

ATTACHMENT A

THE UNITED REPUBLIC OF TANZANIA



ANNEXES TO THE GUIDELINES FOR THE PREPARATION OF ANNUAL
PLAN AND BUDGET FOR 2013/14 IN THE IMPLEMENTATION OF THE
FIVE YEAR DEVELOPMENT PLAN 2011/12-2015/16

DECEMBER, 2012

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LIST OF ABBREVIATIONS

ARV	Anti Retro Virals
ASDP	Agricultural Sector Development Programme
BEST	Business Environment Strengthening for Tanzania
BOT	Bank of Tanzania
COMSIP	Community Savings and Investment Promotion
CDTIs	Community Development Training Institutes
CCHP	Comprehensive Council Health Plan
CDG	Council Development Grant
D by D	Decentralization by Devolution
DDHS	District Designated Hospitals
DADPs	District Agriculture Development Plans
EU	European Union
EAC-CM	East African Community Common Market
EPZ	Export Processing Zones
FYDP	Five Year Development Plan
FDCs	Folk Development Colleges
GBS	General Budget Support
GRB	Gender Responsive Budget
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GPG	General Purpose Grant
GEPF	Government Employees Pension Fund
HIPC	Highly Indebted Poor Countries
HSBF	Health Sector Basket Fund
HR	Human Resource
Ha	Hectare
ICT	Information and Communication Technology
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
LGAs	Local Government Authorities
LSRP	Legal Sector Reform Program
LAPF	Local Authorities Provident Fund
LGCDG	Local Government Capital Development Grant
LGRP	Local Government Reform Programme
MDGs	Millennium Development Goals
MACMOD	Macro-economic Model
MIS	Management Information System
MOF	Ministry of Finance
MCC	Millennium Challenge Corporation
MCA-T	Millennium Challenge Account Tanzania
MTEF	Medium Term Expenditure Framework
MoEVT	Ministry of Education and Vocational Training
MTP	Medium Term Plan
MEM	Ministry of Energy and Minerals
MDAs	Ministries, Independent Departments and Executive Agencies

M &E	Monitoring and Evaluation
MW	Megawatt
MT	Metric tons
NACSAP	National Anti-Corruption Strategy and Action Plan
NGSDA	National Geographical Spatial Data Infrastructure
NSGRP	National Strategy for Growth and Reduction of Poverty
NHIF	National Health Insurance Fund
NEEC	National Economic Empowerment Council
NSSF	National Social Security Fund
NDC	National Development Corporation
NIDA	National Identification Authority
OC	Other Charges
O&OD	Opportunity and Obstacle to Development
PADEP	Participatory Agriculture Development and Empowerment Project
PBG	Plan and Budget Guidelines
PCCB	Prevention and Combating of Corruption Bureau
PEDP	Primary Education Development Programme
PER	Public Expenditure Review
PE	Personal Emolument
PFA	Public Finance Act
PFMRP	Public Financial Management Reform Programme
PLWHAs	People Living with HIV and AIDS
PHSDP	Primary Health Service Development Programme
PMO-	Prime Minister's Office – Regional Administration and
RALG	Local Government
PMCT	Prevention of Mother to Child Transmission
PO-PC	President's Office, Planning Commission
PO-PSM	President's Office – Public Service Management
PPP	Public – Private Partnership
PSRP	Public Service Reform Programme
PSPF	Public Service Pensions Fund
PPF	Parastatal Pension Fund
RS	Regional Secretariat
RCs	Regional Commissioners
R&D	Research and Development
SADC	Southern Africa Development Community
SBAS	Strategic Budget Allocation System
SEDP	Secondary Education Development Programme
SEZ	Special Economic Zone
SMEs	Small and Medium Enterprises
SPs	Strategic Plans
SIDO	Small Industries Development Organization
SUMATRA	Surface and Marine Transport Regulatory Authority
STAMICO	State Mining Corporation
SACCOs	Saving and Credit Cooperation Organizations
SAGCOT	Southern Agriculture Growth Corridor of Tanzania
SWOC	Strengths, Weaknesses, Opportunities and Challenges

TAFSIP	Tanzania Agriculture and Food Security Investment Plan
TASAF	Tanzania Social Action Fund
TADB	Tanzania Agricultural Development Bank
TIB	Tanzania Investment Bank
TCRA	Tanzania Communication Regulatory Authority
TR	Treasury Registrar
TDHS	Tanzania Demographic and Health Survey
TIC	Tanzania Investment Centre
THIS	Tanzania HIV and AIDS Indicator Survey
TRL	Tanzania Railways Limited
TDV	Tanzania Development Vision 2025
TSCP	Tanzania Strategic Cities Project
TSIP	Transport Sector Investment Program
TRA	Tanzania Revenue Authority
TMAA	Tanzania Minerals Audit Agency
VAT	Value Added Tax
VAHs	Voluntary Agencies Hospitals
WSDP	Water Sector Development Programme

CHAPTER I: REVIEW OF MACROECONOMIC PERFORMANCE AND 2011/12 ANNUAL DEVELOPMENT PLAN

Introduction

1) This subsection reviews the macroeconomic performance and the annual development plan for the year 2011/12, which was the first year of implementing the Five Year Development Plan. The review on macroeconomic performance focuses on main macroeconomic indicators such as Gross Domestic Product (GDP), inflation, revenue, expenditure, debts, external sector performance, money supply, interest rates and exchange rate. Meanwhile, the review of the Annual Development Plan focuses on priority sectors namely infrastructure (roads, transport, and energy), agriculture, industry (manufacturing and mining), tourism, and human capital development.

Review of Macroeconomic Performance

2) Tanzania's economic growth performance remained buoyant in 2011 despite power rationing that affected manufacturing and trade activities. Real GDP grew slightly above the projected growth level partly due to continued strengthening activities in trade and repairs, transport and communication, agriculture, and manufacturing.

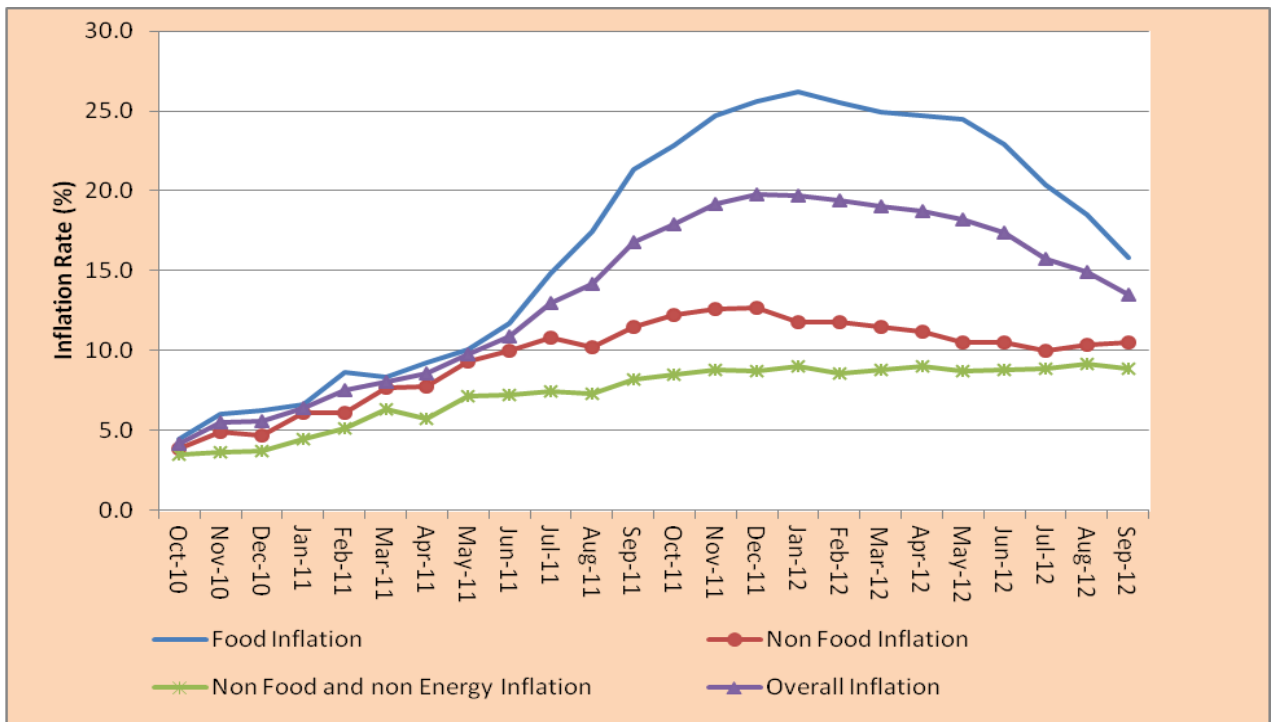
3) Real GDP growth for 2011 was 6.4 percent, slightly above the estimate of 6.0 percent. The recent GDP data shows that real GDP growth was 6.9 percent in the second quarter of 2012, compared to 7.0 percent in the corresponding period in 2011. Growth in the second quarter was particularly strong in agriculture (5.2 percent), fishing (4.0 percent), financial intermediation (14.1 percent), manufacturing (8.2 percent), and education (6.7 percent).

Inflation

4) Overall inflation rate for the year 2012 has receded from a peak of 19.8 percent in the year ending December 2011 to 13.5 percent in September 2012 following improved food supply and slow down in the increase of fuel prices

during the first half of 2012. Food inflation decelerated to 15.6 percent in the year ended September 2012 from 25.6 percent in December 2011 following improved food supplies in the East Africa region. Similarly, inflation rate for energy dropped to 19.4 percent in September 2012 from 41.0 percent in December 2011. However, core inflation (which excludes food and energy) gradually rose to 8.9 percent in September 2012 from 8.7 percent in December 2011, mainly reflecting second round effects of higher energy prices.

Chart 1: Inflation



Government Finance

5) Domestic revenue collection for 2011/12 was slightly above estimates while overall expenditure was aligned with available resources.

Domestic Revenue

6) During 2011/12, total domestic revenue collection including LGAs own sources was Tsh 7,220.9 billion, equivalent to 101 percent of the estimates and 22 percent increase from 2010/11 collections. Tax revenue collection amounted to Tsh 6,480.5 billion, surpassing the target by 4 percent on account of improvement in administrative and policy measures. Administrative measures

included: close monitoring of block management system; establishment of tax service centers in the concentrated business areas in Dar es Salaam; intensified risk-based and quality tax audits; and enforcement on the use of Electronic Fiscal Devices (EFDs). Tax policy measures adopted during the period included: abolishing VAT Special Relief on charitable organizations, introduction of excise duty on bottled water and amendment of some tax laws.

7) Non-tax revenue (excluding LGAs own sources) was Tsh 545.4 billion equivalent to 97 percent of the estimates. The over performance in dividends received from parastatals helped to offset a significant portion of shortfall in revenue collections from Ministries and Regions. LGAs own sources amounted to TSh 195 billion compared to the target of Tsh 350.5 billion.

8) In the first three months of 2012/13, the Government planned to collect Tsh billion 2,201.7 of which tax revenue was Tsh 1,935.7 billion and Tsh 175.5 billion for non-tax revenue while LGAs own collections was Tsh 90.6 billion. Actual revenue collections in the period amounted to Tsh 1,977.6 billion reflecting performance level of 90 percent. Collection of tax revenue reached Tsh 1,842.6 billion being 95 percent of the target. Non-tax revenue collections amounted to Tsh 129.1 billion, being equivalent to 74 percent of the target. Non-tax revenue underperformed significantly below estimates. Measures are being taken to ensure there is a reduction of the shortfall against budget target levels. Actual LGAs own source revenue collection was Tsh. 5.9 billion which is 6.5 percent of the estimates.

Expenditure

9) Total expenditure for 2011/12 was 86 percent of budget estimates, with recurrent expenditure being 90 percent of the estimate, and development expenditure 80 percent. Recurrent spending was scaled down to align with available resources, in particular, spending on non statutory allowances, traveling, acquisition of vehicles, subventions to government institutions and new recruitments planned for the year. Total development expenditure was below estimate due to shortfall in disbursement of foreign funds. Despite shortfall in realization of external non-concessional borrowing, domestic resources to finance

development projects were fully disbursed due to savings from recurrent spending.

10) In the first three months of fiscal year 2012/13, total expenditure amounted to Tsh 2,253.8 billion, being 72 percent of the estimated Tsh 3,123.99 billion. Out of total expenditure, recurrent expenditure was Tsh 1,525.9 billion, salaries and wages was Tsh 827.3 billion and development expenditure was Tsh 536.7 billion. Local development expenditure was Tsh 409.7 equivalent to 132 percent of the estimate for the period. Good performance of local component was a result of the Government efforts to use domestic revenue to finance its development projects. Foreign development expenditure disbursed Tsh 127 billion being 22 percent of the estimated amount for the period.

Loans and Grants

11) Total financing for 2011/12 was 74 percent of the budget estimates on account of lower than projected disbursements of basket and project loans; and non concessional loans.

12) Total grants for 2011/12 were Tsh 2,026.5 billion, equivalent to 75 percent of estimates mainly on account of underperformance of direct-to-project and basket grants. Project grants were Tsh 1,017.2 billion, equivalent to 63 percent of estimates partly due to delays in reporting of direct-to-project funds, while basket support funds amounted to Tsh 289 billion, equivalent to 74 percent of the estimates. In contrast, General Budget Support (GBS) amounted to Tsh 720.3 billion, over performing by 3 percent of the estimate as a result of some Developments Partners (DPs) including World Bank, Canada and Norway disbursing more than their earlier commitments.

13) In comparison with budget estimates, disbursements of basket funds amounted to Tsh 172.2 billion (58 percent), project loans amounted to Tsh 590.4 billion (80 percent), and non-concessional loans Tsh 801.3 billion (63 percent). Prolonged negotiations with potential creditors for non-concessional borrowing as well as non-disbursements for basket and project Funds, causing the observed shortfall.

External and Domestic Non Concessional loans

14) During 2011/12 the government contracted USD 680 million external non concessional borrowing out of the planned USD 822 million. Longer than expected negotiations with potential creditors and the government approval process led to delay in contracting external non concessional loans. On the other hand, during the period under review net domestic financing was Tshs 333.8 billion equivalent to 0.8 percent of GDP which is lower than planned amount of Tshs 393.4 billion equivalent to 1 percent of GDP.

15) During the period July – September, 2012, total disbursed foreign resources were Tsh 553.3 billion. Project loans and grants disbursed during the same period were Tsh 84.5 billion; while basket loans and grants were Tsh 42.6 billion. General Budget Support was Tsh. 408.2 billion. The shortfall was due to delayed of disbursements by some of the donors. Non concessional loans, all being below their respective budget estimates. Negotiations with potential creditors for non-concessional borrowing took longer than anticipated, causing the observed shortfall.

National Debt

16) The National Debt Stock which comprises public and private debt as at end June 2012 stood at USD 12,686.8 million compared to USD 11,510.3 million as at end June 2011, equivalent to an increase of 10 percent. Out of which, USD 10805 million was public debt and USD 1881.8 million was private debt. External debt was USD 10,101.4 million equivalents to 79.6 percent of total debt stock while domestic debt was USD 2,586.19 million. The increase was mainly on account of new disbursements from concessional and non concessional sources and accumulation of interest arrears for some bilateral creditors whose rescheduling agreements have not been concluded.

17) External debt stock as at end June 2012 stood at USD 10,101.4 million compared to USD 8,848.5 million recorded in June 2011 equivalent to 12 percent increase. Out of total external debt stock, public debt was USD 8,219.56 million, equivalent to 81.4 percent and the balance was private debt. On the other hand,

Public domestic debt stock as at end June 2012 stood at Tshs 4,076.4 billion compared to Tshs 3,707.3 billion recorded in June 2011, indicating an increase of 10 percent. The increase is largely contributed by new borrowing to finance development projects.

18) During the year ending June 2012, total debt service amounted to Tshs 516.8 billion as compared to Tshs 396.3 billion in June 2011, indicating an increase of 30.4 percent. External debt service was Tshs 171.7 billion, while domestic debt service was Tshs 345.1 billion. Out of external debt service, principal amortization was Tshs 80.5 billion and Tshs 91.2 billion was interest payments, being 20 percent and 4 percent higher than budget estimates respectively. This performance was on account of the maturity of the some concessional and non-concessional loans.

Debt Sustainability Analysis (DSA)

19) In implementing National Debt Strategy, the Government continued to closely monitor its debt by contracting loans mainly through concessional sources. However, considering the current infrastructure challenges especially with respect to energy, roads, railways and ports during 2010/11 the Government started to contract loans from non-concessional sources. In February, 2012 the Government carried out a DSA in order to assess the debt status given the inclusion of the new borrowing arrangement and its implication on the debt portfolio. The results (Table 1) from DSA indicate that, the country's debt continued to be sustainable in shorter, medium and long term. However, compared to the 2010 DSA results the debt sustainability indicators portray a worsening trend; suggesting the importance of using non-concessional borrowing strategically and with caution.

Table 1: DSA Indicators from Debt Sustainability Framework of 2012

INDICATORS OF EXTERNAL DEBT	2009	2010	2011	2012	2013	2015	2020	2030	Threshold
PV of debt-to-GDP ratio	15	15	14	18.9	20.3	20.4	23.3	27.7	50
PV of debt-to-exports ratio	65	59	55	56.2	58.3	59.2	59.3	59.6	200
PV of debt-to-revenue ratio	85	79	73	111.3	115.7	122.1	120.5	118.3	300
Debt service-to-exports ratio	2	1	1	2.5	2.1	3.9	2.3	2.4	25
Debt service-to-revenue ratio	3	2	2	5.0	4.1	7.9	4.7	5.9	35
INDICATORS OF TOTAL PUBLIC DEBT WITHOUT GUARANTEE									
PV of Debt-to-GDP Ratio				31.8	32.6	35.4	36.4	41.2	50
PV of Debt-to-Revenue Ratio				137.5	142.9	171.8	174.3	170	300
Debt Service-to-Revenue Ratio				15.3	11.1	20.0	18.1	20.2	35
INDICATORS OF TOTAL PUBLIC DEBT WITH GUARANTEE									
PV of Debt-to-GDP Ratio				46.6	46.1	44.3	44.7	44.6	50
PV of Debt-to-Revenue Ratio				201.6	203.3	224.4	213.9	184	300
Debt Service-to-Revenue Ratio				29.3	22.4	28.9	27.6	23.5	35

Money and Credit Developments

Money Supply

20) In the year ending June 2012, the annual growth of extended broad money supply (M3) slowed down to 11.8 percent from 22.0 percent in June 2011 and was also below the target of 16.1 percent set for the period. This development in the growth of money was explained by the slowdown in the growth of both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of the banking system. The NFA of the banking system grew by 3.6 percent in June 2012 from a growth of 10.6 percent in 2011 due to increased sale of foreign exchange to support high import requirements. The growth of NDA also slowed down to 19.6 percent in June 2012 from 35.6 percent in June 2011. The decline in NDA was mainly due to a decline in net claims on the Government as a result of improved revenue collection efforts and expenditure management.

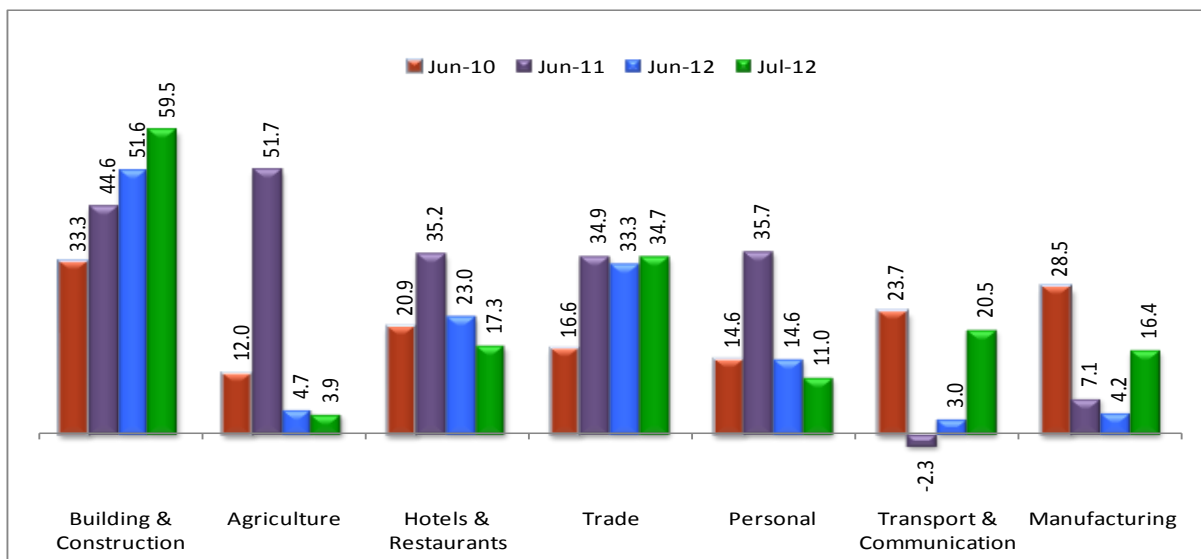
During the year ending August 2012, M3 decelerated to 9.0 percent from 21.4 percent recorded in the corresponding period of 2011. The slowdown in the growth of M3 was explained by contraction by 20.3 percent of the NFA of

commercial banks compared to the growth of 13.0 percent in August 2011, coupled with deceleration in the growth of domestic credit. The contraction of NFA of commercial banks was associated with the stability in nominal TZS/USD exchange rate, and relatively low foreign interest rates compared to domestic interest rates

Credit to Private Sector

21) In the year ending June 2012, credit to the private sector grew by 18.7 percent against the target of 23.0 percent. Most economic activities recorded slow growth in credit, except building and construction that registered a growth of 51.6 percent from 44.6 percent in June 2011. Trade activities accounted for the largest share of credit (21.4percent) followed by personal (21.3percent), manufacturing (10.9 percent), and agricultural activities (10.6 percent).

Chart 2: Annual Credit Growth by Selected Economic Activities



Interest Rate Trend

22) During the year ending August 2012, interest rates offered by commercial banks on deposits remained on a gradual increase reflecting deposits mobilization efforts and increased competition among banks. During the period under review, overall weighted average lending rates increased marginally to 15.83 percent compared to 15.72 percent. While the change in the overall lending rate was moderate, development in individual banks' rates were divergent (**Chart 3**). The

spread between 12-month lending and deposit rates narrowed to 3.82 percent in August 2012 from 7.67 percent recorded in August 2011

Chart 3: Selected Commercial Banks' Interest Rates

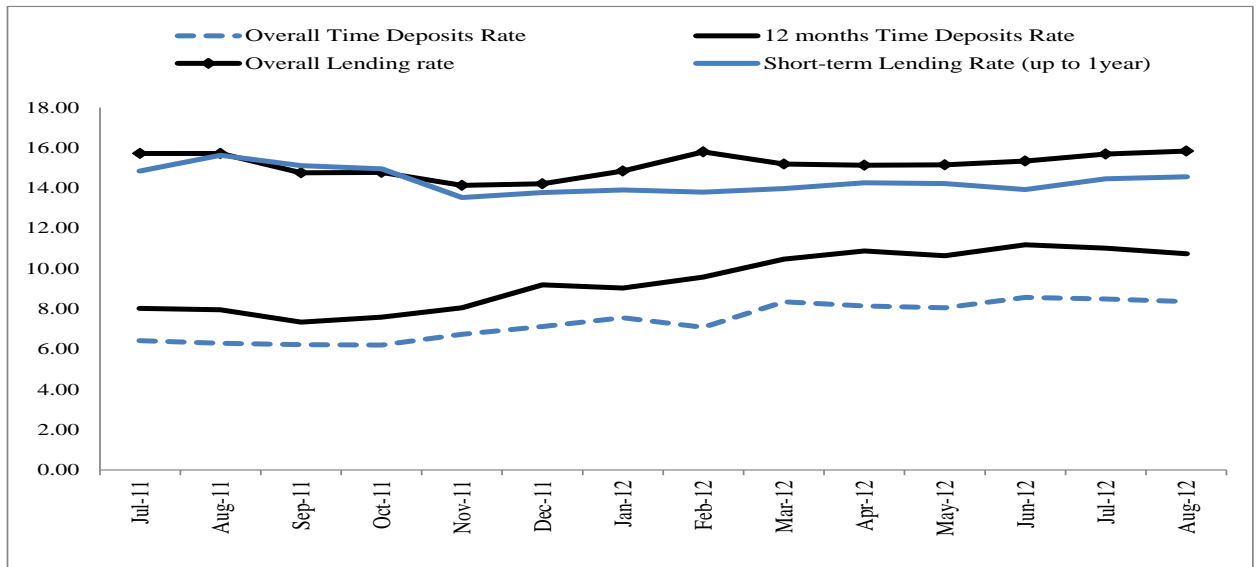


Table 2: Interest Rate Spread

	Aug-09	Aug-10	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
Saving Deposit Rate	2.68	2.58	2.44	2.34	2.59	2.87	2.9	2.91	2.87	2.86	2.88	2.93	2.88	2.91	2.94
Overall Time Deposit Rate	6.89	5.55	6.3	6.22	6.2	6.73	7.12	7.55	7.08	8.35	8.12	8.03	8.57	8.49	8.26
1 month	6.49	6.05	6.19	6.23	5.93	6.35	6.65	6.03	6.66	7.87	7.46	6.93	7.51	7.68	8.5
2months	8.17	7.19	6.67	6.86	6.29	7.5	8.24	8.87	8.16	7.94	7.89	8.3	7.59	9.57	8.61
3 months	7.81	7.01	6.97	6.92	7.51	7.62	8.37	8.38	8.37	9.44	8.69	8.37	9.45	10.5	9.56
6 months	8.46	7.84	7.23	8.03	8.13	8.21	8.67	9.32	9.41	10.13	9.55	9.58	10.69	11.19	11.49
12 months	9.04	7.14	7.96	7.33	7.58	8.05	9.14	8.95	9.51	10.48	10.76	10.51	11.18	11.01	10.74
24 months	7.1	2.81	7.46	7.16	6.92	8.2	7.75	10.07	6.42	11.61	11.36	11.64	12.12	8.45	8.52
Negotiated Deposit Rate	10.47	8.58	9.28	9.05	9.25	8.84	9.99	9.63	9.77	10.16	10.38	10.12	9.79	9.64	9.32
Overall Lending Rate	15.12	14.35	15.72	14.76	14.78	14.13	14.21	14.72	15.35	14.87	15.13	15.15	15.33	15.68	15.83
Short Term (Up to 1 yr)	13.77	14.37	15.62	15.11	14.95	13.53	13.73	13.83	13.73	13.9	14.25	14.22	13.92	14.46	14.56
Medium Term (1-2 yrs)	15.74	15.14	17.32	17.81	17.52	17.67	17.8	15.31	16.31	14.75	15.52	15.78	16.33	16.51	16.85
Medium Term (2-3 yrs)	14.75	14.2	15.59	14.67	14.65	14.05	14.17	14.61	16.22	14.7	15.31	15.38	15.63	15.81	15.55
Long Term (3-5yrs)	14.98	14.04	15.18	15.15	14.83	14.04	14.33	14.71	16.52	15.64	15.43	15.38	15.65	15.88	15.97
Term Loans (Over 5yrs)	16.36	14	14.88	11.06	11.94	11.37	10.99	15.14	14	15.34	15.15	14.98	15.14	15.75	16.23
Negotiated Lending Rate	14.24	14	13.98	13.97	12.98	13.79	13.6	13.77	14.82	14.25	13.86	13.34	14.21	14	13.3
Interest Rate Spread	4.73	7.23	7.66	7.78	7.37	5.48	4.59	4.88	4.22	3.42	3.49	3.71	2.74	3.45	3.82

Source: Bank of Tanzania

Exchange Rate

23) The average exchange rate was Tsh/USD 1,572.2 between January and June 2012, ranging from a minimum of Tsh/USD 1,565.0 and a maximum of Tsh/USD 1,581.4. The depreciation in the shilling was due to high demand of foreign exchange for imports and speculative practices.

External Sector Developments

24) The current account deficit widened to USD 4,210.5 million in 2011/12 compared with a deficit of USD 2,214.6 million in the preceding year, explained by huge increase in import of goods particularly petroleum products and machinery. Despite the widening current account deficit, the overall balance of payments recorded a surplus of USD 197.4 million compared with a surplus of USD 100.8 million during 2010/11, following good performance in the capital and financial account. As a result, gross official reserves increased to USD 3,786.7 million from USD 3,610.2 million recorded in June 2011. The reserves at the end of June 2012 were sufficient to cover 3.5 months of total actual imports of goods and services.

25) Export of goods and services amounted to USD 8,049.2 million, which was 14.2 percent higher than the amount recorded in 2010/11 (**Table 3**) mainly driven by increase in both traditional and non traditional exports. The value of traditional exports increased by 10 percent to USD 766.8 million on account of increase in export prices and volumes of tea, cashew nuts and cloves. The value of non-traditional exports increased by 14.8 percent to USD 4,088.5 million driven by increase in both volume and price of gold. Manufactured goods export declined by 13 percent to USD 922.0 million in 2011/12 compared to the level recorded in the preceding year partly due to low production following power shedding in the first half of 2011/12.

26) Service receipts increased to USD 2,465.6 million in 2011/12, from USD 2,154.5 million recorded in 2010/11, following improved performance in travel and transportation services. Travel receipts reached USD 1,471.5 million compared with USD 1,315.4 million in the year ending June 2011, owing mainly to the increase in the number of tourist arrivals. Provisional statistics indicate that, a

total of 860,718 tourist arrivals were recorded in 2011/12 compared with 834,801 tourist arrivals in the preceding year. The increase in transportation was largely driven by increase in transit goods to and from the neighboring countries.

27) Import of goods and services amounted to USD 12,952.3 million in 2011/12, being about 30 percent higher compared with the value recorded in the preceding year. This was mainly caused by the increase in imports of oil and machinery. Oil imports amounted to USD 3,586.1 million compared with USD 2,154.7 million in the preceding year, on account of increase in both prices and volume of oil imported mainly for power generation. Service payments amounted to USD 2,337.2 million compared with USD 1,984.0 million in the year ending June 2011, mainly driven by the increase in payments for transportation services in line with the value of goods imported.

Table 3: Tanzania: Current Account Balance (Million of USD)

	2010/11	2011/12 ^p	% Change
Goods Account (net)	-3,115.4	-5,031.4	61.5
Exports	4,896.2	5,583.7	14.0
Imports	8,011.6	10,615.1	32.5
Services Account (net)	170.5	128.3	-24.7
Receipts	2,154.5	2,465.6	14.4
Payments	1,984.0	2,337.2	17.8
Goods and services (net)	-2,944.9	-4,903.0	66.5
Exports of goods and services	7,050.7	8,049.2	14.2
Imports of goods and services	9,995.6	12,952.3	29.6
Income Account (net)	-264.8	-233.7	-11.7
Receipts	199.1	206.5	3.7
Payments	463.9	440.2	-5.1
Current Transfers (net)	995.1	926.3	-6.9
Inflows	1,078.9	1,037.5	-3.8
o/w General Government	736.5	625.1	-15.1

Source: Bank of Tanzania

Note: p = provisional data

IMPLEMENTATION OF ANNUAL DEVELOPMENT PLAN 2011/12

28) This part highlights the implementation of development programs identified in the 2011/12, annual plan with particular focus on priority sectors namely infrastructure, agriculture, industry (manufacturing and mining), tourism, and human capital development.

Infrastructure

Roads

29) During the period under review, the focus was on construction and rehabilitation of trunk roads, regional and district roads and bridges as well as establishment of Road Development Fund as per approved plan.

Achievements:

- (i) **Trunk road-upgrade:** a total of 937.35 km of earth work, 633.83 km of sub base, 505.05 km of base and, 502.14 km of surfacing were upgraded to bitumen against a total of 1,507.79 km of earth work, 1,282.93 km of sub base, 1,061.81 km of base and, 886.26 km of surfacing respectively;
- (ii) **Trunk road-rehabilitation:** A total of 244.00 km of earth work, 185.12 km of sub base, 182.79 km of base and, 186.20 km of surfacing were rehabilitated to bitumen against a total of 261.8 km of earth work, 393.7 km of sub base, 323.6 km of base and, 250.1 km of surfacing respectively;
- (iii) **Regional Roads:** A total of 652.64 km were rehabilitated to gravel standard, 22.23 km to bitumen standard and 4 bridges were constructed against the planned target of rehabilitating 982 km to gravel standard, upgrading 29.1 km to bitumen standard and construction of 24 bridges;
- (iv) **EAC Roads Network:** The Arusha-Namanga-Athi River Road which covers 104.4 kms was completed. Similarly, feasibility studies and detailed designing of Arusha-Holili/Taveta-Voi, which has 158.8kms on the side of Tanzania and Malindi-Lunga-Tanga-Bagamoyo covering 240kms on the Tanzania side continued. Furthermore, Tanga-Hororo EAC road network was completed at 86 percent.

- (v) A total of 11 bridges are at different stages of construction and rehabilitation; and
- (vi) Completed the construction of two new ferries, namely Mv Ujenzi (Rugenzi – Kisorya) and MV Musoma (Musoma – Kinesi). Construction of ferries for Msangamkuu and Kilambo is in progress while Kilambo Ferry is being assembled at Kilambo Mtwara.

Railway

30) During the financial year 2011/12, the focus was on construction and rehabilitation of railways to meet international standard. The following projects were implemented:-

- (i) Relaying of 3.5 km of rail between Mpanda – Kaliua stations;
- (ii) Rehabilitation of 5.5 km of rail formation through embankment widening between Kailua and Kineme stations;
- (iii) Track repairs and drainage improvement between Kilosa and Gulwe section;
- (iv) Detailed engineering study for construction/upgrading of Dar Es Salaam– Isaka-Keza (km 1,287), Keza-Kigali (km 186) and Keza-Musongati (km 197) to standard gauge. This contract started in February 2012 and is expected to be completed in February 2013; and
- (v) One locomotive was rehabilitated and is now operational.

Ports

31) During the year, the focus was on construction and rehabilitation of ports and ship assembling. The following projects implemented were:-

- (i) Development of Mbegani Port (Bagamoyo) - feasibility study completed;
- (ii) Development of cargo freight Station at Kisarawe – pre-feasibility study completed and in a process of engaging a consultant to carry out full feasibility study;
- (iii) Replacement of SPM and pipeline system – Phase one completed;
- (iv) Continued construction of Kipiri, Lagosa, Sibwesa, and Karema berths in Lake Tanganyika. Completion expected in December, 2012;

- (v) Construction of Mafia Jetty completed by 84 percent;
- (vi) Construction of Shinyanga Inland Container Depot (ICD); and
- (vii) Rehabilitation of MV. Clarias in Lake Victoria and MV. Songea in Lake Nyasa.

Airports

32) In the year 2011/12, the focus was on improving air transport services including rehabilitation and construction of airports. Implementation was as follows:

- (i) Completion of Mpanda airport, runway and access road for Songwe airport and extension of Arusha airport runway by 420m;
- (ii) Commissioning of rehabilitation at Kigoma, Bukoba and Tabora airports to bitumen standard;
- (iii) Expansion and improvement of Mwanza airport;
- (iv) Construction of access road for Msalato (Dodoma) airport; and
- (v) Construction of pavements and furnishing of VIP lounge at Julius Nyerere International Airport, Dar es Salaam.

Meteorology

33) During financial year 2011/12, data processing and early warning systems were strengthened.

Energy and Mineral Sector

34) In the 2011/12, the focus was on enhancing reliability, quality and access to modern energy services, and improvement of development and management of mineral resources. The following projects were implemented:-

Energy Sub-sector

- (i) Generation of 422 MW emergency Power Plan out of the planned 572 MW;
- (ii) Completion of 105 MW gas fired plant at Ubungo (Ubungo II);

- (iii) Installation of power generators in Songea and Sumbawanga townships, Ngorongoro, Kasulu and Kibondo districts;
- (iv) Electrification of Zuzu Village in Dodoma Region; Songwa Village in Shinyanga Rural District; Ipinda Kilimani – Mbeya; Utiga – Makambako; Kilole Mzee – Tanga; and Itoju – Kagera;
- (v) Completion of the construction of the 33 kV power line connecting Mtwara and Msimbati;
- (vi) Construction of 33 kV lines for Mgwashi and Mbweve were completed;
- (vii) Completion of Draft Liquid Biofuel Policy;
- (viii) Rehabilitation of 8 distribution substations in Dar Es Salaam (City Centre, Mbezi, Mbagala, Kariakoo, Buguruni, Oysterbay, Kipawa and Ubungo) was carried out;
- (ix) Review of the Power System Master Plan (PSMP);
- (x) Mobilization and payment of compensation along the way leave have started for the Mtwara & Songo Songo Natural Gas Processing Plants and Transportation Pipeline to Dar es Salaam project;
- (xi) Construction of natural gas transmission pipeline from Ubungo to Mikocheni light industrial area, households/institutions and CNG Station for Vehicles has been completed by 90%; and
- (xii) Survey works in the Low Cost Design Standards Project was finalized for pilot distribution networks in selected pilot project areas of Kilombero and Mbozi districts. The Environmental and Social Impact Assessment (ESIA) for these areas has been conducted.

Mineral Sub-sector

- (i) Review of the Mining Act, Regulations 2010. The reviewed areas including: annual rents, application fees, processing fees, transfer fees, and charges;
- (ii) Draft Gas Policy of Tanzania was prepared;
- (iii) Signing of Buckreef Joint-Venture Agreement between STAMICO and Tanzania American International Development Corporation (2000) Limited

- (TANZAM 2000) and forming a joint venture company with STAMICO holding 45% shares and 55% shares under ownership of TANZAM 2000;
- (iv) Signing of a Joint-Venture Agreement between STAMICO and Obtala Resources Limited for the formation and establishment of a 50 – 50 percent mining joint venture company for operating gold buying centers;
 - (v) Completion of the construction of Singida Zonal Mines Office;
 - (vi) Three areas namely Nyakunguru, Goronga – Gibaso and Mogabiri with a total of 208 hectares in Tarime district, surrounded by villages of Kitawasi, Itandula, Gibaso, Mogabiri, Nyaruwana, Tagota and Genkuru, were demarcated for small scale mining;
 - (vii) Construction of two seismic recording stations at Mtwara and Geita was completed and differential GPS was installed in Dodoma;
 - (viii) Digitization of 15 analogue maps and computerization of 453 documents meta-data was completed; and
 - (ix) New areas surveyed in three districts of Kilindi, Mbarali and Chunya to produce four (4) QDS geological and mineral occurrences maps and two (2) QDS geochemical maps.

Communication, Science and Technology

35) During the period under review, the focus was on completion of construction of National backbone infrastructure phase II, commencing the post code and addressing system project and construction of ICT DATA centers.

Achievements:

- (i) Laying of 3000 kilometer fibre optic cable in the second phase of construction of National Backbone infrastructure;
- (ii) Establishment of 14 tele centers at Kilolo, Mrijo chini, Isaka, Ikungi, Namtumbo, Hai, Masasi, Karagwe, Rorya, Bagamoyo, Tegeta, Wete, Mpanda and Ludewa;
- (iii) National guidelines for residential address has been completed and translated in Kiswahili; and
- (iv) Completion of post code mapping and listing in pilot areas.

Agriculture

36) During the period under review, planned activities included rehabilitation of irrigation infrastructure, improving access and distribution of farm inputs, stepping up extension services, strengthening food reserve system and undertaking value addition activities.

Achievements:

- (i) A total of 202,439 metric tons of fertilizer and 24,277 metric tones of improved seeds were distributed to farmers;
- (ii) A total of 24 irrigation schemes with 2,250 hectares were rehabilitated in 7 zones;
- (iii) Feasibility studies in four irrigation schemes of Maliwanda (450ha) in Mwanza zone, Rudewa (2,250ha) Morogoro zone, and Makomelo (1,230ha) Tabora zone;
- (iv) A total of 28 staff and 715 farmers were trained on irrigation technology, modern water usage, establishment and strengthening water user associations for irrigation and management of irrigation infrastructure;
- (v) A total of 584 projects were implemented under DASIP in 28 councils in Kagera, Kigoma, Mwanza and Shinyanga regions;
- (vi) Increased food production to 12,792,220 tones resulting to excess of 1,440,003 tones as compared to actual requirement of 11,532,270 tones;
- (vii) Increased production of improved seeds from 1,881 tones in 2010/2011 to 3,082 tones in 2011/12, which is 77 percent of targeted 4,000 tones;
- (viii) Increased productivity in maize from an average of 1.1 tones per hectare to an average of 2.0 tones per hectare, and rice from average of 0.9 tone per hectare to 1.8 tones per hectare; and
- (ix) Construction of six irrigation charcoal dam at Inala (Tabora), Mahiga (Mwanza), Mesaga (Mara), Misozwe (Tanga), Dongobesh (Manyara) and Itagata (Mbeya) are at different stages of construction.

Livestock.

37) During the period under review, priority areas in livestock sector include strengthening livestock infrastructure, increasing production and quality of livestock products and construction of modern slaughter facilities.

Achievements:

- (i) Meat production increased by 5.6 percent from 503,500 tones in 2010/11 to 531,749 tones in 2011/12;
- (ii) Fattened cattle increased by 10 percent, from 98,700 cattle in 2010/11 to 108,570 cattle in 2011/12;
- (iii) Production of eggs increased from 3.34 billion eggs in 2010/11 to 3.49 billion eggs in 2011/12;
- (iv) A total of 930,000 tonnes of animal feeds were produced by private sector in 80 factories;
- (v) Milk production increased from 1.74 billion litres in 2010/11 to 1.85 billion litres in 2011/12;
- (vi) In artificial insemination center, a total of 172,000 doses of improved cattle were produced and distributed to farmers in 2011/12 compared to 150,000 doses produced in 2010/11;
- (vii) A total of 798 heifers were produced in government owned farms and distributed to farmers 2011/12 compared to 712 heifers in 2010/11
- (viii) Rehabilitation of ten staff houses, rehabilitation and retooling of livestock nutrition laboratory, completion of office building at Naliendele, and rehabilitation of embryo transfer laboratory;
- (ix) Volume of milk processed per day increased by 15.7 percent, from 112,400 litres in 2010/11 to 130,000 litres in 2011/12;
- (x) Construction of modern abatoirs at Ruvu is 65 percent of completion; and
- (xi) A total of 3,362 live cattle and 4,060 goats worth 3.81 billion were exported in 2011/12, compared to 1,041 cattle and 657 goats worth 965.4 million in 2010/11.

Fisheries

38) During the period under review, the focus in the fisheries sector included strengthening management of fisheries resources and fish products business in ocean and inland water bodies; improving the availability of human resources in fisheries sector; provision of education and promotion of fish farming and construction of infrastructure.

Achievements:

A total of 1,100,600 tilapia fingerlings and 800,500 catfish fingerlings were produced at Kingolwira, Mtama and Luhira centers and distributed to farmers;

- (i) Construction of office building for Deep Sea Fishing Management Authority at Fumba Zanzibar, and construction of Mvuvi house completed;
- (ii) Construction of fish and fisheries products receiving centers were completed at Kilwa (Masoko Pwani), Mafia (Kilindoni) and Rufiji (Nyamisati); and
- (iii) Fish Resource Management Plans in the coastal areas were developed.

Natural resources and tourism

39) During the period under review, priority areas included improving infrastructure, tourism information services, and promotion of natural and cultural heritage resources.

Achievements:

- (i) Construction of three (3) new buildings, rehabilitation of two (2) buildings and Landscaping works at the National Museum was completed;
- (ii) Statistical database that gather information on accommodation establishments and employees in the tourism sector was established with data from Dodoma, Lindi, Mtwara and Morogoro regions;
- (iii) Land use plans for 12 villages in Namtumbo -Tunduru have been registered and gazetted. Kisungule, Kimbanda and Chingoli have attained Authourised Association (AA) Status. Sensitization leading to establishing 2 Wildlife Management Areas along Ruvuma River was conducted in 14 villages;

- (iv) Routine monitoring visits for Participatory Forest management was undertaken to 18 districts;
- (v) Conducted International Visitors' Exit Survey in five major entry/exit points at Kilimanjaro International Airport, Julius Nyerere International Airport, Namanga, Zanzibar International Airport, Tunduma and Kasumulo in order to estimate Tourism Receipts in 2011; and
- (vi) Maintenance of 46 km of roads in Mkungunero Game Reserve.

Industry

40) During the period under review, the focus in manufacturing sector was on improving investment climate and industrial development especially value addition.

Achievements:

- (i) Completion of feasibility studies for Bagamoyo, Mtwara, Mara and Kigoma EPZs;
- (ii) Completion of valuation for compensation at Kigoma, Mtwara, Tanga and Mara EPZs;
- (iii) Started Coal Mine construction and extraction at Ngaka;
- (iv) Commencing Investments for Mchuchuma coal and Liganga iron ore projects;
- (v) Establishment of textile and food processing factories at Mabibo Special Economic Zone; and
- (vi) Finalization of the Textile and Garments Development Strategy.

Education

41) During the period under review, priority activities included improving the quality of education, rehabilitation of infrastructure in schools and higher learning institutions, increasing enrolment at various levels of education and research activities.

Achievements:

Primary education

- (i) Improvement of Pupil teacher Ratio from 1:48 in 2011 to 1:46 in 2012;
- (ii) Increased Pupil Qualified Teacher ratio (PQTR) from 1:49 in 2011 to 1:47 in 2012;
- (iii) Increased pass rate from 53.5 percent in 2011 to 58.3 percent in 2012;
- (iv) Increased average primary education survival rate in standard I-VII from 66.4 percent in 2011 to 72.3 percent in 2012.

Secondary Education

- (i) Increased Net Enrolment Ratio (NER) in ordinary level secondary education (Forms I-IV) from 34.5 percent in 2011 to 36.6 percent in 2012;
- (ii) Increased Gross Enrolment Ratio (GER) from 50.2 percent in 2011 to 51.4 percent in 2012;
- (iii) Net Enrolment Ratio (NER) for the advanced level of secondary education (Forms V-VI) increased from 2.01 percent in 2011 from 2.7 percent in 2012;
- (iv) GER increased to 5.1 percent in 2012 from 5.03 percent in 2011;
- (v) Pass rate in Form IV examination increased from 50.4 percent in 2010 to 53.6 percent in 2011;
- (vi) Pass rate in Form VI examination increased from 92.1 percent in 2011 to 92.3 percent in 2012; and
- (vii) The current Pupil Qualified Teacher Ratio (PQTR) is 1:34 against the ratio of 1:25; nevertheless, there is a shortage of qualified teachers per subject.

Technical and Vocational Education and Training

- (i) Increased student enrolment in technical education by 32.2 percent from 85,040 in 2010/11 to 112,447 in 2011/12; and
- (ii) Increased student enrollment in FDCs from 31,877 in 2010/11 to 32,133 in 2011/12.

Higher Education

- (i) Increased enrolment of students in Universities and University Colleges from 139,638 students in 2010/11 to 166,484 students in 2011/12 equivalent to 19 percent increase; and
- (ii) Increased number of students accessing loans and continued implementation of Science and Technology Higher Education Project (STHEP).

Health

42) During the period under review, the focus in the health sector was improving human resource capacity, treatment of communicable and non communicable diseases and construction and rehabilitation of infrastructure.

Achievements:

- (i) Increased enrolment in health training institutions from 5,200 in 2010/11 to 6,713 in 2011/12;
- (ii) Treating 85 percent of Tuberculosis cases and thus surpassing the world target of diagnosing and treating 70 percent of Tuberculosis cases;
- (iii) Completion of building construction at Muhimbili Cadiac Center; and
- (iv) Completion of ward building construction at Ocean Road Cancer Institute.

Water Sector

43) During the period under review the focus was on improving water resources management, scaling up rural and urban water supply and sanitation implemented under the Water Sector Development Programme (WSDP):

Achievements:

Water Resources Management

- (i) Installation of three automatic groundwater monitoring recorders and installation of one manual rain gauge in Wami/Ruvu Basin;

- (ii) Reconstruction of four automatic weather stations, installation of three automatic pressure data loggers and construction of one staff gauge in Lake Victoria Basin;
- (iii) Rehabilitation of two river gauging stations in Ruvuma Basin;
- (iv) Formation of one Water Users Association(WUA) -Lake Eyasi – Mang’ola- in Internal Drainage Basin and Registration of three WUAs (Lulindi, Likonde and Ndanda) at the Ruvuma Basin;
- (v) 149 abstractions were inspected for compliance, including 11 furrows in Pangani Basin, 50 in Internal Drainage Basin and 88 in Rufiji Basin;
- (vi) Inspection of effluent discharge systems in mines and Industries were checked for compliance with the discharge permit through the collection and analysis of wastewater samples and water samples;
- (vii) 607 water use permit were granted according to WRMA No. 11 of 2009 in five Basins: Ruvuma (195), Lake Victoria (153), Wami/Ruvu (124), Lake Nyasa (98) and Internal Drainage (37);
- (viii) 27 water use conflicts were reported and attended in different Basins: Wami/Ruvu (5), Pangani (14), Internal Drainage Basin (3), Rufiji (2), Ruvuma (2) and Lake Rukwa (1); and
- (ix) Groundwater Survey and Drilling Supervision were done in different areas in all the nine basins.

Scaling up of Rural Water Supply and Sanitation

- (i) 467,250 people have access to water service;
- (ii) 106,677 improved latrines constructed;
- (iii) 46,482 people sensitized for project implementation readiness;
- (iv) 328 sanplats were produced;
- (v) 1,106 mason trained to construct san plats; and
- (vi) 20,074 sanitations club formed.

Scaling Up of Urban Water Supply and Sanitation

- (i) Project for construction of water supply and sewerage in Iringa has been successful completed; and

- (ii) Project for construction of water supply and sanitation infrastructure in Mbeya has been successfully completed.

Institutional Strengthening and Capacity Building

- (i) Regulations on 14 sections out of 41 sections in the Water resources Act have been completed;
- (ii) Three regulations have been gazetted regarding registration of water users association, water abstraction, use and discharge and procedure for nomination board members for National Water Board and Basin Water Boards. Whereas 3 out of 11 Regulations in the Water Supply and Sanitation Act have been completed;
- (iii) Two regulations were prepared and are in operation
- (iv) Draft for (Dam Safety) and (Water Supply) Regulations were prepared,
- (v) Two regulations for the establishment of Chalinze and Wanging'ombe Water Authorities (Establishment of Water Authorities) were prepared and submitted to the Attorney General for publication;
- (vi) Two regulations for declaration of ground water protected areas of Makutopora and Kawa Dam; and
- (vii) The National Water Board is operational.

Regional Cooperation

44) During the period under review, the focus in the this area was on promoting regional trade, implementation of regional infrastructure projects, and continue with negotiations on regional matters.

Achievements:

- (i) Sustained increase in EAC intra regional trade from the value of 758.6 million USD in 2010 to 787.1 million USD in 2011;
- (ii) Finalisation of the legal framework for the establishment of EAC One Stop Border Point (OSBPs) as part of efforts to address cross border NTBs. Construction works of OSBPs are at different levels at borders between Tanzania and EAC Partner States;

- (iii) EAC Protocol on cooperation in defence was finalised and signed by EAC Heads of State;
- (iv) Negotiations for the establishment of the EAC Single Customs Territory were concluded; and
- (v) Finalisation of Common Market Implementation strategy and Regional Integration Communication Strategy.

CHAPTER II: MACROECONOMIC OUTLOOK AND MEDIUM TERM FOCUS

Introduction

45) This section presents global economic outlook for the medium term on key variables. It also outlines macroeconomic outlook and assumptions as well as priority areas for the medium term.

Global Economic Growth and Outlook

46) According to the World Economic Outlook Update (WEO) report of October 2012, the global economy growth rate has been revised down to 3.3 percent in 2012 and 3.6 percent in 2013, from 3.5 percent and 3.9 percent, respectively as projected earlier in July 2012. The downward revision was mostly on account of weaker activity in the Euro area, especially in the periphery economies such as Greece and Spain. Those economies were affected by the Euro debt crisis and other challenges including increased political and financial uncertainty, governments' inability to reform and deliver on the fiscal adjustment (tight fiscal policies) as well as the extent of partner countries' willingness to assist. Owing mainly to negative spillovers, including from uncertainty, growth in most other advanced economies will also be slightly weaker, although low oil prices will likely dampen these adverse effects. Overall, the global economic recovery is still uncertain.

47) In view of recent global economic performance, growth in emerging and developing economies is projected at 5.3 percent in 2012 and then pick up to 5.6 percent in 2013. Economic performance in emerging and developing market economies is expected to be supported by expected low oil prices and a number of government measures to promote growth, including containing inflationary and credit pressures. Other measures are aimed at adjusting policies, given spillovers from weaker advanced economy prospects and slowing export growth and volatile capital flows.

48) Growth in the Middle East and North Africa will be stronger in 2012 and 2013 relative to performance in 2011. This is due to the fact that key oil exporters will continue to boost oil production and domestic demand while activity in Libya is

rebounding rapidly after the unrest in 2011. Similarly, growth in Sub-Saharan Africa (SSA) is expected to remain robust in 2012 and 2013 with GDP projected to stay above 5.0 percent in 2012 and 2013, supported by the region's relative insulation from external financial shocks and high commodity prices. However, being among low-income countries which depend on aid, SSA faces risks of lower-than-expected budget support from advanced economies, while commodity exporters are vulnerable to further decrease in commodity prices. **Table 4** portrays macroeconomic performance.

Table 4.1: Global GDP Growth Rates and Projections (Annual percentage change)

	Actual						Projection	
	2006	2007	2008	2009	2010	2011	2012	2013
World	5.3	5.4	2.8	-0.7	5.1	3.8	3.3	3.6
Advanced economies	3.1	2.8	0.1	-3.7	3.0	1.6	1.3	1.5
Emerging and Developing Economies	8.2	8.9	6.0	2.8	7.4	6.2	5.3	5.6
Developing Asian Countries	10.3	11.5	7.7	7.2	9.5	7.8	6.7	7.2
Middle East and North Africa	6.3	5.7	4.5	2.6	5.0	3.3	5.3	3.6
Sub-Saharan Africa	6.4	7.1	5.6	2.8	5.3	5.1	5.0	5.7
Burundi	5.4	4.8	5.0	3.5	3.8	4.2	4.2	4.5
Kenya	6.3	7.0	1.5	2.7	5.8	4.4	5.1	5.6
Rwanda	9.2	5.5	11.2	4.1	7.2	8.6	7.7	7.5
Uganda	9.5	8.6	7.7	7.0	6.1	5.1	4.2	5.7
Tanzania	6.7	7.1	7.4	6.0	7.0	6.4	6.8	7.0

Source: IMF World Economic Outlook Update, October 2012

49) Growth in the EAC member states indicated a mixed trend. GDP growth in Rwanda is projected to slow down from 8.6 percent in 2011 to 7.7 percent in 2012 and 7.5 percent in 2013 as programmed fiscal consolidation reduces aggregate demand and also on account of global economic uncertainties. In addition, real GDP growth in Burundi is estimated at 4.2 percent in 2012, and then pick up to 4.5 in 2013. Further, real GDP growth rate in Kenya was estimated at 5.1 percent in 2012 and maintain upward trend to 5.6 percent in 2013. Furthermore, projections suggest that GDP growth in Uganda will slow down from 5.1 percent in 2011 to 4.5 percent in 2012 and rebound to 5.7 percent in 2013 mainly premised on good prospects in the oil sector.

Global Inflation Outlook

50) Global consumer price inflation is projected to ease as demand softens and commodity prices recede. Overall, headline inflation is expected to slip from 4.5 percent at the end of December 2011 to an average of 3.3 percent between 2012 and 2013. In 2012, consumer price inflation is projected to decline to 1.9 percent in advanced economies and 6.1 percent in emerging and developing economies; compared to the inflation of 2.7 percent and 7.2 percent, respectively, recorded in 2011. Inflation for 2013 is projected to slow down further to 1.6 percent in the advanced economies and 5.8 percent in emerging and developing economies as demand softens and commodity prices stabilize or recede. In emerging Asia, headline inflation is projected at 5.0 percent in 2012 from 6.5 percent in 2011 and expected to continue on this downward path following greater-than-anticipated rebound in industrial production, spurred by the restart of supply chains disrupted by the Thailand floods in late 2011. However, inflation is projected to stay elevated in parts of the region, notably in India, and to accelerate in Indonesia. Month-on-month inflation showed a declining trend since October 2011 in all major economies.

Table 4.2: Global Consumer Prices (Annual Average - %)

	Actual						Projection	
	2006	2007	2008	2009	2010	2011	2012	2013
Advanced economies	2.3	2.2	3.4	0.1	1.5	2.7	1.9	1.6
Emerging and Developing Economies	5.6	6.5	9.3	5.1	6.1	7.2	6.1	5.8
Developing Asian Countries	4.2	5.4	7.4	3.0	5.7	6.5	5.0	4.9
Middle East and North Africa	7.7	10.2	13.5	6.6	6.9	9.7	10.4	9.1
Sub-Saharan Africa	7.0	7.0	12.6	9.4	7.5	9.7	9.1	7.1
Burundi	9.1	14.4	26.0	4.6	4.1	14.9	14.7	8.4
Kenya	6.0	4.3	15.1	10.6	4.1	14.0	10.0	5.8
Rwanda	8.8	9.1	15.4	10.3	2.3	5.7	7.0	6.1
Uganda	7.2	6.1	12.0	13.1	4.0	18.7	14.6	6.1

Source: IMF World Economic Outlook Update, October 2012

Tanzania Macroeconomic Outlook and Assumptions

GDP Outlook

51) The review of leading indicators of growth such as electricity generation, production and consumption-based tax revenues, importation of industrial raw materials, and exports of manufactured goods, mineral and agricultural commodities have shown positive progress during the first half of 2012. Given such performance of those leading indicators, coupled with continued efforts to stabilize power supply and implementation of the FYDP I and other economic policies, the actual GDP performance in the first half of 2012 was 7.0 and the overall performance of the economy in 2012 and beyond is expected to remain buoyant. Accordingly, the initial projected growth of GDP in 2012 has been maintained at 6.8 percent with prospects of being surpassed. In the medium-term, growth is expected to pick up further to an average of 8.0 percent supported by prospects of increase in FDI particularly in oil and gas explorations, continued implementation of infrastructure projects, favorable weather conditions, and stability in power supply among others. **Chart 4 and table 4.3** shows actual and projected GDP and real growth.

Chart 4: Actual and Projected GDP and Real Growth (2006-2017)

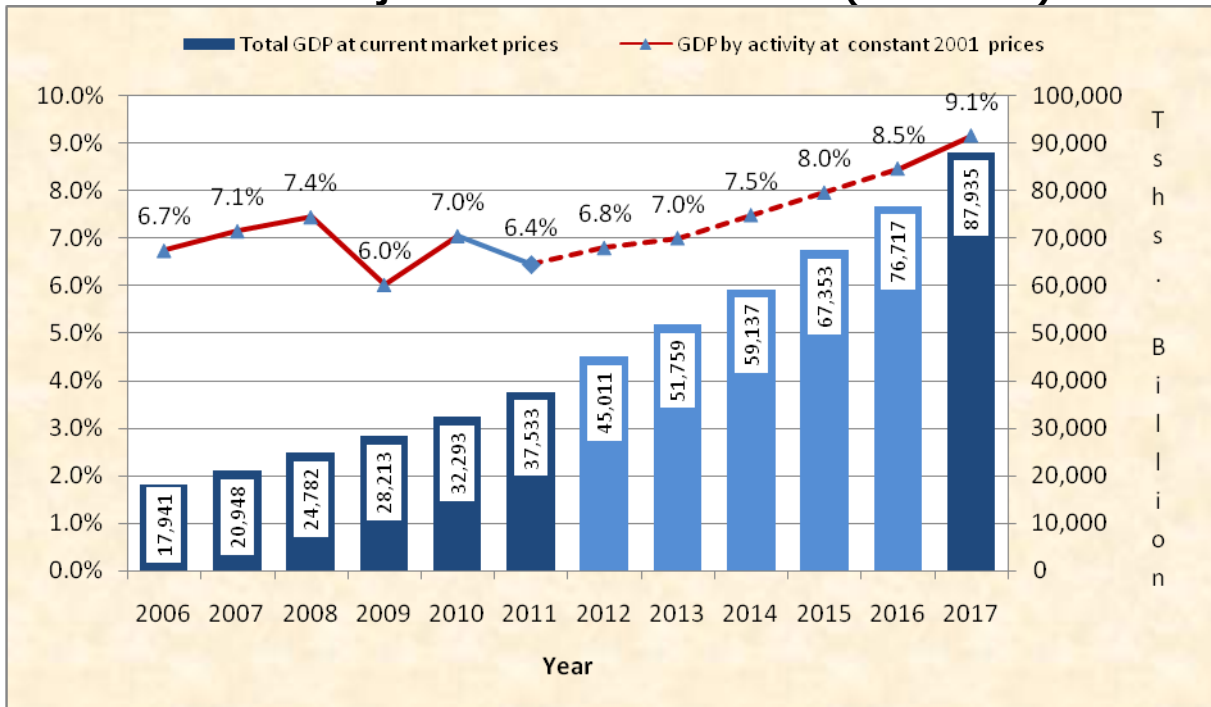


Table 4.4: Real GDP Growth (Actual and Projection) Percentage

ECONOMIC ACTIVITY	Actual							EST	Projection				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture, Hunting and Forestry	4.3	3.8	4.0	4.6	3.2	4.2	3.6	4.6	4.5	4.1	4.8	4.9	5.0
Crops	4.4	4.0	4.5	5.1	3.4	4.4	3.5	4.7	4.8	4.0	4.9	4.9	4.8
Livestock	4.4	2.4	2.4	2.6	2.3	3.4	3.9	4.2	3.2	4.6	4.6	4.6	5.4
Hunting and Forestry	3.6	4.6	2.9	3.4	3.5	4.1	3.5	4.3	4.3	4.5	4.9	5.1	5.3
Fishing	6.0	5.0	4.5	5.0	2.7	1.5	1.2	1.3	1.8	2.6	3.2	4.2	4.2
Industry and construction	10.4	8.5	9.5	8.6	7.0	8.2	6.9	7.4	7.7	9.1	9.7	10.9	12.5
Mining and quarrying	16.1	15.6	10.7	2.5	1.2	2.7	2.2	3.7	4.2	5.8	7.0	7.2	6.9
Manufacturing	9.6	8.5	8.7	9.9	8.0	7.9	7.8	8.0	8.1	10.0	10.6	12.6	15.6
Electricity, gas	9.4	-1.9	10.9	5.4	8.4	10.2	1.5	4.0	4.8	6.1	7.8	10.1	13.3
Water supply	4.3	6.2	6.5	6.6	5.6	6.3	4.0	3.9	3.9	3.6	3.7	3.7	4.0
Construction	10.1	9.5	9.7	10.5	7.5	10.2	9.0	9.0	9.2	9.8	10.0	10.3	10.1
Services	8.0	7.8	8.1	8.5	7.2	8.2	7.9	7.9	8.2	8.7	9.1	9.5	10.0
Trade and repairs	6.7	9.5	9.8	10.0	7.5	8.2	8.1	8.5	8.7	9.8	10.1	10.5	11.0
Hotels and restaurants	5.6	4.3	4.4	4.5	4.4	6.1	4.6	5.7	5.7	6.7	7.1	7.8	8.6
Transport	6.7	5.3	6.5	6.9	6.0	7.0	6.7	6.9	7.3	7.6	7.8	8.1	8.2
Communications	18.8	19.2	20.1	20.5	21.9	22.1	19.0	19.0	19.2	18.3	18.7	18.9	18.4
Financial intermediation	10.8	11.4	10.2	11.9	9.0	10.1	10.7	11.0	11.0	11.8	13.0	13.2	14.1
Real estate and business services	7.5	7.3	7.0	7.1	6.8	7.0	6.5	6.1	6.0	6.3	6.2	6.0	6.3
Public administration	11.4	6.5	6.7	7.0	4.4	6.5	6.8	5.5	6.1	6.3	6.7	7.1	7.9
Education	4.0	5.0	5.5	6.9	7.1	7.3	7.4	6.8	7.0	6.8	6.9	7.2	7.5
Health	8.1	8.5	8.8	9.0	6.7	6.9	5.4	5.5	5.7	5.9	6.3	6.5	7.7
Other social and personal services	2.6	3.7	3.2	3.1	3.2	3.5	3.0	3.3	3.3	3.2	3.3	3.3	3.3
Gross value added before adjustments	7.4	6.8	7.3	7.5	6.1	7.1	6.5	6.9	7.2	7.7	8.3	8.8	9.5
less FISIM	11.8	14.9	15.3	11.0	8.7	9.1	11.2	12.2	13.9	15.1	16.7	18.0	17.5
Gross value added at current basic prices	7.4	6.7	7.2	7.4	6.0	7.1	6.4	6.8	7.1	7.6	8.1	8.6	9.4
add Taxes on products	7.4	6.8	6.9	7.8	5.8	6.7	6.5	6.3	6.2	5.9	5.7	5.9	5.5
GDP at market prices	7.4	6.7	7.1	7.4	6.0	7.0	6.4	6.8	7.0	7.5	8.0	8.5	9.1

Source: MoF

Inflation Outlook

52) Inflation is projected to slow down to 9.0 percent by December 2012, and maintained at a single digit in the medium term. The slowdown is expected to be driven by many factors including reduction in production costs associated with improved power supply and implementation of prudent monetary and fiscal measures. In addition, implementation of strategic projects such as construction of Mtwara - Dar Es Salaam gas pipe line, Southern Agricultural Growth Corridor

(SAGCOT) and contained global inflation will also further contribute to the inflation slowdown.

Fiscal Outlook

53) Domestic revenue estimate for 2012/13 of 18.2 percent of GDP is expected to be realized, considering improvements in tax policies and administrative measures. In the medium term, revenue is projected to edge upward consistent with continued recovery in domestic economic activities and efforts to improve tax policies and administration. While ensuring debt sustainability, the Government will continue to borrow from both domestic and external sources to scale up investment in infrastructure in line with the implementation of Five Year Development Plan.

54) Fiscal consolidation efforts will be geared towards containing the growth of recurrent spending, while safeguarding investment and social services spending. Overall expenditure is projected to be in line with resources availability, both from domestic and external sources. Development expenditure will continue to be aligned with the Five Year Development Plan, which envisages scaling up the implementation of strategic development projects and promotion of private sector participation through Public Private Partnership (PPP).

55) The overall deficit after grants is projected to narrow to 5.5 percent of GDP in 2012/13 and maintained below this rate in the medium term, mainly on account of the projected declining trend in all categories of foreign financing as well as the projected improvement in domestic revenue collection and overall expenditure consolidation. The projected deficit is in line with Government objective of maintaining macroeconomic stability and creation of fiscal buffers. The deficit will be financed through the projected concessional and non-concessional loans. Net domestic financing is projected at one percent of GDP each year, consistent with monetary policy stance.

Monetary Developments Outlook

56) The velocity of money circulation is assumed to continue with the declining trend reflecting high demand for money, as the economy continues to expand and

be monetized. Concurrently, money multiplier is assumed to be stable evolving around the current level with cash and reserve ratios remaining fairly unchanged.

57) Given the above assumptions, extended broad money supply (M3) target is set at 17.4 percent in the year ending June 2013, up from 11.8 percent recorded in June 2012. In the medium term, the growth in money supply is projected to slow down to 15 percent consistent with medium term single digit inflation target. The broad money supply (M2) is projected to increase from 12.7 percent in 2011/12 to 17.0 percent in the year ending June 2013. The projected growth of money supply is expected to provide room for private sector credit to grow by 20.0 percent in the year ending June 2013. Annual growth of credit to private sector will be maintained at an average rate of 17 percent consistent with the projected growth of economic activity.

Balance of Payments Outlook

58) Export of goods is projected to increase to 14.8 percent during the period ending June 2013 from 14.0 percent in the corresponding period in 2012 driven by high export volumes of traditional exports. However, export prices are projected to decline on account of debt tension in the Euro Zone and weaker global demand prospects. Gold exports are projected to increase as prices in the world market remain high. Exports of manufactured goods are expected to recover in 2012/13 following improvement in power supply.

59) Import of goods is projected to record slower growth of 10.4 percent in 2012/13 compared to the preceding year as oil prices in the world market is projected to remain stable and imported volumes stabilize at the current levels. As a result, in 2012/13, current account balance is projected to record a deficit of 14.4 percent of GDP compared to 16.5 percent of GDP in 2011/12 and continue to narrow down in the medium term attributed to higher growth of exports relative to imports. Overall balance of payments in the medium term is projected to remain in surplus while official gross reserves will be sufficient to cover about 4 months of imports of goods and services (excluding FDI related imports).

Key Macroeconomic Assumptions

60) The key assumptions underlying macroeconomic projections and policy targets in the medium term (2013/14-2015/16) are as follows:

- (i) Peace, unity, stability and tranquillity will be maintained;
- (ii) Macroeconomic stability and social economic gains will continue to be sustained and improved;
- (iii) Power supply will substantially be improved and sustained;
- (iv) Domestic revenue collection will be increased;
- (v) Increased momentum in the implementation of FYDP 1;
- (vi) Increased private sector participation in economic and social development, with emphasis on Public Private Partnership (PPP);
- (vii) Enhanced community participation in economic development;
- (viii) Sustained supportive monetary and fiscal policies to reduce inflationary pressures;
- (ix) Continued good relationship with Development Partners;
- (x) Borrowing will solely be used to finance development activities and non concessional sources will be prioritized;
- (xi) Good Governance and rule of law improved and maintained; and
- (xii) Business environment will be improved and productivity enhanced.

Macroeconomic Projections and Policy Targets

- (i) Based on the assumptions above, macroeconomic projections and policy targets for the Plan period 2013/14 – 2015/16 are as follows:
- (ii) Attain a real GDP growth rate of 6.8 percent in 2012, 7.0 percent in 2013, 7.5 percent 2014, 8.0 percent in 2015, and 8.5 percent by 2016;
- (iii) Reduce inflation to 9.0 percent by December 2012 and maintain it at single digit in the medium term;
- (iv) Increase total revenue to GDP ratio (including LGAs own sources) from 17.4 percent in 2011/12 to 18.2 percent in 2012/13 and continue rising gradually to 18.7 percent by 2015/16;
- (v) Increase tax revenue as percent of GDP from 15.7 percent in 2011/12 to 16.6 percent in 2012/13 and further increase to 18.1 percent by 2015/16;

- (vi) Maintain fiscal deficit after grants at 3.5 percent of GDP or below over the medium term;
- (vii) Broad money supply (M2) is projected to grow at 17.0 percent in 2012/13 and slow down to an average of 15.0 percent in the medium term;
- (viii) Extended broad money supply (M3) is projected to grow at 17.4 percent in the year ending June 2013. In the medium term, the growth in M3 is projected to slow down to 15 percent consistent with medium term inflation target;
- (ix) Credit to private sector is projected to grow by 20.0 percent in the year ending June 2013. In the medium term, annual growth of credit to private sector will be maintained at an average rate of 17 percent consistent with the projected growth of economic activity;
- (x) Maintain a market determined exchange rate;
- (xi) Narrow current account balance to a deficit of 15.7 percent of GDP in 2012/13 from a deficit of 16.2 percent of GDP in 2011/12;
- (xii) Maintain official foreign reserves sufficient to cover a minimum of four months worth of imports of goods and non-factor services; and
- (xiii) Decrease unemployment rate from the current rate of 11.7 percent to a single digit.

Priority Areas for the Medium Term

61) The objective of the medium term plan is to provide guidance to public investment 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 quick-wins and large multiplier effects as articulated in the FYDP. Further, priority has been given to projects and programs that address critical issues such as creation of employment opportunities, reduction of socio-economic hardships and improvement of business environment. All sector programs and projects for the annual plan 2013/14 will be drawn from the following medium term priority areas:-

a) Infrastructure Development

Railways

- (i) Continuing with strengthening the Central Railway Line to enhance operations;
- (ii) Rehabilitation and maintenance of the existing railway lines including the rolling stock;
- (iii) Procurement of new wagons and engines; and
- (iv) Undertake feasibility studies for construction of new railway lines to strategic economic areas.

Roads

- (i) Continuing with construction and rehabilitation of roads which open up economic opportunities, those which link Tanzania with neighbouring countries and reduce traffic congestion in urban areas;
- (ii) Developing and improving roads linking regions and districts; and
- (iii) Construction of bridges and ferries.

Ports and Marine Transport

- (i) Increasing cargo handling capacities of sea, lake and dry ports;
- (ii) Increasing efficiency of ports utilization; and
- (iii) Creating a conducive environment for private sector investment in ports management and marine transport.

Air Transport

- (i) Improving air transport infrastructure and services to enhance air freight and passenger handling capacities;
- (ii) Construction of new airports in strategic areas and rehabilitating existing ones; and
- (iii) Creating conducive environment for private sector investment in air transport.

b) Energy Sector

- (i) Continuing with implementation of electricity projects,
- (ii) Continue with construction of natural gas pipeline (Mtwara-Dar es Salaam), gas processing plants and distribution infrastructure;
- (iii) Strengthening transmission lines and promoting rural electrification;
- (iv) Increasing capacity and diversifying power generation sources;
- (v) Promoting investments in Renewable Energy Sources;
- (vi) Development of Gas Utilization Master Plan;
- (vii) Establishment of Strategic Petroleum Reserve (SPR); and
- (viii) Improving legal and regulatory framework for natural gas utilization.

Mineral Sector

- (i) Promotion of mineral value addition activities to enhance revenue collection;
- (ii) Upgrading of geo-scientific, mineral occurrence information and monitoring of Geo-hazards;
- (iii) Infrastructure Development for GST, MRI and TMAA/TANSORT;
- (iv) Development of Small Scale Mining Sub-sector;
- (v) Implementation of the Sustainable Management of the Mineral Resources Project (SMMRP);
- (vi) Improving availability of mining tools and equipment for small scale miners; and
- (vii) Strengthening research, prospecting, exploration, and mineral management capacities.

c) Agriculture

- (i) Implementation of sugarcane and paddy cultivation projects in Wami, Ruvu, Kagera, Kilombero and Malagalasi basins;
- (ii) Continue with implementation of SAGCOT projects;
- (iii) Construction and rehabilitation of irrigation infrastructures;
- (iv) Developing and improving livestock infrastructure; pasture and range management;

- (v) Increasing availability and utilization of agricultural inputs and implements as well as extension services;
- (vi) Strengthening research activities in agriculture;
- (vii) Promoting fish farming and aquaculture production and services; and
- (viii) Promotion of value addition activities and improvement of market access;

d) Forestry and Wildlife

- (i) Promotion of value addition activities in forestry, wildlife and bee products;
- (ii) Strengthen institutional capacity for carbon credit access and management;
- (iii) Increasing availability, access to and utilization of modern inputs and implements for beekeeping; and
- (iv) Enhancing community and private sector participation in development and management of forestry, beekeeping and wildlife.

e) Industry

- (i) Facilitating availability of land for investment particularly for EPZs/SEZs needs;
- (ii) Continue with the implementation of the Kurasini Logistical/Trade Hub project;
- (iii) Implementation of Mchuchuma coal and Liganga iron ore projects; as well as Soda Ash in the Engaruka Basin;
- (iv) Promotion of industries that utilize locally available resources such as agro processing, textile, coal, natural gas, iron and steel;
- (v) Development of industrial infrastructure and improving facilitation services;
- (vi) Promoting and developing industrial research, innovation and development institutional framework; and
- (vii) Promoting SMEs development through establishment of incubator sites, industrial parks and premises.

f) Human capital development

Education and Skills development

- (i) Improving access and quality of education through expansion of education facilities including construction of class rooms, teachers' houses, lecture rooms and laboratories;
- (ii) Facilitating implementation of Secondary Education Development Programme (SEDP);
- (iii) Provide training in specialized fields (uranium, gas and oil); and
- (iv) Strengthening financing mechanism for higher education.

Health and Social Welfare

- (i) Enhancing quality and access to health and social welfare services through strengthening health facilities, construction and rehabilitation of infrastructure and improved referral systems;
- (ii) Continuing with implementation of health sector programmes including, the health sector management plan, and facilitation of reduction of maternal mortality;
- (iii) Strengthening treatment, care and control of communicable, non communicable diseases and neglected tropical diseases; and
- (iv) Improve the availability of human resources in the health sector through strengthening training institutions.

g) Water and Sanitation

- (i) Continue with the implementation of water supply projects including Kimbiji and, Mpera boreholes in Mkuranga and construction of Kidunda dam in Morogoro;
- (ii) Improving water supply infrastructure in rural and urban areas and
- (iii) Strengthening water resource management.

h) Lands, Housing and Settlements

- (i) Developing an integrated Land Management Information System;
- (ii) Continuing with implementation of land use plan including the development of Kigamboni Satellite City, and establishment of the land bank for investment particularly in agriculture sector;
- (iii) Enhancing availability of surveyed and serviced plots, decent and affordable housing;
- (iv) Enhancing research and development activities on housing construction materials for low cost housing; and
- (v) Enhancing judiciary capacity to handle and dispose land cases.

i) Tourism

- (i) Construction and improving tourism attraction sites;
- (ii) Facilitate accessibility to tourist attractions through construction of infrastructure such as roads and air strips;
- (iii) Strengthening National College of tourism;
- (iv) Enhancing community participation in wildlife management and cultural heritage resources; and
- (v) Increasing and diversifying tourist attractions and products.

j) Communication, Science, Technology and Innovation

- (i) Continue with construction of National ICT Backbone infrastructure;
- (ii) Establishment of ICT Park and facilitating broadband access;
- (iii) Implementation of National Post Code and Address System;
- (iv) Strengthening science, technology and innovation institutional infrastructure; and
- (v) Promoting Research and Development (R&D).

k) Financial Services

- (i) Enhancing accessibility to banking and financial services;
- (ii) Establishing and strengthening development financial institutions;
- (iii) Enhancing mortgage and lease financing; and
- (iv) Capitalization of Tanzania Investment Bank and Agriculture Development Bank.

I) Other Important areas

- (i) Facilitating implementation of national identification project including mass identification and registration of persons and issuance of national ID cards;
- (ii) Facilitating the constitutional reform process;
- (iii) Implementation of the African Peer Review Mechanism (APRM) National Programme of Action;
- (iv) Implementation of EAC Regional Programs and projects;
- (v) Developing institutional capacity for climate change adaptation and mitigation;
- (vi) Strengthening weather forecasting activities including installing modern equipment at Tanzania Meteorological Agency and provision of modern equipment to the meteorological information centres;
- (vii) Improving public service delivery through developing incentive schemes for underserved areas;
- (viii) Enhancing the use of ICT in human resources management in the public service;
- (ix) Strengthening capacity of each sector to undertake realistic human resource plans, human resource development and skill needs analysis;
- (x) Implementation of the National Strategy on EAC Common Market Protocol;
- (xi) Consolidation of the implementation of EAC Customs Union and Common Market;
- (xii) Finalization of the EAC Monetary Union negotiations; and
- (xiii) Enhancement of the coordination and negotiation capacities in regional and international matters.

New Monitoring and Evaluation Framework

Introduction

62) The Government has adopted a new Framework that will ensure effective Implementation, Monitoring and Evaluation of National Development Plans and Programmes. To this the commitment has been made to adopt and customize the Malaysian BIG, FAST RESULTS model; which among other things regards

transformation as a comprehensive and holistic programme with focus on actions as well as strategic reform initiatives. The model also emphasises on a need to adhere to few priorities and focusing on both socio-economic areas through step by step transformation process; and put emphasis on communication to the public as a crucial element for ownership of transformation programmes. This Model requires the establishment of National Delivery Unit so that to enhance delivery through Monitoring and Evaluation, as well as operationalisation of Labs which are described as controlled environment for solving problems in an intensive manner geared to achieve quick and robust solutions for the emerged complex issues

Establishment of National Delivery Unit

63) Governments world-wide are increasingly under pressure to deliver more, faster and better services, at a lower cost. It is in this regard that many governments have had to upgrade their delivery system and technologies, by creating a delivery unit. In that regard, the Government of Tanzania has decided to establish a National Delivery Unit and named as Presidential Delivery Bureau (PDB) as an Independent Department under the President's Office. The unit will be established in two phases, phase one will involve the set-up of the unit through Presidential Instrument and phase two will embark on assuring its sustainability by an Act of the Parliament and the head of the Bureau will report direct to the President.

Operationalisation of the Lab Approach

64) To initiate the operationalisation of the Lab Approach six (6) areas have been identified namely; Energy, Transport, Agriculture, Oil and Gas, Education and Resource Mobilization. The areas have been drawn from the Five Year Development Plan (FYDP) to be taken as initial areas of concentration in the labs planned to start in November, 2012 and end February 2013. It is envisaged that the results of Labs will form a base of actionable Government programmes and the financial implication for each programme. With the priority areas outlined in these guidelines, the lab output will direct strategies to be adopted by MDAs and LGAs in ensuring effective delivery of the priority projects. Thus, these labs are expected to support the Annual Development Plan 2013/14 preparation process.

CHAPTER III: RESOURCE ENVELOPE AND EXPENDITURE FRAMEWORK FOR THE PERIOD 2013/14 - 2015/16

Introduction

65) The Government has continued with its efforts to mobilize financial resources for implementation of the Plan and Budget. During the period under review the overarching objective of the Government has been to mobilize sufficient and sustainable domestic revenue to finance its expenditure. Over the past eight years, domestic revenue collected has increased from 11.8 percent of GDP in FY 2004/05 to 17.4 percent of GDP in FY 2011/12. The increase is mainly attributed to a strong performance registered by tax revenue collections, specifically taxes on income and consumption. For the period under review the share of income taxes increased from 3 percent of GDP in 2004/05 to 5.4 percent of GDP in 2011/12. While consumption taxes contributed 9.6 percent of GDP in 2012 compared to 6.9 percent of GDP for the FY 2004/05.

Resource Envelope

66) The revenue policies for FY 2013/14 are expected to raise domestic revenue to 18.6 percent of GDP from 18.2 of GDP for FY 2012/13, whereas in the medium term, revenue is projected to increase from 18.9 percent of GDP in FY 2014/15 to 19.7 percent of GDP in FY 2015/16, 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 will continue to use foreign resources as one of the sources of financing MKUKUTA II and the five -year Development Plan I. The Government plans to continue prioritizing external financing on concessional and non- concessional terms.

Tax Revenue

67) Tax policies and administrative interventions are geared towards increasing tax revenue from 17.2 percent of GDP in FY 2013/14 to 18.2 percent of GDP in FY 2015/16. Policy interventions will include gradual reduction in the level of tax exemptions, currently at 3.8 percent of GDP, towards attainment of 1 percent of

GDP, review of the VAT Act, CAP 148 and development of the 2nd Medium and Long-term Revenue Mobilization Strategy 2013/14 – 2017/18.

68) Administrative measures are contained in the TRA's Fourth five-year Corporate Plan (2013/14 to 2017/18), including enhancing administration and monitoring of block management system; continuing with capacity building in management and administration of specialized sectors of oil and gas, coal, mining, telecommunications, multinationals and financial services; enforcement on the use of Electronic Fiscal Devices (EFDs); and expansion of the tax base through the implementation of measures aimed at formalization of businesses operating in the informal sector. Other administrative interventions will address structural reforms within the tax administration, including implementation of Taxpayer Segmentation, Enterprise-Wide Risk Management System, Modernization of Customs and Information Communication Technology (ICT) Strategy.

Non Tax Revenue

69) Non-Tax revenue collection for the past five years has been on downward trend. During the fiscal year 2011/12, the non-tax revenue excluding LGAs own sources was 97 of the estimates while LGAs own sources was equivalent to 45 percent of estimates. In the medium term the revenue collections from non tax revenue is expected to increase from 1.3 percent of GDP in 2012/13 to 1.5 percent of GDP in 2015/16. In order to improve non tax revenue collection, the government will continue to undertake policy reform measures and strengthen the capacity of MDAs and LGAs to efficiently and effectively to administer revenue collections.

Foreign Resources

70) Based on development partners' pledges and projections, foreign resources will be in the form of grants and loans, mainly General Budget support, Baskets and Projects. Funding modalities are expected to be aligned with national priorities, strategies and programmes and rely on government structures for implementation. MDAs, Regions and LGAs are encouraged to align their budgets with the three modalities.

Domestic Financing and Borrowing

71) The overall deficit after grants is projected to be reduced to 4.8 percent of GDP in 2013/14 from 5.5 percent in 2012/13. The projected deficit is in line with Government objective of maintaining macroeconomic stability and is expected to be financed by both concessional and non-concessional loans. In the medium term, the government will continue to borrow from non concessional source to finance its Five Year Development Plan I. In 2013/14 non concessional borrowing is fixed at 2.7 percent of GDP. The proceeds from non-concessional borrowing are intended to be used solely to support infrastructure development projects. In recognition of risks associated with non concessional borrowing and sensitivity of loan terms to the national debt sustainability, the Government will ensure that non concessional borrowing decisions will be made within the framework of Debt Management Strategy and a public investment management to maximize returns on investments.

72) The Government also intends to continue borrowing from the domestic market in order to finance its development projects. Domestic borrowing will be undertaken through issuance of Government securities. In order to minimize crowding out of the private sector in the credit market, net domestic financing in the medium term would remain at 1 percent of GDP despite the increased demand of the Government bonds.

Public-Private Partnership (PPP)

73) Given financial resources constraint to finance the requirements of the Five Year Development Plan 2011/12-2015/16, the Government decided to increase cooperation with private sector for the development and operation of infrastructure for a wide range of economic activities. For this reason, the Government has recognized the importance of PPP and thus, has developed an effective legal and institutional framework to spearhead establishment and implementation of PPP projects in the country. The PPP Act 2010 has been passed and associated regulations developed. Under this Act, two PPP Units have been set up, a coordination unit in the Tanzania Investment Center (TIC) and another

Unit at the MoF to spearhead evaluation of PPP proposals and therefore, limit fiscal risk.

74) To ensure that value for money is realized, the Government has prepared operational manual, assessment and appraisal manual to be used by the PPP Units in processing projects. The PPP operational manual is intended to help MDAs, RSs and LGAs in preparing bankable projects while the assessment and appraisal manual intends to help the MoF in managing fiscal risks in PPP projects through analyzing, assessing, and appraising projects. Proper involvement of Private sector in the provision of public services is expected to provide additional capital, alternative management and skills and optimal use of resources available in the country to increase the quality and efficiency of public services needs.

75) The Government strongly encourages private sector participation in establishing PPP projects in all sectors in line with the existing legal and regulatory frameworks. Indeed, the PPP financing mechanism may include among others, management contracts, leasing contracts, and concession contracts. This participation may include the following PPP arrangements:

- (i) Build-Own Operate (BOO) whereby a private entity will construct and operate a facility for performing public services without transferring ownership of the facility to the public agency;
- (ii) Build-Own-Operate-Transfer (BOOT) mechanism, under the BOOT arrangement, a private entity receives a franchise from the government to finance, design, builds and operates a facility/economic infrastructure (roads, railways, bridges and pipelines) and also charges user fees on such infrastructure for a specific period, before ownership reverts to the public sector at the end of the specified period of time as per agreement;
- (iii) Design-Build-Operate (DBO) whereby a single contract is awarded for the design, construction and operation of a public facility with title to the facility remaining with the public sector; and
- (iv) Build-Develop-Operate (BDO), under these partnership arrangements, the private party leases or buys an existing facility from a public agency,

invests its own capital to renovate, modernizes or expands the facility, and then operates it under a contract.

76) Currently, the Government through the PPP Coordinating Unit at the Tanzania Investment Center is soliciting potential PPP projects from contracting authorities in the sectors of transport, roads, health, water and education.

Expenditure Framework for Financial Year 2013/14 – 2015/16

77) Development expenditure will be guided by the Five Year Development Plan I. Total expenditure is estimated at 30.1 percent of GDP in 2013/14. Throughout the medium term, the government is committed to aligning expenditure with resource availability, both from domestic and external sources. The wages and salary bill (excluding parastatals) will decline from 6.5 percent of GDP in 2012/13 to 6.1 percent of GDP in 2015/16. Public sector employment is expected to expand no faster than in 2012/13, while wage and salary increases would be somewhat lower than the average for recent years, consistent with plans to reduce underlying inflation. Non-wage, non-interest recurrent spending will increase to 6.1 percent of GDP in the medium term, higher than the 2012/13 budget of 5.3 percent of GDP. However, the Government is continuing its policy of tightening low-priority spending. Domestically-financed development spending is expected to be maintained at the same level as in the 2012/13 budget of 4.7 percent of GDP.

78) In view of the above, total outlay is expected to increase in nominal terms to align with resource availability. In order to sustain financing core government activities in the next fiscal year, the Government will continue pursuing austerity measures to curtail recurrent expenditure in favour of financing development spending. **Table 5 (5.1&5.2)** portrays an anticipated Budget Frame for 2013/14-15/16.

Table 5.1: BUDGET FRAME FOR 2013/14 - 2015/16 (ACCOUNTING)				
In million shillings				
	2012/13	2013/14	2014/15	2015/16
	FINAL BUDGET	BUDGET	BUDGET	BUDGET
I. TOTAL RESOURCES	15,191,944	16,714,748	17,292,494	19,319,298
Domestic revenue	8,786,971	10,308,148	11,958,030	14,182,324
o/w TRA collection	8,070,088	9,551,718	11,062,780	13,109,348
o/w Non Tax Revenue	644,582	756,430	895,250	1,072,976
LGAs Own Sources	362,206	425,056	503,062	602,930
Programme loan and grants	842,487	832,901	811,403	811,403
Project loans and grants	1,465,461	1,447,450	1,187,026	828,367
Basket Support Loans	159,220	114,000	53,600	40,200
Basket Support Grants	255,916	173,500	138,800	104,100
HIPC relief-Multilateral	0	0	0	0
MDRI (IMF)	0	0	0	0
MCC (MCA-T)	433,634	64,208	0	0
Domestic Borrowing (Rollover)	1,148,107	1,414,773	1,148,107	1,148,107
Bank Borrowing	483,851	554,481	632,448	720,349
Adjustment to cash	0	0	0	0
Non-Concessional borrowing	1,254,092	1,380,231	860,018	881,518
Financing Gap	0	0	0	0
II. TOTAL EXPENDITURE	15,191,944	16,714,748	17,292,494	19,319,298
RECURRENT EXPENDITURE	10,591,805	11,322,659	12,746,984	14,384,330
CFS	2,745,056	3,393,350	3,399,595	3,507,127
Debt service	1,934,915	2,546,288	2,510,180	2,573,241
Interest	555,216	741,082	796,483	810,977
Amortization	1,379,698	1,805,206	1,713,697	1,762,265
o/w Rollover	1,148,107	1,414,773	1,148,107	1,148,107
Others	810,141	847,062	889,415	933,886
Recurrent Exp (excl. CFS)	7,846,749	7,929,309	9,347,389	10,877,203
o/w Salaries & wages	3,147,063	3,524,710	3,947,676	4,421,397
Designated Items	379,790	417,726	475,294	552,842
Parastatal PE	634,037	729,143	682,333	729,143
LGAs Own Sources	362,206	425,056	503,062	602,930
Rescue Package	0	0	0	0
Other Charges	3,323,653	2,832,675	3,739,025	4,570,891
DEVELOPMENT EXPENDITURE	4,600,139	5,392,089	4,545,510	4,934,968
Local	2,285,908	3,592,931	3,166,085	3,962,301
o/w Counterpart fund for MCA-T	111,694	111,694	111,694	111,694
o/w Fuel Levy	0	0	0	0
o/w Road Construction Fund	0	0	0	0
o/w Generator - 60MW, MWANZA	0	0	0	0
o/w Ruvu Chini Water Pipeline	116,247	0	0	0
Other	1,985,667	3,481,237	3,054,391	3,850,607
Foreign	2,314,231	1,799,159	1,379,426	972,667
o/w MCC (MCA-T)	433,634	64,208	0	0

Table 5.2: BUDGET FRAME FOR 2013/14 - 2015/16(AACCOUNTING) AS % OF GDP				
	2012/13	2013/14	2014/15	2015/16
	FINAL BUDGET	BUDGET	BUDGET	BUDGET
I. TOTAL RESOURCES	31.4%	30.1%	27.3%	26.8%
Domestic revenue	18.2%	18.6%	18.9%	19.7%
o/w TRA collection	16.7%	17.2%	17.5%	18.2%
o/w Non Tax Revenue	1.3%	1.4%	1.4%	1.5%
LGAs Own Sources	0.7%	0.8%	0.8%	0.8%
Programme loan and grants	1.7%	1.5%	1.3%	1.1%
Project loans and grants	3.0%	2.6%	1.9%	1.1%
Basket Support Loans	0.3%	0.2%	0.1%	0.1%
Basket Support Grants	0.5%	0.3%	0.2%	0.1%
HIPC relief-Multilateral	0.0%	0.0%	0.0%	0.0%
MDRI (IMF)	0.0%	0.0%	0.0%	0.0%
MCC (MCA-T)	0.9%	0.1%	0.0%	0.0%
Domestic Borrowing (Rollover)	2.4%	2.6%	1.8%	1.6%
Bank Borrowing	1.0%	1.0%	1.0%	1.0%
Adjustment to cash	0.0%	0.0%	0.0%	0.0%
Non-Concessional borrowing	2.6%	2.5%	1.4%	1.2%
Financing Gap	0.0%	0.0%	0.0%	0.0%
II. TOTAL EXPENDITURE	31.4%	30.1%	27.3%	26.8%
RECURRENT EXPENDITURE	21.9%	20.4%	20.2%	20.0%
CFS	5.7%	6.1%	5.4%	4.9%
Debt service	4.0%	4.6%	4.0%	3.6%
Interest	1.1%	1.3%	1.3%	1.1%
Amortization	2.9%	3.3%	2.7%	2.4%
o/w Rollover	2.4%	2.6%	1.8%	1.6%
Others	1.7%	1.5%	1.4%	1.3%
Recurrent Exp (excl. CFS)	16.2%	14.3%	14.8%	15.1%
o/w Salaries & wages	6.5%	6.4%	6.2%	6.1%
Designated Items	0.8%	0.8%	0.8%	0.8%
Parastatal PE	1.3%	1.3%	1.1%	1.0%
LGAs Own Sources	0.7%	0.8%	0.8%	0.8%
Rescue Package	0.0%	0.0%	0.0%	0.0%
Other Charges	6.9%	5.1%	5.9%	6.3%
DEVELOPMENT EXPENDITURE	9.5%	9.7%	7.2%	6.9%
Local	4.7%	6.5%	5.0%	5.5%
o/w Counterpart fund for MCA-T	0.2%	0.2%	0.2%	0.2%
o/w Fuel Levy	0.0%	0.0%	0.0%	0.0%
o/w Road Construction Fund	0.0%	0.0%	0.0%	0.0%
o/w Generator - 60MW, MWANZA	0.0%	0.0%	0.0%	0.0%
o/w Ruw Chini Water Pipeline	0.2%	0.0%	0.0%	0.0%
Other	4.1%	6.3%	4.8%	5.3%
Foreign	4.8%	3.2%	2.2%	1.4%
o/w MCC (MCA-T)	0.9%	0.1%	0.0%	0.0%

CHAPTER IV: REVIEW OF THE PUBLIC SECTOR REFORM PROGRAMMES

Introduction

79) This Annex undertakes a review of the public sector reform programmes focusing on their achievements, challenges and the way forward for each of them. These programmes which are been reviewed hereunder are; Public Service Reform Programme II (PSRP II), Local Government Reform Programme II (LGRP II), Legal Sector Reform Programme (LSRP), National Anti-Corruption Strategy and Action Plan II (NACSAP II), Roadmap on the improvement of the investment climate in Tanzania, Public Financial Management Reform Programme III (PFMRP III), and the Financial Sector Support Programme II (FSP II). In reviewing these programmes, implementation of the policy of Decentralization by Devolution (D by D) will be taken into account.

Public Service Reform Programme

80) The Public Service Reform Programme Phase II (PSRP II) seeks to enhance the capacity, responsive performance and accountability of Ministries, Departments, Agencies, Regions and LGAs in the use of public resources. It also focuses on delivery of public goods and services, consistent with timely and effective implementation of the Five year Development Plan (FYDP) and the National Strategy for Growth and Reduction of Poverty (MKUKUTA). During the financial year 2011/12 the PSRP II registered some achievements and encountered challenges as follows:

Achievements:

- (v) A National Policy Team constituting 24 policy Analysts has been established and trained on evidence based Policy Formulation, Management and Analysis;
- (vi) Four Executive Agencies were established (Fisheries Education Training Agency - FETA, Livestock Training Agency - LITA, Tanzania Global Learning Agency - TaGLA and Tanzania Veterinary Laboratory Agency - TVLA);
- (vii) Complaints Handling Mechanism operationalized in 8 MDAs (Ministry of Home Affairs; Ministry of Lands, Housing and Human Settlements

- Development; Ministry of Health and Social Welfare; PO- PSM, PMO - RALG, Tanzania Food and Drugs Authority, President's Office- Public Service Recruitment Secretariat and Ministry of Education and Vocational Training) as per the plan;
- (viii) Training on results based management was conducted to 60 District Administrative Secretaries;
 - (ix) Human Capital Management Information System (HCMIS) was rollout and operationalized in 347 MDAs and LGAs (29 Ministries, 141 Independent Departments, 21 RS, 126 LGAs, 26 Higher Learning Institutions and 4 Referral Hospitals). A total of 694 Human Resources Officers were trained on the use of HCMIS;
 - (x) Construction of National Records Centre in Dodoma has been completed by 95 percent; and
 - (xi) Assessment of Performance Management Systems (PMS) tools Utilization was conducted in 18 MDAs.

Challenges:

- (i) Expediting implementation of the upgraded HCMIS and harmonising stand-alone MIS in some MDAs;
- (ii) Ensuring compliance to the application of the PMS tool to enhance responsiveness and accountability in public services;
- (iii) Enhancing awareness to Human Resources Policies, Acts, Regulations and Guidelines;
- (iv) Attracting and retaining appropriately qualified human resources in the public service particularly in underserved areas; and
- (v) Developing ICT capacity in the public service.

Local Government Reform Programme

81) The Local Government Reform Programme Phase II (LGRP II) aims at empowering people through their LGAs, by facilitating them to participate in planning and enabling them to make and implement decisions in line with locally determined priorities using financial, human and other resources which should be under their control. This arrangement will enable the LGAs to perform their

functions and responsibilities economically, efficiently and effectively thus hastening the process of D by D at the local level. During the financial year 2011/12 the PSRP II registered some achievements and encountered challenges as follows:

Achievements:

82) Annual Assessment to 133 LGAs using Assessment Manual of November 2010 was conducted. The results facilitated the adjustment of the LGAs LGDG funds for the financial year 2012/13 to be based on individual LGAs performance;

- (i) Stepping up enforcement and rule of law following development of a manual for by-laws and dissemination of 20,000 copies thereof to Lower Local Government Authorities;
- (ii) Enhancement of capacity of 494 Village and Mitaa Executive Officers in 19 LGAs through training them on financial management;
- (iii) A total 50 vehicles for the Internal Audit Units to enhance internal controls on financial management and service delivery as well as Value for Money Audit were procured;
- (iv) Engendering more robust public financial management at the local level by operating only six bank accounts and linking 133 LGAs to the centralized Epicor-based Integrated Financial Management Information System (IFMIS);
- (v) Councilors in 133 LGAs were trained on their roles, responsibilities and working relationship with executives;
- (vi) Enhancement of predictability on the availability of development funds as attested by the LGDG system Medium Term Review report of October 2011; and
- (vii) Improvement of service delivery following completion of construction and rehabilitation of various infrastructural projects mainly in the sectors of education and health.

Challenges:

Challenges encountered during the implementation of LGRP II are the following:

- (i) Expediting review and amendment of policies and laws to make them D by D compliant;
- (ii) Ensuring consistent application of agreed formulae in the allocation of funds to engender more transparency, predictability and equity in development across the country;
- (iii) Enforcing accurate, consistent and timely submission of physical implementation reports through the Council Development Report (CDR) forms;
- (iv) Reducing LGAs' dependency on Central Government for funding of purely local services;
- (v) Strengthening the M&E system especially the functionality of the Local Government Management Data-base (LGMD) to gauge the status of service delivery in each LGA; and
- (vi) Ensuring that LGDG system become the main mechanism for channelling development funds to the LGAs by June 2013.

Legal Sector Reform Programme

83) The Legal Sector Reform Programme Phase II (LSRP II) focuses on increasing efficiency in the administration of justice; improving knowledge and skills of legal professionals; and increasing access to justice especially for the poor. During the financial year 2011/12 the PSRP II registered some achievements and encountered challenges as follows:

Achievements:

- (i) Quickened retrieval of case files due to establishment of a modern case filing system in the High Court in Dar Es Salaam zone as a pilot case;
- (ii) Speeded up prosecution process following the establishment of four prosecution offices in Morogoro, Njombe, Manyara and Kigoma regions as well as two such offices in Monduli and Temeke districts;

- (iii) Strengthened capacity of investigation skills as a result of training that was provided to 277 Police Officers in new forms of crimes (offences against person, financial and property offences, piracy and cyber-crime);
- (iv) Improvement of justice for juvenile and Gender through issuance of guidelines for operationalization of Gender and Children desks;
- (v) Enhancement of access to justice through provision of free legal aid services in 10 Regions (Mwanza, Tabora, Arusha, Kilimanjaro, Dodoma, Tanga, Dar es Salaam, Kigoma, Singida and Mbeya) as planned; and
- (vi) Drawing judiciary services closer to the people through construction of four Primary Courts in Berreko and Bassotu in Manyara Region, Mafia in Coast Region and Mabamba Kigoma.

Challenges:

- (i) Enhancing legal aid through establishment of Legal Aid Groups and centers in Regions districts and wards and disseminate legal information.
- (ii) Expediting the use of ICT in case file management
- (iii) Ensuring sustainability of the achievements from the LSRP;
- (iv) Enhancing credibility of the judiciary and the police force; and
- (v) Expediting translation of laws into Kiswahili for wider understanding of the laws.

Public Financial Management Reform Programme

84) The Public Financial Management Reform Programme Phase III (PFMRP III) which was launched in 2008 for implementation through 2011 was extended to June 2012 to enable preparation of Phase IV. During the financial year 2011/12 the PSRP II registered some achievements and encountered challenges as follows:

Achievements:

- (i) Strengthened control and management of foreign aid resources through rolling out of Aid Management Platform to all MDAs;

- (ii) Enhancement of budget transparency through publishing Citizen`s Budget 2011/2012 document in simple English and Kiswahili Versions;
- (iii) Strengthened budgeting process by updating SBAS software to accommodate the requirements of Five Year Plan;
- (iv) Strengthened capacity of staff in MDAs, RSs and LGAs in the aspects of Cash Management, Electronic Funds Transfer (EFT) and Tanzania Interbank Settlement System (TISS), Risk based Audit, basic corruption detection techniques in public procurement, value for money audit, and the basic techniques and methodology for carrying out forensic audit, and International Public Sector Accounting Standards (IPSAS);
- (v) Improvement in working environment in Shinyanga and Kilimanjaro following construction of regional offices for the National Audit Office of Tanzania (NAOT); and
- (vi) Enhancement in capacity to Members of the Parliamentary oversight Committees (PAC, POAC, LAAC) on interrogation skills and understanding of the CAG reports.

Challenges:

- (i) Ensuring adherence to the Procurement Act and its Regulations;
- (ii) Harmonization of existing laws and regulations to ensure maximization of government revenue collection particularly on non-tax revenue; and
- (iii) Ensuring capacity at LGAs level with respect to financial management.

Financial Sector Reform Programme

85) Second Generation of Financial Sector Reform (SGFSR) was launched in 2001 and is expected to be completed in January 2013. The SGFSR has been addressing broad issues on policy, legislative, regulatory and administrative actions. The key priority areas identified and put into practice include, strengthening the Banking Sector, Developing Financial Markets, Reforming the Pensions Sector, and Strengthening the Insurance Industry, facilitating the Provision of Long Term Development Finance, and Strengthening Micro and Rural

Finance. During the financial year 2011/12 the PSRP II registered some achievements and encountered challenges as follows:

Achievements:

- (i) Strengthened the capacity of the National Board of Accountants and Auditors (NBAA) to enforce compliance with the international standards on auditing, accounting and education;
- (ii) Strengthened capacity for Financial Intelligence Unit, Police Force and Office of the Directorate of Public Prosecution and BOT Examiners in the aspects of Risk Based Supervision Framework, International Financial Reporting Standards (IFRS), Capital Adequacy asset quality Management Earnings Liquidity Security to market (CAMELS), Financial Soundness Indicators (FSIs), Financial Stability Analysis, Early Warning System, Stress Testing and Anti-Money Laundering (AML);
- (iii) Strengthened capacity of staff of Capital Market Security Authority (CMSA), Bank of Tanzania (BOT) and Dar es Salaam Stock Exchange (DSE) in developing the secondary market for money and Government securities;
- (iv) Enhancement of long-term financing through establishment of policy framework, legal and institutional infrastructure and establishment of Tanzania Agriculture Development Bank; and
- (v) Promotion of Rural Financial Services following the development of its National Financial Literacy Framework.

Challenges:

- (i) Harmonization of policy, legal and regulatory frameworks for market oriented financial sector and bank operations; and
- (ii) Expediting harmonization of legal and regulatory frameworks for Social Security Schemes.

National Anti-Corruption Strategy and Action Plan

86) The NACSAP II which was implemented from 2008 through June 2012 aimed at restoring integrity in the management of public resources and national ethos in MDAs, RSs, LGAs, CSOs, and NSAs. NACSAP II is being evaluated to pave the way for formulating NACSAP III. During the financial year 2011/12 the PSRP II registered some achievements and encountered challenges as follows:

Achievements:

- (i) Enhancement of capacity to fight corruption to 259 government and 90 Private Sector Officials as well as 77 representatives of Faith Based Organizations, and 75 representatives from the Media;
- (ii) Raised public awareness on ethics and anti-corruption issues; and
- (iii) Enhancement of responsiveness to public complaints and demands through establishment of Complaints Handling Desks in Police Stations.

Challenges:

- (i) Expediting mutual legal assistance on matters that are over and beyond domestic Jurisdiction;
- (ii) Coping with technological advancement especially in handling ICT related crimes;
- (iii) Enhancing capacity of watchdogs, oversight institutions and Non State Actors to actively participate in the fight against corruption; and
- (iv) Strengthen the capacity of disciplinary authorities to expeditiously deal and dispose charges facing public officials.

The Roadmap on the Investment Climate Improvement in Tanzania

87) In July 2010, the Government approved the "Roadmap for Improvement of Business Environment and Investment Climate in Tanzania". Implementation of the Roadmap is intended to increase the pace of the ongoing regulatory reforms. The Roadmap identified procedures and compliance requirements in terms of policy, statutory or administrative in nature of its standing mandate. During the

financial year 2011/12 the PSRP II registered some achievements and encountered challenges as follows:

Achievements:

- (i) Improved access and retrieval of Certificates for Business Names and Companies following automation of registration systems;
- (ii) Enhancement of business environment following review of the businesses Activities Registration Act, 2007 which accommodate administrative costs for collection of license fees as well as the mandate of the Minister for Finance in June, 2011;
- (iii) Expediting business processes following amendments of 4 important Regulatory Licensing Acts which include Business Names (Registration) Act (Cap. 213), Companies Act (Cap 212) of 2002, Tanzania Trade Development Authority Act (Cap 155) and Merchandise Act (Cap 85);
- (iv) Scanned, indexed and digitized 85,059 Company Registry files and 178,738 Business Names Registry which have never been undertaken;
- (v) Reduction in time of registration of companies and business names to a maximum of 3 days;
- (vi) Establishment of electronic banking facility where customers are able to pay fees directly to the designated banks;
- (vii) Insolvency Rules of the Company Act 2002 has been gazetted and are ready for use in guiding dissolution of companies;
- (viii) Creation of one – stop centre at LGA level for the purpose of issuance of building permits under one roof;
- (ix) Improved record management whereby retrieval of land records takes 1 day instead of 5 days and the final processes of registering property have been reduced from 14 days to 9 days;
- (x) The Ministry of Lands Housing and Human Settlements Development concluded 1884 cases out of 2250 target of cases in District Land and Housing Tribunals during the period under review;
- (xi) Strengthened security following establishment of the Cargo Clearance elaborating manual of the Tanzania's borders;

- (xii) Establishment of One top centre" service delivery concept at Dar es Salaam port;
- (xiii) Enhancement of the border trading following construction of one stop border posts including furnishing of equipment and ICT systems at Tunduma/Nakonde and Kabanga/Kobero;
- (xiv) Improvement in coordination by installation of Integrated Border Management (IMB) system at Mutukula;
- (xv) Removing barrier of demanding a copy of valid insurance cover note/ certificate of road worthiness by TRA during re-licensing of the motor vehicle; and
- (xvi) Strengthened payment security following testing of e-payment tax system (ASY-BANK). Currently, three banks namely Diamond Trust Bank, Eco-Bank and Exim Bank have successfully tested system interface with TRA.

Challenges:

- (i) Ensuring effective collaboration among implementing MDAs;
- (ii) Ensuring physical follow up as part of Monitoring and Evaluation framework;
- (iii) Changing mindset of business community in doing business as usual in the wake of technological advancement; and
- (iv) Creating awareness to private sector in all reform areas marked under the Government Roadmap for Improvement of the Investment Climate.

CHAPTER V: PLAN AND BUDGET SUBMISSION, IMPLEMENTATION AND REPORTING FORMAT

Introduction

88) This part provides information and standard formats to MDAs, RSs, LGAs and PIs regarding preparation, submission, implementation, monitoring and evaluation as well as performance reporting of their plans and budgets for 2013/14 – 2015/16 as per the Public Finance Regulations, 2001 No. 37 - 45. Detail information is found in the Medium Term Strategic Planning and Budgeting Manual (MTSPBM), MoF website (www.mof.go.tz), PMO-RALG website (www.pmoralg.go.tz), as well as SBAS and PLANREP operational manuals.

Plan and Budget Preparation

Strategic Plan

89) During planning stage MDAs, RSs, LGAs and PIs are urged to adhere to their strategic plans (SPs) which detail institution's direction and prioritize actions to be undertaken annually. LGAs plans should incorporate villages/mitaa priorities drawn through an Opportunity and Obstacles to Development (O&OD) approach. Accounting Officers should ensure situation and SWOC analyses have been effectively undertaken by involving key stakeholders in order to raise ownership of the plan.

Medium Term Expenditure Framework

90) Institutional budgets for 2013/14 – 2015/16 should be prepared in conformity with respective strategic plans and aligned to core functions, national priorities, institutional strategies and resources set. Based on this approach, MDAs, RSs, LGAs and PIs should prepare Medium Term Expenditure Framework (MTEF) documents which show revenue and expenditure (recurrent and development) budgets for 2013/14 and intended projections for 2014/15 and 2015/16. In addition, MTEF budgets should use proper coding and respective descriptions registered by the Government.

Revenue

91) Revenue estimates should explore all potential sources which fall under the vote's mandate including those retained by respective institutions. Each MDA, RS, LGA and PI which mobilizes revenue should fill Form No. 4 as shown in this annex. In this regard, institutions should review their performance for the previous fiscal year and the first half of the current year while systematically conducting SWOC analysis for effective revenue management and institute appropriate measures by 1st July, 2013.

Expenditure

92) Expenditure estimates should be prepared in two categories of recurrent and development. Recurrent expenditure consists of Personnel Emoluments (PE) and Other Charges (OC) while development covers both local and foreign funds.

i) Personnel Emoluments

93) In planning for PE estimates, MDAs, RSs, LGAs, and PIs should prepare and submit their budgets in conformity with relevant Acts, Regulations, and Circulars provided by Permanent Secretary Establishments and the Treasury Registrar. With effect from 2013/14 the PE estimates will be prepared electronically through the Human Capital Management Information System (HCMIS) and submitted to PO-PSM and Treasury Registrar not later than November, 2012.

94) PE estimates should take into account all aspects of employees' remuneration including statutory contributions such as PSPF, PPF, NSSF, GEPF, LAPF and NHIF. In addition, employers' contributions to social security schemes should be included as separate items. All this information should be shown in Form No. 8. Meanwhile, preparation of PE estimates should be guided by approved establishment and presented in Form No. 9 shown in this Annex.

95) Estimates for PE should be prepared on the basis that no virement shall be permitted either into or out of the sub vote during the course of the year by considering the following:

- a) Use accurate human resource information as of October 2012 status on approved structure and establishment;

- b) Ministries and Regional Secretariats should coordinate PE estimates and provide technical advice to PIs 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.

ii) Other Charges

96) In preparing OC estimates, MDAs, RSs, LGAs and PIs should align objectives and targets with national planning frameworks namely FYDP, MKUKUTA II, PAF and Ruling Party Manifesto. Furthermore, all activities should be prioritized and costed within the approved ceiling by using Form No. 3B and 3C as appropriate.

iii) Development

97) During the preparation of development estimates MDAs, RSs, LGAs and PIs should ensure that the respective project write-ups/documents are in place and liaise with PO-PC to ensure if they align to national priorities. Ongoing and new development projects should be submitted to PO-PC for approval before submitted to MOF for budgeting. Further, in order to determine credible project proposals for funding, PO-PC will develop comprehensive criteria/manual for guiding MDAs, RSs and LGAs to prepare standard projects proposals that will include a definition of development project. Conceptionally, human capital investment including training/skills development is classified as development expenditure. Other items classified as development expenditure including maintenance and rehabilitation of roads and buildings; procurement of vehicles and computers. However, over the past years these outlays are not captured as part of development expenditure category.

98) MDAs, RSs and LGAs which implement strategic projects of the FYDP will fill Form No. 10B (FYDP's project information and performance assessment) as shown in this Annex. For 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).

Budget Submission Forms

99) MDAs, RSs LGAs and PIs should submit MTEF documents using standard format (MTEF Presentation Format). In that regard, chapter 1 – 3 with appropriate forms (Forms No. 1-10C) should be filled properly and timely submitted to MoF (five copies) and PO-PC (two copies). In addition, RSs and LGAs should submit two copies of MTEF document to PMO-RALG while Public Institutions should submit three copies to the Treasury Registrar. The MTEF presentation format is shown as follows:

MTEF PRESENTATION FORMAT FOR 2013/14 – 2015/16	
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 – 2011/12
2.1.1	Annual Approved Revenue Vs Actual
2.1.2	Annual Approved Expenditure Vs Actual
2.1.3	Summary of Planned Targets Vs Main Achievements
2.2	Mid Year Review – 2012/13
2.2.1	Annual Approved Revenue Vs Actual
2.2.2	Annual Expenditure Vs Actual
2.2.3	Summary of MTEF targets Vs Main Achievements
2.3	Challenges Experienced and Future Strategies (2012/13)
Chapter 3: Estimates for MTEF (2013/14 – 2015/16)	
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)

<p>3.11 Item II – Summary of Existing Employees Not on Payroll (Form 8D)</p> <p>3.12 Item III – Summary of New Employees to be Recruited (Form 8E)</p> <p>3.13 Employees to be retired (Form Na. 8F)</p> <p>3.14 Schedule of Personal Emoluments Establishment and Strength (Form 9)</p> <p>3.15 Project Profile Data Form (Form 10A)</p> <p>3.16 FYDP’s Project Information and Performance Assessment (Form 10B)</p> <p>3.17 Summary of Project Forward Budget Estimates All Sources (Form 10C)</p>

Operational Planning Forms

100) During the Plan and Budget execution MDAs, RSs and LGAs are obliged to timely provide accurate and reliable information to the public regarding resources and activities to be undertaken throughout 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) and Form No. 14B (annual action plan) as shown in this Annex. In addition, Form No. 14B (D) has been modified to provide detailed information on implementation of milestones for development activities in order to raise transparency, accountability and accuracy in resource utilization. Properly filled forms should be submitted to the President’s Office, Planning Commission and the Ministry of Finance before 1st July in order to be used during the allocation and release of resources.

Performance Reporting Forms

101) In order to improve the scope and quality of progress reports consistent with MTSPBM requirement and to better link reports to Strategic Plans, Five Year Development Plan I and the MKUKUTA II, implementing agencies are obliged to report, in more detail, on their performance against plans. In the process of reporting results, the Monitoring and Evaluation (M&E) techniques will be needed to collect, manage, analyze, and interpret data. This will include the definition of key performance indicators, collection of indicator data, and the undertaking of analytical or evaluative studies.

102) All quarterly reports should provide, among others, the introduction, progress of milestone/priority interventions, emerging issues and constraints, remedial actions and the forms No. 12 and 13 duly filled. Furthermore, all LGAs should fill form Na. 13C1 – C5 (Council Development Reports and Financial Reporting Forms) as shown in this Annex. In this context, MDAs, RSs LGAs and

PIs are required to submit their Quarterly and Annual Performance Reports in conformity with the format provided in this Annex. The structure of quarterly progress report is shown as follows.

STRUCTURE OF THE QUARTERLY REPORT	
I.	Title/cover page
II.	Table of contents
III.	Main body
	<ul style="list-style-type: none"> • <i>Introduction</i> • <i>Overview of Implementation of Milestones/Priority Interventions:</i> • 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. • <i>Issues and Constraints:</i> • 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. • <i>Remedial Actions</i>
IV.	** Summary of budget variations and their justification (for Quarter II only)
V.	Annex and Tables
	<ul style="list-style-type: none"> • 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	

The Annual Performance Report

103) Accounting officers are obliged to inform the public, through published Annual Performance Reports. The reports should consist of major achievements in terms of the targets reached and the progress realized during the period. The report should also address performance of revenue and expenditure as well as human resources status. The report should be published and submitted to PO-PC, PO-PSM, PMO, PMO-RALG (for LGAs and RSs) and MOF by 31st August of each financial year. The structure of the Annual Performance Report should be prepared in the format shown as follows:

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

Description		Actual 2011/12	Approved Budget Estimates 2012/13	Annual Budget Estimates 2013/14	Forward Budget Estimates 2014/15	Forward Budget Estimates 2015/16
1		2	3	4	5	6
1. Revenue Estimates	Government grant					
	Own Source					
	Other Sources					
TOTAL REVENUE						
2. Recurrent Expenditure	PE	PE for Vote proper				
		PE Subvention				
	Total PE					
	OC	OC for Vote Proper				
		OC Subvention				
Total OC						
Total Recurrent Expenditure						
3. Development Expenditure	Govt. Funds					
	Foreign Funds					
	Other Funds					
Total Development Expenditure						
TOTAL EXPENDITURE						

Note: Total Revenue = Total Expenditure
 Total Expenditure = Total Recurrent Expenditure + Total Development Expenditure
 Total recurrent expenditure = Total PE + Total OC
 Total PE = PE for vote proper + PE subvention
 Total OC = OC for vote proper + OC subvention
 Total Dev = Govt. Funds + Foreign Funds + 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:
 SUB-VOTE CODE:
 OBJECTIVE NO:
 TARGET CODE:

VOTE NAME
 SUB-VOTE NAME
 OBJECTIVE DESCRIPTION:.....
 TARGET DESCRIPTION:.....

FYDP 1
 NSGRP II
 Other } Tick (√)

Segment 2 Code and Description	Segment 4 (GFS Code)	Required Inputs			Annual Budget Estimates		Forward Budget Estimates		Forward Budget Estimates	
		Segment 4 Description (GFS Code Description)	Unit of Measur e	Unit cost of Inputs	Y ₀		Y ₀₊₁		Y ₀₊₂	
1	2	3	4	5	No of Unit s	Estimat es	No of Unit s	Estimat es	No of Unit s	Estimat es
Total TShs.....										

Notes

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

FORM 3C: RECURRENT EXPENDITURE SUMMARY OF DRAFT ESTIMATES

VOTE:

VOTE NAME

SUB-VOTE CODE:

SUB-VOTE NAME

Segment 4 (GFS Code)	Segment 4 Description (GFS Code Description)	Actual Budget <small>Y₀₋₂</small>	Approved Budget Estimates <small>Y₀₋₁</small>	Annual Budget Estimates <small>Y₀</small>	Forward Budget Estimates <small>Y₀₊₁</small>	Forward Budget Estimates <small>Y₀₊₂</small>
(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 <small>Y₀₋₂</small>	Approved Estimates <small>Y₀₋₁</small>	Draft Estimates <small>Y₀</small>	Forward Budget <small>Y₀₊₁</small>	Forward Budget <small>Y₀₊₂</small>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Total of Sub- Vote					
	TOTAL OF VOTE					

Notes:

Y₀ = Current Financial Year

Y₀₋₁ = Previous financial year (last Financial Year)

Y₀₋₂ = 2 Previous years (2 years back)

Y₀₊₁ = Forward Budget (Next year)

Y₀₊₂ = Forward Budget (next 2 years)

FORM 6: DEVELOPMENT EXPENDITURE DETAILS OF ANNUAL AND FORWARD BUDGET

VOTE:
 SUB-VOTE CODE:
 PROJECT CODE:
 OBJECTIVE NO:
 TARGET CODE:

VOTE NAME
 SUB-VOTE NAME
 PROJECT NAME :
 OBJECTIVE DESCRIPTION:.....
 TARGET DESCRIPTION:.....

FYDP I
 NSGRP II
 Other } Tick (✓)

(Seg. 2) Perform ance Budget Codes	Activitie s Descript ion	Segm ent 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	Forei gn	L/G	C/ D	Dono r	Tot al	Local	Forei gn	Total	Loca l	Forei gn	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total of Target															
Total of Project															
TOTAL OF SUB- VOTE															

Notes

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

FORM 7: INSTITUTIONAL RESULTS FRAMEWORK

VOTE:

VOTE NAME

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

Objective Code and Description	Indicator Name and description	BASELINE		INDICATOR TARGET VALUES (AS PER SP)			CLASSIFICATIONS					Source of Data / Means of verification
		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

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. 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 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, 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 10%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
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 Y₀

Column 6 Gives Total Sum of Columns 3 to 5

Column 13 Gives Total Sum of Columns 7 to 12

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 10%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	ITEM I												
	ITEM II												
	ITEM III												
	Sub Total												
	ITEM I												
	ITEM II												
	ITEM III												
	Sub Total												
Grand Total													

Notes

(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 Y₀

Column 7 Gives the total sum of Columns 4 to 6; **Column 14 Gives** the total sum of Columns 8 to 13

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 10%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
TOTAL												

Notes

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

Column 14– Gives the Total Sum of Columns 8 to 13

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 10%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
TOTAL												

Notes

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

Column 14 – Gives the Total Sum of Columns 8 to 13

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 10%	Health Insurance 3%	Total Deductions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
TOTAL										

Notes

Column 4 – Gives the Total Sum equals to Column 3

Column 11 – Gives the Total Sum of Columns 5 to 10

FORM. 8F: LIST OF EMPLOYEES TO BE RETIRED

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)

Y₀₋₂ = 2 Preceding years (2 years back)
 Y₀₋₁ = Previous year (last Financial Year)
 Y₀ = Current Financial Year

Y₀₊₁ = Forward Budget (Next year)
 Y₀₊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 schedule3
 Behind schedule4
 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 study1
 Project document2
 No Document3
 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:
Ministry1 Parastatal5
Region2 LGA6
Donor3 Agency4

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

Loan2

B10 Amount of Grant (Tshs.): _____

B11 Amount of Loan (Tshs.): _____

B12. Type of Disbursement:

Direct1

Cash2

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

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

<i>Project/Activity Name:</i>	The exact name of the assessed Project/Activity/Name as listed under investments it is associated with.
<i>Responsible Ministry</i>	Ministry under which Project/Activity is implemented
<i>Lead implementer</i>	Institution responsible for day to day management of the Project/Activity
<i>Contact Person(s):</i>	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

<i>Project /Activity Location</i>	Physical address of the Project/Activity
<i>Annual Target(s) for 2013/14:</i>	Stage(s)/steps of the project/activities expected to be completed/reached by end of FY 2013/14
<i>Target(s) for Each Quarter:</i>	Stage(s)/steps of the project/activity expected to be completed/reached by end of Quarter each quarter in FY 2013/14
<i>Achievements for</i>	Stage(s)/steps of the project/activity actually completed/reached by end of each Quarter in FY 2013/14
<i>Constraints:</i>	Any current or anticipated obstacle that is hindering or has potential to hinder the project/activity reaching its fruitful completion in the allocated time
<i>Remarks:</i>	<ul style="list-style-type: none"> • Proposals on how the identified constraints can be addressed • Any information deemed pertinent for the successful implementation and completion of the Project/Activity
<i>Target(s) for next/ following Quarter :</i>	Stage(s)/Steps of the project/activities expected to be completed /reached by end of next quarter

Information for Table B

Annual Budget 2013/14	Total Planned expenditure on the Project/Activity for FY 2013/14 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 2013/14 as well as a breakdown of expected source of funds to be used for the quarter

Funds Released for Q	Actual funds allocated to the Project/Activity for that Quarter and break down of the sources of the released funds.
Cumulative Expenditure	Total expenditure on the project/activity for up to that Q of FY and a breakdown of where the funds used were sourced.
Percent (Expenditure vs. 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	<ul style="list-style-type: none"> 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 2013/14	
Target(s) for Q	
Achèvements for Q	
Constraints	
Remarks	
Target(s) for next Q	

TABLE B: FINANCIAL ASSESSMENT

Item	Source of Fund	Million TShs.
Annual Budget 2012/13	Total	
	GOT	
	PPP	
	DPs	
	Others ¹	
Expenditure Approved for Quarter	Total	
	GOT	
	PPP	
	DPs	
	Others ¹	
Expenditure Released for Quarter	Total	
	GOT	
	PPP	
	DPs	
	Others ¹	
Cumulative Expenditure 2013/14	Total	
	GOT	
	PPP	
	DPs	
	Others ¹	

Item	Source of Fund	Million TShs.
Percent (Expenditure vs Budget 2013/14)	Total	
	GOT	
	PPP	
	DPs	
	Others ¹²	
Constraints		
Remarks		

¹ Please Identify this source of funds

² Please identify this source of funding

FORM 10C: SUMMARY OF PROJECT FORWARD BUDGET ESTIMATES AT 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
1	2	3	4	5
A: Government Funds: - Local				
- Foreign				
B: Other Sources				
- Special Funds				
- Own Funds				
- Bank Loans				
- Others				
TOTAL BUDGET ESTIMATES				

OPERATIONAL PLANNING FORMS PBF

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 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 2009"
- **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.

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

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 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.

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:
SUB-VOTE CODE:

VOTE NAME:
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

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 2011.”
- 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 2011.” 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 14B (D): ANNUAL ACTION PLAN FOR THE DEVELOPMENT BUDGET FOR THE FY

VOTE NO:
 SUB-VOTE NO:
 PROJECT CODE

VOTE NAME:
 SUB-VOTE NAME:
 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 2011.”
- 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 2011.” 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:
 SUB-VOTE NO:
 PROJECT CODE

VOTE NAME:
 SUB-VOTE NAME:
 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)

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 30 March 2011."

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.

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

VOTE: VOTE NAME

Period covered: Quarter ending In the FY

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

Notes

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

FORM 12C: OUTCOME INDICATOR MONITORING FORM

VOTE:

VOTE NAME

PERIOD: RESULTS AS OF THE END OF FINANCIAL YEAR

Objective and Code	Indicator Name and description	BASELINE		INDICATOR TARGET VALUES (AS PER SP)				ACTUAL INDICATOR VALUES				CLASSIFICATIONS					Source of Data / Means of verification	Comment
		Base-line Date	Baseline Indicator Value	y0	y+1	y+2	y+3	y0	y+1	y+2	y+3	FYP	MDG	M	P	R		
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)

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
<i>o/w Parking Fees</i>	-	-	-	-	0.0
<i>o/w Central Bus Stand Fees</i>	-	-	-	-	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	-	-	-	-	0.0
Amount	-	-	-	-	0.0
Secondary Ed. Block Grant : PE Amount	-	-	-	-	0.0
: OC	-	-	-	-	0.0
Amount	-	-	-	-	0.0
Health Block Grant : PE	-	-	-	-	0.0
Amount	-	-	-	-	0.0
: OC	-	-	-	-	0.0
Amount	-	-	-	-	0.0
Agriculture Block Grant : PE	-	-	-	-	0.0
Amount	-	-	-	-	0.0
: OC	-	-	-	-	0.0
Amount	-	-	-	-	0.0
Roads Block Grant : PE	-	-	-	-	0.0
Amount	-	-	-	-	0.0
: OC	-	-	-	-	0.0
Amount	-	-	-	-	0.0
Water Block Grant : PE	-	-	-	-	0.0
Amount	-	-	-	-	0.0
: OC	-	-	-	-	0.0
Amount	-	-	-	-	0.0
General Purpose (incl. Admin) : PE Amount	-	-	-	-	0.0
: OC	-	-	-	-	0.0
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 Multi-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,

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
							0.0

OC		-	-	-	-	-	-	
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					0.0

Spending	-	-	-	-	
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

**COUNCIL DEVELOPMENT REPORT (CDR)
FORM NO. 13 C5 QUARTERLY FINANCIAL AND PHYSICAL PROGRESS REPORT - DEVELOPMENT ACTIVITIES SUMMARY FOR LGAs**

Council:
Vote Code:
FY:
Quarter
Period ending:
CDR Workbook Number:

Table: Summary of Development Allocations and Expenditures By Sector, FY

	Annual Estimate as per approved Budget	Actual Allocations		Actual Expenditure	
		This Quarter	Cumulative to date	This Quarter	Cumulative to date
Development Expenditure					
Primary Education					
Secondary Education					
Health					
Works (inc. Roads)					
Water					
Agriculture					
Administration					
Other Sectors (including not indicated)*					
Development Expenditure					

* This include Natural Resources, Community Development, Trade, e.t.c.

Table: Summary of Development Releases and Expenditures By Main Funding Source, FY

	Annual Estimate as per approved Budget	Actual Amount Received		Actual Expenditure	
		This Quarter	Cumulative to date	This Quarter	Cumulative to date
Council Development Grant (CDG)					
Capacity Building Grant (CBG)					
District Agricultural Development Grant (DADG)					
Agricultural Capacity Building Grant (A-CBG)					
Agricultural Extension Block Grant (A-EBG)					
District Irrigation Development Fund (DIDF)					
District Agriculture Sector Investment Project (DASIP)					
Participatory Agriculture Development Empowerment Project (PADEP)					
Rural Water Supply and Sanitation Programme (CDG)					
Rural Water Supply and Sanitation Programme (CBG)					
Health Sector Development Grant (HSDG)					
Tanzania Social Action Fund (TASAF)					
Local Government Transport Programme (LGTP)					
Village Travel and Transport Programme (VTTP)					
Secondary Education Development Program (SEDP)					
Tanzania Strategic Cities Project (TSCP)					
Road Fund					
Participatory Forest Management (PFM)					
Sustainable Wetland Management (SWM)					
Constituent Development Catalyst Fund (CDCF)					
TACAIDS Funds					
Health Sector Basket Fund (HSBF)					
Global Fund					
National Multi-sectoral Strategic Fund (NMSF)					
Other Grants (incl. Earmarked Grants)					
Own revenues					
Source not indicated					
Development Expenditure					

NB: 1. This form is self generating from form II (don't type anything in this form)

2. The total summary per program as expenditure should be crosschecked by the exchequer received at the Region (Regional Accountant)

ATTACHMENT B: NEW BUDGET CYCLE

S/N	MONTH	ACTIVITIES TO BE PERFORMED	MAIN ACTOR	KEY DELIVERABLES
	PLAN AND BUDGET GUIDELINES PREPARATION PHASE: JULY-OCTOBER			
	AUGUST			
1		Conducting Technical Budget Evaluation Workshop	MOF	Technical Evaluation Workshop conducted and evaluation report prepared with recommendations for preparing PBG Document
2		Formulation of the Plan and Budget Guidelines (PBG) Committee	MOF	The PBG Committee Constituted
3		Submission of budget performance reports by Ministries, Independent Departments (MDAs), Regional Secretariats (RSs) and Local Government Authorities (LGAs) as inputs for drafting PBG Document	MDAs, RSs, LGAs/PBG COMMITTEE	Reviewed budget implementation performance reports
4		Preparation of Zero Draft of PBG Document	PBG COMMITTEE	Starting preparing Zero Draft of PBG document
5		Preparation of Zero Draft of Annual Development Plan Framework	POPC	Starting preparing Zero Draft of Annual Development Plan Framework as input to the PBG Document
6	AUGUST-SEPTEMBER	Annual Sector Consultative Reviews (these will run through September)	SECTOR LEADS	Annual Sector Review Reports prepared as inputs to the PBG Document
	SEPTEMBER			
1		Meeting with key stakeholders (MKUKUTA Cluster Leads, Development Partners through Public Expenditure Review (PER) to get their inputs	PBG COMMITTEE	Meeting conducted and inputs received
2		Meeting with Key Private Sector, Academia, Research institutions (REPOA, ESRF, CTI, UDSM, SUA, OUT, TIRDO, COSTECH) to get their inputs	PBG COMMITTEE	Meeting Conducted and inputs received
3		Consultation with the Parliamentary Committee on Finance and Economic Affairs to get their inputs for updating the Document	MOF, POPC, PBG COMMITTEE	Consultation done
4		Meeting with MPs (Other Parliamentary Committee Chairs) to obtain their inputs/comments for updating PBG Document	MOF, POPC, PBG COMMITTEE	Receiving comments and inputs
5		Requesting Donor resource projections for Baskets & Projects (this will run through November)	MOF	Requesting Donor resource projections for Baskets & Projects

S/N	MONTH	ACTIVITIES TO BE PERFORMED	MAIN ACTOR	KEY DELIVERABLES
	OCTOBER			
1		Meeting with Key MDAs and Agencies that collect own sources of revenue to get projected revenues	PBG COMMITTEE	Receiving Non-Tax Revenue forecasting
2		Updating Annual Development Plan Framework indicating priority areas of focus for next Fiscal Year	PO-PC	Updating Annual Plan
3		GBS Annual Consultative Meeting	MOF	Report from GBS Annual Consultative Meeting as inputs to the PBG Document
4		Meeting with Directors of Policy and Planning whose Ministries are Implementing Strategic Projects	PBG COMMITTEE	Received inputs and comments for updating PBG Document
5		Meeting with Permanent Secretaries for their inputs and guidance	PBG COMMITTEE	Ownership of the process, views, comments and further guidance
6		Submitting PBG Document to the Cabinet Secretariat for perusal and further guidance	MOF	Views, comments and guidance
7		Updating the PBG Document based on comments by Cabinet Secretariat	PBG COMMITTEE	Comments on the draft PBG incorporated
8		Submitting PBG Document to the IMTC for guidance	MOF, POPC,PBG COMMITTEE	Comments on the draft PBG incorporated
9		Updating the PBG Document based on comments by IMTC	PBG COMMITTEE	Comments on the draft PBG incorporated
10		Meeting with Ministers to discuss broad fiscal policy issues raised in the PBG Document and focus for next financial year	PMO & MOF	Comments on the draft PBG incorporated
	THE PBG DOCUMENT APPROVAL PHASE:NOVEMBER			
	NOVEMBER			
1	First Week	Submitting draft PBG to the Cabinet for guidance and approval	MOF, POPC,PBG COMMITTEE	PBG approved by the Cabinet
2		Finalization of the PBG Document based on comments by CABINET	MOF, POPC,PBG COMMITTEE	Final PBG Document based on comments by CABINET
3		Presentation of Approved PBG Document to the Legislature for further guidance	MOF, POPC,PBG COMMITTEE	Inputs received from the Legislature for further PBG preparation
4		Production of PBG Document and Circulation to MDAs, RSs, LGAs and other stakeholders	MOF, POPC	Printed PBG Documents
5		GBS resource projections firmed up by donors through GBS Annual Consultative	MOF	GBS Projections firmed up by donors

S/N	MONTH	ACTIVITIES TO BE PERFORMED	MAIN ACTOR	KEY DELIVERABLES
		Policy Dialogue		
PLANS AND BUDGET FORMULATION PHASE BY MDAs, RSs AND LGAs: NOVEMBER-FEBRUARY				
	DECEMBER			
1		Preparation of Plans and Budget (MTEFs) by MDAs, RS and LGAs	MDAs	Plans and Budget prepared by MDAs, RS and LGAs
2		GBS resource projections firmed up by donors Continued	MOF	GBS Projections firmed up by donors
3		Budget Data Entry Exercise into SBAS	MDAs	Budget Data recorded into SBAS by MDAs
	JANUARY			
1		Continue preparing Plans and Budget (MTEFs) by MDAs, RS and LGAs	MDAs, RSs, and LGAs	Plans and Budget prepared by MDAs, RS and LGAs
2		GBS resource projections firmed up by donors Continued	MOF	GBS Projections firmed up by donors
3		Debating over tax and non-tax measures by Task Force on Tax Reform	MOF	Report on tax and non-tax measures by Task Force
4		Meeting with MDAs to review their proposed non-tax revenue measures	MOF	Reviewed non-tax measures
	FEBRUARY			
1		Meeting with MPs Economic and Finance Committee members to obtain their inputs/comments on Tax Reform measures to be pursued	MOF	Comments on Proposed Tax and non-tax Measures incorporated
2		Continue debating over tax and non-tax measures by Task Force on Tax Reform	MOF	Report on tax and non-tax measures
3		Meeting with MDAs to review their proposed non-tax revenue measures	MOF	Reviewed non-tax measures
4		Submitting MTEFs Proposals to the MOF for Scrutiny	MDAs,RSs, LGAs and Public Institutions	Report on MTEFs Scrutinized
	MARCH			
1		Think-Tank to review recommendations of Task Force on Tax Reform	MOF	Recommendations of Task Force on Tax Reform reviewed and agreed tax measures to be pursued for next fiscal year
2		Jointly Scrutiny of Plans and Budget estimates by the Ministry of Finance, President's Office Planning Commission and MDAs ,RSs and LGAs and Public Institutions	MOF , PO-PC & MDAs,RSs, LGAs, and Public Institutions	Plans and Budget estimates jointly scrutinized by the Ministry of Finance, President's Office Planning Commission and MDAs

S/N	MONTH	ACTIVITIES TO BE PERFORMED	MAIN ACTOR	KEY DELIVERABLES
3		Preparation of Cabinet Papers of Macroeconomic and Policy Framework and Budget Estimates and submit to Cabinet Secretariat for guidance	MOF, POPC	Prepared Macroeconomic and Policy Framework Paper and submitted to Cabinet Secretariat and inputs received
4		Submitting Cabinet Papers of Macroeconomic Policy Framework and Budget to the IMTC for Guidance over budget estimates	MOF, POPC	Submitted Cabinet Papers of Macroeconomic and Budget to the IMTC for Guidance
5		Submitting Cabinet Papers of Macroeconomic and Budget to the CABINET for Guidance and Approval	MOF, POPC	Submitted Cabinet Papers of Macroeconomic Policy Framework and Budget to the CABINET for Guidance and Approval
PRELIMINARY BUDGET APPROVAL PHASE BY PARLIAMENT: APRIL				
	APRIL			
1		Submission of Sectoral Plans and Budget Estimates Proposals to the Sub-Committees of Parliament for Detailed Scrutiny and Approval	MOF	Received MTEFs
2		Scrutinization of Sectoral Plans and Budget Estimates by Parliamentary Sub-Committees for Detailed Scrutiny and Approval	PARLIAMENTARY SECTORAL STANDING COMMITTEES	Sectoral Plans and Budget estimates scrutinized and comments incorporated into the MTEFs
3		Final Budget Data Entry Exercise into Integrated and Financial Management System (IFMs)-based on changes from Parliamentary Sectoral Committees	MDAs, RSs, and LGAs	Budget Data entered into IFMS
DEBATING AND APPROVING BUDGET PHASE BY THE PARLIAMENT: MAY-JUNE				
	MAY			
1		Submitting final Budget Estimates Adjustments of MDAs, RSs, and LGAs to the CABINET for Final Approval	MOF & MDAs	Final Budget Estimates Adjustments Approved by CABINET and adjustments done as directed
2		Presentation of Fiscal Policy Paper including resource projection for next Budget implementation to the Parliamentary Finance and Economic Affairs Committee for information/final comment (if any)	MOF	Fiscal Policy Paper presented by the Minister of Finance
3		Consolidation and Production of Budget Books (Vol. I, II, III, IV)	MOF	Production of Budget Books (Vol. I, II, III, IV)
	JUNE			
1		Presentation of National Annual Development Plan to the Legislature for approval	POPC	National Annual Development Plan presented to the Legislature and approved

S/N	MONTH	ACTIVITIES TO BE PERFORMED	MAIN ACTOR	KEY DELIVERABLES
2		Presentation of National Budget Speech by the Minister of Finance to the Legislature/Parliament	MOF	National Budget speech prepared and presented to Legislature for Approval
3		Detailed debating National Budget Speech in Parliament	PARLIAMENT	Detailed debated National Budget in Parliament and approval
4		Presentation of Budget Speech by the Prime Minister to the Legislature/Parliament	PMO	Budget Speech presented by the Prime Minister to the Legislature for debate and approval
5		Detailed debating Prime Minister's Budget Speech by Parliament	PARLIAMENT	Detailed debated Prime Minister's Budget Speech by Parliament
6		Tabling Public Finance and Appropriation Bills to the Legislature for approval	MOF	Tabled Public Finance and Appropriation Bills to the Legislature for approval
7		National Budget voted into law-Finance and Appropriation Bills debated and approved	PARLIAMENT	National Budget voted into law-Finance and Appropriation Bill debated and approved
NATIONAL PLAN AND BUDGET EXECUTION PHASE: JULY-JUNE				
1	JULY	Presentation of Ministerial Policy Statements to Parliament	MINISTERS	Presented Ministerial Policy Statements to Parliament
2	JULY-JUNE	Plan and Budget Executions	MDAs,RSs, LGAs and Public Institutions	Budget Executed as approved by the Parliament
3		Ministries, Independent Departments, Regions and Local Government Authorities prepare 'Action and Cash Flow Plans consistent with Approved National Plan and Budget	MDAs,RSs and LGAs	Action and Cash Flow Plans prepared and submitted to appropriate Authorized Institutions
4		Monitoring and Evaluation of Budget Implementation Performance	MOF, POPC	Budget implementation performance Monitored and Evaluated to ensure value for money
5		Auditing Financial Statements	CAG, IAG	Financial Statements Audited