

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE**

PLAN AND BUDGET GUIDELINE FOR 2024/25

DECEMBER, 2023





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LIST OF ACRONYMS/ ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
AU	African Union
CBMS	Centralized Budget and Management System
CCM	Chama Cha Mapinduzi
COVID – 19	Corona Virus Disease
DCF	Development Co-operation Framework
DSA	Debt Sustainability Analysis
EAC	East African Community
EFD	Electronic Fiscal Device
EU	European Union
GBS	General Budget Support
GFS	Government Finance Statistics
GoT HOMIS	Government of Tanzania Health Operation Management
HCMIS	Human Capital Management Information System
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IMF	International Monetary Fund
JKT	Jeshi la Kujenga Taifa
MTDS	Medium Term Debt Strategy
MTEF	Medium Term Expenditure Framework
MW	Megawatts
NeST	National e-Procurement System of Tanzania
NPMIS	National Project Management Information System
PO- PSMGG	President’s Office Public Service Management and Good Governance
PO- RALG	President’s Office Regional Administration and Local Government
PlanRep	Planning and Reporting Database
RGZ	Revolutionary Government of Zanzibar
TARURA	Tanzania Rural and Urban Roads Agency
TRA	Tanzania Revenue Authority
URT	United Republic of Tanzania
VAT	Value Added Tax



EXECUTIVE SUMMARY

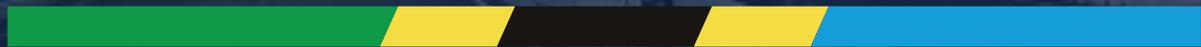
The Plan and Budget Guideline is prepared according to Article 21 of the Budget Act, CAP 439. The Guideline for 2024/25 marks the fourth iteration in the implementation of the National Five-Year Development Plan 2021/22–2025/26. Preparation of the Guideline made reference to various documents including: CCM Election Manifesto for 2020; the Third National Five-Year Development Plan 2021/22 - 2025/26; specific directives of the government; and the Africa Agenda 2063. The objective of the Plan and Budget Guideline for 2024/25 is to provide instructions to Accounting Officers to prepare the plans and budget for 2024/25 in line with National and Sectoral priorities, Country Laws, Regulations, and other relevant sectoral and government guidelines.

Apart from aligning the plans and budget with Sectoral and National priorities, Accounting Officers should adhere to: General instructions for preparation of plans and budget; Specific instructions for Regional Commissioners' Offices, Local Government Authorities, Public Corporations and Agencies; Risk management in plan and budget implementation by identifying the risks, setting mitigation strategies and conducting monitoring and evaluation; Environment and climate change issues; Union matters, and Regional and International cooperation. This Guideline is organized into four chapters: Summary of economic performance and outlook; Plans and budget priorities for 2024/25; Risk management in plan and budget implementation; and Instructions for the preparation of plans and budget for 2024/25. In addition, this Guideline should be read along with the appendices.

The implementation of the instructions in the Guideline will contribute to: strengthening the control of public expenditure; continued resilience towards the impacts of the global economic slowdown and price increase of commodities and services in the world market; preventing unnecessary budget re-allocations; increasing private sector participation in business and investment; creation of employment opportunities; resilience towards natural and manmade calamities; improving food security; strengthening the provision of social services to all citizens, and promoting peace, safety, good governance and the rule of law, unity and stability in the country. Therefore, Accounting officers are required to adhere to the instructions in the Guideline.

1

SUMMARY OF ECONOMIC PERFORMANCE AND OUTLOOK





1. SUMMARY OF ECONOMIC PERFORMANCE AND OUTLOOK

This section describes the trend of the global, regional and Tanzanian economy for 2022, and the outlook of the economy from 2023 to 2024.

1.1 Economic Performance and Outlook

1.1.1 Global and Regional Economic Growth

1. The growth rate of the global economy has decreased owing to the effects of COVID-19, the Russia – Ukraine war, and climate change. According to the World Economic Outlook of October 2023 by the International Monetary Fund (IMF), the global economy recorded a growth of 3.5 percent in 2022 compared to 6.3 percent in 2021. The global economy is projected to grow by 3.0 percent in 2023 and 2.9 percent in 2024. In advanced economies, the economy grew by an average of 2.6 percent in 2022, compared to 5.6 percent in 2021. In emerging and developing economies, the economy grew by an average of 4.1 percent in 2022, compared to 6.8 percent in 2021. In Sub-Saharan Africa, economic growth dropped from 4.7 percent in 2021 to 4.0 percent in 2022.

1.1.2 Economic Growth in Tanzania

2. Despite the challenges that emerged and affected the world economy, Tanzania's economy continued to improve due to various measures taken by the government, including the implementation of strategies to deal with the effects of the Russia-Ukraine war as well as the provision of fertilizer and petroleum subsidies. The economy grew by 4.7 percent in 2022 and is expected to increase to 5.2 percent in 2023 and 5.8 percent in 2024. The recorded growth was driven by the government's strategic investments in energy, social services and transportation infrastructure; increased production of minerals; and tourism. Economic activities that significantly contributed to growth include: agriculture, construction and minerals.

1.1.3 Inflation in Tanzania

3. Inflation was 4.6 percent in 2022/23, which is within the country's target and regional convergence criteria (EAC and SADC). For the period of July to September 2023 inflation averaged 3.3 percent compared to 4.7 percent in the same period in 2022 and is expected to remain within the medium-term target of 3.0 - 7.0 percent in line with regional convergence criteria. These expectations will depend on good weather, stability of commodity prices in the global market, and the prudent implementation of monetary and fiscal policies.



1.1.4 Money Supply and Credit to Private Sector

4. In 2022/23, the Bank of Tanzania continued to implement a less accommodative monetary policy to address the inflationary pressure resulting from the impacts of the COVID-19 pandemic, the Russia – Ukraine war and climate change without compromising economic growth. The extended broad money supply (M3) increased by 13.7 percent in 2022/23, higher than the 12.2 percent recorded in 2021/22 and the target of 10.3 percent for 2022/23. In addition, the average currency in circulation grew by 12.8 percent in 2022/23, which is above the annual growth target of 11.4 percent. Credit to the private sector increased by an average of 22.2 percent in 2022/23, surpassing the annual target of 10.7 percent and the 9.9 percent increase recorded in 2021/22.

1.1.5 Interest Rates

5. In 2022/23, the overnight interbank cash market rate increased to 3.55 percent in 2022/23 from 3.22 percent recorded in 2021/22. The overall Treasury bills rate increased to 5.73 percentage points from 4.84 percent in 2021/22. Overall bank lending rates decreased from an average of 16.41 percent in 2021/22 to 16.04 in 2022/23, reflecting a slight decrease in the cost of borrowing following measures rolled out to reduce the cost of borrowing, reforms in the financial sector. The overall deposit rate decreased to an average of 8.01 percent in 2022/23 from 8.18 in 2021/22.

1.1.6 Exchange Rates

6. For the year 2022/23, Tanzania shilling depreciated against the US Dollar due to the high demand for foreign currency stemming from elevated commodity prices from the world market, coupled with a shortage of foreign currency supply partly emanating from tighter global financial conditions. The shilling was traded at an average of 2,321.69 per US dollar in 2022/23, compared to 2,309.50 shillings per US dollar in 2021/22. In the first quarter of 2023/24, one US dollar was exchanged for an average of 2,428.26 shillings compared to 2,316.73 shillings in the same period in 2022/23.

1.1.7 External Sector

7. The external sector continued to experience shocks emanating from the Russia-Ukraine war and COVID – 19 pandemic. The shocks led to an increase in commodity prices due to the disruption of the supply chain globally, resulting in a current account deficit of USD 4,860.1 million recorded in 2022/23.

8. The stock of foreign reserves increased to USD 5,446.1 million at the end of June 2023, from USD 5,110.3 million in a similar period in 2022. The reserves remain adequate,



covering 4.9 months of projected imports of goods and services, above the country benchmark of at least 4.0 months and the EAC benchmark of at least 4.5 months.

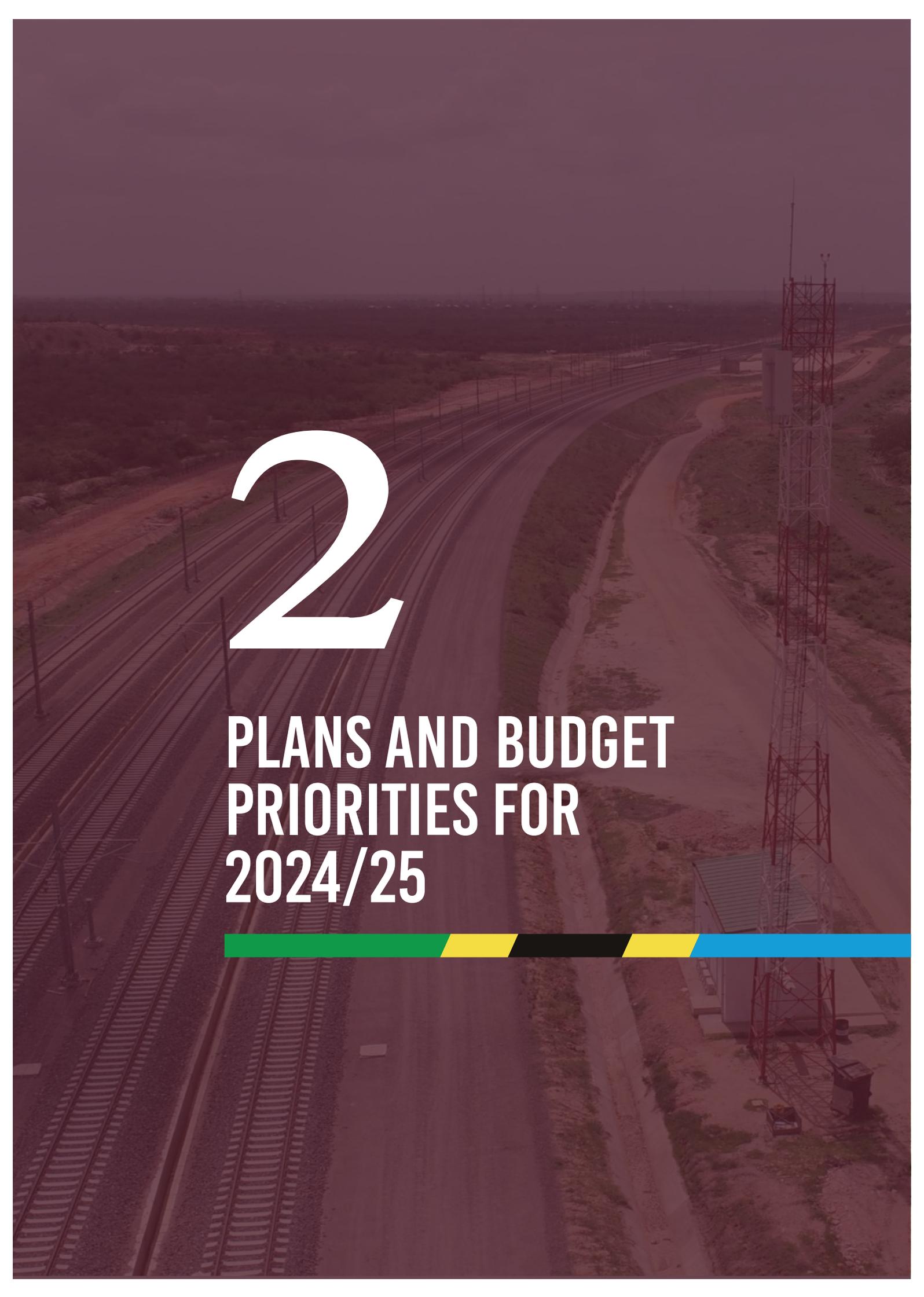
1.1.8 Banking Sector and Financial Services

9. The banking sector continues to grow and earn profits with adequate capital and liquidity levels. The quality of banks' assets improved as the ratio of non-performing loans to gross loans decreased to 5.3 percent in June 2023 from 7.8 percent in June 2022. This is in line with the measures taken by the government including improvement of the business environment and effective supervision of commercial banks. According to the Tanzania Finscope Survey, 2023, the percentage of adults using financial services has increased from 65 percent in 2017 to 76 percent in 2023. The study also noted that the majority of Tanzanians access financial services through mobile phones.

1.2 Government Debt

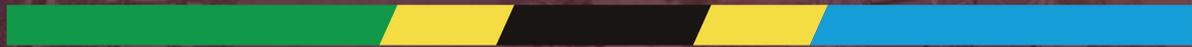
10. As of end June 2023, the Government debt stock was 82,138.16 billion shillings. Out of the total debt stock, external debt was 53,211.79 billion shillings and domestic debt stock was 28,926.37 billion shillings. Additionally, the Debt Sustainability Analysis (DSA) conducted in December 2022 revealed that the debt burden indicators are within the international agreed threshold in the medium to long-term. In 2022/23, Moody's Investors Service Ltd and Fitch Ratings Services Ltd completed the country credit rating assessment and published the ranking as B2+ and B+, respectively. This ranking indicates a positive economic outlook, prudent debt management, investment environment and political stability in the country.

Detailed information about global, regional, and Tanzania economic trends is available in **Appendix 1A**.



2

PLANS AND BUDGET PRIORITIES FOR 2024/25





2. PLANS AND BUDGET PRIORITIES FOR 2024/25

This section explains government plans and budget priorities, macroeconomic targets and assumptions; revenue and expenditure estimates; and strategies to increase revenue collection and expenditure management for 2024/25.

2.1 Priorities

11. The government budget will continue to focus on priority areas stipulated in the short, medium and long-term development plans. In the medium term, the government will implement the priorities outlined in the National Five-Year Development Plan 2021/22 – 2025/26 which are categorized into five areas: realizing an inclusive and competitive economy; deepening industrialization and service provision; investment and trade promotion; human development; and skills development. In addition, the flagship projects have been given special priority because of their multiplier effects on the economy and community. Therefore, the priorities for 2024/25 will focus on the following areas:

- i. **Implementation of On-going Flagship Projects:** The ongoing projects that will be implemented are: Julius Nyerere Hydroelectric Power Project 2,115 MW; Construction of Standard Gauge Railway; Revamping of ATCL; East African Crude Oil Pipeline (EACOP) from Hoima (Uganda) to Tanga (Tanzania); Construction of Bridges and Flyovers including Kigongo-Busisi Bridge; Construction of Kilwa Fishing Harbour and procurement of fishing vessels; and Construction of Mkulazi sugar processing plant. Other projects include: Construction of Ruhudji Hydropower Project – 358 MW; Construction of Rumakali Hydropower Project – 222 MW; Construction of Liquefied Natural Gas Plant (LNG) – Lindi; Engaruka Basin Soda-Ash Project-; and Mchuchuma and Liganga Projects. Hence, for the effective implementation of these projects, the government will continue to implement the programme for human capital development to increase human resource with rare and specialized skills for industrial and social development.
- ii. **Realizing an Inclusive and Competitive Economy:** This area focuses on the implementation of projects that will improve the enabling environment for investment, the ICT revolution and strengthen the infrastructure and institutional systems. The projects to be implemented include the development of infrastructure and services for railways, roads, bridges, ICT, energy, ports and airports.
- iii. **Deepening Industrialization and Service Provision:** This area focuses on the strengthening of infrastructure and the enabling environment for industrial production



to enhance value addition for agriculture, livestock, and fishing products as well as minerals, precious metals and natural gas.

- iv. **Investment and Trade Promotion:** In this area, the government will continue to improve: business environment and investment; citizens' economic empowerment; private sector participation; business services and markets; and diplomatic economic relations with foreign countries to stimulate local production and promote domestic and foreign trade.
- v. **Human Development:** This area focuses on the implementation of various programs and projects aimed at improving human lives, especially projects and programs in the social sectors. These projects include: education and skills training; health, welfare and community development; social security and protection; water and sanitation services; urban planning, and environmental conservation and mitigation of climate change.

2.2 Macroeconomic Targets and Assumptions

2.2.1 Macroeconomic Targets

12. Based on the conducted analysis and projections, real GDP is estimated to grow by 5.2 percent in 2023 and increase to 5.8 percent in 2024; inflation rate is expected to remain within the single-digit range of 3.0 to 7.0 percent in the medium term; tax revenues to reach 12.4 percent of the GDP by 2024/25, up from 11.9 percent recorded in 2022/23; budget deficit (including grants) is projected at 2.2 percent of the GDP in 2024/25, down from 2.7 percent estimated for 2023/24; maintaining foreign exchange reserves at a level sufficient to cover importation of goods and services for a period of not less than four (4) months; and improvement in social welfare indicators.

2.2.2 Macroeconomic Assumptions

13. Assumptions used in projecting macroeconomic targets include: increasing engagement of the private sector in investment and business activities; maintaining resilience on the impacts of natural and man-made disasters (drought, war, epidemic diseases, floods); recovery of the global economy and stability of prices in financial and commodity markets; continuing with the implementation of development projects; sustaining the improvement of food security in the country; and the presence of peace, security, good governance and rule of law, unity and stability in the country and neighboring countries.



2.3 Government Budget Estimates for 2024/25

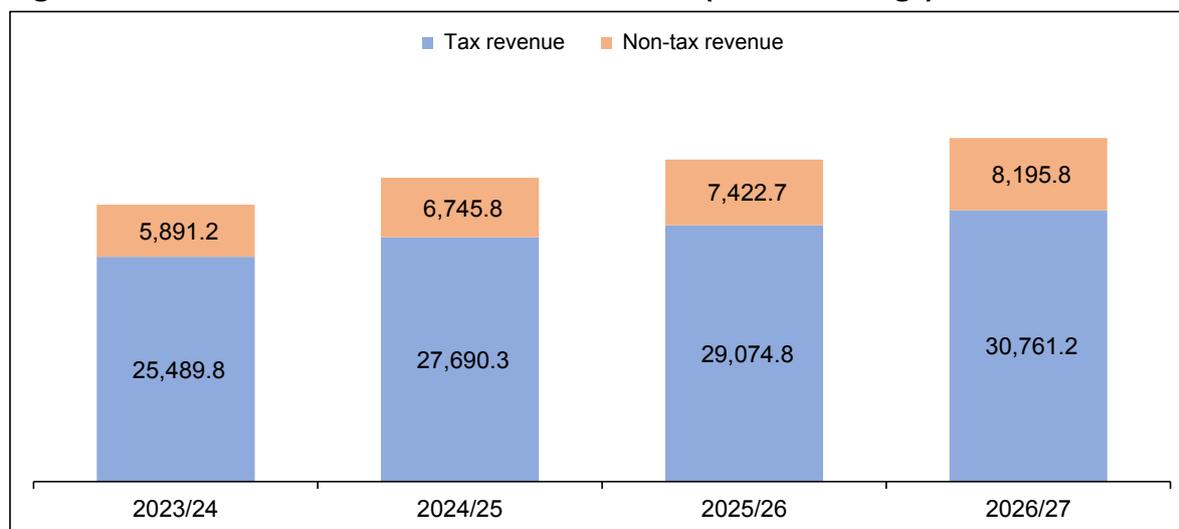
2.3.1 Revenue

14. In 2024/25, the Government plans to collect and spend a total of 47,424.9 billion shillings. Revenue projection is based on various parameters including actual revenue collection trend; macroeconomic indicators; and ongoing government efforts to improve revenue collection systems. On the expenditure side, projections have taken into account government debt servicing, wage bill, and implementation of ongoing flagship and strategic projects.

2.3.1.1 Domestic Revenue

15. Domestic revenue, including LGAs own source, is estimated to be 34,436.2 billion shillings in 2024/25 (**Figure 2.1**). In the medium term, revenue is projected to grow at an average rate of 7.5 percent, reaching 38,957.0 billion shillings by 2026/27. Domestic revenue is estimated to be 72.6 percent of the total budget in 2024/25 and continues to increase to 75.8 percent in 2026/27.

Figure 2.1: Domestic Revenue in the Medium Term (Billion Shillings)

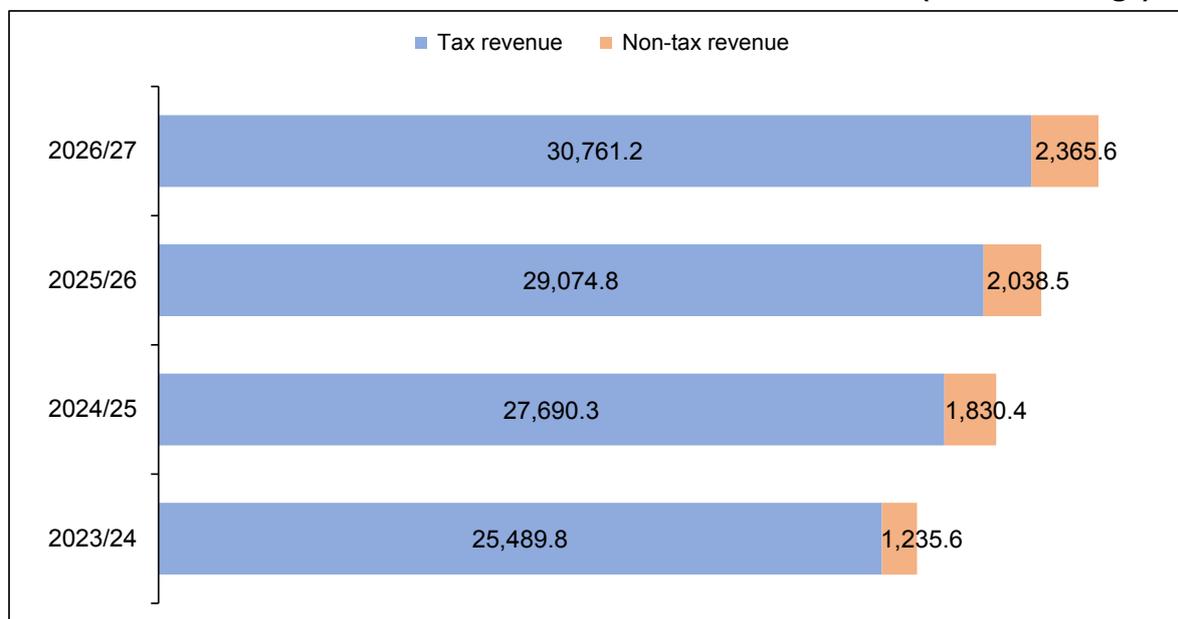


(TRA) is projected to 29,520.7 billion shillings. In the medium term, TRA revenue collection is estimated to grow at an average rate of 7.4 percent, reaching 33,126.8 billion shillings in 2026/27. The Tax to GDP ratio is estimated at an average rate of 12.4 percent in the medium-term. The breakdown of TRA revenue collection is shown in **Figure 2.2**.



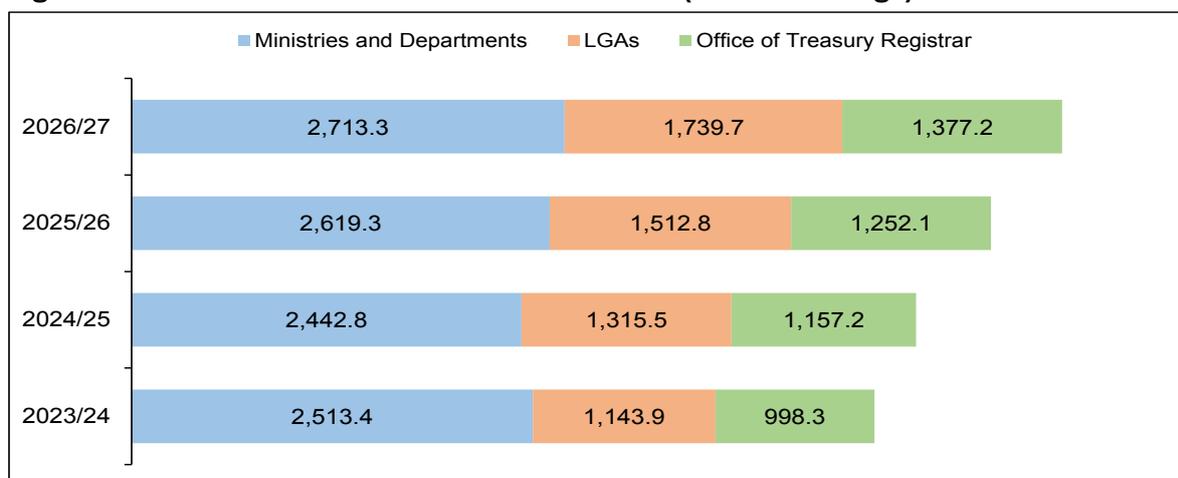
Figure 2.2: Projected TRA Revenue Collections in the Medium Term

(Billion Shillings)



17. In 2024/25, non-tax revenue collected by Ministries, Independent Departments, Government Agencies, and Local Government Authorities is projected at 4,915.5 billion shillings. Out of the projected amount, 2,442.8 billion shillings is to be collected by Ministries and Independent Departments, 1,157.2 billion shillings by the Office of Treasury Registrar and 1,315.5 billion shillings by Local Government Authorities. In the medium term, non-tax revenue is estimated to grow at an average rate of 7.8 percent and reach 5,830.2 billion shillings in 2026/27. **Figure 2.3** shows the breakdown of non-tax revenue.

Figure 2.3: Non-Tax Revenue in the Medium Term (Billion Shillings)





2.3.2 Measures and strategies for collection of domestic revenue

Measures

- i. Improving the business and investment environment in the service and production sectors to increase private sector participation;
- ii. Increasing the tax base by identifying and registering informal and digitally operated businesses;
- iii. Strengthening and encouraging the use of ICT systems for domestic revenue collection;
- iv. To limit tax exemptions below 1.0 percent of GDP; and
- v. Enhancing Public Corporations performance to increase revenue collection.

Strategies

- i. Widening the revenue base by identifying new revenue sources and ensure that these sources are aligned with the principles of revenue collection;
- ii. Continuously assess the performance of government institutions and public corporations aiming to increase their efficiency and government revenue;
- iii. Implementing a comprehensive compliance strategy that distinguishes taxpayers according to compliance risk and treats those who are willing to comply voluntarily differently from those who are not;
- iv. Introducing consolidated control numbers for government institutions providing similar/related services, including one stop centres aiming to simplify payment of taxes/fees and therefore increase compliance;
- v. Identifying and establishing new one stop centres for all institutions offering services that can be provided collectively;
- vi. Nurturing new taxpayers by providing them with education and implementing strategies to simplify the identification and registration of new taxpayers, and assessment and payment of government taxes;
- vii. Formulating policies/strategies to promote cash-lite economy;
- viii. Conducting a review of tax incentives/ exemptions to determine their benefits and the need to keep them or otherwise;
- ix. Formalizing small-scale businesses by allocating special areas and providing essential social services aimed at fostering their growth;
- x. Continuing to identify and register international companies conducting digital business in the country using a simplified registration regime;
- xi. Continuing to invest in ICT to ensure the integration of government systems



- xii. Continuing to provide taxpayer education to the community through media, social networks, taxpayer service centres, national slogans, tax clubs in schools, JKT national service training camps and various conferences; and

2.3.2.1 Grants

- xiii. Establishing patriotism awards (Tuzo za Uzalendo) through the EFD receipt system.
18. For the year 2024/25, grants from Development Partners for the implementation of various development projects and programs are projected to 690.9 billion shillings of which, General Budget Support (GBS) is 109.0 billion shillings, Basket Fund is 80.0 billion shillings and Project Fund is 501.9 billion shillings. Grants projections for 2024/25 are less by 38 percent compared to 1,111.3 billion shillings committed for 2023/24. Furthermore, in the medium-term, grants are projected to decrease to 671.5 billion shillings in 2026/27, equivalent to 3 percent below the 2024/25 projection. The decrease of grants is attributed to the impacts of COVID-19, and the Russia-Ukraine war which have significant effects on the economies of European countries that are major contributors of grants.

2.3.2.2 External and Domestic Borrowing

19. The Government will continue to implement fiscal policies that consistently support economic growth and ensure debt sustainability. In 2024/25, the Government plans to borrow 12,897.8 billion shillings from domestic and external sources to finance the budget deficit compared with 11,895.7 billion shillings estimated in 2023/24. In addition, the budget deficit is projected below an average of 3.0 percent of GDP in the medium-term.

a) Domestic Borrowing

20. In 2024/25, the Government projects to borrow from domestic market a total of 6,141.9 billion shillings, of which 3,919.8 billion shillings is rollover and 2,222.1 billion shillings is net domestic financing. In the medium term, the government plans to borrow from the domestic market an amount not exceeding 1.0 percent of GDP to avoid crowding out the private sector.

b) External Borrowing

21. In 2024/25, the Government plans to borrow 6,156.0 billion shillings which includes 3,601.0 billion shillings concessional loans and 2,555.0 billion shillings non-concessional loans. In the medium-term, the government plans to borrow an average of 5,791.6 billion shillings annually.



2.3.2.3 Strategies for Mobilization of Grants and Loans

22. The Government will continue to implement the Development Cooperation Framework to strengthen cooperation with Development Partners through Strategic Dialogue which highlights government priorities subject to the disbursement of grants and concessional loans as planned. In addition, the government will continue to allocate counterpart funds for projects that are jointly implemented with Development Partners as well as increasing transparency and accountability to ensure that projects and programmes are implemented as planned.

23. The Government will continue to finance budget deficit as per the Medium-Term Debt Management Strategy 2023. In the course of implementing this strategy, the government plans to borrow concessional and non-concessional loans to finance projects with higher multiplier effect in the economy. Moreover, the government will continue to borrow from domestic financial markets through short term and long-term securities to finance budget deficit.

2.3.3 Expenditure

24. Government expenditure for 2024/25 is estimated to be 47,424.9 billion shillings of which 12,101.2 billion shillings is allocated to debt service; 11,774.8 billion shillings is allocated to wages and salaries; and 8,223.8 billion shillings is allocated to other charges for government operations. Moreover, 15,325.1 billion shillings is allocated for development programs and projects including development current transfers (fee-free basic and secondary education and higher education students' loans). In the medium-term, the budget is projected to increase at average of 5.0 percent. The medium-term projections of government budget are shown in **Table 2.1** to **2.5**.

2.3.3.1 Strategies for Expenditure Management

25. Medium-term expenditure management strategies include the following:

- i. Continue to enhance the use of ICT on Government operations to control expenditure including systems for human resource management, government payments, procurement and asset management;
- ii. To allocate funds towards completion of flagship, strategic and other ongoing projects before embarking on new projects;
- iii. To strengthen accountability and control in the use of public funds in accordance with the laws, regulations, and procedures in order to curb misappropriation loopholes to ensure value for money; and



- iv. Strengthening performance management system in public corporations and institutions.

Table 2.1: Medium-term Budget Estimates 2023/24 -2026/27 (Analytical Budget Frame)

	Billion Shillings			
	2023/24 APPROVED BUDGET	2024/25 PROJECTED BUDGET	2025/26 PROJECTED BUDGET	2026/27 PROJECTED BUDGET
Total Domestic Revenue	31,381.0	34,436.2	36,497.5	38,957.0
TRA (tax and non-tax)	26,725.4	29,520.7	31,113.3	33,126.8
Non-tax revenue (MDAs)	3,511.7	3,600.0	3,871.4	4,090.5
LGAs own source	1,143.9	1,315.5	1,512.8	1,739.7
Total Expenditure*	38,082.1	40,116.6	40,981.0	42,275.6
Recurrent Expenditure	24,004.8	26,025.5	27,014.4	27,754.0
External Interest Payments	1,364.4	1,767.3	1,909.9	1,949.9
domestic Interest Payments	2,799.4	3,025.5	3,119.3	3,264.0
Wages and Salaries	10,882.1	11,774.8	12,285.3	12,531.0
Employer's Contr. To Pension Funds	1,710.6	2,000.0	2,272.8	2,318.2
Goods and Services	6,065.0	6,223.8	6,276.5	6,532.2
Development Current Transfers	1,183.4	1,234.1	1,150.6	1,158.6
-HESELB	783.7	832.4	746.1	751.3
-Primary and Secondary Free-fee Education	399.6	401.6	404.5	407.3
Development Expenditure	14,077.2	14,091.1	13,966.6	14,521.7
Local	10,795.1	10,650.2	10,625.9	11,189.0
Foreign	3,282.1	3,440.8	3,340.7	3,332.7
Overall Balance - before grants	(6,701.0)	(5,680.4)	(4,483.4)	(3,318.7)
Grants	1,111.3	690.9	679.5	671.3
GBS	56.4	109.0	99.2	98.7
Projects	924.8	501.9	500.4	495.9
Basket Funds	130.1	80.0	79.9	76.7
Overall Balance - after grants	(5,589.7)	(4,989.5)	(3,803.9)	(2,647.4)
Overall Balance	(5,589.7)	(4,989.5)	(3,803.9)	(2,647.4)
Financing	5,589.7	4,989.5	3,803.9	2,647.4
External Financing	3,691.4	2,767.4	1,374.7	171.1
Concessional Loans - GBS	2,127.8	742.0	388.0	-
Concessional Loans - Projects	2,227.1	2,812.1	2,713.6	2,715.2
Concessional Loans - Busket Funds	-	46.9	46.8	44.9
Exeternal Non-Concessional Loans	2,100.5	2,555.0	2,635.1	2,675.4
External Amortization	(2,763.9)	(3,388.5)	(4,408.7)	(5,264.5)
Domestic Financing	1,898.3	2,222.1	2,429.2	2,476.3
Net Domestic Financing	1,898.3	2,222.1	2,429.2	2,476.3
Domestic Borrowing (Rollover)	3,542.1	3,919.8	4,042.0	3,858.4
Domestic Amortization (Rollover)	(3,542.1)	(3,919.8)	(4,042.0)	(3,858.4)
Nominal GDP	210,276.2	223,149.7	233,769.3	249,072.2

Source: Ministry of Finance

Note: Total Expenditure does not include amortization



Table 2.2 Medium-term Budget Estimates as a Percentage of GDP (Analytical Budget Frame)

	2023/24 APPROVED BUDGET	2024/25 PROJECTED BUDGET	2025/26 PROJECTED BUDGET	2026/27 PROJECTED BUDGET
Total Domestic Revenue	14.9%	15.4%	15.6%	15.6%
TRA (tax and non-tax)	12.7%	13.2%	13.3%	13.3%
Non-tax revenue (MDAs)	1.7%	1.6%	1.7%	1.6%
LGAs own source	0.5%	0.6%	0.6%	0.7%
Total Expenditure*	18.1%	18.0%	17.5%	17.0%
Recurrent Expenditure	11.4%	11.7%	11.6%	11.1%
External Interest Payments	0.6%	0.8%	0.8%	0.8%
domestic Interest Payments	1.3%	1.4%	1.3%	1.3%
Wages and Salaries	5.2%	5.3%	5.3%	5.0%
Employer's Contr. To Pension Funds	0.8%	0.9%	1.0%	0.9%
Goods and Services	2.9%	2.8%	2.7%	2.6%
Development Current Transfers				
-HESELB	0.4%	0.4%	0.3%	0.3%
-Primary and Secondary Free-fee Education	0.2%	0.2%	0.2%	0.2%
Development Expenditure	6.7%	6.3%	6.0%	5.8%
Local	5.1%	4.8%	4.5%	4.5%
Foreign	1.6%	1.5%	1.4%	1.3%
Overall Balance - before grants	-3.2%	-2.5%	-1.9%	-1.3%
Grants	0.5%	0.3%	0.3%	0.3%
GBS	0.0%	0.0%	0.0%	0.0%
Projects	0.4%	0.2%	0.2%	0.2%
Basket Funds	0.1%	0.0%	0.0%	0.0%
Overall Balance - after grants	-2.7%	-2.2%	-1.6%	-1.1%
Overall Balance	-2.7%	-2.2%	-1.6%	-1.1%
Financing	2.7%	2.2%	1.6%	1.1%
External Financing	1.8%	1.2%	0.6%	0.1%
Concessional Loans - GBS	1.0%	0.3%	0.2%	0.0%
Concessional Loans - Projects	1.1%	1.3%	1.2%	1.1%
Concessional Loans - Busket Funds	0.0%	0.0%	0.0%	0.0%
Exeternal Non-Concessional Loans	1.0%	1.1%	1.1%	1.1%
External Amortization	-1.3%	-1.5%	-1.9%	-2.1%
Domestic Financing	0.9%	1.0%	1.0%	1.0%
Net Domestic Financing	0.9%	1.0%	1.0%	1.0%
Domestic Borrowing (Rollover)	1.7%	1.8%	1.7%	1.5%
Domestic Amortization (Rollover)	-1.7%	-1.8%	-1.7%	-1.5%

Source: Ministry of Finance



Table 2.3: Medium-term Budget Estimates for 2023/24 -2026/27 (Accounting Budget Frame)

Billion Shillings

	2023/24 APPROVED BUDGET	2024/25 PROJECTED BUDGET	2025/26 PROJECTED BUDGET	2026/27 PROJECTED BUDGET
I. TOTAL RESOURCES	44,388.1	47,424.9	49,431.7	51,398.5
Doestic Revenue including LGAs own source	31,381.0	34,436.2	36,497.5	38,957.0
Grants and Concessional Loans - GBS	2,184.1	851.0	487.2	98.7
Grants and Concessional Loans - Projects	3,152.0	3,314.0	3,214.0	3,211.1
Grants and Concessional Loans - Busket Funds	130.1	126.9	126.7	121.6
Domestic Borrowing - Rollover	3,542.1	3,919.8	4,042.0	3,858.4
Domestic Borrowing - NDF	1,898.3	2,222.1	2,429.2	2,476.3
External Non-Concessional Loans	2,100.5	2,555.0	2,635.1	2,675.4
II. TOTAL EXPENDITURE	44,388.1	47,424.9	49,431.7	51,398.5
Recurrent Expenditure	30,310.8	33,333.8	35,465.1	36,876.8
CFS	12,771.5	14,716.0	16,370.9	17,291.8
o/w Interest Payments	4,163.8	4,792.8	5,029.2	5,213.9
o/w Amortization	6,306.0	7,308.3	8,450.7	9,122.9
Grants and Concessional Loans	10,882.1	11,774.8	12,285.3	12,531.0
Goods and Services	5,473.8	5,608.9	5,658.3	5,895.5
Development Current Transfers	1,183.4	1,234.1	1,150.6	1,158.6
Development Expenditure	14,077.2	14,091.1	13,966.6	14,521.7
Local	10,795.1	10,650.2	10,625.9	11,189.0
Foreign	3,282.1	3,440.8	3,340.7	3,332.7
Nominal GDP	210,276.2	223,149.7	233,769.3	249,072.2

Source: Ministry of Finance

Note: Total Expenditure does not include amortization



Table 2.4: Medium-term Budget Estimates for 2023/24 – 2026/27 as a Percentage of GDP (Accounting Budget Frame)

	2023/24 APPROVED BUDGET	2024/25 PROJECTED BUDGET	2025/26 PROJECTED BUDGET	2026/27 PROJECTED BUDGET
I. TOTAL RESOURCES	21.1%	21.3%	21.1%	20.6%
Doestic Revenue including LGAs own source	14.9%	15.4%	15.6%	15.6%
Grants and Concessional Loans - GBS	1.0%	0.4%	0.2%	0.0%
Grants and Concessional Loans - Projects	1.5%	1.5%	1.4%	1.3%
Grants and Concessional Loans - Busket Funds	0.1%	0.1%	0.1%	0.0%
Domestic Borrowing - Rollover	1.7%	1.8%	1.7%	1.5%
Domestic Borrowing - NDF	0.9%	1.0%	1.0%	1.0%
External Non-Concessional Loans	1.0%	1.1%	1.1%	1.1%
II. TOTAL EXPENDITURE	21.1%	21.3%	21.1%	20.6%
Recurrent Expenditure	14.4%	14.9%	15.2%	14.8%
CFS	6.1%	6.6%	7.0%	6.9%
o/w Interest Payments	2.0%	2.1%	2.2%	2.1%
o/w Amortization	3.0%	3.3%	3.6%	3.7%
Grants and Concessional Loans	5.2%	5.3%	5.3%	5.0%
Goods and Services	2.6%	2.5%	2.4%	2.4%
Development Current Transfers	0.6%	0.6%	0.5%	0.5%
Development Expenditure	6.7%	6.3%	6.0%	5.8%
Local	5.1%	4.8%	4.5%	4.5%
Foreign	1.6%	1.5%	1.4%	1.3%

Source: Ministry of Finance



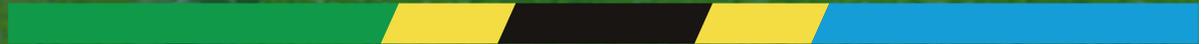
Table No 2.5: Medium-term Sector Allocation (Billion Shillings)

SECTOR	SECTOR NUMBER	APPROVED BUDGET 2023/24	BUDGET ESTIMATES 2024/25	BUDGET ESTIMATES 2025/26	BUDGET ESTIMATES 2026/27
1 - Education	709	5,979.7	6,227.4	6,338.3	6,534.0
1.1 - Basic Education	7091,7092	4,485.1	4,670.9	4,754.0	4,900.8
1.2 - Technical & vocational education and training	7,093	144.4	150.4	153.1	157.8
1.3 - Higher Education	7,094	1,165.9	1,214.2	1,235.8	1,274.0
1.4 - Science and Technology	7,098	61.4	63.9	65.1	67.1
1.5 - Education Administration	7,098	122.9	128.0	130.3	134.3
2 - Health	707	2,463.7	2,565.8	2,611.2	2,691.8
2.1 - Curative services	71,7072,7073,7074,7075,7076	978.1	1,018.6	1,036.7	1,068.7
2.2 - Preventive services	7071,7073,7074,7076	308.1	320.9	326.6	336.7
2.3 - Regional referral hospitals	7071,7072,7073,7074	-	-	-	-
2.4 - Dispensaries	7071,7072,7073,7074,7075	92.8	96.6	98.3	101.3
2.5 - Health Centers	7071,7072,7073,7074,7075	155.2	161.7	164.5	169.6
2.6 - District Hospitals	7071,7072,7073,7074,7075	821.9	855.9	871.1	898.0
2.7 - Health Administration	7,076	107.6	112.1	114.0	117.5
3 - General Public Services	701	11,788.3	12,733.2	13,110.9	13,545.1
3.1 - Executive and legislative organs	7,011	4,185.7	4,359.1	4,436.6	4,573.6
3.2 - Financial and Fiscal Affairs	7,011	3,191.2	3,323.4	3,382.5	3,486.9
3.3 - External Affairs	7,011	247.7	257.9	262.6	270.7
3.4 - Debt Service (Interest rate)	7,018	4,163.8	4,792.8	5,029.2	5,213.9
4 - Defence, Public order and Safety	703	4,688.3	4,882.5	4,969.2	5,122.6
4.1 - Defence	702	2,987.3	3,111.0	3,166.3	3,264.1
4.2 - Public Safety	7,036	413.3	430.5	438.1	451.6
4.3 - Law Courts	7,033	1,287.7	1,341.0	1,364.8	1,406.9
5 - Economic Development	704	9,470.1	9,862.4	10,037.9	10,347.8
5.1 - Agriculture	7,042	1,465.2	1,525.9	1,553.1	1,601.1
5.2 - Minerals	7,044	89.3	93.0	94.6	97.5
5.3 - Energy	7,043	3,048.6	3,174.9	3,231.4	3,331.2
5.4 - Works, Transport and Communication	7045, 7046	3,844.6	4,003.9	4,075.1	4,200.9
5.5 - Natural Resources, Environment and Tourism	7,049	649.1	676.0	688.1	709.3
5.6 - Industry	7,047	110.4	115.0	117.0	120.6
5.7 - Trade	7,047	242.5	252.5	257.0	264.9
5.8 - Labour and Youth skills Development (Job Creation)	7,041	20.3	21.2	21.6	22.3
6 - Social Development	710	2,345.4	2,442.6	2,485.9	2,562.7
6.1 - Elderly, Children and Disabilities	7101,7102	52.2	54.4	55.3	57.0
6.2 - Pension funds	7,109	1,847.3	1,923.9	1,958.0	2,018.5
6.3 - National Health Insurance Fund (NHIF)	7,109	445.9	464.3	472.6	487.2
7 - Housing and Community Development	706	1,346.7	1,402.4	1,427.6	1,471.7
7.1 - Water	7,063	766.2	797.9	812.2	837.3
7.2 - Lands, Housing and Human Settlement	7,065	175.3	182.5	185.8	191.5
7.3 - Community Development	7,062	369.8	385.1	392.0	404.1
7.4 - Information Sports and Culture	7,081	35.4	36.9	37.6	38.8
Grand Total		38,082.1	40,116.3	40,981.0	42,275.7
Debt Service (Principal repayment)		6,306.0	7,308.3	8,450.7	9,122.9
Grand Total		44,388.1	47,424.7	49,431.7	51,398.6

Source: Ministry of Finance

3

RISK MANAGEMENT IN PLAN AND BUDGET IMPLEMENTATION





3. RISK MANAGEMENT IN PLAN AND BUDGET IMPLEMENTATION

This section provides an overview of the risks that may affect the implementation of the Government Plan and Budget for 2024/25. Management of risks in Ministries, Independent Departments, Offices of Regional Commissioners, Local Government Authorities, Public Corporations and Institutions helps in identifying specific risk areas to be analysed, monitored, evaluated as well as deployment of strategies to mitigate effects that may arise during implementation of the Government Plan and Budget.

3.1 Plan and Budget Implementation Risks

26. In the implementation of the plan and budget, there are potential risk factors that may affect realization of intended budget objectives. Therefore, it is important to identify the sources and types of risks that may affect implementation of the plan and budget and take into account mitigation measures to address them. These risks can occur in the short, medium or long-term. In the context of the Plan and Budget, risks are classified into three categories depending on their inherent nature, namely; Macro-economic, Contingent Liabilities and Crosscutting Risks.

3.1.1 Macroeconomic Risks

27. Macroeconomic risks include economic growth, commodity price fluctuations, exchange rates, interest rates, foreign currency reserves and financial sector resilience. The potential effects that may arise from these risks are as follows:

a) Economic growth: Revenue collection largely depends on economic growth. In the case of global economic recession as it happened during 2020-2022, economic growth will be affected leading to failure in the realization of domestic revenue collection, borrowing and grants targets. Moreover, a recession will affect debt sustainability over the long-term resulting in country ineligibility to borrow from financial markets.

b) Commodity Price Fluctuation: Decline in commodity prices for exports, such as gold and traditional commodities may reduce revenue collection from exports and hence reduce foreign exchange reserves. In addition, the rise in prices of essential commodities in the world market especially diesel and petrol oil as well as fertilizers will result in: an increase in the demand for foreign currency, rise in the costs of production in the private sector, and an increase in government operations costs and inflation in the country.

c) Exchange Rates Fluctuation: Depreciation of Tanzania shilling will affect the implementation of budget by increasing expenditure on financing foreign payments, especially the implementation of development projects that are largely dependent on the



importation of capital goods. In addition, depreciation may affect external government debt service.

d) Interest Rates Fluctuation: The increase in interest rates on domestic and foreign borrowing will increase expenditure on borrowing and thus affect the borrowing target.

e) Foreign Exchange Reserves: The scarcity of the US dollar, which holds more than 80 percent of international trade, is attributed to the impacts of the COVID – 19 pandemics, the Russia – Ukraine war, climate change and tightened US monetary policies. These factors have raised commodity and service prices, including transportation, thus increasing demand for dollar; disrupted supply chain; and attract investors to the United States. The decrease in foreign reserves in the country will reduce the government’s ability to honour foreign payments to cover essential obligations. This includes obligations on purchase of petroleum products, essential medicines and raw materials for production in the country and thus impacts economic growth.

f) Financial Sector Resilience: The failure of banking sector can be due to various reasons including the decrease in the value of bank assets, inadequate liquidity to meet depositors and borrowers daily demand, a decrease in capital, instability of the private sector may lead to an increase in non-performing loans. If this happens, the ability of banks to provide loans to the private sector will decrease, thus weakening private sector performance and decreasing production and employment opportunities, thus affecting government revenue collection.

3.1.2 Contingent Liabilities Risks

28. Claims arising from judicial decrees may increase off-budget expenditure. In addition, the government has been issuing guarantees to public Corporations to facilitate borrowing from banks and other financial institutions for the implementation of development projects. In case these public corporations fail to service loans, the government will have to repay the loans, thus affecting budget execution.

3.1.3 Cross-cutting Risks

29. Cross-cutting risks involve political and diplomatic relations, climate change, natural disasters, pandemics and financial fraud. The effects that may arise from these risks are as follows:

a) Political and Diplomatic Relations: Deterioration of diplomatic relations as well as global political conflicts may affect budget implementation due to disruption of the supply chain, reduction of aid, increase in refugees related costs and border security operations costs.



b) Climate Change, Natural Disasters and Pandemic Diseases: These risks include earthquakes, droughts, hurricanes, floods and pandemic diseases. Exposure to these risks will lead to deaths, destruction of infrastructure and slowdown of economic activities. Therefore, the Government will require an additional budget to provide emergency support to victims including the restoration of damaged infrastructure and the supply of medicines and food.

c) Financial Fraud: During implementation of government operations, fraudulent actions are likely to occur, which may affect the realization of targeted plans. The fraudulent actions include diverting government revenue through electronic systems, entering into contracts for personal benefits, using public assets for personal gain, corruption, theft, forgery and gaining financial benefits illegally.

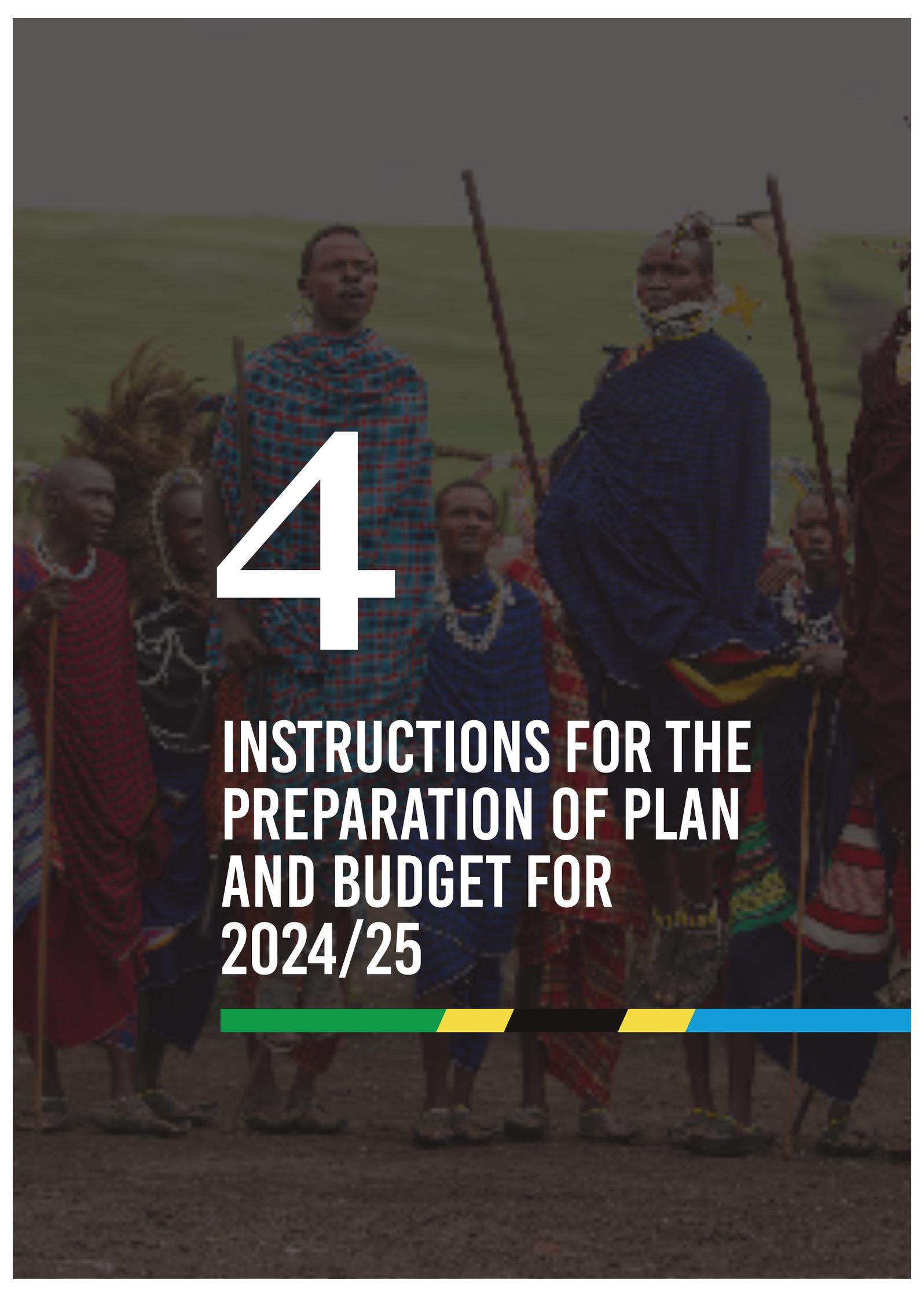
3.2 Risks Mitigation Measures

30. The Government will continue implementing risk mitigation measures to ensure the objectives and targets in Plans and Budget for 2024/25 are attained. The measures include:

- i. Continue to implement and manage monetary and fiscal policies in line with macroeconomic objectives and targets;
- ii. Enhance efficiency in forecasting macroeconomic indicators by taking into account risk issues;
- iii. Identifying plan and budget implementation risks as well as mitigation strategies;
- iv. Manage the implementation of the Guidelines for Developing and Implementing Institutional Risk Management Framework in Public Sector Entities;
- v. Continue to implement the Government Loans, Grants and Guarantees Act, CAP 134 by ensuring government guarantees are granted to productive projects;
- vi. Improve investment environment for domestic and foreign investors in order to boost agricultural and industrial production, thus reducing budget deficit and ensuring that government spending is aligned with revenue collection;
- vii. Continue to strengthen irrigation schemes to reduce dependence on rain-fed agriculture and thus increase production;
- viii. Strengthening the National food reserve in order to address food security and control inflation;
- ix. Continue to strengthen monitoring and early warning systems in all public institutions in order to identify challenges that may arise and facilitate timely decisions;
- x. Enhancing the use of renewable energy to reduce dependence on imported fuel while controlling environmental degradation;

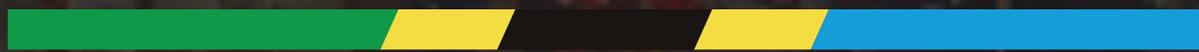


- xi. Continue strengthening regional and international cooperation to widen the scope of economic relations and improve markets for goods and services;
- xii. Create awareness in response to various disasters including invasion of destructive animals, birds, pests and disease outbreaks;
- xiii. Strengthening good governance and rule of law;
- xiv. Implementing sectoral strategies that address availability and minimize the use of foreign currency;
- xv. Continue to strengthen and manage the National Disaster Fund for Response and Recovery.
- xvi. Strengthening management and control of electronic revenue collection systems, and use of the Guidelines for Developing and Implementing Fraud Risks Management Framework in the Public Sector Entities; and
- xvii. Continue monitoring the implementation of strategies geared toward strengthening the efficiency of the banking sector by: investing in productive sectors, lowering the level of non-performing loans, strengthening credit approval procedures to align with existing guidelines as well as submitting and making use of borrowers' information in the database available.



4

INSTRUCTIONS FOR THE PREPARATION OF PLAN AND BUDGET FOR 2024/25





4. INSTRUCTIONS FOR THE PREPARATION OF PLAN AND BUDGET FOR 2024/25

This section provides general and specific instructions to be observed by Accounting Officers in all stages of preparation, presentation, implementation, monitoring and evaluation as well as reporting on the implementation of the plan and budget for the year 2024/25. Further, during the preparation of the plan and budget, Accounting Officers should adhere to the laws, regulations, procedures and other guidelines cited in this guideline. Similarly, Accounting Officers are instructed to conduct mid-year review of the budget for 2023/24 to determine the achievements and challenges encountered during the period and prepare strategies for addressing observed challenges to improve preparation and implementation of the Plan and Budget for the Year 2024/25.

4.1 Preparation of Plan and Budget

31. During preparation of the plan and budget, Accounting Officers are required to consider and incorporate the objectives and targets of the National Development Vision 2025, Five-Year National Development Plan 2021/22 – 2025/26, Chama Cha Mapinduzi (CCM) Election Manifesto for 2020, priorities of the Annual Development Plan 2024/25, institutional strategic plans and other instructions issued by the government.

4.1.1 Timetable for the Preparation of Plan and Budget

32. Accounting Officers of Ministries, Independent Departments and Agencies, Regional Commissioners’ Office, Local Government Authorities, Institutions and Public Corporations are instructed to prepare the Medium-Term Expenditure Framework (MTEF) immediately after the approval of this Guideline. The MTEF books for Votes should be submitted to the Ministry of Finance in the fourth week of January 2024. MTEF books for Agencies, Institutions and Public Corporations should be submitted to the Treasury Registrar’s Office for scrutiny according to the timetable that will be issued. However, the MTEF books for the Regional Commissioners’ Office and Local Government Authorities shall be submitted to the Ministry of Finance after PO-RALG scrutinization. Similarly, votes will prepare budget memoranda (Randama) to be submitted to the Parliamentary Standing Committees depending on the timetable which will be issued by the Office of the National Assembly. The Plan and Budget Preparation Time Table for the Year 2024/25 is as depicted in **Table 4.1**.

Table 4.1: Plan and Budget Preparation Timetable for the Year 2024/25

Month	Activity
August – November 2023	Preparation and approval of the Government Plan and Budget Guideline
November 2023	Dissemination of the Government Plan and Budget Guideline



Month	Activity
November 2023 – February 2024	Preparation of plans and budget for Ministries, Independent Departments, Agencies; Regional Commissioners’ Office; Local Government Authorities; Institutions and Public Corporations
February – March 2024	Scrutinization of sectors and votes’ plan and budget by the Ministry of Finance
March 2024	Sector ministries to present plans and budget to the Sector Parliamentary Standing Committees
April – June 2024	Presentation of sector Ministries plans and budget to the National Assembly
June 2024	Presentation of the Finance Bill and the Appropriation Bill to the National Assembly
01st Julai 2024 – 30th June 2025	Implementation of plans and budget as approved by the National Assembly

4.1.2 Data Entry in the Government Budget Management Systems

33. Accounting Officers for Ministries, Independent Departments and Agencies, Regional Commissioners’ Office, Local Government Authorities, Institutions and Public Corporations are instructed to ensure accurate data entry in CBMS and plan-Rep systems and strictly abide by the scheduled timetable as well as the following key issues:

- i. Ensure accurate revenue and expenditure estimates based on the budget ceiling for the year 2024/25 and outer years (2025/26 to 2026/27);
- ii. Proper use of project numbers as provided by the Ministry of Finance, GFS codes 2014 and measurement units and standards as defined in the systems;
- iii. Ensuring that the recurrent budget estimates earmarked as transfers are distributed to other charges and salaries and allocated to relevant departments and units;
- iv. Allocating correct rates of statutory allowances including allowances, rent, electricity, telephone and water bills based on the guidelines provided by the Office of the President - Public Service Management and Good Governance (PO - PSMGG); and
- v. Agencies, Institutions and Public Corporations are instructed to use the Plan-Rep system for the preparation of plans and budget to facilitate access to information.

4.1.3 Submission of Plan and Budget for Scrutinization

34. Accounting Officers are required to adhere to the timetable for the preparation of the Plan and Budget for 2024/25 which shows the duration of preparation, data entry in CBMS



and PlanRep and submission of the Medium-Term Expenditure Framework (MTEF) books and Budget memoranda (Randama).

a) Submission of MTEF

35. During the submission of the plan and budget, Accounting Officers are instructed to consider the following:

- i. The MTEF submission format is presented in **Appendix 1D**;
- ii. Plan and budget submission timetable;
- iii. Ministries, Independent Departments, Agencies and Regional Commissioners' Office are required to submit to the Ministry of Finance two (2) hard copies of revenue and expenditure estimates five (5) days before commencement of scrutinization as per the given timetable;
- iv. Agencies, Institutions and Public Corporations should submit a soft copy of revenue and expenditure estimates to the Treasury Registrar's Office based on the issued timetable;
- v. Local Government Authorities through the Regional Commissioners' Office should submit revenue and expenditure estimates to PO-RALG based on the issued timetable; and
- vi. Ministries, Independent Departments, Agencies and Regional Commissioners' Office are required to submit one (1) hard copy and soft copy of revised MTEF to the Ministry of Finance, PO-RALG and the Treasury Registrar's Office within five (5) days after the Parliament approves their budget.

b) Submission of Budget Memoranda (Randama)

36. Accounting Officers are required to submit budget memoranda to the Clerk of the National Assembly and a copy to the Prime Minister's Office (Policy, Parliament and Coordination) on or before March 10, 2024 in accordance with the Parliamentary Standing Orders (2023 Edition). In addition, Accounting Officers are instructed to submit the budget memoranda for the implementation of the year 2023/24 and the plan and budget for the year 2024/25 to the Parliamentary Sectoral Standing Committees based on the timetable to be provided. The presentation format of budget memoranda is as shown in **Appendix 1E**.

4.2 General Instructions for Preparation of Plan and Budget

37. This section provides general instructions on Budget Committees, exchange rates, strategies for increasing foreign currency, and government revenues. Other areas are: control of accumulation of arrears; and preparation of budget for personnel emoluments, office operations and development projects.



4.2.1 Budget Committees

38. In the preparation and implementation of the Plan and Budget for 2024/25, Accounting Officers are directed to ensure:

- i. Budget Committees are strengthened and all members participate fully in preparing and implementing the budget in accordance with Article 18(2) and Regulation 17(3) of the Budget Act, Chapter 439;
- ii. Budget Committee meetings are held during: the preparation of the plan and budget; allocation of financial resources received/collected; and analysis, monitoring and evaluation of reports regarding the implementation of the plan and budget; and
- iii. The Minutes of Budget Committee meetings are prepared based on the format provided in **Appendix 1F** of this guideline and submitted quarterly to the Ministry of Finance.

4.2.2 Strategies to Increase Revenue

39. Accounting Officers are instructed to have strategies in place for increasing efficiency in the collection of government revenue by:

- i. Preparing and implementing strategies for increasing revenue in the areas of their jurisdiction based on existing laws, regulations and guidelines and submit to the Ministry of Finance;
- ii. Capacity building for leaders and officers regarding revenue collection techniques, prevention of revenue losses and identification of new revenue sources;
- iii. Ensuring all revenues collected are remitted to the Consolidated Fund in accordance with the requirements of Section 58(a) of the Budget Act, Cap 439 unless stated otherwise;
- iv. Ensuring the proper use of government electronic systems for revenue collection by regular review and audit of the systems to control revenue loss;
- v. Preparing and updating the database and statistics of all revenue sources at the lower-level government (ward and village/mitaa) to strengthen collection and control the loss of revenue;
- vi. Complying with tax laws where, among other things, ensuring withholding tax and requesting electronic receipts for all payments made to suppliers and contractors;
- vii. Submit monthly revenue reports from each revenue source to the Ministry of Finance in conformity with the laid down procedures to assess the trend and performance of government revenue collection;
- viii. Ensuring the existing one stop centres improve the collection systems by issuing consolidated control numbers to facilitate the payment of taxes, fees and various charges for customers, thus increasing voluntary compliance;



- ix. Identifying and establishing new one stop centres for all institutions offering services that can be provided jointly;
- x. Submitting proposals for changes in rates of taxes, fees, levies, and charges to the Ministry of Finance immediately after the issuance of public notice of invitation to stakeholders to submit tax reforms proposals;
- xi. Formalizing informal economic activities to register new taxpayers and widen the tax base;
- xii. Not entering into contracts with suppliers, contractors and service providers who do not use electronic fiscal devices;
- xiii. Controlling loopholes of revenue losses by strengthening the management of revenue collection centres especially in border areas, airports, seaports and inspection centres;
- xiv. Ensuring timely submission of dividends and contributions to the Consolidated Fund;
- xv. Increasing efficiency of public institutions, corporations, agencies, and companies in which the government is a shareholder by strengthening management systems; and
- xvi. Initiating and investing in strategic projects to increase revenue collection.

4.2.3 Exchange Rate

40. During the preparation of the plan and budget for the year 2024/25, Accounting Officers are instructed to consider the indicative exchange rate of one US dollar for 2,555.00 Tanzania Shilling.

4.2.4 Additional Budget Requests

41. Accounting Officers are informed that there will be no additional funds from the Ministry of Finance for implementation of activities that were not budgeted for in 2024/25.

4.2.5 Initiation of Projects

42. Accounting Officers are instructed to allocate funds for implementation of ongoing projects before initiating new projects.

4.2.6 Personnel Emoluments (PE)

43. During the preparation of personnel emoluments budget for 2024/25, Accounting Officers are instructed the following:

- i. To allocate funds for promotions, new hire, transfer, recategorization and appointments in accordance with the guideline for preparation of personnel emoluments budget for 2024/25 issued by Permanent Secretary (Establishments);



- ii. To abide with institutional Human Resource Planning (HRP) during preparation of personnel emoluments budget in order to achieve an even distribution of staff in the Public Service;
- iii. Votes that pay salaries using own source revenue and those using government subvention should ensure statutory contributions are budgeted and timely disbursed with correct rates to appropriate pension funds to avoid charges and penalties due to late submission of such contributions and inconveniences to retired staff;
- iv. To prepare personnel emoluments budget in accordance with Public Servants Circular No.3 of 2022 and Treasury Registrar’s Circulars No. 3, 4, 5, 6, 7, 8 and 9 regarding salaries amendment for public servants and public institutions; and
- v. To comply with Public Service Circular No.1 of 2021 on the use of Human Capital Management Information System (HCMIS).

4.2.7 Budget for Other Charges

44. During the preparation of budget estimates for Other Charges, Accounting Officers are instructed the following:

- i. To allocate funds for facilitating government revenue collection interventions;
- ii. To allocate funds for risk management during implementation of the plan and budget;
- iii. To allocate funds to accommodate changes of organization structures;
- iv. To allocate funds for office operations and statutory allowances to employees (subsistence allowances, transfers allowance, leaders’ entitlements, annual leave) to avoid arrears creation; and
- v. To allocate funds for capacity building which includes training on public financial management systems (budget, procurement and accounting) as well as human resource and performance management.

4.2.8 Development Budget

45. Accounting Officers are instructed to prepare budget estimates for development projects based on the following:

- i. To submit to the Ministry of Finance financial commitments from the Development Partners in the first week of December 2023, for finalization of budget ceilings;
- ii. Sectoral Ministries should not include budgets for activities carried out by Regional and Local Government Authorities in their budgets. In addition, Sectoral Ministries should submit a breakdown of activities and budgets implemented in other votes to the Ministry of Finance in the first week of December 2023 for inclusion in the budget ceilings of the respective votes;
- iii. To comply with the Public Investment Operational Manual issued in 2022;



- iv. Adhering to the Guidelines for Project Planning and Negotiations for Raising Loans, Issuing Guarantees and Receiving Grants of 2020;
- v. To comply with Section 6 of the Value Added Tax (VAT) Act, Cap 148, regarding the procedure for granting VAT exemption for projects implemented with government funds and development partners;
- vi. To comply with Section 15(1) of the Loans, Guarantees, and Grants Act, Chapter 134, which prohibits entering into agreements with Development Partners to receive grants and loans without the approval of the Minister responsible for finance;
- vii. Allocate budget for counterpart funds for development projects implemented in collaboration with Development Partners.;
- viii. Ensure that Reform Program activities in the Public Sector, such as Public Finance Management, Agriculture Sector, Public Service, Regional and Local Government Authorities, Legal Affairs, Business Environment, and Investment, as well as Land, are mainstreamed into the plan and budget;
- ix. Allocating budget for compensation of areas acquired for projects implementation;
- x. Utilizing alternative project financing modality aimed at increasing revenue (e.g., bonds, loans, etc.);
- xi. Implementing commercially viable projects through the Public-Private Partnership (PPP) mechanism to reduce costs and pressure on government expenditure;
- xii. Adhering to the requirements of the Public Procurement Act, Cap 410, by setting limits on tenders that can be awarded to non-citizens in order to empower local content and increase the circulation of money in the economy. Furthermore, ensuring that all Financing Agreements with Development Partners incorporate the involvement of locals, not less than 30% of the project cost;
- xiii. Allocating budget to finance research and development activities using institutional own source revenues and grants from the Central Government;
- xiv. Allocating budget for surveying and acquisition of title deeds for land owned by public institutions; and
- xv. Incorporating environmental, climate change and social issues during preparation of development projects budget.

4.2.9 Strategy for Increasing Foreign Currency

46. In implementing the strategy to increase foreign currency, Accounting Officers are instructed to continue:
 - i. Overseeing the implementation of the Foreign Exchange Act, Cap 271, and its regulations to control the indiscriminate use of foreign currency;
 - ii. Implementing sector-specific strategies to increase foreign exchange and reduce unnecessary use of foreign currency;



- iii. Creating conducive environment for Tanzanian diasporas to invest and remit foreign currency to the country;
- iv. Create an enabling environment to increase the production of goods and services for both domestic and international markets demand;
- v. Promoting tourist attractions and enhancing the tourism environment in the country;
- vi. Improving business and investment environment to attract foreign direct investment;
- vii. Ensuring that new contracts are in Tanzania currency; and
- viii. Prioritizing the use of domestic goods and services.

4.2.10 Strategies for Payment and Controlling Accumulation of Arrears

47. In controlling creation and accumulation of arrears, Accounting Officers are instructed to adhere to Section 52 (1-2) of the Budget Act, Cap. 439 and the *Treasury Circular No. 2 of 2022/23 on Government Domestic Expenditure Arrears and Other Outstanding Obligations* which emphasizes implementation of the Strategy for Management of Arrears. Therefore, Accounting Officers are instructed to:

- i. Allocate budget for payment of arrears with regard to government circulars and Public Finance Act, Cap. 348;
- ii. Make payments of arrears by aging and prioritize arrears that attract interests and penalties; and
- iii. Ensure that claims created within the financial year are paid in a timely manner using monthly allocations.

4.2.11 Public Fund Management

48. Accounting Officers are instructed to maintain discipline and accountability on public funds by considering the following:

- i. Ensure that funds received/collected are fully utilized within the financial year as planned to avoid carry over funds;
- ii. To comply with the Treasury circular of 2021 for the application and release of funds during implementation of government budget which insists not to enter into any contracts without budget;
- iii. Ensure sectoral institutions are involved during planning and implementation of projects and other government activities;
- iv. Strengthening internal audit, monitoring and evaluation departments/units to control the use of public funds;
- v. Use the National e-Procurement System of Tanzania (NeST) and consider market prices when procuring goods and services; and
- vi. Adhere to the force account guideline of 2020 when implementing projects to reduce costs.



4.3 Specific Instructions to Agencies, Public Corporations and Institutions

49. Accounting Officers of the government agencies, public corporations and institutions are instructed to:
- i. Ensure that social security and pension funds have accurate data of pensioners to avoid inconveniences during retirement or lapse of contracts;
 - ii. Ensure that strategic and business-oriented institutions comply with the Treasury Registrar Circular No. 1 of 2023 to strengthen the performance management system;
 - iii. Allocate 15 percent of gross revenue contributions in their budget and furnish to the Consolidated Fund 70 percent of the excess revenue after deducting the approved expenditures as per Section 8(1)(f) and Section 10(2) of the Treasury Registrar Act, Cap 370;
 - iv. Make sure that government agencies, public corporations and institutions engaged in business prepare business plan and dividend policy and submit to the Treasury Registrar Office;
 - v. Ensure that performance contract agreements are met and quarterly performance reports are submitted to the Treasury Registrar as per timeframe;
 - vi. Conduct performance evaluation of the Board of Directors and submit report to the Treasury Registrar; and
 - vii. Ensure that requests for carry-over funds are submitted to the Treasury Registrar Office and used for the intended purpose. In addition, the Treasury Registrar Office shall submit the requests to the Ministry of Finance as per requirement of Budget Act, Cap 439.

4.4 Instructions for Regional Commissioners' Office and Local Government Authorities

50. During preparation of the plan and budget for 2024/25, Accounting Officers are instructed to allocate government grants and own source revenue by considering the following:
- i. Budget for defence and security issues, including Regional and District Security Committee meetings, and statutory meetings at councils, divisions, wards, and villages/mitaa levels;
 - ii. Budget to fund local government elections for 2024;
 - iii. Budget for demarcation of borders for regions, districts, councils, divisions, wards, villages/mitaa and conservation areas to improve land use;
 - iv. Budget for acquisition of furniture; construction, completion, and renovation of offices and residences for regional commissioners, regional and district administrative secretaries, district commissioners, council directors, ward executive officers, and village/ mitaa executive officers;



- v. Budget for interventions of investment and business enabling environment, and updating the regional and council investment profiles;
- vi. Budget for office operations of divisions, wards and villages/mitaa;
- vii. Budget for overseeing and coordinating implementation of CCM Election Manifesto for 2020 and submit semi-annual reports to PO-RALG;
- viii. Supervise the implementation of the Special Purpose Vehicle (SPV) guideline in Local Government Authorities for the operation and management of strategic projects to increase council revenues;
- ix. The private sector should be involved in business-oriented projects to reduce the government expenditure burden;
- x. Ensure meetings for addressing citizens' complaints are scheduled and reported to PO-RALG before/or on the 10th of the following month;
- xi. Budget for disaster preparedness, including fires, floods, and disease outbreaks;
- xii. Use Integrated Monitoring and Evaluation System (iMES) in project and development activities in Local Government Authorities;
- xiii. Budget for initiating mass evaluation exercise for property tax collection;
- xiv. Budget for the construction of wards' police posts; and
- xv. Local Government Authorities should get financial commitments from investment companies within their jurisdictions through corporate social responsibility (CSR) program.

4.4.1 Specific Instructions for Local Government Authorities

- i. Ensure revenue and expenditure estimates for service delivery facilities as well as wards and villages/mitaa are incorporated in council's plan and budget;
- ii. Establish enabling infrastructure to accommodate e-Government systems;
- iii. Councils with unprotected revenue collections of 20 billion shillings or more should allocate not less than 70 percent for development projects, including 10 percent for women, youth, and persons with disabilities loans, and 10 percent for the construction of road infrastructure under TARURA;
- iv. Councils with unprotected revenues of 5 billion shillings or more should allocate a minimum of 60 percent for development projects, including 10 percent for women, youth, and persons with disabilities loans, and 10 percent for the construction of road infrastructure under TARURA;
- v. Councils with unprotected revenues ranging from 2 billion to 5 billion shillings should allocate a minimum of 40 percent for development projects, including 10 percent for women, youth, and persons with disabilities loans;



- vi. Councils with unprotected revenues of less than 2 billion shillings should allocate a minimum of 20 percent for development projects, including 10 percent for women, youth, and persons with disabilities loans;
- vii. Allocate quarterly a minimum of 200,000 shillings from own source revenue for office operations for each ward/village/mtaa. Additionally, councils that collect less than 1.5 billion shillings, are directed to allocate a minimum of 100, 000 shillings quarterly for each village/mtaa;
- viii. Continue to allocate 100,000 shillings as monthly allowance for ward executives;
- ix. Ensure revenue from agriculture (20%), livestock (15%), and fishing (5%) is allocated and utilized within the respective sectors in accordance with existing guidelines to improve these sectors and promote strategic crops;
- x. Councils that have not yet installed the Government of Tanzania Health Operation Management Information System (GoT-HoMIS) in healthcare facilities should install the system for the purpose of management of health data and controlling revenue loss;
- xi. Ensure councils with loans from the Local Government Loans Board, allocate budget for loan repayments from own source revenues; and
- xii. Ensure councils allocate budget from own source revenues for subscription to the Local Government Loans Board in accordance with the Local Government Act, Cap, 290.

4.4.2 Sectoral Instructions to Local Government Authorities

- i. Allocate budget for improvement of the learning and teaching environment in Primary and Secondary Schools by providing learning and teaching materials and constructing friendly education infrastructure;
- ii. Prepare and submit data to PO-RALG for the Basic and Secondary Education budget by 31st December, 2023;
- iii. Demarcate areas and develop infrastructure for nurturing and promoting talents, including sports and arts;
- iv. Allocate budget for procurement of medicines, medical equipment and supplies, and vaccines, as well as allocate 1,000 shillings for each child under the age of five to improve nutrition services;
- v. Allocate budget for the construction, completion, and renovation of health service facilities;
- vi. Allocate budget for awareness programs to farmers, pastoralists and fishermen to participate in the construction of agricultural, livestock, and fishing infrastructure in collaboration with relevant sectors;



- vii. Continue to allocate funds for fuel and maintenance of motor vehicles for agricultural extension officers and ward executives to facilitate monitoring of agricultural, livestock, and fishing activities, as well as other government activities in wards;
- viii. Continue to invest and encourage the private sector to establish and develop industries and empower small entrepreneurs (wamachinga) by training them on business and entrepreneurial skills and linking them with financial institutions and markets;
- ix. Develop urban and efficient land use plans, especially for emerging small towns, and prepare village land use plans while adhering to the National Social Responsibility Building Guide of 2019. Additionally, ensure adherence to laws that prohibit encroachment on reserved areas, including the Water Resources Management Act and the Land Act; and
- x. Allocate budget for the management and development of natural resources and the environment.

4.5 Other Important Issues to Consider in Planning and Budgeting

51. Other instructions that should be considered include: union matters; regional and international cooperation; issues of persons with disabilities; gender issues; environment; nutritional interventions; HIV and AIDS; fight against corruption; fight against drug abuse; public and private partnership; citizens economic empowerment; and criminal justice issues.

4.5.1 Population and Housing Census of 2022

52. Accounting Officers are instructed to consider the findings of population and housing census of 2022 in the preparation of plans and allocation of resources.

4.5.2 Union Matters

53. Accounting Officers of Ministries, Independent Departments, Agencies, Institutions and Public Corporations are instructed to:

- i. Continue to address union issues;
- ii. Budget for cooperation activities and strengthen the alliance between the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar; and
- iii. Continue with exchange programs on issues related to socio-economic development between the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar.



4.5.3 Regional and International Cooperation

54. In strengthening regional and international cooperation, Accounting Officers are instructed to:

- i. Adhere to the Development Cooperation Framework (DCF) of 2017/18–2024/25 along with its action plan;
- ii. Comply with bilateral, regional and international cooperation issues including the African Union Commission (AUC), Southern African Development Community (SADC), East African Community (EAC) and international organizations to promote investment and stimulate economic growth and human development;
- iii. Consider issues of economic diplomacy in the preparation and implementation of the plan and budget;
- iv. Submit estimates of regional and international membership contributions to the Ministry of Finance within the first week of December, 2023 to be incorporated in the budget;
- v. Ensure full utilization of available opportunities from sectors' cooperation agreements for the benefit of the sector and the nation as a whole; and
- vi. Budget for indicators that are specified by the development partners as criteria for disbursement of budget support for the benefit of the country.

4.5.4 Blue Economy

55. Accounting Officers are instructed to identify opportunities arising from water resources and put in place plans and strategies that will enable full utilization of the opportunities in order to increase the contribution to government revenue and socio-economic development.

4.5.5 People with Disabilities

56. Accounting Officers are instructed to adhere to: the national development and services policy for people with disabilities of 2004; the Law on Persons with Disabilities No. 9 of 2010; and the guidelines for the implementation, integration and strengthening of services for persons with disabilities in Tanzania for 2022. In addition, they are required to comply with Section 5.3 of the guidelines for services for public servants with disabilities of 2008 which instructs on allocation of budget for the needs of public servants with disabilities.

4.5.6 Gender Responsive Budgeting

57. During budget preparation Accounting Officers are instructed to take into account gender issues by:

- i. Identifying gender issues by conducting analysis of gender disaggregated statistics;



- ii. Taking measures to address gender gap identified in the plan and budget of relevant institution;
- iii. Ensuring all service delivery facilities are accessible to people with disabilities;
- iv. Allocating resources for improving infrastructure and eligible services in special centres such as homes for the elderly and vulnerable children and schools for children with special needs; and
- v. Allocating budget for training on gender responsive budgeting.

4.5.7 Environment and Climate Change

58. Accounting Officers are instructed to consider climate change issues in the implementation of development projects including:

- i. Implementing the National Carbon Trading Guidelines of 2022 to enhance community income and government revenue;
- ii. Overseeing the implementation of the National Environmental Master Plan for Strategic Interventions (2022-2032);
- iii. Ensuring that the preparation of projects accommodates environmental conservation issues to combat the effects of climate change by enabling the country to prevent, withstand and respond to those effects;
- iv. Allocating budget for the implementation of various interventions to combat the effects of climate change in projects implementation; and
- v. Allocating budget for monitoring and evaluation of the implementation of climate change interventions in projects.

4.5.8 Nutrition Interventions

59. Accounting officers are instructed to consider the implementation of the Second National Multisectoral Nutrition Action Plan (NMNAP II) of 2021/22 – 2025/26 to achieve the expected results which are:

- i. Increased coverage of adequate equitable and quality nutrition services at community and facility level;
- ii. Women, men, children, and adolescents practice appropriate nutrition behaviors;
- iii. Sustainable and resilient food systems that are responsive to nutrition needs;
- iv. Effective multisectoral, public – private partnerships; and
- v. Enabling environment (adequate policies and frame-works) that is supportive of adequate human and financial resources for nutrition.

4.5.9 HIV and AIDS

60. Accounting Officers are instructed to:



- i. Continue with implementation of the HIV and AIDS (Prevention and Control) Act Cap, 431; and
- ii. Comply with the National Policy on HIV/AIDS and the guidelines for the control of HIV, AIDS and chronic non-communicable diseases in the workplace in the public service of 2014 with the aim of controlling and reducing the potential social and economic impacts.

4.5.10 Combating Corruption

61. Accounting Officers are instructed to:
 - i. Allocating funds for promoting ethics and fighting corruption in accordance with the Prevention and Combating Corruption Act, Cap 329 and the Fourth National Anti-Corruption Strategy and Action Plan 2023/24- 2029/30; and
 - ii. Continuing collaboration with Non-Governmental Organizations in promoting ethics and fighting against corruption.

4.5.11 Fight Against Drug Abuse

62. Accounting Officers are instructed to:
 - i. Continue to comply with the Drug Control and Enforcement Act, Cap 95 and the guideline for creation of awareness on effects of narcotic drugs in the country in 2022; and
 - ii. Cooperate with the Drug Control and Enforcement Authority to fight against drugs.

4.5.12 Public Private Partnership

63. Accounting Officers are instructed to solicit alternative financing, especially Public-Private Partnership arrangement to finance development projects in accordance with the Public-Private Partnership Act, Cap 103, Budget Act, Cap 439 and Treasury circular No. 7 of 2020/21. In addition, Accounting Officers should allocate funds in their budget for the preparation of PPP projects.

4.5.13 Economic Empowerment

64. Accounting Officers are instructed to allocate budget for coordination of enabled environment through available economic opportunities in respective areas, including opportunities in agriculture, livestock, fishing, energy, mining, trade, marketing and financial services.

4.5.14 Criminal Justice Issues

65. Accounting Officers are instructed to plan and implement strategies for criminal justice including:



- i. Capacity building to employees responsible for criminal justice matters in order to enhance efficiency and effective implementation of their duties;
- ii. Prepare and implement training program in relevant criminal justice institutions;
- iii. Establishing a strategy to identify and prevent crime by classifying the roles and responsibilities of various criminal justice institutions and society in general;
- iv. To educate the community on issues related to: rights of the accused when they come into conflict with the law; plea bargaining; the right to bail for the accused; sexual violence and all other issues deemed appropriate;
- v. To coordinate establishment of integrated criminal justice systems that will connect criminal justice institutions in order to facilitate the exchange of criminal and other related information;
- vi. To manage and coordinate amendments of laws related to criminal justice which have implementation challenges;
- vii. To improve infrastructure for people with special needs in criminal justice institutions; and
- viii. To coordinate establishment of ICT infrastructure for investigation and prosecution.

4.6 Monitoring, Evaluation and Reporting

66. Monitoring, evaluation and reporting of plan and budget should adhere to monitoring and evaluation strategy stipulated in the FYDP III, Public Investment Management Operational Manual of 2022 and other sectoral monitoring and evaluation guidelines.

4.6.1 Monitoring and Evaluation

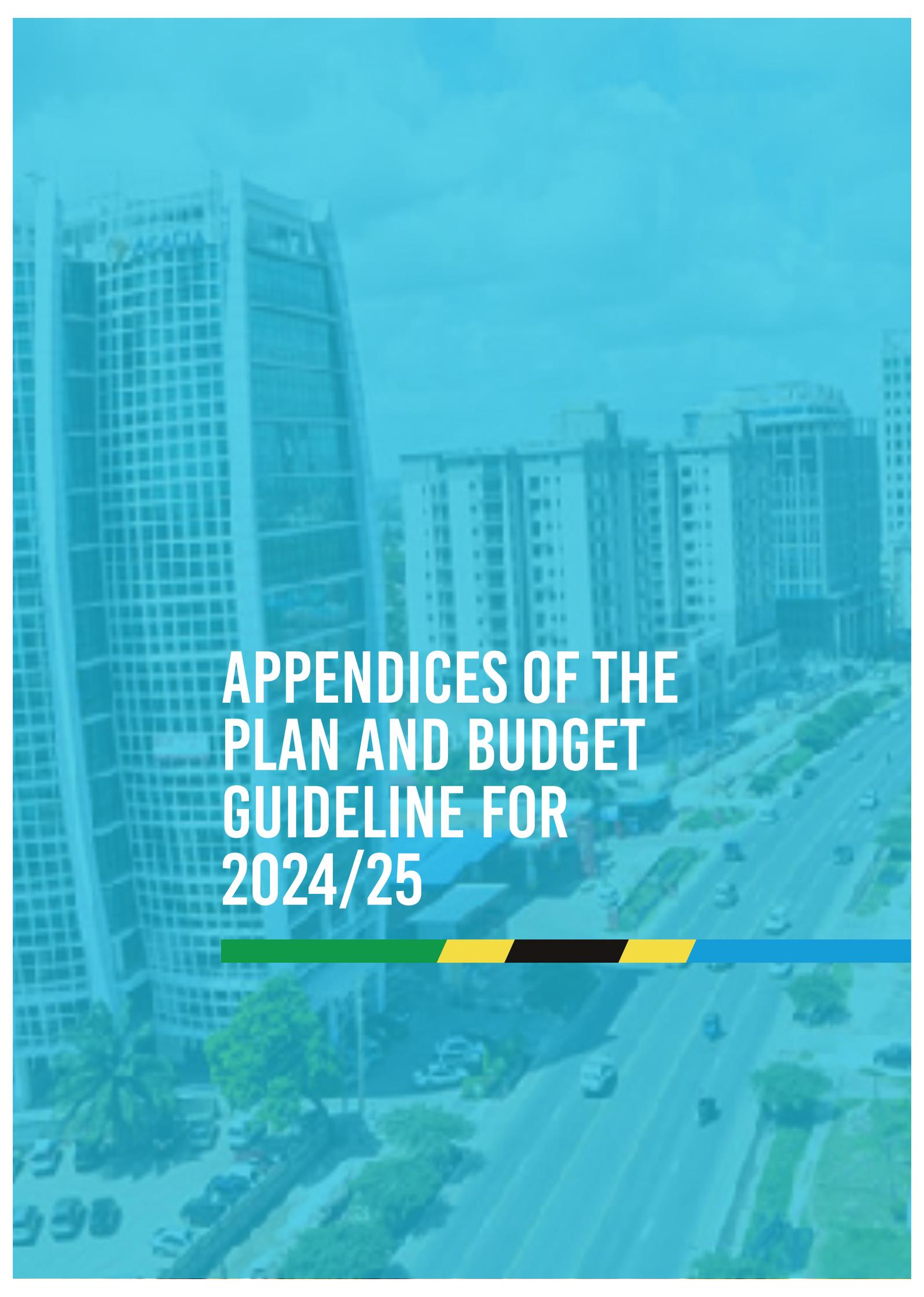
67. In strengthening monitoring and evaluation of the implementation of plan and budget, Accounting Officers are instructed to:
- i. Evaluate non-tax revenue sources and outline strategies to enhance efficiency;
 - ii. Strengthen newly established monitoring and evaluation units by allocating budget, personnel and preparing appropriate succession plan for new employees;
 - iii. Ensure the internal audit unit monitors the compliance of the Budget Act regarding the performance of the Budget Committees through quarterly review of monitoring, evaluation and implementation reports for accountability;
 - iv. Ensure compliance to National Guideline for Monitoring and Evaluation of Development Projects and Programmes of 2022 issued by the Ministry of Finance;
 - v. Allocate funds to facilitate monitoring and evaluation and ensure collaborative plan by including all stakeholders at the level of departments/units within institutions or other institutions to reduce costs and increase efficiency;
 - vi. Adhere to the use of the National Project Management Information System (NPMIS) according to Treasury Circular No. 5 of 2021/22;



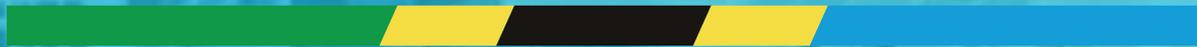
- vii. Establish robust monitoring and evaluation systems and ensure the plan and budget reflect the goals, targets and indicators for the implementation FYDP III;
- viii. Allocate funds for evaluating the implementation of policies, especially those implemented for a period of more than five years, to determine the need for policy change; and
- ix. Identify performance indicators to assess achievement of MDAs and LGAs objectives.

4.6.2 Preparation and Submission of Budget Implementation Reports

68. Accounting Officers are required to comply with Section 55 of Budget Act, Cap 439 which requires submission of budget implementation report to the Ministry of Finance not later than 30 days after the end of each quarter. Annual and quarterly reports from Regional Commissioners' Offices and Local Government Authorities, should be submitted to PO – RALG. Public Corporations and Institutions should submit the same to the Office of Treasury Registrar and a copy to parent ministry. In addition, annual implementation reports in hard and soft copies should be submitted before 15th October each year.



APPENDICES OF THE PLAN AND BUDGET GUIDELINE FOR 2024/25





**APPENDICES OF THE PLAN AND BUDGET GUIDELINE
FOR 2024/25**



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ECONOMIC PERFORMANCE REVIEW AND OUTLOOK

1.1 Introduction

1. This section describes the global, regional and Tanzania economic trend for 2022 and the outlook for the period of 2023 to 2024 as well as government debt.

1.2 Economic Performance and Outlook

1.2.1 Global and Regional Economic Growth

2. According to the International Monetary Fund (IMF) report of October 2023, the global economy recorded a growth of 3.5 percent in 2022 compared to 6.3 percent in 2021. The consequences of COVID-19 pandemic, Russia-Ukraine war, and climate change have all contributed to a decline in the rate of global economic growth. In 2023, the world economy is expected to grow by an average of 3.0 percent and 2.9 percent in 2024 (**Figure No. 1.1**). The projection is below an average of 3.8 percent annual growth rate recorded between 2000 and 2019. The slowdown in economic growth is a result of rising interest rates in developed countries in an effort to manage inflation, which has continued to impact economic activities globally.

3. In developed countries, the economy grew by an average of 2.6 percent in 2022 compared to 5.6 percent in 2021. The primary cause of this trend is the decisions made by central banks in developed countries, particularly the United States and some European countries, to increase interest rates in an effort to manage inflation. The move caused a shortage of money in the world market and thus contributed to an increase in borrowing costs. The growth in those countries is estimated to decrease to 1.5 percent in 2023 and 1.4 percent in 2024.

4. In emerging and developing economies, the economy grew by an average of 4.0 percent in 2022 compared to 6.8 percent in 2021. This was ascribed to the impacts of the COVID-19 pandemic, Russia-Ukraine war, and China's deteriorating commodity market. The projected growth in 2023 is 4.0 percent, which is the same as the projected growth in 2024.

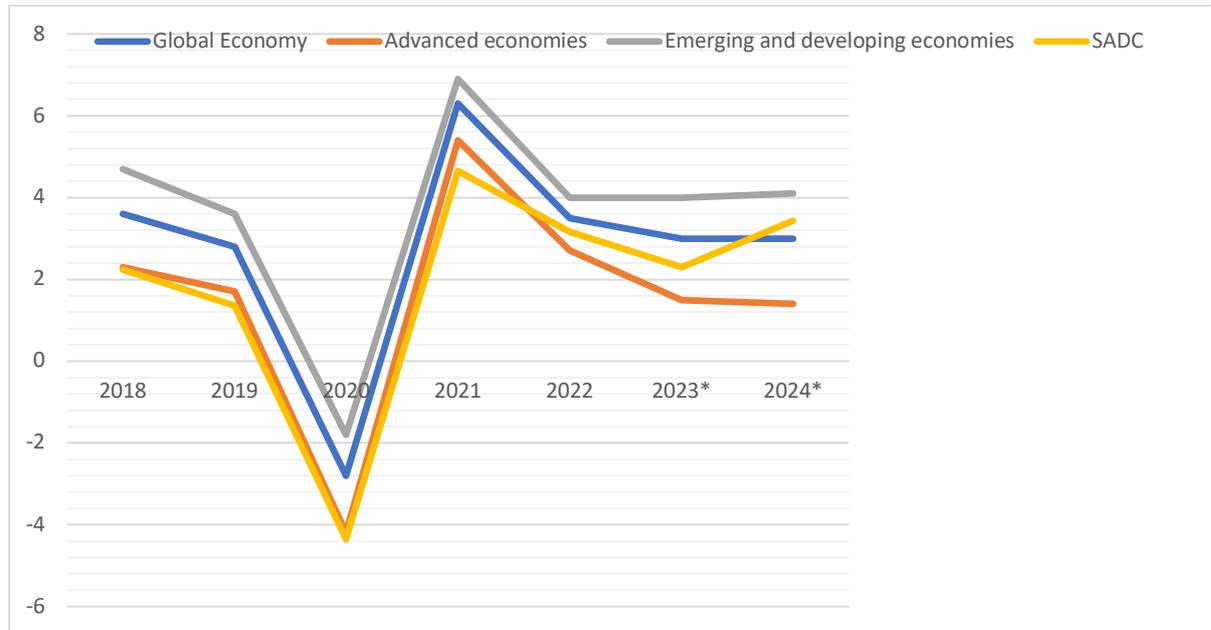
5. In Sub-Saharan Africa, economic growth dropped from 4.7 percent in 2021 to 4.0 percent in 2022. This decline reflects tighter financial conditions accompanied by a negative shift in the commodity term of trade. The growth is projected at 3.3 percent in 2023 and 4.0 percent in 2024. This is explained by the economic downturn of major economies in the region, notably South Africa and Nigeria, due to power shortages and security concerns in the oil industry, respectively.

6. Based on the Africa Development Bank Group report of 2023, the growth of real gross domestic product (GDP) in Southern African Development Community



(SADC) was 3.16 percent in 2022 compared to 4.65 percent in 2021 (**Figure No. 1.1**). The main causes of the GDP slowdown were tightening global financial conditions, supply chain disruptions, impacts of Russia-Ukraine war and COVID-19 pandemic as well as climate change.

Figure No. 1.1: Global and Regional Economic Trend



NB: *Projection

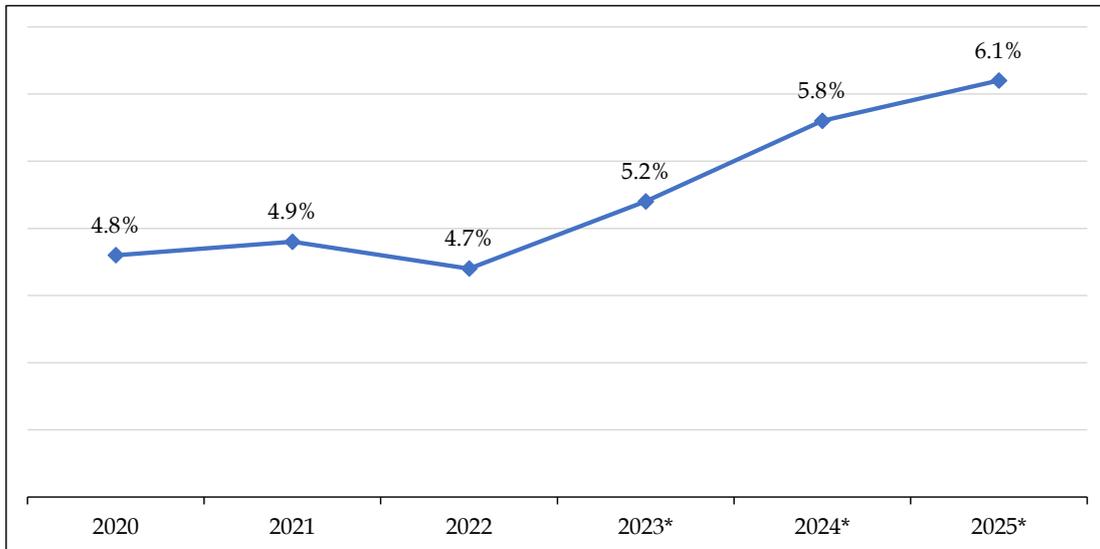
1.2.2 Economic Growth in Tanzania

7. Despite the challenges that affected world economy, Tanzania's economy continued to improve due to measures taken by the government, including the implementation of strategies to address effects of the Russia-Ukraine war, notably provision of fertilizer and fuel subsidies. Other reasons include: strategic investments in energy, water, health, education, roads, railways and airports infrastructure; increased production of minerals, especially coal, gas, limestone and copper; and increased tourism activities.

8. GDP grew by 4.7 percent in 2022 and is expected to increase to 5.2 percent in 2023 and 5.8 percent in 2024 as a result of measures taken by the government (**Figure No. 1.2**). In addition, GDP growth for the period of January to June 2023 was 5.3 percent compared to 5.1 percent in a similar period in 2022.



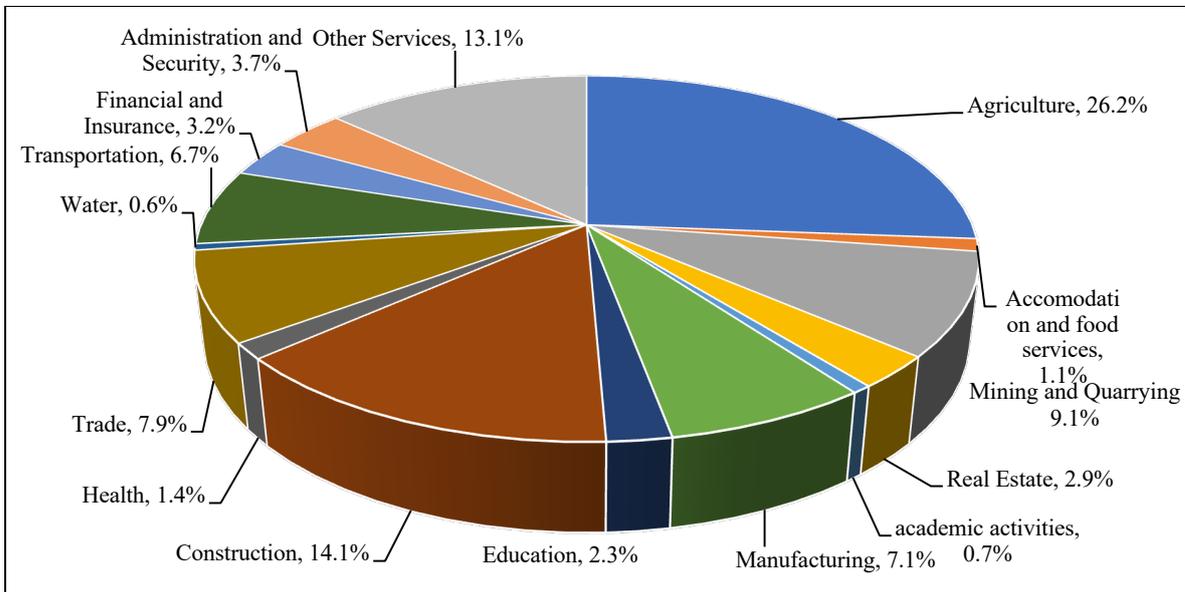
Figure No. 1.2: Tanzania Economic Trend



NB: *Projection

9. In 2022, economic activities that significantly contributed to the GDP include: agriculture (26.2 percent); construction (14.1 percent); minerals (9.1 percent); business (7.9 percent); manufacturing (7.1 percent) and transportation (6.7 percent). **Figure No. 1.3** shows the contribution of economic activities to GDP.

Figure No. 1.3: Contribution of Economic Activities to GDP in 2022



1.2.3 Global and Regional Inflation

10. According to the International Monetary Fund (IMF) report of October 2023, global inflation is expected to drop from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. The situation is explained by a decrease in commodity



prices in the world market and the implementation of monetary policy in developed countries.

11. In the year ending June 2023, inflation in the East African Community (EAC) increased to 14.3 percent from 6.3 percent in the year ending June 2022. This was mainly due to the increase in the prices of some food products.

1.2.4 Inflation in Tanzania

12. In 2022/23, Inflation was 4.6 percent which was within the country's target and regional convergence criteria (EAC and SADC). In addition, inflation from July to September 2023 averaged at 3.3 percent compared to 4.7 percent in the same period in 2022. Inflation is expected to remain within the medium-term target of 3.0 - 7.0 percent which is in line with regional convergence criteria following expectations of good weather, stability of commodity prices in the world market as well as the implementation of monetary policies.

1.2.5 Money Supply and Credit to Private Sector

13. The Bank of Tanzania continued to implement a less accommodative monetary policy in 2022/23 to tame inflationary pressure while safeguarding growth and financial sector stability from the effects of the COVID-19 pandemic, the Russia – Ukraine war and climate change.

14. Extended broad money supply (M3) increased by 13.7 percent in 2022/23, higher than the 12.2 percent recorded in 2021/22 and the target of 10.3 percent for 2022/23. The average currency in circulation grew by 12.8 percent in 2022/23, higher than annual target of 11.4 percent. Growth was in line with demand for economic activities.

15. Private sector credit grew at an average of 22.2 percent in 2022/23, above the annual target of 10.7 percent and an average growth rate of 9.9 percent in 2021/22. The growth was mainly due to increased demand for new loans in line with measures taken by the government to improve the business and investment environment, policy measures that were instituted by the BoT to stimulate cost-effective credit growth, and a supportive fiscal policy.

16. In 2022/23, credit for agricultural activities recorded the highest growth of 44.5 percent, from 0.3 percent recorded in 2021/22. Growth is mainly on account of policy measures taken by the government in a bid to revive growth of credit in agricultural activities including special loan worth one trillion shillings to financial institutions to facilitate provision of credit to agriculture sector at interest rates not



more than 10 percent. In addition, personal loans which are largely utilized for personal undertakings, primarily small and medium enterprises, continued to have the largest share of outstanding loans at 38.4 percent, followed by trade at 16.1 percent, manufacturing at 10.1 percent and agriculture at 8.7 percent.

1.2.6 Interest Rates

17. In 2022/23, the overnight interbank cash market rate increased to 3.55 percent from 3.22 percent recorded in 2021/22. The overall Treasury bills rate increased to 5.73 percent. Overall bank lending rates decreased from an average of 16.41 percent in 2021/22 to 16.04 in 2022/23, reflecting a slight decrease in the cost of borrowing following measures rolled out to reduce the cost of borrowing and reforms in the financial sector. Overall deposit rate decreased to an average of 8.01 percent in 2022/23 from 8.18 in 2021/22.

1.2.7 Exchange Rates

18. In 2022/23, the foreign exchange market experienced high demand for foreign currency stemming from elevated commodity prices from the world market coupled with a shortage of foreign currency supply partly emanating from tighter global financial conditions. However, the value of Tanzania shilling against the US dollar remained fairly stable in 2022/23. The shilling was traded at an average of 2,321.69 per US dollar in 2022/23, compared to 2,309.50 shillings in 2021/22. This was supported by availability of adequate foreign currency reserve as well as measures taken by BoT to ensure stability of foreign exchange market. Moreover, in the first quarter of 2023/24, Tanzania shilling was traded at an average of 2,428.26 per US dollar compared with 2,316.73 shillings in the corresponding period in 2022/23.

1.2.8 Foreign Currency Reserve

19. The stock of foreign reserves increased to USD 5.45 billion at the end of June 2023, from USD 5.11 billion in a similar period in 2022. The reserve remains adequate, covering 4.9 months of projected imports of goods and services, above the country benchmark of at least 4 months and the EAC benchmark of at least 4.5 months.

1.2.9 Banking Sector

a) Inclusive Financial Services

20. The Bank of Tanzania continued to ensure access to financial services at a low-cost including implementation of the Tanzania Instant Payment System (TIPS) project, which aims at increasing integration between financial service providers in the country. According to the Tanzania Finscope Survey, 2023 the percentage of adults using financial services has increased from 65 percent in 2017 to 76 percent in 2023. The study also noted that majority of Tanzanians access financial services through mobile phones.

**b) Microfinance Services**

21. The government continues to create favourable environment for the coordination, registration and promotion of the establishment and development of community microfinance groups. As of June 2023, the Bank of Tanzania issued 1,307 licenses to second-tier service providers and 801 licenses to savings and credit cooperatives as well as registering 42,257 community microfinance groups. In addition, second-tier microfinance service providers have issued loans worth 915 billion shillings to small and medium entrepreneurs in the country.

c) Liquidity and Profitability in Commercial Banks

22. The banking sector continues to grow and earn profits with adequate levels of capital and liquidity. Bank deposits and asset levels have continued to increase, thus strengthening the banking sector's resilience against domestic and foreign shocks. The core capital adequacy ratio reached 18.3 percent in June 2023, compared with the minimum regulatory requirement of 10 percent. In addition, the ratio of liquid assets to demand liabilities was 25.1 percent in June 2023 above the minimum regulatory requirement of at least 20 percent which is sufficient to meet demand of economic activities. The banking sector profit after tax for the first six months of 2023 increased to 744.8 billion shillings from 562.8 billion shillings in the first six months of 2022, equivalent to an increase of 32.3 percent.

d) Non-Performing Loans

23. The bank assets quality improved, as reflected by the decrease in the ratio of non-performing loans to gross loans from 7.8 percent in June 2022 to 5.3 percent in June 2023. This was attributed to measures taken by the government including improvement of business environment, payment of arrears and liquidity management which enabled timely repayment of loans. Other measures taken by the Bank of Tanzania include: improving the credit underwriting process; disciplinary measures to unethical employees; enforcement of the use of credit reference bureau database; implementation of regulations on customer protection rights; enforcing transparency on financial information. Moreover, the Bank of Tanzania instructed financial institutions to have stable financial management systems which accommodate development in the banking sector.

1.2.10 External Sector

24. The external sector continued to experience shocks emanating from the Russia-Ukraine war, climate change and COVID-19. These shocks led to an increase in commodity prices due to disruption of supply chain globally.



a) Current Account Balance

25. The current account recorded a deficit of USD 4,860.1 million in 2022/23. Exports of goods and services increased by 16.3 percent reaching USD 12,796.0 million in 2022/23, driven by increase in export of minerals, travel and manufactured goods. Meanwhile, imports of goods and services increased by 24 percent to USD 17,007.2 million in 2022/23 driven by an increase in petroleum products.

b) Goods and Service Account Balance

26. In 2022/23, goods and service account balance recorded a deficit of USD 4,211.2 million on account of an increase in import bills. In addition, goods account balance recorded a deficit of USD 7,100.3 million. Further, service account balance had a surplus of USD 2,889.1 million driven by travel (tourism) and transportation receipts associated with recovery of tourism sector from impacts of COVID-19 as well as continued government efforts to promote tourism.

1.3 Government debt

27. As of end June 2023, the government debt stock was 82,137.9 billion shillings, out of total debt stock, external debt was 53,211.53 billion shillings and domestic debt stock was 28,926.37 billion shillings. The debt sustainability analysis conducted in December, 2022 revealed that the debt burden indicators are within the international agreed threshold in the medium to long term (**Table 1.3**).

Table 1.3 Debt Sustainability Analysis

Debt burden indicators	Threshold	21/22	22/23	23/24	24/25	25/26	26/27	27/28	32/33
External									
PV of debt to GDP	40	18.1	17.7	17.3	16.4	15.8	15.8	16.3	15.4
PV of debt to Export earning	180	119.6	113.4	108.1	104.0	101.9	101.3	99.7	92.1
Debt service to Export earning	15	13.5	14.1	9.6	8.9	8.5	8.2	8.8	10.6
Debt service to revenue	18	14.1	14.9	10.4	9.6	9.3	9.3	10.9	12.2
Government debt Benchmark									
PV of Central Government debt to GDP	55	32.5	31.9	30.9	29.5	28.4	27.8	28.6	30.8
PV of central Government debt to revenue	N/A	217	207	202	196	194	195	207.7	207.1



Debt burden indicators	Threshold	21/22	22/23	23/24	24/25	25/26	26/27	27/28	32/33
Government debt service to revenue	N/A	34.0	41.6	33.3	30.5	27.6	27.7	30.1	41.0

Source: Ministry of Finance

1.3.1 Sovereign Credit Rating

28. In 2022/23, Moody's Investors Service and Fitch Ratings completed the rating assessment and published rankings B2+ and B+, respectively. This ranking indicates a favourable economic outlook, prudent debt management, political stability and a conducive investment environment in the country. These results are attributed to political stability and measures undertaken by the sixth-phase government to open up the economy. The assessment will enable the country to be recognized in international capital markets, thus widening loan accessibility for the government and private sector as well as attracting investment. In addition, the government will continue to undertake prudent economic management, strengthen debt management, attract investments and improve the political environment.



Appendix 1B

REVIEW OF THE IMPLEMENTATION OF PLAN AND BUDGET FOR 2022/23

2.1 Introduction

29. This appendix presents a summary of the implementation of the government plan and budget for 2022/23. This review has been carried out on revenue collection and government expenditure including the implementation of development projects in various sectors based on budget objectives and targets. Detailed information is available in the Proposed Annual Development Plan for 2024/25.

2.2 Revenue and Expenditure

30. In 2022/23, the government estimated to collect and spend 41,480.6 billion shillings. As of June 2023, the government collected a total of 38,977.0 billion shillings, equivalent to 94.0 percent of the approved budget. This amount includes 26,277.9 billion shillings from domestic revenue equivalent to 93.8 percent of the annual target of 28,017.9 billion shillings; 3,562.9 billion shillings are grants and concessional loans from Development Partners equivalent to 76.6 percent of the target of 4,648.6 billion shillings; and 9,136.2 billion shillings are domestic and external non-concessional loans equivalent to 103.7 percent of the annual target of 8,814.2 billion shillings. In addition, the government spent 40,853.3 billion shillings to finance implementation of various government activities and projects. Out of that amount, 26,882.6 billion shillings is recurrent expenditure and 13,970.7 billion shillings is development expenditure. The difference between revenue and expenditure amounting to 1,876.3 billion shillings was covered by a short-term loan. **Table 2.1** shows the details of revenue and expenditure performance.



Table 2.1: Revenue and Expenditure Performance for 2022/23

(Million Shillings)

	Budget	Actual	Performance
Domestic Revenue	28,017,867	26,277,887	93.8%
TRA (Tax and Non-tax)	23,652,758	22,610,162	95.6%
Non-tax revenue (MDAs)	3,352,824	2,646,686	78.9%
LGAs own sources	1,012,286	1,021,039	100.9%
Grants	1,101,489	596,380	54.1%
Concessional Loans	3,547,072	2,966,481	83.6%
External Non-Concessional Loans	3,034,004	3,011,725	99.3%
Domestic Non-Concessional Borrowing	5,780,148	6,124,512	106.0%
Net Domestic Financing	2,480,148	2,610,598	105.3%
Domestic Borrowing - Rollover	3,300,000	3,513,914	106.5%
TOTAL RESOURCES	41,480,580	38,976,986	94.0%
Recurrent Expenditure	26,474,576	26,882,592	101.5%
Wages and Salaries	9,830,753	9,046,205	92.0%
CFS (including Debt Service)	11,308,362	11,951,425	105.7%
Goods, Services and Transfers	5,335,461	5,884,961	110.3%
Development Expenditure	15,006,002	13,970,706	93.1%
Local	12,306,921	12,259,082	99.6%
Foreign	2,699,081	1,711,624	63.4%
TOTAL EXPENDITURE	41,480,578	40,853,298	98.5%

Source: Ministry of Finance

2.3 Achievements in the Implementation of 2022/23 Budget

31. Implementation of the government plan and budget for 2022/23 has recorded notable achievements in various sectors as follows:

a) Transport Sector

32. A total of 2,041.2 billion shillings was approved for implementation of projects in the Transport Sector. A total of 2,308.3 billion shillings was released, equivalent to 113.1 percent. Priority projects implemented in this sector include:

- i. **Construction of Standard Gauge Railway (SGR):** The SGR railway construction project is in various implementation stages as follows: Dar es Salaam – Morogoro (300 km) 98.48 percent; Morogoro – Makutupora (422 km) 94.74 percent; Mwanza – Isaka (341km) 37.20 percent; Makutupora - Tabora (371 km) 10.12 percent; Tabora - Isaka (165 km) 4.10 percent; and Tabora – Kigoma (506 km) 0.29 percent;
- ii. **Revamping of ATCL:** The government finalized the procurement of one (1) Boeing 767-300F cargo plane. In addition, the government made interim payments for three (3) planes, Boeing 737-9 Max (2) and Boeing 787- 8



Dreamliner (1) and initial payment for the procurement of one (1) Boeing Business Jet 737-7;

- iii. **Services improvement at the airports:** procurement, installation and testing of high-frequency communication devices between pilots and flight controllers at 12 airports, that is, JNIA, KIA, Abeid Aman Karume International Airport (Zanzibar), Tanga, Arusha, Pemba, Mtwara, Dodoma, Mwanza, Tabora, Kigoma and Songwe; and
- iv. **Procurement and Rehabilitation of Marine Vessels:** The government has continued with the construction of MV Mwanza (Hapa Kazi Tu) which is completed by 85 percent; and rehabilitation of MV Umoja (95 percent) and MT Sangara (90.7 percent).

b) Energy Sector

33. A total of 2,676.2 billion shillings was approved for implementation of development projects in the Energy Sector whereby, a sum of 2,225.8 billion shillings was released, equivalent to 83.2 percent. Priority projects implemented in this sector include: Julius Nyerere Hydropower Project – JNHPP (2,115 MW) 91.72 percent; construction of a 400KV Power Transmission Line from Rufiji to Chalinze (98%) and the Chalinze Power Substation (80.5%); Rural Electrification has enabled 10,753 out of 12,318 villages (87.3%) to be connected to electricity; completion of the Natural Gas Powered Plant - Kinyerezi I Extension Project (185 MW) by 100 percent; and Construction of Singida – Arusha – Namanga 400KV Power Transmission Line (98.5%).

34. The government continued with the following: preparations for the implementation of the Liquefied Natural Gas Processing Project (LNG) whereby, the Host Government Agreement (HGA) and Amended Production Sharing Agreement (PSA) were signed; payments for compensation and acquisition of shares for the implementation of the East African Crude Oil Pipeline Project (EACOP); and supplying Natural Gas to Dar es Salaam, Mtwara, Lindi and Pwani regions for domestic use, factories, institutions and vehicles.

c) Works Sector

35. A total of 2,169.6 billion shillings was approved for implementation of development projects in the Works Sector whereby, a sum of 2,207.1 billion shillings was released, equivalent to 101.7 percent. Priority projects implemented in this sector include:

- i. **Construction and Rehabilitation of Roads and Bridges:** A total of 1,178.43 km of trunk and regional roads were constructed, of which 297.97 km was



upgraded to bitumen standard and 880.46 km to gravel standard. In addition, a total of 22,873.47 km of rural and urban roads were completed, of which 204.17 km was upgraded to bitumen standard. Further, the government has completed the New Wami Bridge and continued with construction of Kigongo Busisi Bridge which has reached 78 percent;

- ii. **Construction and Rehabilitation of Airports and Ferries:** The Government completed construction and rehabilitation of Songea and Mtwara airports (Phase I). The overall construction status of other airports was as follows: Songwe (98 percent), Iringa (70 percent), Musoma (50 percent), Msalato - Package 1 - Infrastructure (34.72 percent) and Msalato - Package 2 - Buildings (6.15 percent). In addition, ferries projects implemented include completion of rehabilitation of six (6) ferries and continuation with construction of six (6) ferries; and
- iii. **Other Construction Projects:** Construction of infrastructure for decongestion in Dar es Salaam City and other cities whereby the eight (8) lane Kimara-Kibaha Road has been completed; construction and rehabilitation of ferry ramps infrastructures; and construction and rehabilitation of houses and government buildings, whereby Magomeni Quarter Second Phase “Block A” has been completed.

d) **Agriculture Sector**

36. A total of 631.4 billion shillings was approved for implementation of development projects in Agriculture Sector whereby, a sum of 501.9 billion shillings was released, equivalent to 79.5 percent. This sector is composed of crops, livestock and fisheries subsectors. Priority projects implemented in crops subsector include:

- i. **Crops Production:** In 2022/23, a total of 20,402,014 tonnes of food crops were produced compared to a demand of 16,390,404 tonnes in 2023/24, equivalent to 124 percent of food security. The success is attributed to the supply of 531,091 tonnes of subsidized fertilizer to farmers across different regions, coupled with adequate rainfall in some places in the country. On the other hand, the production of cash crops reached 1,097,115 tonnes compared to 973,436 tonnes in 2021/22 and horticulture crops reached 7,723,115.66 tonnes compared to 7,304,723 tonnes in 2021/22; and
- ii. **Building a Better Tomorrow (BBT) Programme:** The government has instituted the BBT programme to increase the employment of 1,000,000



youth and women in agriculture sector by 2025. The progress made include: Identifying and surveying 28 large joint farms of 196,889 acres for granting title deeds in Dodoma (34,613 acres), Kagera (5,640 acres), Mbeya (52,165 acres), Njombe (87,501 acres), Kigoma (14,875 acres) and Pwani (2,095 acres); and training of 812 youth on agriculture and patriotism at JKT camps.

- iii. **Irrigation Schemes:** Implemented activities include: Commencement of the construction of 19 new irrigation schemes and renovating 19 schemes which upon completion will increase the irrigation area by 95,000 hectares, thereby expanding the total irrigated agricultural land to 822,285.6 hectares; construction of irrigation infrastructure in 1,604 hectares of research and seed production farms whereby the implementation has reached 30 percent; commencement of construction of 10 dams with a total capacity of 131,535,000 cubic meters; conducting feasibility study and detailed design for 22 strategic basins with a total of 306,361 hectares; procurement of 15 machines for construction and repair of irrigation infrastructure. Implementation of these projects has created approximately 298,635 employment opportunities within project vicinity.

e) Livestock

37. In 2022/23, a total of 46.7 billion shillings was approved for implementation of development projects in livestock sub-sector whereby, 29.7 billion shillings was released, equivalent to 64.0 percent. Priority projects implemented include:

- i. **Strengthening Livestock Health:** Implemented activities include: construction of 257 dip tanks in 25 regions of which 246 have been completed and the construction of 11 dip tanks is in progress; purchase and distribution of 52,560 litres of acaricides in 172 local government authorities and five (5) Livestock Multiplication Units; distribution of 696,393,500 doses of livestock vaccines for priority livestock diseases compared to a target of 552,000,000 doses; and the purchase of refrigerated vaccine transport vehicle for vaccines distribution; and
- ii. **Improvement of breeds for milk and meat production:** Implemented activities include: Purchase and distribution of 1,230 breeding stock to government livestock farms; Breeding of 1,037 Heifers in government farms; Purchase and distribution of 366 bulls to breeders' groups in seven (7) councils; Production of 149,975 doses of cattle semen at the National Artificial Insemination Centre (NAIC); and artificial insemination of 124,613 cows in 26 regions.

**f) Fisheries**

38. In 2022/23, a total of 135.7 billion shillings was approved for implementation of development projects in fisheries subsector. Out of the amount, 37.9 billion shillings was released equivalent to 28 percent. Priority activities and projects implemented include:

- i. **Construction of a Fishing Harbour and Procurement of Fishing vessels:** Implemented activities include: construction of Kilwa Masoko Fishing Harbour project which has reached 22 percent; completion of pre-feasibility study for Deep-Sea Fishing vessels operation; and Environmental and Social Impact Assessment - ESIA for the Deep-Sea Fishing is ongoing; and
- ii. **Access to tools, equipment and inputs for fisheries and aquaculture:** 132 boats have been constructed and distributed; maintenance of 615 fish cages is ongoing; and training of 500 youth engaged in fisheries and aquaculture development through Building a Better Tomorrow Program in the Livestock and Fishing Sector (BBT LIFE).

g) Mining Sector

39. A total of 12.5 billion shillings equivalent to 56.9 percent was released out of 22.0 billion shillings which was allocated to implement development activities in this sector. Some of the activities implemented in this sector were: construction of a storage warehouse for core shade at Kizota-Dodoma; procurement of 12 vehicles for monitoring of mining activities in the country; procurement of five (5) drilling machines and two (2) coal briquettes plants; issuing 9,640 licenses for prospecting, mining, smelting and processing as well as broker's and dealer's licences; and issuing two (2) special mining licences (SMLs). In addition, 105,985 tonnes of coal were produced by STAMICO at Kabulo – Kiwira Coal mine out of annual target of 276,000 tonnes for 2022/23.

h) Water Sector

40. A total of 657.9 billion shillings was approved for the year 2022/23 for implementation of water sector projects of which 619.5 billion shillings was released, equivalent to 94.2 percent of the approved budget. The government continued with implementation of water projects to improve access to people living in rural and urban areas as well as to strengthen management and development of water resources as follows: completion of 630 rural water projects with 6,553 domestic points, thus benefiting 4,393,270 people in 1,390 villages; and completion of 67 water and sanitation projects benefiting 2,566,500 people in urban areas. As of June 2023, access to water services in rural and urban areas reached 77 percent and 88 percent respectively compared to the target of 85 percent in rural areas and 95 percent in urban areas by 2025. Regarding management and development of water



resources, the implemented activities were: repair of 136 and construction of six (6) stations for monitoring water resources; rehabilitation and construction of 11 medium-sized dams; and 41 water sources were demarcated and gazetted for conservation and protection.

i) Education Sector

41. In 2022/23, a total of 2,262.1 billion shillings was approved for implementation of programs and projects in Education Sector of which 2,538.9 billion shillings was disbursed, equivalent to 112.2 percent. The government continued to implement various programs including nursery education and fee-free basic and secondary education. The implementation of those programs has enhanced: enrolment of 1,435,735 new pupils for nursery education; registering 1,748,184 standard one pupils and 784,061 form one students. In addition, the programs strengthened school infrastructure by: constructing 13 schools, 2,445 primary and secondary classes, 6,806 pit latrines and 216 teachers' houses; and completing the construction of 9,204 classrooms, 339 dormitories, 70 dining halls and 286 science laboratories. Likewise, the government has continued to review the Education and Training Policy of 2014 and prepare curricula; distribution of 1,687,140 and 4,154,226 textbooks for standard III – V and standard I and II respectively and 3,885,000 reference books for nursery. Further, the government employed 13,130 teachers (7,801 for primary and 5,329 for secondary).

42. Other activities include: construction and rehabilitation of Vocational and Training Colleges in Dodoma (99%), Mtwara (99%), Dar es Salaam (65%) and Mwanza (64%); and continuing with the construction of Vocational Education and Vocational Training Colleges in 25 districts (98%). In addition, the government disbursed loans to 198,105 students; and provided 636 scholarships through Samia Scholarship programme.

j) Health Sector

43. In 2022/23, a total of 705.33 billion shillings was approved for implementation of programs and projects in the Health Sector. Out of the amount, 486.80 billion shillings was released, equivalent to 69 percent. The government continued with the implementation of various programs and projects in the Health Sector aimed at improving health services including:

- i. **Primary Health:** The government has continued to improve primary health services by constructing health infrastructure as well as procuring medical equipment and supplies. This includes: the construction and completion of 19 district hospitals; the renovation of six (6) old hospitals; the completion of



228 dispensaries; and procurement of medical equipment and supplies for 288 dispensaries, 296 health centres and 69 hospitals.

- ii. **Referral Level:** The projects implemented are construction and expansion of health infrastructure at: Muhimbili National Hospital (85%); zonal referral hospitals namely Burigi-Chato (79%), Southern Highlands - Mbeya (100%), Southern Region - Mtwara (86%), Lake Region - Bugando (100%), Central Region - Benjamin Mkapa (24%); Northern Region - KCMC (69%); and the Specialized Hospital for Infectious Diseases - Kibong'oto, Kilimanjaro (84%). In addition, the government continued with construction of 10 Regional Referral Hospitals in Geita (85%), Simiyu (96%), Songwe (78%), Njombe (100%), Manyara (86%), Mawenzi (85%), Maweni (97%), Mara (69%), Morogoro (100%) and Mbeya (98%). Further, the availability of medicine and vaccine services reached an average of 90 percent. Furthermore, the government employed 8,105 employees of various cadres in the health sector.

k) Investment, Industry and Trade Sector

44. In 2022/23, a total of 30.79 billion shillings was approved for implementation of activities and projects in this sector of which 41.16 billion shillings was released, equivalent to 133.7 percent. Priority activities and projects implemented include:

- i. **Investment:** Various activities implemented to attract investment include: enactment of Tanzania Investment Act No. 10 of 2022 and the Tanzania Investment Regulations of 2023; amendment of 106 charges, fees and fines that impose restrictions in business and investment environment; acquisition of 601 title deeds for farms and plots with a size of 456,601.254 hectares for investment; and compensation payment to 1,143 citizens for Mchuchuma and Liganga coal projects. In addition, a land with 78,144.35 hectares owned by the Tanzania Investment Center (TIC) has been prepared for various investment activities; and
- ii. **Industry and Trade:** Activities implemented include: renovation of three (3) factories in Morogoro, Kilimanjaro and Tanga; construction of two factory buildings of SIDO in Geita (1) and Tanga (1) as well as the renovation of 12 factory buildings in Dar es Salaam (4), Mbeya (1), Arusha (2), Tanga (1), Kigoma (2) and Tabora (2); issuing loans worth 6.8 billion shillings to entrepreneurs through the National Entrepreneurs Development Fund (NEDF); and manufacturing of 714 machines and 1,891 spare parts for small industries at seven (7) technology development centres. In addition, TANTRADE has achieved: access to markets for 147,061 tonnes of commodities worth 208.2 billion shillings including grapes, cassava, rice,



honey, wax and meat; and organizing the 47th Dar es Salaam International Trade Fair where 3,233 local and 267 foreign companies from 19 countries participated and commercial agreements worth 16.98 billion shillings were signed.

l) Good Governance Sector

45. In 2022/23, a total of 462.7 billion shillings was approved for implementation of projects in the good governance sector of which 472.5 billion shillings was released, equivalent to 102.1 percent. Priority projects implemented in this sector include:

- i. **Development of Government City - Mtumba:** The Government continued with the construction of infrastructure and office buildings at Government City - Mtumba. The second phase of the construction of the offices for 26 ministries, the Office of the Attorney General and the eGovernment Authority has reached an average of 67.8 percent. Further, the government continued with the construction of preliminary infrastructure including water, electricity, communication and roads where the construction of tarmac road with 51.2 km has been completed.
- ii. **Construction of houses for government leaders and employees:** The government completed the construction of 20 houses for government leaders, construction of 150 houses for civil servants (Phase I) and rehabilitation of 40 houses for leaders in Dodoma.
- iii. **Strengthening of Judicial Services:** The Government has continued to strengthen judicial services including: completing the construction of 18 district courts; construction of the judicial headquarter building in Dodoma (94 percent); constructing and renovating court buildings in six (6) districts (Manyoni, Liwale, Kwimba, Ubungo, Korogwe and Ulanga); and construction of four (4) judges' houses in Kilimanjaro, Shinyanga, Mtwara and Tabora regions. Other projects are: rehabilitation of Maswa District court building; and continued with the construction of 10 primary courts (Madale - Kinondoni, Kinesi - Rorya, Mahenge - Kilolo, Luilo - Ludewa, Newala - Newala, Usevya - Mlele, Nyakibimbili - Bukoba, Kabanga - Ngara, Mlimba - Kilombero and Mang'ula – Kilombero).
- iv. **Construction of Administrative Buildings in Local Government Authorities:** The Government continued with the construction of 79 administrative buildings of councils where administrative buildings of 10 district councils namely Mbulu, Momba, Kalambo, Rombo, Mufindi, Iringa,



Mafia, Bariadi, Mlele and Bariadi town council) have been completed and other buildings are at various stages of implementation.

m) Land sector

46. In 2022/23, a total of 101.5 billion shillings was approved for implementation of development projects in this sector whereby 97.2 billion shillings was released, equivalent to 96 percent. Priority projects and activities implemented include: preparation of urban land development schemes in Mbeya, Mwanza and Arusha; surveying of 118,045 plots in 55 Councils; preparation of five (5) beach development plans; preparing new surveyed maps and installing beacons to strengthen Tanzania and Kenya borders with a total of 110 kilometres; preparation of land use plans in eight (8) Councils of Nsimbo, Ngorongoro, Kigoma, Maswa, Mbinga, Mafinga, Songwe and Chamwino; and preparation of 7,438 customary rights of occupancy in Makete (6,594) and Iramba (844) districts.

n) Tourism Sector

47. In 2022/23, a total of 624.1 billion shillings was approved for implementation of development projects in tourism sector whereby 613.1 billion shillings was released, equivalent to 98.2 percent. The number of tourists increased to 1,454,920 in 2022 from 922,692 in 2021 which is equivalent to 57.7 percentage increase as a result of government initiatives to improve tourism sector. In addition, revenue collection from tourism activities increased to 2.5 billion USD in 2022 compared to 1.3 billion USD in 2021, equivalent to a 93 percentage increase. These achievements are attributed to The Royal Tour program initiated by Hon. Dr Samia Suluhu Hassan, President of the United Republic of Tanzania and viewed by approximately 1.2 billion people worldwide. Moreover, Tanzania has been ranked by the World Economic Forum (WEF) as the first in Africa and 12th in the world for having the best natural tourism attractions and the 32nd in Africa for having the best antiquities.

2.4 Opportunities Emerged During Budget Execution

48. In the implementation of the 2022/23 budget, the opportunities that emerged include:

- i. Increase in food demand in the world market;
- ii. Increase in the domestic market due to population growth;
- iii. Presence of a workforce with high proportion of youth;
- iv. Urbanization that has unlocked economic opportunities;
- v. Presence of a National ICT Backbone in facilitating the fourth industrial revolution;
- vi. Geographical advantage in serving the EAC, SADC and COMESA countries;
- vii. Presence of peace, unity and economic stability;
- viii. Increase in prices of gem stones in the world market;



- ix. Increase in number of tourists; and
 - x. Increased demand for domestically produced products due to supply chain disruptions.
49. Accounting Officers are instructed to build internal capacity to utilize the mentioned opportunities to increase production activities.

2.5 Challenges Emerged During Budget Execution

50. Despite achievements recorded in the implementation of budget for 2022/23, the challenges that emerged include:

- i. The rise in the prices of various goods, including petroleum products and fertilizer due to Russia-Ukraine war;
- ii. Tax evasions by importing and exporting products through fraudulent means, including smuggling;
- iii. Minimum compliance with issuing and demanding electronic receipts during sales;
- iv. Limited participation of private sector in projects implementation; and
- v. The scarcity of US dollar attributed to the impacts of COVID – 19 pandemics, the Russia – Ukraine war, climate change and tightened US monetary policies, thus increasing the demand for dollars; disruption of the supply chain and attraction of investors to the United States. These factors have increased commodity and service prices including transportation and external debt service.

2.6 Measures to Address Budget Execution Challenges

51. The government continued to implement measures to address the budget execution challenges including:

- i. Providing subsidies on petroleum products for the period of June to December 2022 to reduce the impact of increasing prices;
- ii. Providing subsidies on fertilizers to reduce price and the costs of crop production;
- iii. Continuing to improve tax laws, strengthening revenue collection and management systems, and enhancing border patrols;
- iv. Providing education to taxpayers on the importance of voluntary tax compliance and the use of electronic receipts;
- v. Enhancing security of revenue collection systems;
- vi. The Bank of Tanzania continues to manage the Foreign Exchange Act, CAP 271 and its Regulations with the aim of controlling the arbitrary use of foreign currency; and
- vii. Entering into new contracts using Tanzania shilling to control the indiscriminate use of foreign currency.



2.7 Budget Execution for the First Quarter of 2023/24

Revenue

52. During the first quarter of 2023/24, total revenue collection from domestic and external sources amounted to 9,163.5 billion shillings. Out of the amount, domestic revenue was 6,878.9 billion shillings, equivalent to 95.2 percent of the target of 7,224.0 billion shillings. The domestic revenue includes 6,092.2 billion shillings as tax revenue collected by TRA; 491.2 billion shillings non-tax revenue collected by MDAs; and 295.4 billion shillings of LGAs own source.

53. Grants and concessional loans reached 687.5 billion shillings, equivalent to 77.9 percent of the target of 882.0 billion shillings. Domestic non-concessional loans amounted to 1,220.7 billion shillings, equivalent to 114.2 percent of the target of 1,068.7 billion shillings. External non-concessional loans reached 376.4 billion shillings, equivalent to 68.9 percent of the target of 546.6 billion shillings. To achieve revenue collection target for 2023/24, the government continues to implement various strategies including: improvement of revenue collection systems; introducing tax payers award called Tuzo ya Uzalendo; and strengthening border patrol operations.

Expenditure

54. The total expenditure for the first quarter of 2023/24 was 10,347.7 billion shillings. Out of the amount, recurrent expenditure was 6,242.1 billion shillings and development expenditure was 4,195.6 billion shillings. Recurrent expenditure comprised of 2,446.9 billion shillings for wages and salaries; 2,179.8 billion shillings for debt service and consolidated fund services; and 1,615.3 billion shillings for other charges. Moreover, development expenditure comprised of 3,508.1 billion shillings of local funded projects and 687.5 billion shillings of foreign funded projects.

Development disbursements were channelled to various projects and programmes including: 639.3 billion shillings for construction of the Standard Gauge Railway; 445.9 billion shillings for construction and rehabilitation of roads, bridges and airports; 246.9 billion shillings for Julius Nyerere Hydropower Project -JNHPP (2,115 MW); 114.7 billion shillings for agricultural projects; 99.9 billion shillings for Fee Free Basic Education; 98.1 billion shillings for revamping ATCL; 92.6 billion shillings for rural electrification project; and 40.7 billion shillings for Higher Education Students Loan.



REVIEW OF IMPLEMENTATION OF THE PLAN AND BUDGET GUIDELINE FOR 2023/24

3.1 Introduction

55. This section reviews the implementation of instructions provided in the Plan and Budget Guideline for 2023/24 based on the evaluation and scrutinization of the budget for the year 2023/24 and stakeholders' opinions regarding the preparation and implementation of the government budget.

3.2 Budget Frame for 2023/24

56. Following the government priorities and various improvements in policies and revenue collection systems, the government budget estimates increased from the proposed 43,294.6 billion shillings to 44,388.1 billion shillings, equivalent to an increase of 1,093.5 billion shillings (2.5%). Out of the proposed 44,388.1 billion shillings, the Central Government Revenue is 68.1 percent, LGA Own Source is 2.6 percent, Grants and Concessional loans are 12.3 percent while domestic and external non-concessional loans are 17.0 percent. The increment is attributed to improvements in domestic revenue collections as well as grants and concessional loans from Development Partners. **Table 3.1** shows the proposed budget frame and approved budget for 2023/24.



Table 3.1: Proposed and Approved Budget for 2023/24

Billion Shillings

		Billion Shillings		
	Resources	Approved Budget 2023/24	PBG 2023/24	Increase/ Decrease
A.	Domestic Revenue - Central Government	30,237.1	29,890.7	346
	(i) TRA revenue (Tax and Non-tax)	26,725.4	26,379.0	346
	(ii) Non-tax revenue (MDAs)	3,511.7	3,511.7	0
B.	LGAs Own Source	1,143.9	1,143.9	0
C.	Grants and Concessional Loans	5,466.2	4,511.0	955
	(i) Programme grants and concessional loans (GBS)	2,184.1	1,228.9	955
	(ii) Project grants and concessional loans	3,152.0	3,152.0	0
	(iii) Basket grants and concessional loans	130.1	130.1	0
D.	Non-concessional Loans	7,540.8	7,749.1	-208
	(i) External non-concessional loans	2,100.5	2,110.6	-10
	(ii) Domestic non-concessional loans (NDF)	1,898.3	2,096.4	-198
	(iii) Domestic non-concessional loans (Rollover)	3,542.1	3,542.1	0
	TOTAL RESOURCES (A+B+C+D)	44,388.1	43,294.6	1,093
	Expenditure			
E.	Recurrent Expenditure	30,310.8	29,229.0	1,082
	(i) CFS	12,771.5	12,488.2	283
	- Domestic interest payments	2,799.4	2,736.9	63
	- Domestic amortization (Rollover)	3,542.1	3,542.1	0
	- External amortization	2,763.9	2,668.3	96
	- External interest payments	1,364.4	1,239.3	125
	- Employees' contribution to pension funds	1,710.6	1,710.6	0
	- CFS others	591.2	591.2	0
	(ii) Wages and salaries	10,882.1	10,251.3	631
	(iii) Other recurrent expenditure (OC)	5,518.8	5,527.1	-8
	- Clearance of arrears	200.0	200.0	0
	- LGAs own source	689.5	697.8	-8
	- Other charges	4,629.4	4,629.3	0
	(iv) Development Expenditure current transfers	1,138.4	962.3	176
	- HESLB	738.7	598.5	140
	- Fee-free Basic Education Program	399.6	363.8	36
F.	Development Expenditure	14,077.2	14,065.7	12
	(i) Local	10,795.1	10,783.6	12
	o/w Clearance of arrears	528.0	400.0	128
	o/w Standard Gauge Railway - SGR	1,113.0	1,500.0	-387
	o/w Julius Nyerere Hydropower Project	1,500.0	1,450.0	50
	o/w LGAs Own Source	454.4	394.8	60
	o/w Other development expenditure	7,199.7	7,038.8	161
	(ii) Foreign	3,282.1	3,282.1	0
	TOTAL EXPENDITURE (E+F)	44,388.1	43,294.6	1,093
	BUDGET DEFICIT I (as percentage of GDP)	2.7%	2.7%	

Source: Ministry of Finance



3.3 Implementation of the Plan and Budget Guideline for 2023/24

- a) Preparation of Plan and Budget:** During preparation of plan and budget, votes continued to adhere to priorities of the Annual Development Plan for 2023/24, as well as various policies and guidelines, including strategic plan of the respective institutions. However, during the review, it became evident that there is a need for some MDAs, Regional Commissioners' Office and LGAs to update strategic plans for improving plans and budget preparation.
- b) Performance of Budget Committees:** It was observed that some Accounting Officers are yet to establish Budget Committees. Budget Committees conduct meetings during the budget preparation only, and minutes of quarterly meetings are not submitted to the Ministry of Finance. In addition, some Accounting Officers do not convene meetings or adhere to the Budget Act regarding the composition of committee members. Therefore, Accounting Officers are reminded to comply with Section 18(2) of the Budget Act, Cap 439, and Regulation 17.
- c) Revenue Collection:** The review observed that Accounting Officers have continued to adhere to instructions provided, including using the Government electronic Payment Gateway (GePG) and complying with the Public Finance Act, CAP 348. However, it was observed that some institutions are yet to join and use the GePG system. In addition, it has been realised the presence of dishonest public servants who do not use GePG system to collect revenue, leading to government revenue loss.
- d) Exchange Rate:** The review observed compliance to an indicative exchange rate of one US dollar to 2,345.1 Tanzanian Shillings during plan and budget preparation. However, it has been noted that some Accounting Officers did not comply with the indicative exchange rate.
- e) Preparation of Budget for Personnel Emolument and Other Charges:** Votes adhered to various guidelines and circulars issued by the President's Office - Public Service Management and Good Governance and the Ministry of Finance. However, there are various observed challenges including: inconsistency of information in HCMIS and PlanRep/CBMS systems; non-integration of systems such as HCMIS, GSPP and the new PSSSF system; and provision of unrealistic PE budget ceilings for 2023/24 compared to actual requirements.



Analysis of budget for other charges revealed some challenges including: insufficient budget allocation for clearance of arrears especially staff debts; insufficient budget allocation for staff capacity building particularly training on government information management systems; and inappropriate use of GFS Codes 2014 during budget preparation.

- f) Preparation and Execution of Development Budget:** Accounting Officers continued to allocate budget for implementation of projects as per instructions. However, there are challenges hindering the implementation of projects including: delaying payments to contractors because of system faults; some sectoral ministries incorporating budgets for activities implemented by Regional and Local Government Authorities; and some votes not complying with the Public Investment Management Operational Manual (PIM-OM).
- g) Compliance to Loans, Grants and Guarantees Act:** Accounting Officers continued to comply to The Loans, Grants and Guarantees Act, Cap 134. However, there has been a delay in the submission of foreign fund commitments by some votes.
- h) Compliance to Union Matters:** During preparation of the Plan and Budget for 2023/24, Ministries/Institutions have continued to consider Union matters by allocating budget for convening collaborative meetings between the URT and the RGZ. In addition, the budget for addressing union issues has continued to be allocated and reports submitted to the Vice President's Office. However, some sectoral ministries do not allocate budget for collaborative meetings leading to failure to conduct meetings.
- i) Measures to Control Expenditure:** The review noted implementation challenges including: some staff are engaged in managing projects implemented through Force Account hence affecting service delivery, particularly in health and education; management of construction projects by unprofessional staffs leading to substandard projects; low absorption capacity in some institutions; creation of arrears due to off-budget commitments; insufficient budget allocation for internal audit, monitoring and evaluation; and inadequate expertise in managing implementation of various interventions including development projects. In addition, it has been noted that some institutions do not consider market prices in procurement of goods and services thus increase government expenditure.



- j) Implementation of cross-cutting issues:** Accounting Officers continued to allocate budget for cross-cutting issues (such as the fight against corruption, nutrition, HIV/AIDS, drugs, gender issues, people with special needs, climate and environment). However, some Accounting Officers allocate insufficient budget for implementation of cross-cutting issues.
- k) Regional and International Cooperation:** Votes have continued to submit estimates of membership contributions for inclusion in plans and budgets to the Ministry of Finance. However, there is a need to ensure cooperation agreements with Regional and International Institutions are beneficial to relevant sectors and the Nation at large, by involving the Ministry of Finance and the Ministry of Foreign Affairs and East African Cooperation.
- l) Compliance with Specific Instructions for Public Corporations and Institutions:** The government has continued to improve management of public corporations and institutions to enhance revenue collection, profitability and provision of better services to community. The measures taken include enacting a law that will establish Public Investment Authority to manage public corporations and enormous capital in institutions where the government is a shareholder.

Despite these achievements, there are challenges that affect the performance of public corporations including: some corporations relying on subsidies from the Consolidated Fund contrary to the objectives of its establishment; lack of commercial capital; and overlap of responsibilities between institutions, thus increasing government expenditure.

- m) Data Entry in PlanRep and CBMS:** Votes have continued to adhere to timely data entry in CBMS and PlanRep systems. However, the review noted challenges of inaccurate data entry by some votes owing to lack of regular training on budget preparation systems.
- n) Submission of Budget Memoranda:** Votes adhered to the timetable for submission of budget memoranda. However, it was noted that there is no standard format for the preparation of budget memoranda. Therefore, it is recommended to have a standardized format for budget memoranda.
- o) Monitoring and Evaluation of Budget Implementation:** In strengthening monitoring and evaluation, the government has made structural improvements by establishing a unit for monitoring and evaluation in each ministry with the aim of increasing efficiency in monitoring various



government projects and activities. However, there are challenges related to monitoring and evaluation including non-allocation of budget and shortage of staff.

- p) Plan and Budget Execution Reports:** Accounting Officers partially complied with the instructions of the Plan and Budget Guideline for preparing quarterly and annual budget execution reports. However, the evaluation revealed inappropriate reporting owing to the absence of regular training. Moreover, some votes do not present the final accounts report with a comparison of revenue and expenditure estimates against actuals.
- q) Action and Cash Flow Plan:** Ministries, Agencies, Independent Departments, Regional Commissioners' Offices and Local Government Authorities prepared action and cash flow plans. However, the evaluation revealed that; challenge of timely data entry for action and cash flow plan in CBMS for some votes; inaccurate cash flow forecasts resulting into existence of unimplemented activities for particular quarter and thus accumulate activities not implemented for the respective year.
- r) Risk Management:** Instructions on risks management as specified in the National Guideline for Preparation and Implementation of Risk Management Framework in Public Institutions of 2012 and Section. 4 (2) (c) as well as Regulation 4 (1) and (2) of the Budget Act, Cap 439, aimed to ensure full implementation of budget for National development. However, review has noted non-adherence to risk management instructions in some votes. In addition, the review noted absence of risk coordinators, lack of knowledge of risk by heads of departments and absence of updated risk registers in some votes. Thus, it is important to emphasize risk management issues and prioritize them during preparation of plans and budget as well as conducting regular training on risk issues.
- s) Adherence to Specific Instructions for Regional Commissioners' Offices:** Accounting Officers allocated budget for implementation of development projects and other charges for both Regional Commissioners' offices, District Commissioners offices and Division Offices. However, there was no compliance with some instructions including: failure to mark boundaries within regions, districts and divisions; failure to allocate land for implementation of social and economic activities; and failure to follow up and advise LGAs on identification of new revenue potential sources.



t) **Adherence to Instructions for Local Government Authorities:**

- i. **Own source revenues allocation:** LGAs allocated a total of 454.4 billion shillings of own source revenues for implementation of development projects, equivalent to 35 percent of the total own source revenue. The allocation is displayed in **Table 2:**

Table 2: Allocation of Own Sources to Development Projects

S/n	Council Categories	Number of Councils (per Category)	Percentage of Contribution	Amount allocated (billion shillings)
1	First Category	9	70	219.85
2	Second Category	17	60	77.52
3	Third Category	102	40	138.24
4	Fourth Category	56	20	18.79
	Total	184	-	454.4

In addition, a total of 8 billion shillings was allocated by 9 Councils from own source revenue to support construction of rural roads under TARURA.

A total of 87.97 billion shillings as 10 percent of 879.77 billion shillings of Councils unprotected own source has been allocated for loans to women, youth and people with disabilities in 184 Councils.

Some LGAs failed to allocate 20 percent of the revenues generated from agricultural produce, the average allocation was only 13.5 percent; In livestock sector, the instructions were to allocate 15 of the total own sources generated from livestock produce, whereas average allocation was only 10.4 percent. In fishing sector, average allocation was 13.5 percent of the revenue which is above the target of 5 percent.

- ii. **Compliance to Instructions Regarding Health, Education, Agriculture, Livestock, Fisheries, Land, Business, Industry, Investment, Natural Resources, and Environment Sectors:**



- a) A total of 242.66 billion shillings has been allocated for improving healthcare services with a focus on: procuring medicines, medical equipment, and supplies; completion, construction, and rehabilitation of healthcare facilities; provision of maternal and child healthcare services, including vaccination services; and continuing to create awareness among citizens on the importance of health insurance to achieve the objective of Universal Health Care Insurance;
- b) A total of 14.72 billion shillings was allocated for 9,400,000 children which is more than 1,000 shillings for nutritional services for each child under the age of five. However, four (4) councils have allocated less than 1,000 shillings;
- c) Councils prepared realistic data for facilitating the budgeting of Fee-Free Basic and Secondary Education (Form V and VI) and examination. A total of 676.38 billion shillings was allocated, of which 243.61 billion shillings are for examinations and 399.64 billion shillings are for fee-free education;
- d) A total of 800.37 billion shillings was allocated for the improvement of learning and teaching environments in primary and secondary schools by completing and renovating school infrastructure, providing learning and teaching materials, especially for students with special needs; facilitating sports in schools, strengthening issues related to child upbringing and development, counselling, child safety, health education, and environmental hygiene both at school and at home;
- e) A total of 16 councils have allocated 353.27 million shillings for enhancing cooperative development management and establish systems that will increase efficiency in providing services to cooperative members. However, considering the significance of the sector, the allocated amount was relatively small.
- f) A total of 22.64 billion shillings was allocated for developing business activities, industries, investment areas, and entrepreneurs' activities;
- g) A total of 24.32 billion shillings was allocated for the management and development of natural resources and the environment, including the promotion and conservation of tourist attractions, wetland preservation, tree planting, forest maintenance, and protection of water sources; and ensure production technologies consider environmental conservation, waste collection, and disposal; and



- h) Out of a total of 184 LGAs, 128 have allocated a budget of 23.94 billion shillings for urban planning and improving land use, especially in emerging small towns, as well as preparing land use plans for villages. They also continued with installation of postal code infrastructure, marking boundaries for local authorities, wards, villages/Mitaa, and conservation areas. However, land surveying for areas expected for projects implementation in the local authorities is given less priority.



Appendix 1D

MTEF PRESENTATION FORMAT 2024/25 - 2026/27

Maelezo ya Kisera kwa Ufupi

(i) Maelezo ya Waziri/Mkuu wa Mkoa/Meya au Mwenyekiti wa Halmashauri/Mwenyekiti wa Bodi/Baraza

(ii) Maelezo ya Afisa Masuuli.

Sura ya 1: Uchambuzi wa Hali Iliyopo

1.1 Uchambuzi wa Wadau

1.2 Uchambuzi wa Uwezo, Udhaifu, Fursa na Changamoto

1.3 Masuala Muhimu ikijumuisha mawasilisho ya usimamizi wa vihatarishi

Sura ya 2: Mapitio ya Utekelezaji wa Bajeti

2.1 Mapitio ya Utekelezaji - 2022/23

2.1.1 Muhtasari wa Fedha zilizovuka mwaka kwa kila programu na maelezo ya matumizi 2022/23

2.1.2 Makadirio ya Mapato kwa Mwaka yakilinganishwa na Mapato Halisi

2.1.3 Makadirio ya Matumizi kwa Mwaka yakilinganishwa na Matumizi Halisi

2.1.4 Muhtasari wa Malengo yaliyopangwa yakilinganishwa na Malengo yaliyofikiwa

2.2 Mapitio ya Utekelezaji kwa Nusu Mwaka - 2023/24

2.2.1 Muhtasari wa Fedha zilizovuka mwaka kwa kila programu na maelezo ya matumizi 2023/24

2.2.2 Makadirio ya Mapato kwa Mwaka yakilinganishwa na Mapato Halisi

2.2.3 Makadirio ya Matumizi ya Mwaka yakilinganishwa na Matumizi Halisi

2.2.4 Muhtasari wa Malengo kwenye MTEF yakilinganishwa na Mafanikio yaliyopatikana

2.3 Changamoto zilizojitokeza 2022/23 na Mikakati ya kukabiliana na changamoto

Sura ya 3: Makadirio ya MTEF (2024/25 - 2026/27)

3.1 Muhtasari wa Makadirio ya Bajeti ya Mwaka na Miaka Miwili inayofuata (Fomu Na.1)

3.2 Malengo Makuu, Shabaha na Shughuli zitakazofanyika (Fomu Na. 3A)

3.3 Makadirio ya Matumizi ya Mengineyo kwa Mwaka na Miaka Miwili inayofuata (Fomu Na. 3B)

3.4 Muhtasari wa Makadirio ya Matumizi ya Kawaida (Fomu Na. 3C)

3.5 Makadirio na Maoteo ya Mapato (Fomu Na.4)

3.6 Makadirio ya Matumizi ya Maendeleo kwa Mwaka na Miaka Miwili inayofuata (Fomu Na.6)

3.7 Muhtasari wa Matumizi ya Miradi ya Maendeleo (Fomu Na. 6.1)

3.8 Mfumo wa Matokeo wa Kitaasisi (Fomu Na.7)

3.9 Muhtasari wa Makadirio ya Mishahara kwa kila Fungu (Fomu Na. 8A)

3.10 Muhtasari wa Makadirio ya Mishahara kwa Kifungu (Fomu Na. 8B)

3.11 Kipengele Na.I – Muhtasari wa Wafanyakazi Walio kwenye Orodha ya Malipo ya Mishahara (Fomu Na. 8C)

3.12 Kipengele Na.II - Muhtasari wa Watumishi Wenye Kibali Wanaotarajiwa Kuajiriwa Katika Mwaka husika (Fomu Na. 8D)

3.13 Kipengele Na.III - Muhtasari wa Wafanyakazi Wanaotarajiwa Kuajiriwa (Fomu Na. 8E)

3.14 Orodha ya Wafanyakazi Wanaotarajiwa Kustaafu (Fomu Na. 8F)

3.15 Jedwali la Mishahara kulingana na Ikama (Fomu Na. 9)

3.16 Fomu ya Taarifa za Miradi (Fomu Na. 10A)

3.17 Muhtasari wa Makadirio ya Bajeti ya Miradi kwa mwaka unaofuata kwa Fungu (Fomu Na. 10C)



BUDGET MEMORANDUM FORMAT FOR 2024/25



JAMHURI YA MUUNGANO WA TANZANIA

JINA LA FUNGU

FUNGU NA

RANDAMA YA MPANGO NA BAJETI KWA MWAKA WA FEDHA 2024/25

Imetayarishwa na;

Anuani ya Fungu

Machi, 2024



YALIYOMO

VIFUPISHO

SURA YA KWANZA

1. UTANGULIZI

- 1.1. Dira
- 1.2. Dhima
- 1.3. Majukumu ya Fungu

SURA YA PILI

2. MAPITIO YA UTEKELEZAJI WA BAJETI YA FUNGU YA MWAKA 2023/24

- 2.1. Taarifa ya Utekelezaji wa Maagizo ya Kamati...
- 2.2. Tathmini ya Utekelezaji Bajeti hadi Februari 2024
 - 2.2.1. Taarifa ya Fedha Zilizovuka Mwaka 2022/23 (**Jedwali Na. 1**)
 - 2.2.2. Mapato/Maduhuli (**Jedwali Na. 2**)
 - 2.2.3. Matumizi ya Kawaida
 - 2.2.4. Miradi ya Maendeleo
- 2.3. Mafanikio ya Utekelezaji wa Bajeti
- 2.4. Changamoto (kama zipo) ambazo ni muhimu Kamati ya Bunge ikazifahamu na Mikakati ya Kuboresha Utekelezaji wa Bajeti

SURA YA TATU

3. MPANGO NA BAJETI YA MWAKA 2024/25

- 3.1. Vipaumbele vya Mpango na Bajeti
- 3.2. Makadirio ya Mapato
- 3.3. Makadirio ya Matumizi ya kawaida
 - 3.3.1. Kazi zitakazotekelezwa (kifungu kwa kifungu) (**Jedwali Na. 3**)
- 3.4. Makadirio ya Matumizi ya Miradi ya Maendeleo
 - 3.4.1. Miradi Itakayotekelezwa (**Jedwali Na. 4**)
- 3.5. Muhtasari wa Maombi ya Fedha kwa Mwaka 2024/25 (**Jedwali Na.5**)

Muhtasari uoneshe maombi ya fedha kwa Fungu husika na mchanganuo wake



Jedwali Na. 1: Taarifa ya Fedha Zilizovuka Mwaka

Geresho la Mradi	Jina la Mradi	Shughuli zilizoombewa Kibali	Fedha zilizovuka Mwaka 2022/23		
			Fedha zilizobaki Kufikia Juni, 2022	Fedha zilizotumika hadi Feb 2024	Kazi zilizotekelezwa
5401	Ujenzi wa Hospitali ya Wilaya		68,213,114	45,490,000	Fedha zimetumika kukamilisha shughuli za kuweka tiles, kupaka rangi, kuweka milango na madirisha,

Jedwali Na. 2: Tathmini ya Ukusanyaji Mapato ya Ndani / Maduhuli

Mapato Yaliyoidhinishwa	Makusanyo Halisi	Ufanisi (Asilimia)	Sababu za Ufanisi

Jedwali Na. 3: Mchanganuo wa Fedha za Matumizi ya Kawaida Mwaka ...

Geresho la Kifungu: Mfano 1001

Jina la Kifungu: Mfano Utawala na Rasilimali Watu



NA.	KASMA	MAELEZO YA KASMA	KIASI KILICHOTENGWA		MAELEZO YA MATUMIZI
			2023/24	2024/25	
1.	21111	Mishahara ya watumishi	50,000,000	60,000,000	Kitengo kinaomba kuidhinishiwa shilingi 600,000,000 kwa ajili ya kulipa mishahara ya watumishi 30 walio katika masharti ya kudumu na malipo ya uzeeni. Kasma hii imeongezeka kwa shilingi 100,000,000 kutokana ongezeko la watumishi watatu (3) katika kitengo.

Jedwali Na. 4: Mchanganuo wa Fedha za Matumizi ya Maendeleo Mwaka ...

Geresho la Kifungu: Mfano 1001Jina la Kifungu: Mfano Utawala na Rasilimali Watu

Geresho la Mradi	Jina la Mradi	Shughuli zilizopangwa kutekelezwa	Gharama za Mradi	
			Fedha za ndani	Fedha za nje
4321:	Programu ya Maendeleo ya Elimu ya Msingi (Primary Education Development Programme)	Kuimarisha Stadi za Kusoma, Kuandika na Kuhesabu (KKK) Awamu ya Pili – GPE LANES II	-	2,000,000

Jedwali Na. 5: Muhtasari wa Makadirio ya Bajeti kwa Mwaka....

Maelezo			Bajeti 2024/25
1	Matumizi ya Kawaida	Mishahara	
		Matumizi Mengineyo	
	Jumla Ndogo		
2	Matumizi ya Maendeleo	Ndani	
		Nje	
	Jumla Ndogo		
	Jumla Kuu		



Appendix 1F

BUDGET COMMITTEE REPORT FORMAT

Ukurasa wa juu

Yaliyomo

Vifupisho vya maneno

Utangulizi

Sehemu hii itahusisha maelezo mafupi juu ya wajibu na majukumu ya Kamati katika usimamizi wa bajeti; orodha ya wajumbe na kumbukumbu za barua za uteuzi kwa mujibu wa sheria ya bajeti na orodha ya agenda zilizojadiliwa

1.0 Uendeshaji wa vikao

Sehemu hii itahusisha Ratiba na utaratibu wa uendeshaji wa vikao

2.0 Mapitio ya Muhtasari wa kikao cha kamati kilichopita

Elezea kwa ufupi maazimio ya kikao kilichopita

3.0 Ugawaji wa Rasilimali:

3.1 Mgawanyo wa rasilimali kulingana na vipaumbele vya bajeti kama ilivyoainishwa kwenye mpango kazi

3.2 Utaratibu wa ugawaji wa rasilimali kila mwezi kulingana na vipaumbele vya bajeti

3.3 Mgawanyo wa rasilimali fedha katika Idara na Vitengo

4.0 Taarifa ya kazi zilizotekelezwa nje ya mpango na bajeti

5.0 Mafanikio, Changamoto na Mapendekezo

6.0 Hitimisho

