers of secondary education to expand and ensure at least 250,000 quality graduates from advanced secondary education by 2016;
c. Strengthening provision of loans to Higher Learning Institutions students and extend loans to teachers trainees at diploma level so as to attract more competent candidates for the teaching of pre-primary, primary and secondary schools education; and
d. Continue with construction of Mloganzila Campus in Dar es Salaam for Muhimbili University of Health and Allied Sciences and Mwalimu Nyerere University of Agriculture at Butiama.

Transport infrastructure

Railways

(i) Continue with improvement, rehabilitation and maintenance of the existing railway lines including the rolling stock (BRN);
(ii) Continue with procurement of new locomotives, wagons, plants and other equipment (BRN);
(iii) Continue with rehabilitation and maintenance of telecommunications and cargo tracking system (BRN);
(iv) Continue with implementation of new railway projects to strategic economic areas; and
(v) Track looping and procurement of light rolling stock for shuttle train in Dar es Salaam City.

Ports and Marine Transport

(i) Continue with development of new ports at strategic areas and improvement of existing sea and inland ports (BRN);
(ii) Continue with increasing cargo handling capacities of sea, lake and dry ports (BRN);

(iii) Continue with increasing ports' operational efficiencies and space utilization (BRN);
(iv) Continue with creation of conducive environment for private sector investment in ports management and marine transport (BRN);
(v) Continue with promotion of ports intermodal operational efficiencies (BRN);
(vi) Carry out Detailed design and procurement of four (4) new lake ships and rehabilitation of three (3) existing ships.

Air Transport

(i) Continue with improving air transport infrastructure and services, security to enhance air freight and passenger handling capacities;
(ii) Continue with development of airports in strategic areas and rehabilitating existing ones; and
(iii) Continue with creation of conducive environment for private sector investment in air transport.

Meteorology

(i) Continue with improvement of meteorological infrastructure; and
(ii) Continue with enhancement of capacity building of staff and meteorological institution.

Roads, Bridges and Ferries

(i) Construction and rehabilitation of roads which open up economic opportunities; those linking Tanzania with neighbouring countries; and those which reduce traffic congestion in urban areas (BRN);
(ii) Construction and enhancement of weighbridges (BRN);
(iii) Implementation of the 23 identified road projects under BRN initiative;
(iv) Developing and improving roads linking regions, districts and rural roads;
(v) Construction of bridges; flyovers and improvement of critical intersections in Dar es Salaam city to reduce traffic congestion;
(vi) Construction of ferry ramps, procurement and rehabilitation of ferries; and
(vii) Measures to improve road safety.

Health and Social Welfare

(i) Strengthen and enhance infrastructure and access to health care and social welfare at the national referral hospitals and special hospitals such as Mirembe, Kibong'oto, KCMC and Mtwara;
(ii) Improve the quality of preventive care and treatment based on equity and gender-balanced needs through the implementation of health sector reforms and programs that reduce maternal and child mortality;
(iii) Strengthening and improving the health training institutions to increase the availability of human resources in the sector;
(iv) Improve the business environment to increase participation of the private sector;
(v) Strengthening the quality of nutrition services and increase access to nutrition services at the community and facility level;
(vi) Improving Health Service Delivery through the use of Information Communication and Technology; and

(vii) Improving Human Resource for Health distribution, Human Resource for Health, Performance Management, Health Commodities and Mother and Child Health Services.

Minerals

(i) Increasing Government revenue collection from mineral sector by enhancing capacity at Zonal Mining Offices;
(ii) Promotion of mineral beneficiation and value addition activities to enhance revenue collection;
(iii) Upgrading of geo-scientific, mineral occurrence information and monitoring of Geo-hazards;
(iv) Strengthening infrastructure development for Geological Survey of Tanzania (GST), Mineral Resources Institute (MRI), Tanzania Mineral Audit Agency (TMAA) and Tanzania Diamond Sorting (TANSORT);
(v) Implementation of the Sustainable Management of the Mineral Resources Project (SMMRP);
(vi) Improving availability of mining tools, equipment and technology for small scale miners;
(vii) Improving legal and regulatory framework pertaining to research, prospecting, exploration, and mineral management capacities; and
(viii) Improvement and upgrading of mining cadastre Information Management System to streamline licensing of mineral rights and enhance mineral database.

Industry

(i) Development of Export Processing Zones/Special Economic Zones (EPZ/SEZ) sites by finalizing compensation and resettlement and developing basic facilities;
(ii) Continue with the implementation of the Kurasini Trade and Logistics Centre;
(iii) Continue with improvement of infrastructure and other government commitments in the implementation of Mchuchuma coal and Liganga iron ore projects;
(iv) Promoting investment in the soda ash project at lake Natron and Engaruka Basin;
(v) Enhance productivity and promoting Small and Medium Enterprises (SMEs) development through establishment of incubator sites and industrial parks;
(vi) Promotion of employment generation projects through strengthening SMEs;
(vii) Continue to improve business environment & investment climate (BRN); and
(viii) Facilitate finalization of the commodity exchange market (BRN intervention);

Lands, Housing and Settlements

(i) Strengthening sustainable land use planning especially urban planning with particular focus to development of Kigamboni Satellite City and other satellite cities;
(ii) Promoting research and development activities on low cost housing construction materials;
(iii) Enhance access to land and security of tenure including developing Integrated Lands Management Information System (ILMIS); and
(iv) Land use planning, village and urban planning, land surveying, and strengthening international boundaries such as Malawi, Kenya, Mozambique, Burundi, and Zambia.

International Cooperation and Regional Trade

(i) Implementation of EAC and SADC infrastructure development program and projects;
(ii) Implementation of the common market protocol;
(iii) Upscale public sensitization/awareness creation on EAC integration process to ensure that Tanzanians benefit from the opportunities brought by EAC integration including the Common Market;
(iv) Implementation of the roadmap for the realization of the EAC Monetary Union;
(v) Enhance sustained long-term stability in the socio-economic environment;
(vi) Review of national laws to facilitate the implementation of the EAC Common Market Protocol; and
(vii) Coordinate negotiations on the development of sustainable environment management for social and economic development in Lake Victoria Basin.

Communication, Science, Technology and Innovation

(i) Continue with construction of the National ICT backbone and expand its access to various areas in the economy as well as to the neighboring countries;
(ii) Establishment of special ICT Parks;
(iii) Continue with the implementation of National Post Code and Addressing System;
(iv) Implementation of the e-government initiative;
(v) Promoting Research and Development (R&D); and
(vi) Strengthening infrastructure in science, technology and innovation institutions.

Financial Services

(i) Capitalization of Tanzania Investment Bank, Agriculture Development Bank and Tanzania Women Bank;
(ii) Increase the number of people who access banking and financial services; and
(iii) Increase the usage of mortgage and lease financing facilities.

Good Governance

(i) Strengthen and improve the infrastructure facilities for police and security;
(ii) Improve the infrastructure of Parliament and continue with construction of MPs Constituency offices;
(iii) Improvement of judicial infrastructure;
(iv) Continuing with constitution review process;
(v) Improve infrastructure of the institutions responsible for promoting ethics and fighting against corruption;
(vi) Preparations for the 2015 General Election;
(vii) Implementation of the African Peer Review Mechanism (APRM) charter;
(viii) Continue with the implementation of the National Identity Card project; and
(ix) Strengthening capacity of NIDA.

Public Sector Reforms

(i) Undertaking evaluations and consolidating reports to mark official completion of respective programmes;
(ii) Identification, prioritization and implementation of uncompleted activities; and

(iii) Design new reform interventions based on the 2013 reform review recommendations and to align with the coming Second Five Year Development Plan.

Labour and Employment

(i) Implement programs to promote youth employment;
(ii) Carry out Labour and Employment Surveys; and
(iii) Implement reforms in social security schemes.

Marketing

(i) Continue with the construction of market infrastructure;
(ii) Improving market information system; and
(iii) Establishment of the commodity exchange market and related services.

Environment

(i) Strengthen the capacity for conducting environmental impact assessment for industries and infrastructure projects; and
(ii) Develop strategies to address climate change.

Energy Sector

(i) Continue with implementation of the priority electricity projects under BRN;
(ii) Strengthening existing power generation plants, transmission lines, distribution networks and promoting rural electrification;
(iii) Facilitating establishment of Compressed Natural Gas Plant, piped natural gas distribution networks as well as development of Liquefied Natural Gas Plant and industrial park;
(iv) Promoting investments in Renewable Energy Sources and developing coal resources; and
(v) Continue with the implementation of the Energy Sector Industry Reform Road map.

Water Sector

(i) Investments for new construction, rehabilitation and extension of systems of rural water supply and sanitation;
(ii) Assurance of sustainability of rural water supply and sanitation projects technically and financially;
(iii) Improving technical management and data collection at community level water supply through proposed transparency display board initiatives, mobile phones techniques, mobile maintenance unit, setting up of pilot District Warehouses (Centers of Excellence) and deployment of technical administrator;
(iv) Capacity strengthening in human resources at all implementing levels;
(v) Improvements of Water Supply and Sanitation in Dar es Salaam and less performing Regional Water Supply and Sanitation Authorities, National Projects, District HQ and Small Towns; and
(vi) Improvement of Basin Water Resources Management and zonal Water Quality Management and Pollution Control offices.

CHAPTER IV

RESOURCE ENVELOPE AND EXPENDITURE FRAMEWORK FOR THE PERIOD 2015/16 - 2017/18

4.1 Introduction

92. The medium term will aim at maintaining macroeconomic stability and accelerating the rate of economic growth. The Government has continued with its efforts to mobilize financial resources for implementation of the priority areas as highlighted in the FYDP, MKUKUTA II and BRN. The public investment effort is expected to remain substantial in the medium term with a major focus on road infrastructure, energy and minerals, water including irrigation projects, education, transport and agriculture while maintaining achievements made in social sectors. The overarching objective of the Government is to mobilize sufficient and sustainable domestic revenue to finance its expenditure and to reduce reliance on external financing. In the financial year 2015/16, the Government will focus on allocating resources into strategic areas and projects to ensure public resources are invested in a manner that will leverage private sector investment in the economy.

4.2 Resource Envelope

93. In the medium term, revenue is projected to increase from 15.3 percent of GDP in FY 2015/16 to 19.2 percent of GDP in FY 2017/18, consistent with continued recovery in domestic economic activities and efforts to improve tax policies and administration. The Government's focus on revenue mobilization will include maintaining macroeconomic stability, in particular, strengthening domestic revenue administration and improving tax policies. The Government plans to continue prioritizing external financing on concessional and non- concessional terms to finance key development infrastructure.

4.2.1 Tax Revenue

94. Reforms in tax administration also feature prominently in Government's strategy to increase tax revenues in the medium term. The Government will continue to undertake various reforms to strengthen domestic resource mobilization and limit tax leakages. The government will implement the following policy and administrative measures in the medium term: (i) New VAT Act 2014; (ii) New Tax Administration Act 2014; (iii) develop second Medium and Long term Revenue Mobilization Strategy 2013/14 – 2017/18; (iv) implement the TRA's fourth (4th) Corporate Plan 2013/14–2017/18; (v) continue to build staff capacity in specialized sectors i.e oil and gas, coal, mining, real estates, communications, multinationals & financial services; (vi) enforcement in the use of Electronic Fiscal Devices; (vii) widening tax base through formalization of business operating in informal sector.

4.2.2 Non Tax Revenue

95. The Public Finance Act, 2001 (as revised in 2004) together with consequential legislations on various public corporations, agencies and special funds, some of which collect fees, levies and duties are under review with a view to enhance their contributions to the Consolidated Fund. The Non tax Revenue collection for 2015/16 is projected at 0.9 percent of GDP while the LGA's own sources estimate is 0.5 percent of GDP. In order to improve non tax revenue collection, the government will continue to strengthen the capacity of MDAs and LGAs to efficiently and effectively administer revenue collections.

4.2.3 Foreign Grants

96. The budget for 2015/16 has treated GBS differently as GBS will be recognize once the disbursements are made. Treatment of project and basket (loans and grants) will remain the same.

97. 4.2.4 Fiscal Deficit

98. Overall deficit (fiscal deficit after grants) is projected to be 2.4 percent in 2015/16 and thereafter maintained below 3 percent in the medium term as requirement for East African Monetary Union Protocol. The projected deficit will be financed using concessional and non-concessional loans.

4.2.5 Financing

99. Over the last three decades, Tanzania's external debt portfolio has mainly comprised of concessional debt from multilateral institutions and inter-governments loans. However, the financial landscape facing Tanzania has changed noticeably over the last five years. Financing from concessional loans (Traditional creditors) has been declining and this trend is expected to continue. Given such situation, and the needs to develop infrastructure projects in 2015/16 the Government will borrow Shillings 1,379,492 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). The Governments intends to use all ENCB exclusively for Government development budget specifically to finance infrastructure investment projects as stipulated in FYDP. The Government will continue maintaining relationship with traditional creditors and new emerging creditors to sustain concessional borrowing as the main source of external funding, and ensure that there is an appropriate mix between concessional and commercial borrowing.

100. The Government is committed to further develop the domestic financial markets to make it an important source of financing, providing reference to issuance of debt instruments and lending by private sector, and facilitating the conduct of monetary policy. To minimize crowding out private sector, in the year 2015/16 Net Domestic Financing (NDF) is fixed at 1 percent of GDP which is equivalent to Shillings 959,586 million consistent with PSI benchmark. The funds will be used to finance development projects.

4.3 Expenditure Framework for 2015/16– 2017/18

101. During the medium term, government expenditure policy will be determined by macroeconomic targets in line with resources availability. Total expenditure is estimated to be 20.7 percent of GDP in 2015/16. The total recurrent expenditure is expected to be 15.8 percent of GDP in 2015/16 and increase to 18.2 percent in 2017/18 in order to maintain development projects. Wages and salaries (including parastatals) is estimated to be 6.3 percent of GDP in 2015/16 and remain in this level in the medium term. Development expenditure will focus on implementation of MKUKUTA II, FYDP and BRN projects as well as ongoing government commitments. Expenditure on development projects is projected to be 5.0 percent of GDP in 2015/16.

4.3.1 Management of Domestic Arrears

102. To safeguard the integrity of budget preparation and execution, the Government will continue to establish and verify the stock of arrears, and is now developing an arrears liquidation strategy. Payment will be effected through a central budget allocation, after the IAG's verification that the arrears are genuine. Several measures have been taken to prevent further accumulation: (i) budget allocations for projects should be aligned with projected implementation plans; (ii) commitment controls should be strengthened by requiring MDAs to register all commitments in IFMIS, including multi-year contracts, allowances, and utility payments and also (iii) Internal auditors in MDAs are required to verify the arrears data before submission to the Accountant General

103. Medium term measures include:

(i) To fast track enactment of Budget Act and regulations to ensure clearance and prevention of arrears;
(ii) To develop and implement an awareness program to ensure suppliers only accept IFMIS-generated LPOs. An enforcement regime will be introduced;
(iii) To develop and maintain a database of development project contracts which commit Government funds in future years. These shall be monitored and controlled against the MTEF and used to inform the annual budgets for subsequent years; and
(iv) To further customize IFMS and MTEF functionality to improve their effectiveness in preventing creation of arrears.

Table 4.1: Budget Frame for 2014/15 - 2017/18, TShs Million

	2014/15 FINAL BUDGET	2014/15 BUDGET - LIKELY OUTURN	2015/16 PROJECTED BUDGET	2016/17 PROJECTED BUDGET	2017/18 PROJECTED BUDGET
I. TOTAL RESOURCES	**19,853,331**	**18,631,084**	**19,853,331**	**22,367,239**	**25,381,292**
Domestic Revenue including LGAs own source	**12,636,505**	**12,335,278**	**14,684,866**	**17,053,467**	**19,749,531**
Domestic revenue	12,178,034	11,876,807	14,162,987	16,458,276	19,072,443
O/w TRA Revenue including measure					
o/w Non Tax Revenue	859,812	638,875	830,291	1,015,890	1,155,675
LGAs Own Sources	458,471	458,471	521,879	595,191	677,089
Programme loan and grants	922,168	524,754	0	0	0
Project loans and grants	1,745,344	1,221,740	775,965	702,482	715,706
Basket Support Loans	84,975	84,975	172,437	175,621	178,927
Basket Support Grants	189,112	189,112	172,437	175,621	178,927
MCC (MCA-T)	0	0	344,874	351,241	357,853
Domestic Borrowing (Rollover)	2,265,665	2,265,664	1,363,674	1,476,479	1,675,827
Net Domestic Financing	689,563	689,562	959,586	1,027,364	1,093,108
Adjustment to cash	0	0	0	0	0
Non-Concessional borrowing	1,320,000	1,320,000	1,379,492	1,404,965	1,431,413
Financing Gap	0	0	0	0	0
II. TOTAL EXPENDITURE	**19,853,331**	**18,631,084**	**19,853,331**	**22,367,239**	**25,381,292**
RECURRENT EXPENDITURE	13,380,329	13,438,144	15,065,074	17,701,271	19,866,067
CFS	4,354,730	4,371,266	6,000,001	6,428,028	7,089,246
Interest payments	994,514	994,514	1,406,060	1,585,984	1,673,290
o/w Pension Bond	0	0	0	0	0
Amortization	2,659,275	2,675,811	3,226,221	3,770,620	4,265,274
o/w Rollover/Cash	2,265,665	2,265,664	2,653,290	2,766,094	2,965,443
CFS Others	700,941	700,941	1,367,719	1,071,423	1,150,682
Recurrent Exp (excl. CFS)	9,025,599	9,066,878	9,065,074	11,273,243	12,776,821
o/w Salaries & wages	5,317,551	5,317,551	6,073,166	6,487,445	6,937,788
LGAs Own Sources	210,159	210,159	208,751	238,076	270,835
Other Charges	3,183,842	3,225,121	2,283,157	4,047,722	5,068,198
DEVELOPMENT EXPENDITURE	6,473,001	5,192,940	4,788,256	4,665,968	5,515,225
Local	4,453,570	3,697,113	3,322,544	3,261,003	4,083,812
o/w Fuel levy and Transit fee	721,154	721,154	866,626	830,569	983,593
o/w LGAs own source	248,312	248,312	313,128	515,000	357,116
o/w Clearance of arrears	0	0	0	0	0
o/w Others	4,205,258	3,448,801	3,009,416	2,746,003	3,726,697
Foreign	2,019,431	1,495,827	1,465,712	1,404,965	1,431,413
o/w MCC (MCA-T)	0	0	344,874	351,241	357,853

GBS: Waiting for commitment from Development Partners so as to be incorporated into the Budget Frame.

Table 4.2: Budget Frame for 2014/15 - 2017/18 as Percent of Rebased GDP

	2014/15 FINAL BUDGET	2014/15 BUDGET - LIKELY OUTURN	2015/16 PROJECTED BUDGET	2016/17 PROJECTED BUDGET	2017/18 PROJECTED BUDGET
I. TOTAL RESOURCES	**23.4%**	**22.0%**	**20.7%**	**21.8%**	**23.2%**
Domestic Revenue including LGAs own source	**14.9%**	**14.5%**	**15.3%**	**16.6%**	**19.2%**
Domestic revenue	14.4%	14.0%	14.8%	16.0%	18.6%
O/w TRA Revenue including measure	0.0%	0.0%	0.0%	0.0%	0.0%
o/w Non Tax Revenue	1.0%	0.8%	0.9%	1.0%	1.1%
LGAs Own Sources	0.5%	0.5%	0.5%	0.6%	0.6%
Programme loan and grants	1.1%	0.6%	0.0%	0.0%	0.0%
Project loans and grants	2.1%	1.4%	0.8%	0.7%	0.7%
Basket Support Loans	0.1%	0.1%	0.2%	0.2%	0.2%
Basket Support Grants	0.2%	0.2%	0.2%	0.2%	0.2%
MCC (MCA-T)	0.0%	0.0%	0.4%	0.3%	0.3%
Domestic Borrowing (Rollover)	2.7%	2.7%	1.4%	1.4%	1.6%
Bank Borrowing	0.8%	0.8%	1.0%	1.0%	1.0%
Adjustment to cash	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Concessional borrowing	1.6%	1.6%	1.4%	1.4%	1.3%
Financing Gap	0.0%	0.0%	0.0%	0.0%	0.0%
II. TOTAL EXPENDITURE	**23.4%**	**22.0%**	**20.7%**	**21.8%**	**23.2%**
RECURRENT EXPENDITURE	15.8%	15.8%	15.7%	17.2%	18.2%
CFS	5.1%	5.2%	6.3%	6.3%	6.9%
Interest payments	1.2%	1.2%	1.5%	1.5%	1.6%
o/w Pension Bond	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	3.1%	3.2%	3.4%	3.7%	4.2%
o/w Rollover/Cash	2.7%	2.7%	2.8%	2.7%	2.9%
CFS Others	0.8%	0.8%	1.4%	1.0%	1.1%
Recurrent Exp (excl. CFS)	10.6%	10.7%	9.4%	11.0%	11.7%
o/w Salaries & wages	6.3%	6.3%	6.3%	6.3%	6.3%
LGAs Own Sources	0.2%	0.2%	0.2%	0.2%	0.2%
Other Charges	3.8%	3.8%	2.4%	3.9%	4.6%
DEVELOPMENT EXPENDITURE	7.6%	6.1%	5.0%	4.5%	5.0%
Local	5.3%	4.4%	3.5%	3.2%	4.0%
o/w Fuel Levy and Transit Fee	0.9%	0.9%	0.9%	0.8%	1.0%
o/w LGAs own source	0.3%	0.3%	0.3%	0.5%	0.3%
o/w Clearance of arrears	0.0%	0.0%	0.0%	0.0%	0.0%
o/w Others	5.0%	4.1%	3.1%	2.7%	3.6%
Foreign	2.4%	1.8%	1.5%	1.4%	1.3%
o/w MCC (MCA-T)	0.0%	0.0%	0.4%	0.3%	0.3%

Source: Ministry of Finance

Table 4.3: Budget Frame for 2014/15 - 2017/18 as Percent of Total Budget

	2014/15 FINAL BUDGET	2014/15 BUDGET - LIKELY OUTURN	2015/16 PROJECTED BUDGET	2016/17 PROJECTED BUDGET	2017/18 PROJECTED BUDGET
I. TOTAL RESOURCES	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Domestic Revenue including LGAs own source	**63.6%**	**66.2%**	**74.0%**	**76.2%**	**77.8%**
Domestic revenue	61.3%	63.7%	71.3%	73.6%	75.1%
o/w TRA Revenue including measure	0.0%	0.0%	0.0%	0.0%	0.0%
o/w Non Tax Revenue	4.3%	3.4%	4.2%	4.5%	4.6%
LGAs Own Sources	2.3%	2.5%	2.6%	2.7%	2.7%
Programme loan and grants	4.6%	2.8%	0.0%	0.0%	0.0%
Project loans and grants	8.8%	6.6%	3.9%	3.1%	2.8%
Basket Support Loans	0.4%	0.5%	0.9%	0.8%	0.7%
Basket Support Grants	1.0%	1.0%	0.9%	0.8%	0.7%
MCC (MCA-T)	0.0%	0.0%	1.7%	1.6%	1.4%
Domestic Borrowing (Rollover)	11.4%	12.2%	6.9%	6.6%	6.6%
Net Domestic Financing	3.5%	3.7%	4.8%	4.6%	4.3%
Adjustment to cash	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Concessional borrowing	6.6%	7.1%	6.9%	6.3%	5.6%
Financing Gap	0.0%	0.0%	0.0%	0.0%	0.0%
II. TOTAL EXPENDITURE	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
RECURRENT EXPENDITURE	67.4%	72.1%	75.9%	79.1%	78.3%
CFS	21.9%	23.5%	30.2%	28.7%	27.9%
Interest payments	5.0%	5.3%	7.1%	7.1%	6.6%
o/w Pension Bond	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	13.4%	14.4%	16.3%	16.9%	16.8%
o/w Rollover/Cash	11.4%	12.2%	13.4%	12.4%	11.7%
CFS Others	3.5%	3.8%	6.9%	4.8%	4.5%
Recurrent Exp (excl. CFS)	45.5%	48.7%	45.7%	50.4%	50.3%
o/w Salaries & wages	26.8%	28.5%	30.6%	29.0%	27.3%
LGAs Own Sources	1.1%	1.1%	1.1%	1.1%	1.1%
Other Charges	16.0%	17.3%	11.5%	18.1%	20.0%
DEVELOPMENT EXPENDITURE	32.6%	27.9%	24.1%	20.9%	21.7%
Local	22.4%	19.8%	16.7%	14.6%	16.1%
o/w Fuel Levy and Transit Fee	3.6%	3.9%	4.4%	3.7%	3.9%
o/w LGAs own source	1.3%	1.3%	1.6%	2.3%	1.4%
o/w Clearance of arrears	0.0%	0.0%	0.0%	0.0%	0.0%
o/w Others	21.2%	18.5%	15.2%	12.3%	14.7%
Foreign	10.2%	8.0%	7.4%	6.3%	5.6%
o/w MCC (MCA-T)	0.0%	0.0%	1.7%	1.6%	1.4%

Source: Ministry of Finance

CHAPTER V

5.0 PLAN AND BUDGET SUBMISSION, IMPLEMENTATION AND REPORTING FORMAT

5.1 Introduction

104. This chapter presents the standard formats to which MDAs, RSs, LGAs and public Corporations are required to observe during preparation, submission, implementation, monitoring and evaluation as well as performance reporting of their plans and budgets for 2015/16 – 2017/18. This is also in line with the Public Finance Regulations, 2001 No. 37 - 45. It also explains how the Institutional Strategic Plan (SP) is operationalized. The standard formats are also found through the Medium Term Strategic Planning and Budgeting Manual (MTSPBM), Ministry of Finance (MoF) website (www.mof.go.tz), PMO-RALG website (www.pmoralg.go.tz), as well as operational manuals for Strategic Budget Allocation System (SBAS) and Planning and Reporting Tool (PLANREP).

5.2 Plan and Budget Preparation

Strategic Plan

105. In organizing institutional operation inputs to achieve the intended outputs, MDAs, RSs, LGAs and PCs are urged to ensure priority areas to be implemented in the medium term are considered. Further, they should undertake review of Strategic Plan (SP) including measuring of expected outcome performance for the period of implementation.

Medium Term Expenditure Framework

106. When developing activities in the plan and budget for 2015/16 – 2017/18, MDAs, RSs, LGAs and PCs should ensure proper sequencing of activities to facilitate smooth delivery of expected outputs**.** Moreover, activities should properly be aligned with the set ceiling, objectives and targets to ensure value for money. In addition, MTEF budgets should use the right coding of input and respective descriptions registered by the Government.

Revenue

107. MDAs, RSs, LGAs and PCs are required to prepare revenue estimates covering all sources under their mandate. The revenue estimates should be detailed by indicating each revenue item. All public institutions are directed to use the prescribed Form No.4 shown in this Annex in generating their revenue estimates. Moreover, institutions should conduct SWOC analysis for realistic forecasting and effective revenue management.

Expenditure

108. Government Institutions should ensure projected revenues are allocated according

to the national and sectorial priorities. The expenditure framework will consists of recurrent and development expenditures. The recurrent expenditure is made up of Personnel Emoluments (PE) and Other Charges (OC). Development expenditures are outlays financed using domestic or foreign sources.

Personnel Emoluments

109. Every public institution is required to prepare its PE estimates in accordance with Section 8 of the Public Service Act No. 8 of 2002 (As amended by Act No. 18 of 2007). Accounting Officers for MDAs, RSs, and LGAs Public Institutions are directed to comply with guidelines issued by PO-PSM and Treasury Registrar (TR) so as to ensure payroll integrity and PE budget control**.** Moreover**,** all non salary - allowances should be excluded in PE estimates instead should be budgeted for under other charges (OC)**.** Furthermore, PE estimates for new employees should be based on the staff establishment approved by PO-PSM. In addition**,** PE estimates should be prepared using the Human Capital Management Information System (HCMIS) and submitted to PO-PSM and Treasury Registrar after completing the data cleaning exercise not later than November 2014.

110. PE estimates should accommodate all aspects of employees' remuneration as well as statutory contributions such as PSPF, PPF, NSSF, GEPF, LAPF and NHIF. Moreover, the element of gratuity contribution for employees who are employed on contract basis should be accommodated. Furthermore, employers' contributions to social security schemes should be included separately as shown in Form No. 8. Preparation of PE estimates should be guided by approved establishment and presented in Form No. 9 shown in this Annex. Estimates for PE should be prepared on the basis of the following:

a) Accurate human resource information as of October 2014 status on approved structure and establishment;
b) Ministries and Regional Secretariats should coordinate PE estimates and provide technical support to PCs and LGAs, respectively; and
c) The Budget information on PE should be submitted to the Treasury using Form No. 8A – 8F as shown in this Annex.

Other Charges

111. In preparing OC estimates, MDAs, RSs, LGAs and PCs should align objectives, targets, and ceiling provided by using Form No. 3B and 3C as appropriate.

Development Expenditure

112. MDAs, RSs, LGAs and PCs which implement strategic projects of the FYDP including BRN and Reform Programmes should fill Form No. 10B (FYDP's project information and performance assessment) as shown in this Annex. In respect of all 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).

5.3 Submission of MTEF

113. MDAs, RSs LGAs and PCs should submit MTEF documents using standard format (MTEF Presentation Format). MTEF should be submitted to MoF and PO-PC in five and two copies respectively. Moreover, RSs and LGAs should submit two copies of MTEF document to PMO-RALG, while Public Corporations after consultation with parent Ministry should submit three copies to the Treasury Registrar. In addition all Institutions should submit dully filled forms No. 1-10C. The MTEF presentation format is as shown below.

MTEF PRESENTATION FORMAT FOR 2015/16 – 2017/18
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 – 2013/14 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 – 2014/15 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 and Future Strategies (2014/15) **Chapter 3: Estimates for MTEF (2015/16 – 2017/18)** 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 be retired (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)

5.4 Operational Planning Forms

114. During the period of Plan and Budget execution MDAs, RSs LGAs and PCs are directed to provide accurate and reliable information to the public regarding resources and activities to be financed in the financial year. In this connection, they should fill Operational Planning Forms which include Form No. 11A (current year's MTEF target value), Form No. 11B (annual cash flow plan) – This should be filled in details and in summary format which reflects the vote fund requirement by source; Form No. 14B (annual action plan); and Form No. 15A – (Framework for Mainstreaming Employment creation in Sector Development Plans – Planning Level). Dully filled forms should be submitted to the President's Office, Planning Commission and the Ministry of Finance before 1st July 2015 in order to be used during the allocation and release of resources.

5.5 Performance Reporting Forms

115. Institutions should prepare quarterly reports, which provide, among others the introduction, progress of milestone/priority interventions, emerging issues and constraints, remedial actions and duly filled forms No. 12 and 13; also all LGAs should fill form No. 13C1 – C5 (Council Development Reports and Financial Reporting Forms). Moreover, in ensuring that newly created employment opportunities emanating from the development projects are well captured, MDAs, RSs, LGAs and PCs should fill Form No. 15B – (Framework for Mainstreaming Employment creation In Sector Development Plans – Execution Level). In view of this, MDAs, RSs, LGAs and PCs are required to submit their Quarterly and Annual Performance Reports in conformity with the format provided. The structure of quarterly progress report is 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: Cumulative Quarterly 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**

5.6 The Annual Performance Report

116. All MDAs, RSs, LGAs and PCs are routinely required to prepare and publish Annual Performance Reports on outputs from activities and programmes articulated in their strategic plans. The reports should be guided by performance indicators linked with the achievements realized both on revenue, expenditure as well as establishment status. Submission of reports should be made to PO-PC, PO-PSM, PMO, MOF, OTR and PMO-RALG (for LGAs and RSs) by 30 September of each financial year. The Annual Performance Report should be presented in the format shown below:

Structure of an Annual Performance Report

TITLE/COVER PAGE

TABLE OF CONTENTS

PREFACE

1. Statement by the Minister/RC/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, MKUKUTA 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. MKUKUTA II, the Performance Assessment Framework (PAF), and Ruling Party targets should be clearly identified. 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) for those who are already using the system.
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: Cumulative Quarterly 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 SUBMISSION FORMS

***FORM 1: SUMMARY OF ANNUAL AND FORWARD BUDGET ESTIMATES REVENUE, RECURRENT AND DEVELOPMENT* EXPENDITURE ('000 TSHS)**

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

<table>
<tr><th colspan="3">Description</th><th>Actual
2013/14</th><th>Approved Budget Estimates
2014/15</th><th>Annual Budget Estimates
2015/16</th><th>Forward Budget Estimates
2016/17</th><th>Forward Budget Estimates
2017/18</th></tr>
<tr><td colspan="3">1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td></tr>
<tr><td rowspan="3">1. Revenue Estimates</td><td colspan="2">Government grant</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Own Source</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Other Sources</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3">TOTAL REVENUE</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3"></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="6">2. Recurrent Expenditure</td><td rowspan="2">PE</td><td>PE for Vote proper</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>PE Subvention</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Total PE</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">OC</td><td>OC for Vote Proper</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>OC Subvention</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Total OC</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3">Total Recurrent Expenditure</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3"></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="3">3. Development Expenditure</td><td colspan="2">Govt. Funds</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Foreign Funds</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Other Funds</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3">Total Development Expenditure</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3"></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3">TOTAL EXPENDITURE</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

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 + Other Funds
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:……………………………………………………………………

FYDP 1 ☐
NSGRP II ☐
Other ☐ Tick (√)

		Required Inputs			**Annual Budget Estimates** Y_0		**Forward Budget Estimates** Y_{0+1}		**Forward Budget Estimates** Y_{0+2}	
Segment 2 Code and Description	**Segment 4 (GFS Code)**	**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……………………..										

<u>Notes</u>
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)

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:……………………………………………

FYDP I ☐
NSGRP II ☐
Other ☐ Tick (√)

(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

PBF 4.2

FORM 7: INSTITUTIONAL RESULTS FRAMEWORK

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

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

		BASELINE		INDICATOR TARGET VALUES (AS PER SP)			CLASSIFICATIONS					Source of Data / Means of verification
Objective Code and Description	Indicator Name and description	Baseline Date	Baseline Indicator Value	Y_0	Y_{+1}	Y_{+2}	FYP	MDG	M	P	R	
1	2	3	4	5	6	7	8	9	10	11	12	13

<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*

This indicator takes the sum of the arrears paid from January to December and divides it by the total salaries paid over the same period. The indicator is an inexact measure of the quality of salary administration since arrears arise due to delays in entering changes due to recruitment, promotion or transfer; the more time efficient these processes, the less arrears will arise. However, arrears payment tends to be "lumpy" with payments being made according to the availability of funds. This reduces the validity of the indicator as an efficiency measure. The derivation of targets assumed arrear rates for 2009/10 would be cut in half.

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 <u>future</u> 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 12: FYP, M, P, R" Place a check mark (tick or X) in the columns FYP, M, P, R as follows: FYP= Five Year Plan, M = MKUKUTA II (if the indicator is an MKUKUTA II indicator), P = PAF Matrix; R = Ruling Party Manifesto. This will help link the indicator to other coordinating plans

Column 13. The source is where the indicator is collected (its data source) while means of verification is the supporting evidence that the indicator may have

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

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

Item	Number of Employees	Basic Salary	Annual Increment	Promotion	Total Salary	NSSF 10%	LAPF 15%	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
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 14 Gives Total Sum of Columns 7 to 13

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

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

Sub Vote	Item	Number of Employees	Basic Salary	Annual Increment	Promotion	Total P.E	NSSF 10%	LAPF (15%)	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	Health Insurance 3%	Total Deductions
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**	**(15)**
	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 15 Gives** the total sum of Columns 8 to 14

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

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

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

<u>Notes</u>

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

Column 15– Gives the Total Sum of Columns 8 to 14

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 10%	LAPF 15%	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
TOTAL													

Notes

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

Column 15 – Gives the Total Sum of Columns 8 to 14

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 10%	LAPF 15%	PSPF 15%	PPF 15%	GEPF 15%	Gratuity 25%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
TOTAL											

Notes

Column 4 – Gives the Total Sum equals to Column 3

Column 12 – Gives the Total Sum of Columns5 to 11

FORM. 8F: LIST OF EMPLOYEES EXPECTED TO RETIRE

VOTE:........................ VOTE DESCRIPTION (MDA/RS/LGA)...

S/No	NAME OF EMPLOYEES	CHECK NUMBER	DESIGNATION	SALARY SCALE	BASIC SALARY	DATE TO BE RETIRED
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} = 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

A1. Vote Name: ______________________________ Vote Code: ____________

A2 Sub vote Name ____________________________ Code /__/__/__/__/__/

A3. Project item 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

On schedule …………………………. 2

Ahead of schedule …………………..3

Behind schedule ……………………..4

Completed but facility not in use .. 5

Completed and facility in use ……… 6

(STOP HERE IF YOU HAVE ENTERED CODE 5 OR 6 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. MKUKUTA II Cluster and cluster strategy closely related to this project Cluster:

- ❖ MKUKUTA II Cluster: prepare box to choose…………………………………………………..
- ❖ MKUKUTA II Cluster Strategy ……………………………………………………………….

A13. 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

A14. Geographic Location of Project.

(a) Nation wide ---------------------------

(b) Region Name----------------------------
(c) District Name ------------------------
(d) LGA------------------------------------

A15. Type of Implementing (Executing) Agency:

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

A16. Principal Implementing Agency Name _________ Code /__/__/__/

A17. Other Agencies /Collaborators providing critical inputs to project implementation: ....,...........,........., (Specify)

A18. Planned Starting date (Month & Year) /__/__/__/__/

A19. Actual Starting Date (Month & Year) /__/__/__/__/

A20. Planned Completion Date (Month & year) /__/__/__/__/

A21. Latest revised completion Date (Month & Year) /__/__/__/

A22. 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

A23. PPP Projects:
Total cost of project, ...
of which Tshs..................................... Government Tshs .... Private
Project name ....
Project status ....
Feasibility study ....
Design ....
Fund mobilization ....
Contract document ....

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
B10 Amount of Grant (Tshs.): __________________________________
B11 Amount of Loan (Tshs.): ___________________________________
B12. Type of Disbursement:
Direct ………..1 ☐
Cash …………..2

FORM 10B FYDP I PROJECT IMPLEMENTATION - QUARTERLY PERFORMANCE ASSESSMENT FORM FOR FISCAL YEAR ....

(THIS FORM SHOULD BE FILLED ONLY FOR PROJECTS UNDER STRATEGIC INVESTMENT INCLUDING BRN PROJECTS WHILE PROJECT FORM NO. 10A WILL CONTINUE TO BE USED FOR OTHER PROJECTS)

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

General Information

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.

Information for Table A

Project /Activity Location	Physical address of the Project/Activity
Annual Target(s) for 2014/15:	Stage(s)/steps of the project/activities expected to be completed/reached by end of FY 2014/15
Target(s) for Each Quarter:	Stage(s)/steps of the project/activity expected to be completed/reached by end of Quarter each quarter in FY 2014/15
Achievements for	Stage(s)/steps of the project/activity actually completed/reached by end of each Quarter in FY 2014/15
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

Information for Table B

Annual Budget 2014/15	Total Planned expenditure on the Project/Activity for FY 2014/15 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 2014/15as 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.* Budget)	Proportion of planned total fund spent on the project/activity up to that Quarter with breakdown according to source of funds.
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 2014/15	
Target(s) for Q	
Achèvements for Q	
Contraints	
Remarks	
Target(s) for next Q	

TABLE B: FINANCIAL ASSESSMENT

Item	Source of Fund	Million TShs.
Annual Budget 2014/15	Total	
	GOT	
	PPP	
	DPs	
	Others[3]	
Amount Approved for Quarter	Total	
	GOT	
	PPP	
	DPs	
	Others[1]	
Amount Released for Quarter	Total	
	GOT	
	PPP	
	DPs	
	Others[1]	
Cumulative Expenditure 2014/15	Total	
	GOT	
	PPP	
	DPs	
	Others[1]	

Item	Source of Fund	Million TShs.
Percent (Expenditure vs Budget 2014/15)	Total	
	GOT	
	PPP	
	DPs	
	Others[14]	
Constraints		
Remarks		

[3] Please Identify this source of funds

[4]Please identify this source of funding

FORM 10C: SUMMARY OF PROJECT FORWARD BUDGET ESTIMATES AT VOTELEVEL (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				
	-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 ……………………………………………………………………………..

PERIOD COVERED: 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	FYP	M	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	12

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 5: FYP, M, P, R**" Place a check mark (tick or X) in the columns FYP, M, P, R as follows: FYP= Five Year Plan, M = MKUKUTA II (if the target is an MKUKUTA II target), 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 6. 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 2015"
- **Column 7. 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 2015"
- **Column 8**. **Units of measure**: how the level of the target would be measured, for example "number of kilometres."
- **Columns 9 to 12: 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 2015" 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 ………………………………………………………………………………..
PERIOD COVERED: 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	FYP	M	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	12

<u>Notes</u>

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 5: FYP, M, P, R**" Place a check mark (tick or X) in the columns FYP, M, P, R as follows: FYP= Five Year Plan, M = MKUKUTA II (if the target is an MKUKUTA II target), 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 6. 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 2011"
- **Column 7. 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 2011"
- **Column 8**. **Units of measure**: how the level of the target would be measured, for example "number of kilometres."
- **Columns 9 to 12: 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 2011" the quarterly cumulates may be 0, 25, 75, and 150.

PBF 6.2 (a)

FORM 11B (R): ANNUAL CASH FLOW PLAN FOR RECURRENT BUDGET (FOR MDAs, RSs & LGAs)

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

FYDP I ☐
NSGRP ☐
Other ☐
Tick (√)

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					

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 2011"
- **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 (FOR MDAs, RSs & LGAs)

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

FYDP I ☐
NSGRP ☐
Other ☐
Tick (√)

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					
		Own Funds					
		Total					
		Foreign					
		Local					
		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 2011"
- **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	MKUKUTA	PAF	FYP	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	15

<u>Notes</u>

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 2015."
- Columns 3 to 6: place a check mark (√) to link your target as appropriate with those planning frameworks as described in other forms above.
- Column 7: 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 2015." Part of the Segment 2 code.
- Column 8: list main tasks or phases which enable respective activity to be completed when such tasks are implemented.
- Column 9: list sub tasks or milestone which enable respective task to be completed when such milestones are implemented.
- Column 10: the date at which the activity should start. The start of an activity should include its procurement, where applicable.
- Column 11: the date at which the activity should be completed.
- Column 12: the approved budget of the target or activity. The target's budget is the sum of the budgets for all activities under it
- Column 13: 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 14: 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 15: 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	MKUKUTA	PAF	FYP	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	15

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 2015."
- Columns 3 to 6: place a check mark (√) to link your target as appropriate with those planning frameworks as described in other forms above.
- Column 7: 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 2015." Part of the Segment 2 code.
- Column 8: list main tasks or phases which enable respective activity to be completed when such tasks are implemented.
- Column 9: list sub tasks or milestone which enable respective task to be completed when such milestones are implemented.
- Column 10: the date at which the activity should start. The start of an activity should include its procurement, where applicable.
- Column 11: the date at which the activity should be completed.
- Column 12: the approved budget of the target or activity. The target's budget is the sum of the budgets for all activities under it
- Column 13: 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 14: 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 15: 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 Secretariets (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, Ministry of Labour and Employment and**

Permanent Secretary, Treasurer

15* As per Section 5 (a)&(b) of the Employment and Labour Relations Act No. 6 of 2004

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

FINANCIAL YEAR:																	
VOTE NO: .... SUB-VOTE NO:									**VOTE NAME: 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 Secretariets (RS) and Local Government Authorities (LGAs)																
1	**This form should be filled quarterly and;**																
2	**Submitted to the Permanent Secretary Ministry of Labour and Employment**																
	15* As per Section 5 (a)&(b) of the Employment and Labour Relations Act No. 6 of 2004																

MEF 7.1

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	FYP	M	P	R	Target Description	Actual Progress	Estimated % Completed	On track	At Risk	Unknown	Cumulative Budget	Cumulative Actual Expenditure	% Spent	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

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 5: FYP, M, P, R" Place a check mark (tick or X) in the columns FYP, M, P, R as follows: FYP= Five Year Plan, M = MKUKUTA II (if the target is an MKUKUTA II target), 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 6. 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 2011"

Column 7: this is the cumulative total as of the current quarter, for example "60 kilometres were constructed by 31st March 2015."

Column 8: 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 9-11 (Assessment): Check or tick one of the columns "on track," "at risk" or 'unknown"

Columns 12-13: 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	
		Base-line Date	Baseline Indicator Value	y0	y+1	y+2	y+3	y0	y+1	y+2	y+3	FYP	MDG	M	P	R		Comment
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19

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

This indicator takes the sum of the arrears paid from January to December and divides it by the total salaries paid over the same period. It is an inexact measure of the quality of salary administration since arrears arise due to delays in tracking recruitment, promotion or transfer; the more time efficient these processes, the less arrears will arise.

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 17: FYP, M, P, R" Place a check mark (tick or X) in the columns FYP, M, P, R as follows: FYP= Five Year Plan, M = MKUKUTA II (if the indicator is an MKUKUTA II indicator), 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

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 I CATEGORY (Excludes PE)							
FYDP I Strategic Projects							
FYDP I Other Projects							
Total		100					100
EXPENDITURE BY MKUKUTA II CATEGORY (Excludes PE)							
MKUKUTA II							
NON-MKUKUTA II							
Total		100					100
EXPENDITURE BY MKUKUTA II CLUSTERS (Excludes PE)							
Cluster 1							
Cluster 2							
Cluster 3							
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

VOTE CODE AND NAME: ……………………………..

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

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%

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 business activities	-	-	-	-	0.0
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
: 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
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
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'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
EXPENDITURE							
Recurrent Expenditure							
Primary Education: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Secondary Education: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
Health: PE	-	-	-	-	-	-	0.0
OC	-	-	-	-	-	-	0.0
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
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: PE	***-***	***-***	***-***	***-***	***-***	***-***	***0.0***
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**
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 2013/14
Quarter	Q1
Period ending:	September 30, 2013
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:	
Approved Council Budget:	
Supplementary Council Budget	
Total Approved Council Budget	0
Community Contribution:	
Other Off Budget Funding:	
Total Budget (incl Comm. Contr. and Off Budget Funding)	**0**
Main Funding Source:	Select
Co-Funding From Other Source:	Select

Project Details:	
Project (Activity) Code :	
Sector / Dept. :	Select
HLG / LLG:	Select
Mkukuta:	Select
Objective:	
Target:	
Expenditure Category:	Select

Main Project Outputs:	
Number	Unit
	Select
	Select
	Select
	Select
	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 the development activity as it appears in the Plan-Rep
ii. If your Council has more than 100 activities implemented in that particular year, then use the same temperate by filling work book 1, fill the activities 1-100, save as work book 2, work book 3 ----- depending on the number of activities
iii. 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)
iv. The forms are self explanatory, you are required to type or select the information from only the colored cell (other areas is protected and the information will generated automatic
v. Second and third boxes represents the Council plan 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. Select the respective quarter in the cover page and save the file with name corresponding to the reporting quarter and provide financial and Physical reporting, submit the summary sheet which will be self generating to the *RS*
vi. The form contains the formulas which provides a cumulative information building from each quarter of reporting

Annex C

PROPOSED TIMETABLE FOR GOVERNMENT BUDGET CYCLE FOR THE FINANCIAL YEAR 2015/16

DATE	MAIN ACTIVITY	KEY ACTORS
AUGUST–OCTOBER, 2014	Preparation of Plan and Budget Guidelines	**MoF and PO-PC**
NOVEMBER–DECEMBER, 2014	Finalization and dissemination of Plan and Budget Guidelines to MDAs, RSs, LGAs and PCs.	**MoF and PO-PC**
09 JANUARY, 2015	MDAs, RSs, and LGAs to receive budget ceilings for the year 2015/16	**MoF**
10 JANUARY – 01 FEBUARY, 2015	MDAs, RSs, LGAs and PCs prepare and submit to MoF and PO-PC non tax revenue, recurrent and development expenditures for the FY 2015/16	**MDAs, RSs, LGAs and PCs**
02–17 FEBRUARY, 2015	Scrutinazation of MTEF submissions from MDAs, RSs, LGAs and PCs; and budget data entry in computerised system (IFMS).	**MoF, PO-PC, MDAs, RSs, LGAs and PCs**
18 – 22 FEBRUARY, 2015	Budget consolidation	**MoF and PO-PC**
23 –28 FEBRUARY, 2015	Submission of macro policy paper and revenue and expenditure to cabinet secretariat, IMTC and the cabinet for guidance and approval.	**MoF and PO-PC**
01– 08 MARCH, 2015	Finalisation of budget data entry to IFMS, consolidation and printing of extracts of budget books for parliamentary standing committees	**MoF,MDAs, RSs and LGAs**
09 MARCH, 2015	Submission of extracts of budget books and budget memorandums to parliament office by MDAs, RSs, and LGAs PCs 2015/16	**MoF, PO-PC, MDAs, RSs and LGAs.**
10 – 31 MARCH, 2015	(i) Presentation of annual development plan for the year 2015/16. (ii) Presentation of budget estimates for the year 2015/16; (iii) Parliamentary sectoral committee meetings to scrutinize budget execution reports for MDAs, and RSs for FY 2013/14;	**PO-PC, MDAs, RSs AND LGAs, PARLIAMENTARY OFFICE and MoF.**
01 APRIL – 10 JUNE, 2015	12th parliamentary sessions debating on budget estimated from MDAs, RSs, LGAs and PCs for the financial year 2015/16;	**PARLIAMENTARY OFFICE, MoF and PO-PC.**
11 JUNE, 2015	Presentation of annual national plan and budget for the year 2015/16	**PARLIAMENTARY OFFICE, MINISTER RESPONSIBLE FOR PLANING AND FINANCE**
12 – 27 JUNE, 2015	Detailed debating by parliament on national plan and budget, finance bill and appropriation bill for year 2015	**PARLIAMENTARY OFFICE, PO-PC AND MoF.**