



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

**FINANCIAL COMPLIANCE  
AND ENGAGEMENT MANUAL  
FOR NON-STATE ACTORS**

**July, 2025**

## TABLE OF CONTENTS

OVERVIEW.....	V
CHAPTER ONE.....	- 1 -
Institutional And Legal Framework .....	- 1 -
1.1. Introduction.....	- 1 -
1.2. Institutional Framework for NSAs .....	- 1 -
1.3. Legal Forms of Non-State Actors.....	- 2 -
1.3.1. Cooperative Societies .....	- 2 -
1.3.2. Incorporated Companies .....	- 3 -
1.3.3. Non-Governmental Organizations.....	- 3 -
1.3.4. Societies and Associations.....	- 3 -
1.3.5. Trade Unions and Employer Associations .....	- 3 -
1.3.6. Trusts and Board of Trustees.....	- 3 -
CHAPTER TWO .....	- 4 -
Engagement With Non-State Actors.....	- 4 -
2.1. Introduction.....	- 4 -
2.2. Principles of Engagement with NSAs .....	- 5 -
2.3. Scope of Engagement for NSAs .....	- 8 -
2.3.1. Commit Efforts & Resources to National Development Goals -	8 -
2.3.2. Support Government Planning and Policy Formulation .....	- 9 -
2.3.3. Promote Transparency and Accountability .....	- 9 -
2.3.4. Enhance Local Capacity and Technical Expertise .....	- 9 -
2.3.5. Foster Inclusive Dialogue and Stakeholder Engagement .....	- 9 -
2.3.6. Align Interventions with National Systems and Frameworks -	9 -
2.3.7. Champion Innovation and Knowledge Sharing .....	- 9 -
CHAPTER THREE.....	- 10 -
Dialogue With Non-State Actors.....	- 10 -

3.1. Introduction.....	- 10 -
3.2. Rationale .....	- 11 -
3.3. Levels of Dialogue .....	- 11 -
3.3.1. Strategic Level Dialogue .....	- 11 -
3.3.2. Sector Level Dialogue.....	- 11 -
3.3.3. Political Sensitive Issue Dialogue .....	- 11 -
CHAPTER FOUR.....	- 13 -
Government Budget Cycle.....	- 13 -
4.1. Introduction.....	- 13 -
4.2. Government Budget Cycle.....	- 13 -
4.2.1. Budget Evaluation and Analysis.....	- 13 -
4.2.2. Plan and Budget Guidelines .....	- 14 -
4.2.3. Formulation of Estimates and Scrutinization .....	- 14 -
4.2.4. Parliamentary Government Plan and Budget Approval .....	- 14 -
CHAPTER FIVE.....	- 15 -
Financial Disclosure For Non-State Actors.....	- 15 -
5.1. Introduction.....	- 15 -
5.2. General Requirements .....	- 15 -
5.3. Specific Requirements.....	- 17 -
5.3.1. Requirements for Non- State Actors .....	- 17 -
5.3.2. Requirements for Local Government Authorities.....	- 18 -
5.3.3. Requirements for Regional Commissioners’ Offices .....	- 18 -
5.3.4. Requirements for President’s Office -Regional Administration and Local Government .....	- 19 -
5.3.5. Requirements for Ministry of Finance.....	- 20 -
GLOSSARY.....	- 21 -

## ABBREVIATIONS

<b>ANSAF</b>	Agricultural Non-State Actors Forum
<b>CBMS</b>	Central Budgeting Management System
<b>DCF</b>	Development Cooperation Framework
<b>DCPs</b>	Development Cooperation Partners
<b>DPs</b>	Development Partners
<b>FYDP</b>	Five-Year Development Plan
<b>IMTC</b>	Inter-Ministerial Technical Committee
<b>LGAs</b>	Local Government Authorities
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MoF</b>	Ministry of Finance
<b>NaCoNGO</b>	National Council of Non-Governmental Organizations
<b>NGOs</b>	Non-Governmental Organizations
<b>NSAs</b>	Non-State Actors
<b>PBG</b>	Plan and Budget Guidelines
<b>PO-RALG</b>	President's Office – Regional Administration and Local Government
<b>SHIVYAWATA</b>	Shirikisho la Vyama vya Watu Wenye Ulemavu Tanzania
<b>TAWASANET</b>	Tanzania Water and Sanitation Network
<b>TCRF</b>	Tanzania Child Rights Forum
<b>TDV</b>	Tanzania Development Vision
<b>TEN/MET</b>	Tanzania Education Network/Mtandao wa Elimu Tanzania
<b>URT</b>	United Republic of Tanzania

## OVERVIEW

The Government of the United Republic of Tanzania increasingly recognizes Non-State Actors (NSAs) as vital stakeholders to the nation's social, economic, and political development. NSAs play a pivotal role in mobilizing communities, raising awareness, facilitating consultations, and representing the interests of citizens. Traditionally, NSAs engagement with the Government spans multiple areas, including shaping policy agenda, contributing to policy formulation and implementation, and participating in monitoring, evaluation, and the promotion of transparency and accountability in public service delivery.

Historically, the engagement between the Government and NSAs has somewhat been ad hoc; however, over time the Government has made strides in establishing an overarching framework for cohesive coordination. In strengthening collaboration between the Government and NSAs, various legal frameworks, policies and guidelines have been developed including the Mining Act, Cap 123, Development Cooperation Framework (DCF), the National Public-Private Partnership (PPP) Policy, and the Guideline for NGOs Coordination in Mainland Tanzania which altogether set foot for a more structured engagement in various ways. Despite the existence of these policies and guidelines, a key challenge persists: the limited recognition of NSAs contributions in government budget implementation. This gap affects the Government's ability to harmonize interventions, allocate resources efficiently, and avoid duplication of development efforts. Equally, it hinders NSAs from aligning their programming with national priorities and demonstrating impact.

As a result, the Ministry of Finance seeks to foster further the utilization of NSAs resources in terms of finances and expertise by developing a more robust engagement guideline that will facilitate implementation of the principles of engagement between the Government and NSAs.

This Manual is divided into five chapters, namely: Legal and Institutional Framework; Principles of Engagement with NSAs; Dialogue Structures with NSAs; Government Budget Cycle; and Financial Disclosure Guidelines for NSAs. Specifically, Chapter One provides highlights on legal and institutional framework for NSAs, covering various legal forms of NSAs.

Chapter Two enlightens the general principles and scope for engagement between the Government and NSAs, while Chapter Three covers specific dialogue structures and arrangements between the Government and NSAs, which are the Sector Level Dialogue, Strategic Level Dialogue (Technical Level Strategic Dialogue and High-Level Strategic Dialogue), as well as Political Sensitive Issue Dialogue. It also emphasizes the necessity for NSAs to establish network organizations as per the requirements of the DCF.

Chapter Four provides highlights on the Government Budget Cycle, which covers budget evaluation and analysis, planning and budget guidelines, formulation of estimates and scrutinization, and Parliamentary Government plan and budget approval. Chapter Five addresses financial disclosures, which provide general and specific requirements for MDAs, Regional Commissioners' Offices, LGAs and NSAs to comply during the preparation and implementation of projects/programmes.

The Financial Compliance and Engagement Manual for NSAs brings together key information and consolidates it into a single reference document. The Manual is intended to guide NSAs on how to effectively engage in joint planning with the Government, aiming at recognizing and enhancing NSAs' contributions to the country's development. This Manual may be reviewed from time to time for the purpose of updating it to match with fast-changing social, political and economic context of Tanzania. The revision, whenever deemed necessary, shall be made through a participatory approach.

The effective implementation of this manual is expected to strengthen established foundation for a renewed and structured partnership between the Government and NSAs by clearly outlining principles, roles, and areas of collaboration which will help to minimize conflicts and foster mutual trust. Moreover, timely and accurate projects information from NSAs will enable the Government to plan and allocate budgets more effectively, avoid duplication of efforts, and ensure equitable geographic distribution of development interventions. Ultimately, this improved framework of transparency and accountability will enhance Development Partners' confidence and create a more secure, predictable, and attractive environment for increased development cooperation and investment in Tanzania.

#### 1.1. Introduction

Non-State Actors (NSAs) are entities that exercise significant economic, political, cultural and social roles in development at sub-national and national levels. NSAs are fundamental agents in helping to achieve national development goals as they play an important role in complementing government efforts by supporting communities and groups, addressing their challenges and ensuring that their needs and priorities are addressed to the decision makers.

The contribution of NSAs has been recognized in areas such as emergency and humanitarian response, climate change and environmental conservation, economic empowerment, skills development, awareness and access to education, health services, promotion of legal justice, poverty eradication, social protection, advocacy for human rights, good governance, transparency and accountability, as well as contributing to direct employment, taxes and foreign currency.

#### 1.2. Institutional Framework for NSAs

Tanzania's Third National Five-Year Development Plan 2021/22-2025/26 (FYDP III) builds a case for transformative participation and contribution of NSAs in the competitive economy as a catalyst for sustaining Tanzania's middle-income status and improving human development. The FYDP III further calls for joint efforts to increase the growth and dynamism of NSAs, enhance formality, improve good governance, and ensuring sustainability of NSAs' activities.

The Development Cooperation Framework (DCF) requires Development Cooperation Partners (DCPs) to share information with the Government regarding their development assistance to Tanzania through NSAs. This will allow the Government to consider NSAs' activities in the planning process and thus avoid duplication of efforts.

The Public Finance Act, Cap 348 and its Regulations, empowers the Minister responsible for finance to effectively control, manage and regulate the collection and use of the finance of the United Republic

of Tanzania to enhance Parliamentary control, supervision of public fund and other related matters.

Additionally, the Guideline for NGOs Coordination in Mainland Tanzania, among other things, requires the Ministry of Finance to ensure that financial resources received by NGOs through bilateral agreements are in line with the requirements of the NGOs (Amendments) Regulations, 2018 which advocates for transparency and accountability for NGOs. The Guideline further requires the Ministry of Finance to maintain institutional framework for information exchange between Sector Ministries on NGOs funding and its implementation in a bid to facilitate Government's recognition of the contribution of NGOs to national development.

### **1.3. Legal Forms of Non-State Actors**

Article 20 of the Constitution of the United Republic of Tanzania provides for the basic rights for involvement in different social, political and economic activities. Non-State Actors in Tanzania are governed by multiple legislations under different Government portfolio. The legislative framework in Tanzania incorporates various compliance aspects governing and regulating NSAs, these include but not limited to: the NGOs Act, Cap 56; the Societies Act, Cap 337; the Companies Act, Cap 212; the Bankruptcy Act, Cap 25; the Trustees Incorporation Act, Cap 318; the Value Added Tax Act, Cap 148; Income Tax Act, Cap 332, the Public Finance Act, Cap 348; the Employment and Labor Relations Act, Cap 366; the Cooperative Societies Act, Cap 6; and the Mining Act, Cap 123 to mention a few.

In that regard, there are various forms of NSAs, which are currently operating in Tanzania. For the purpose of facilitating the implementation of this Manual, NSAs are grouped into six legal forms as follows:

#### **1.3.1. Cooperative Societies**

Cooperative societies are voluntary associations or organisations formed under the Cooperative Societies Act, Cap 6 by people with common interests, who come together and pool resources to promote their welfare, which can be in a form of a primary society, secondary society, an apex and/or a federation.

### **1.3.2. Incorporated Companies**

Incorporated Companies are voluntary legal entities that are formed and registered under the Companies Act, Cap 212 for the purpose of promoting investment, trade or commercial activities. Company members share a common purpose and unite to achieve specific declared goals.

### **1.3.3. Non-Governmental Organizations**

Non-Governmental Organisations (NGOs) are voluntary non-profit sharing groupings of individuals or organizations established under the NGOs Act, Cap 56 for the purpose of promoting economic, environmental, social or cultural development or protecting environment, good governance, law and order, human rights and lobbying or advocating on such issues for the benefit or welfare of the community.

### **1.3.4. Societies and Associations**

Societies and associations are voluntary non-partisan and non-political associations of ten or more persons established under the Societies Act, Cap 337 for the purpose of promoting professional, social, cultural, religious or economic benefits or welfare of their members, but which are different from all the other entities, which can be formed by other written laws other than the Societies Act.

### **1.3.5. Trade Unions and Employer Associations**

Trade Unions and Employer Associations are voluntary membership-based organisations established under the Employment and Labour Relations Act, Cap 366 for the purpose of protecting and advancing the interests of their members. Both Trade Unions and Employer Associations are supposed to adopt a constitution and rules that comply with the Employment and Labour Relations Act.

### **1.3.6. Trusts and Board of Trustees**

Trusts and Board of Trustees are legal relationships created under the Trustees' Incorporation Act, Cap 318 by mutual understanding based on trust between the creator of the trust and trustees, by an order of court or by operation of the law, when specified property or interests are placed under control and management of a trustee or trustees for the benefit of another party or parties called a beneficiary or beneficiaries, or for a specific purpose.

## CHAPTER TWO

### ENGAGEMENT WITH NON-STATE ACTORS

#### 2.1. Introduction

The engagement of NSAs in development cooperation has evolved through a series of international agreements and national frameworks that emphasize inclusive, transparent, and results-oriented partnerships. Foundational Agreements Shaping NSAs Engagement include the Cotonou Agreement as revised in Ouagadougou on 22<sup>nd</sup> June 2010. Article 4 of the Agreement requires African, Caribbean and Pacific Group of States (ACP) while determining the development principles, strategies and models of their economies, establish cooperation programs provided under the Agreement with the Community and recognize the complementary role and potential contributions of NSAs.

Nevertheless, Article 6 (2) of the Agreement states clear that, recognition of NSAs shall depend on the extent to which they address the needs of the population, on their specific competencies and whether they are organized and managed democratically and transparently. Article 7 of the Agreement requires building the capacity of community organizations and non-governmental organizations in all spheres of cooperation. This evolves encouraging and supporting the creation and development of these organizations as well as establishing arrangements for involving such organizations in the design, implementation and evaluation of development strategies and programmes.

Forth High Level Forum on Aid and Development Effectiveness, held in 2011 Busan, South Korea, coined as the phrase "A joint call from Tanzania", implying that both the Government and Development Cooperation Partners Organizations, including NSAs in Tanzania had a unified voice in promoting Development Agenda.

Tanzania has been a front of fundamental challenges related to aid reform implementation. Despite numerous challenges and clear opportunities for progress, the fundamental lesson remains the principles underpinning the Paris declaration and the Accra Agenda

for Action aiming at realizing higher quality, more transparent and effective development cooperation. Returning to old systems and ways of doing business as well as increasing misaligned project aid, stove-pipe approaches, and un-harmonized cooperation is no longer an option. This message clearly defines the course of action that DCPs should take into redefining the roles of NSAs in the Development Cooperation.

## **2.2. Principles of Engagement with NSAs**

The Development Cooperation Framework (DCF) stipulates principles that foster engagement between the Government and DCPs, including NSAs to ensure projects and programmes align with national priorities. The principles focus on realizing sustainable development results and serve as the basis for inclusive dialogue and effective partnership thus, promote transparency and accountability while addressing potential risks involved in development cooperation. This engagement is guided by customized eight (8) DCF core principles, as outlined below:

### **i. Ownership**

Development Cooperation Partners should commit to fostering national ownership of the development process through the government. This includes supporting the government in effectively addressing all development challenges in accordance with nationally adopted development strategies and plans.

- NSAs should support national ownership of the development agenda through government systems and strategies.
- NSAs should not attach unnecessary conditions to aid or create parallel structures that undermine government leadership.

### **ii. Alignment**

Development Cooperation Partners should continuously optimize the alignment of all development programmes and projects to national priorities.

- NSAs should align all programmes and projects with Tanzania’s national development priorities, such as the Tanzania Development Vision 2050 (TDV 2050).
- NSAs should not propose or fund initiatives that fall outside the nationally agreed frameworks and implementation instruments.

### iii. Use of Country Systems

All Government development programmes and projects should utilize respective Government’s country systems for Planning, Accounting, Procurement, Auditing, Monitoring, Evaluation and Learning or any other relevant procedures. DCPs should strive to adhere to the maximum extent possible. System challenges or bottlenecks will be addressed in a coordinated manner under Government leadership. In this regard, support to domestic Non-State Actors is to be coordinated with the relevant government authority to ensure alignment and accountability for resources and results.

- NSAs should utilize national systems for planning, procurement, accounting, auditing, and Monitoring, Evaluation and Learning.
- NSAs should not circumvent government systems or operate independently from responsible government authorities.

### iv. Information on Aid

Development Cooperation Partners should provide timely and disaggregated information on their assistance, in order to enable the Government to better plan for efficient utilization of the resources and record the relevant assistance in the annual budget and thus foster its alignment with national priorities. Similarly, the government will address infrastructures and similar challenges for data capture in a coordinated and inclusive manner to enhance effectiveness and efficiency.

- NSAs should provide timely, transparent, and disaggregated data on projects/programmes to facilitate integration in national budgets and planning.

- NSAs should not delay or withhold aid-related information that hinders resource coordination and alignment with national priorities.

#### **v. Strengthening Accountability**

All partners should promote national ownership in development cooperation; with special emphasis on strengthening accountability of all stakeholders. DCPs should refrain from running parallel results framework which could risk misalignment with Government priorities and increase the reporting burden for all.

- NSAs should foster accountability by adhering to shared frameworks and clearly defined roles.
- NSAs should not create or operate projects/programmes that duplicate development efforts.

#### **vi. Country Knowledge Building**

Development Cooperation Partners should prioritize and effectively support country knowledge building while focusing on national development priority areas. This includes promoting the use of local expertise or joint teams in carrying out assignments and supporting a dedicated capacity development fund.

- NSAs should empower local communities to carry out projects/programmes that align with the national development plans and strategies.
- NSAs should not over-rely on foreign consultants or external systems that don't contribute to long-term local capacity development.

#### **vii. Aid for Trade**

The Government recognizes the need to address supply-side constraints in both domestic and international markets to stimulate investment and diversify export. To achieve this, the government will collaborate with Development Cooperation Partners to mobilize resources, complementing ongoing efforts in trade and

investment facilitation. These efforts aim at reducing dependency on foreign assistance and expanding the domestic revenue base.

- NSAs should support government efforts to address trade and investment barriers by mobilizing resources for economic infrastructure, trade facilitation, and capacity building.
- NSAs should not only focus on short-term support or neglect structural reforms that promote sustainable trade and domestic investment.

### **viii. Enhancing Domestic Resource Mobilization**

The Government in collaboration with stakeholders, is committed to broadening and efficiently managing domestic resource mobilization to reduce reliance on external aid in the medium to long term. Reforms to revenue collection systems will target not only public sector efficiency but also engage NSAs participation, strengthen contributions from informal and formal sectors, and promote public-private partnerships.

- NSAs should pay their applicable taxes, fees and levies to support national development.
- NSAs should not avoid paying taxes, fees and levies where they are legally and ethically obligated.

### **2.3. Scope of Engagement for NSAs**

Based on the outlined principles of engagement, NSAs are expected to contribute meaningfully to national development through the following actions:

#### **2.3.1. Commit Efforts and Resources to National Development Goals**

Mobilize technical, financial, and human resources to support the implementation of Tanzania's national development vision, sectoral strategies, and community-driven initiatives, with a focus on inclusivity and sustainability.

### **2.3.2. Support Government Planning and Policy Formulation**

Provide timely, accurate, and disaggregated data, research findings, and field-based insights to inform Government planning processes, including budget preparation, policy development, and strategic reviews.

### **2.3.3. Promote Transparency and Accountability**

Work collaboratively with Government institutions and other stakeholders to ensure transparency in resource utilization, uphold ethical standards, and contribute to robust monitoring, evaluation, and reporting systems for development projects and programs.

### **2.3.4. Enhance Local Capacity and Technical Expertise**

Design and implement capacity-building initiatives that empower local actors, strengthen institutional capabilities, and promote the use of Tanzanian professionals, consultants, and joint technical teams in delivering assignments aligned with national priorities.

### **2.3.5. Foster Inclusive Dialogue and Stakeholder Engagement**

Facilitate participatory platforms that engage communities and sectoral stakeholders in the design, implementation, and evaluation of development interventions, ensuring that no one is left behind.

### **2.3.6. Align Interventions with National Systems and Frameworks**

Ensure that all programs and projects are harmonized with national policies, planning frameworks, and reporting systems to enhance coherence, reduce duplication, and promote long-term impact.

### **2.3.7. Champion Innovation and Knowledge Sharing**

Introduce innovative approaches, technologies, and practices that address development challenges, and actively share lessons learned, success stories, and best practices to inform broader policy and programmatic improvements.

## CHAPTER THREE

### DIALOGUE WITH NON-STATE ACTORS

#### 3.1. Introduction

This chapter explains the importance, levels and roles of NSAs in the dialogues as stipulated in the DCF. The dialogue must recognize and base on the country's development priorities and be within a mutually agreed framework with regard to timing, participation and agenda. The Government takes a lead role in organizing, convening and managing the dialogue process in the development cooperation.

DCF encourages key stakeholders, particularly NSAs to establish arrangements for representation in terms of umbrella organizations or other forms of groupings registered or established at the national, zonal, regional and district levels for effectiveness and productivity. These arrangements can also be organized based on sectoral or thematic orientations of the NSAs.

For instance, Non-Governmental Organizations are represented by the National Council of Non-Governmental Organizations (NaCoNGO), while incorporated companies and other related societies and associations are represented by the Tanzania Private Sector Federation (TPSF). On the thematic areas, some of these networks include the Tanzania Federation of Disabled People's Organization - "Shirikisho la Vyama vya Watu Wenye Ulemavu Tanzania" (SHIVYAWATA), Non-State Actors for Health Forum (NSA-H), Agricultural Non-State Actors Forum (ANSAF), Tanzania Education Network/Mtandao wa Elimu Tanzania (TEN/MET), Tanzania Water and Sanitation Network (TAWASANET) and Tanzania Child Rights Forum (TCRF).

The use of umbrella organizations is a strategic approach to effectively engage with the diverse landscape of NSAs; these organizations play a vital role in consolidating the inputs and positions of their constituent members, thereby enhancing the coherence and impact of their collective participation in policy and decision making while engaging with the government.

### **3.2. Rationale**

Dialogue provides an opportunity for NSAs to engage with the Government and other stakeholders in realizing the National Development Agenda. It creates opportunity for sharing knowledge, information and experience, and reflection on alternative policies and strategies for the country. It is associated with taking stock of deliberations to develop overarching strategies for growth, including planning, implementation and evaluation of results.

### **3.3. Levels of Dialogue**

As stipulated in the DCF, the engagement with NSAs should follow the three levels of dialogues which are; Strategic Level Dialogue, Sector Level Dialogue and the Political Sensitive Issue Dialogue.

#### **3.3.1. Strategic Level Dialogue**

There are two strategic dialogue meetings namely, Technical Level Strategic Dialogue (TLSD) which involves Permanent Secretaries and Heads of Cooperation and High-Level Strategic Dialogue (HLSD) meeting involves the Ministers and Ambassadors/High Commissioners, led by Permanent Secretary Treasury (PST) and Minister responsible for finance respectively. These dialogue meetings provide an interface for strategic interaction between the Government, Development Partners and NSAs. Therefore, the NSAs are required to actively participate in these dialogues through their umbrella organizations and present the progress of implementation of agreed issues.

#### **3.3.2. Sector Level Dialogue**

According to the existing structures and modalities of engagement, sector level dialogue will continue to exist subject to reviews as may be agreed among the relevant DCPs. The dialogue at this level will be led by the respective Sector Ministry. NSAs will participate in the dialogue based on their areas of expertise, comparative advantage and potential benefits. The resolutions from this Dialogue will be taken to the Technical Level Strategic Dialogue.

#### **3.3.3. Political Sensitive Issue Dialogue**

The engagement should take place whenever a political sensitive issue arises. The Government through the Minister responsible for foreign affairs will convene meetings with DCPs to address potential threat that might affect development cooperation. NSAs, as part of the

DCPs, are expected to participate whenever required and are advised not take pre-emptive steps that may affect budget implementation.

## CHAPTER FOUR

### GOVERNMENT BUDGET CYCLE

#### 4.1. Introduction

The Government Budget Cycle is a critical framework that outlines the process of planning, preparation, approval, execution, and evaluation of the Government budget for each financial year. The financial year starts from 1<sup>st</sup> July to 30<sup>th</sup> June and is divided into four quarters: The first quarter (July – September) begins with evaluation and analysis of the previous year budget execution; second quarter (October – December) involves preparation and approval of plans and budget guidelines for the medium term; third quarter (January – March) deals with budget review for the first half and formulation and scrutinization of budgets estimates for the coming fiscal year; and lastly, fourth quarter (April – June) is for parliamentary debate on the budget, approval and enactment.

Despite the collaboration between the Government and NSAs challenges persist in planning and implementation of projects/programmes, particularly in the context of the Government budget. Both Government and NSAs often plan and implement projects/programmes independently, leading to duplication of efforts. In that regard, there is a strong need for NSAs to understand the Government Budget Cycle to allow Government and NSAs to plan and implement development projects/programmes simultaneously.

#### 4.2. Government Budget Cycle

##### 4.2.1. Budget Evaluation and Analysis

Budget evaluation is the process of reviewing previous year's budget performance by comparing actual expenditures against estimated budget. On the other hand, budget analysis entails how money has been spent on achieving targets set. Financial analysis is also conducted for the aim of forecasting the growth rate of macroeconomic variables for the next financial year namely; Gross Domestic Product (GDP), inflation, unemployment, government Spending, interest rate, debt sustainability and exchange rate as the key inputs in the preparation of plans and budget guidelines.

#### **4.2.2. Plan and Budget Guidelines**

Plan and Budget Guidelines (PBG) are general and specific instructions to be adhered by Accounting Officers of the Ministries, Departments and Agencies (MDAs), Regional Commissioners' Offices and Local Government Authorities (LGAs) during the preparation and execution of plans and budget for a specific year in order to attain objectives of national development plan. It begins with preparation of an Annual Development Plan Priority Framework which is then used to draft Plan and Budget Guidelines (PBG). There is a PBG committee responsible for preparing PBG document and often composed of members from the central ministries and strategic ministries and agencies. These guidelines are submitted to the Cabinet Secretariat, Inter-Ministerial Technical Committee (IMTC) for discussion and then submitted to the Cabinet for approval before they are distributed to stakeholders.

#### **4.2.3. Formulation of Estimates and Scrutinization**

The spending government agencies which include Ministries, Departments and Agencies (MDAs), Regional Commissioners' Offices and Local Government Authorities (LGAs) have to register their spending estimates in Central Budgeting Management System (CBMS) based on ceiling provided in the Plan and Budget Guidelines. The Ministry of Finance together with spending government agencies have to scrutinize those estimates before submission to the Parliament for discussions and approval.

#### **4.2.4. Parliamentary Government Plan and Budget Approval**

Article 99 of the Constitution of the United Republic of Tanzania, 1977 has mandated the National Assembly to approve annual Government Plan and Budget. This provision ensures parliamentary oversight, accountability, transparency and alignment of fiscal priorities with national development objectives. After Parliamentary approval, the Government Budget is executed.

## CHAPTER FIVE

### FINANCIAL DISCLOSURE FOR NON-STATE ACTORS

#### 5.1. Introduction

This chapter provides procedures and requirements to be adhered by NSAs during the preparation and implementation of projects/programmes to align with national plan and budget. These disclosures are vital for harmonization of project/programme implementation for both the Government and NSAs during the preparation and execution of the national budget.

#### 5.2. General Requirements

- (i) Comply with financial regulations that are consistent with sound financial management principles and practices which include:
  - a. Transparency - Financial information must be accessible, clear, and accurate so that stakeholders (public, donors, boards) can understand how funds are being used;
  - b. Accountability - Accounting officers must be answerable for how resources are used, with mechanisms for oversight, reporting, and sanctions if necessary;
  - c. Efficiency - Resources should be used in the most cost-effective way to achieve results by avoiding waste or duplication of resources,
  - d. Effectiveness - Financial resources must be aligned with objectives and actually contribute to intended outcomes or results;
  - e. Compliance - All financial practices must follow laws, regulations, and internal policies or frameworks;
  - f. Integrity - Ethical standards must be upheld by avoiding fraud, corruption, and conflict of interest in financial decision-making,
  - g. Sustainability - Financial decisions should consider long-term implications and ensure the government or organization can meet its obligations over time;

- h. Stewardship - Resources should be protected, used prudently, and managed in a way that serves the public interest;
  - i. Risk Management - Identify, assess, and mitigate financial risks such as exchange rate volatility, funding gaps, or fraud; and
  - j. Internal Controls - Systems should be in place to monitor and safeguard assets for instance clear roles, audits and separation of duties.
- (ii) Provide quarterly reports of the projects or programmes implementation, which include but not limited to the following details:
- a) Funder of the project or program;
  - b) Project or program name/title;
  - c) Implementing institution/organization;
  - d) Area of implementation (Region, District and Ward);
  - e) Area of Intervention ((Education - Primary; Health - Maternal, etc.);
  - f) Beneficiaries of the project/programme;
  - g) Funding type/type of assistance (Grant or Concessional Loan);
  - h) Modality of implementation (Direct, Partnership, outsourcing or contracting, and community-based implementation); and
  - i) Expenditure amount in original currency and/or TZS.
- (iii) Submit funding contract or agreement to the Registrars as per regulation of the relevant registries.
- (iv) Ensure equal opportunities for all regardless of nationality, ethnic background, gender, religion or belief during project/programme implementation.
- (v) Ensure projects or programmes are in line with customs, norms, culture and traditions of Tanzania.
- (vi) Submit project proposals, budgets, and reports at Local Government Authorities (LGAs) level.

### 5.3. Specific Requirements

#### 5.3.1. Requirements for Non- State Actors

- (i) Comply with registration requirements of the relevant authorities.
- (ii) Submit to Local Government Authorities (LGAs) previous year's disbursements related to projects/programmes (to be submitted in the first week of July each year);
- (iii) Submit to LGAs project funding approvals as per regulations of the respective registries;
- (iv) Submit to LGAs project implementation permit from President's Office, Regional Administration and Local Government (PO-RALG);
- (v) Submit to LGAs tentative projections of projects/programmes that are to be implemented in the next financial year (also to be submitted in the first week of July each year);
- (vi) Submit to LGAs final projections of projects/programmes that are to be implemented in the next financial year, after consultations with their funders (to be submitted in the first week of September each year); and
- (vii) Submit relevant details of the projects/programmes, which include but not limited to the following:
  - a) Project or programme name or title;
  - b) Funder of the project or programme (name of the development partner);
  - c) Projected and Disbursed amount in original currency;
  - d) Disbursement date;
  - e) Implementing institution/organization;
  - f) Beneficiaries of the project/programme;
  - g) Area of implementation (Region, District and Ward)
  - h) Sector and sub-sector (Education - Primary, Health - Maternal, etc.);
  - i) Funding type/type of assistance (Grant or Concessional Loan); and
  - j) Modality of implementation (Direct, Partnership, outsourcing or contracting, and community-based implementation).

### **5.3.2. Requirements for Local Government Authorities**

- (i) Receive NSAs' previous year disbursements related to projects/programmes by the first week of July each year;
- (ii) Receive NSAs' tentative projections of projects/programmes that are to be implemented in the next financial year by the first week of July each year;
- (iii) Receive NSAs' final projections of projects/programmes that are to be implemented in the next financial year by the first week of September each year);
- (iv) Analyze and compile reports on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes that are to be implemented in the next financial year by July each year;
- (v) Submit to Regional Commissioners' Offices a detailed report on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes that are to be implemented in the next financial year in the first week of August each year;
- (vi) Analyze and compile reports on NSAs' final projections of projects/programmes that are to be implemented in the next financial year by September each year; and
- (vii) Submit to Regional Commissioners' Offices a detailed report on NSAs' final projections of projects/programmes that are to be implemented in the next financial year within the first week of October each year.

### **5.3.3. Requirements for Regional Commissioners' Offices**

- (i) Receive NSAs' previous year disbursements related to projects/programmes from LGAs by the first week of August each year;
- (ii) Receive NSAs' tentative projections of projects/programmes from LGAs that are to be implemented in the next financial year by the first week of August each year;
- (iii) Receive NSAs' final projections of projects/programmes from LGAs that are to be implemented in the next financial year by the first week of October each year;
- (iv) Analyze and compile reports on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes received from LGAs that

- are to be implemented in the next financial year by August each year;
- (v) Submit to PO-RALG a detailed report on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes that are to be implemented in the next financial year within the first week of September each year;
  - (vi) Analyze and compile reports on NSAs' final projections of projects/programmes received from LGAs that are to be implemented in the next financial year by November each year; and
  - (vii) Submit to PO-RALG a detailed report on NSAs' final projections of projects/programmes that are to be implemented in the next financial year within the first week of November each year.

#### **5.3.4. Requirements for President's Office -Regional Administration and Local Government**

- (i) Receive NSAs' previous year disbursements related to projects/programmes from Regional Commissioners' Offices by the first week of September each year;
- (ii) Receive NSAs' tentative projections of projects/programmes from Regional Commissioners' Offices that are to be implemented in the next financial year by the first week of September each year;
- (iii) Receive NSAs' final projections of projects/programmes from Regional Commissioners' Offices that are to be implemented in the next financial year by the first week of December each year.
- (iv) Analyze and compile reports on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes received from Regional Commissioners' Offices that are to be implemented in the next financial year by September each year;
- (v) Submit to the Ministry of Finance a detailed report on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes that are to be implemented in the next financial year within the first week of October each year;
- (vi) Analyze and compile reports on NSAs' final projections of projects/programmes received from Regional Commissioners'

- Offices that are to be implemented in the next financial year by December each year; and
- (vii) Submit to the Ministry of Finance a detailed report on NSAs final projections of projects/programmes that are to be implemented in the next financial year within the first week of December each year.

### **5.3.5. Requirements for Ministry of Finance**

- (i) Receive NSAs' previous year disbursements related to projects/programmes from PO-RALG by the first week of October each year;
- (ii) Receive NSAs' tentative projections of projects/programmes from PO-RALG that are to be implemented in the next financial year by the first week of October each year;
- (iii) Receive NSAs' final projections of projects/programmes from PO-RALG that are to be implemented in the next financial year, after consultations with their funders (to be received by the first week of December each year).
- (iv) Analyze and compile reports on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes received from PO-RALG that are to be implemented in the next financial year by November each year;
- (v) Firm-up and compile reports on NSAs' final projections on projects/programmes received from PO-RALG that are to be implemented in the next financial year by January each year.
- (vi) Collaborate with the PO-RALG, MOCDGWSG, Regional Commissioners' Offices, LGAs and NSAs' umbrella organizations in monitoring, evaluation and learning of projects/programmes implemented by NSAs; and
- (vii) Recognize NSAs' contribution to the Government Budget speech for the next financial year.

## GLOSSARY

In the context of this Manual, the below listed terms have the following meanings:

### Area of Implementation

The geographical area where the project or programme is being implemented.

### Central Budgeting Management System (CBMS)

A digital platform used by the Government to plan, manage, monitor, and report on the government budget.

### Development Cooperation Framework (DCF)

A framework which guides development cooperation processes and partnership between the Government and Development Cooperation Partners (DCPs) towards achieving development goals and objectives.

### Development Cooperation Partners (DCPs)

All stakeholders contributing to Tanzania's development efforts including Development Assistance Committee (DAC) partners, Non-Development Assistance Committee (Non-DAC) partners and Non-State Actors (NSAs).

### Funder of the Project

Development Cooperation Partner financing a particular project or programme.

### Five Year Development Plan III (FYDP III)

The Third Five Year Development Plan adopted by the Government to guide the nation's development effort over the period 2021/22 - 2025/26.

### Government

The Government of the United Republic of Tanzania (URT).

### Implementing Institution

An institution responsible for project or programme implementation.

### Manual

The Financial Compliance and Engagement Manual for Non-State Actors.

### Modality of Implementation

The method, approach or mechanism through which a project or programme is implemented for instance Direct, Partnership, outsourcing or contracting, and community-based implementation.

### Non-State Actors (NSAs)

Are entities that exercise significant economic, political and social roles in development at sub-national and national level.

### Tanzania Development Vision (TDV)

The national long-term development plan that outlines Tanzania's Aspirations and direction for national development and transformation over a defined period.

## ANNEX 1. Budget cycle and Financial Disclosure

### 1. Budget Evaluation and Analysis (July - September)

- NSAs to submit to LGAs previous year's disbursements related to projects/programmes
- LGAs to submit to RC office a detailed report on NSAs previous year's disbursement related to projects/programmes
  - RC Office to submit to PO-RALG a detailed report on NSAs' previous year's disbursements related to projects/programmes
- NSAs to submit to LGAs tentative projections of projects/programmes that are to be implemented
  - NSAs to submit to LGAs final projections of projects/programmes

### 4. Parliamentary Government Plan and Budget Approval (April - June)

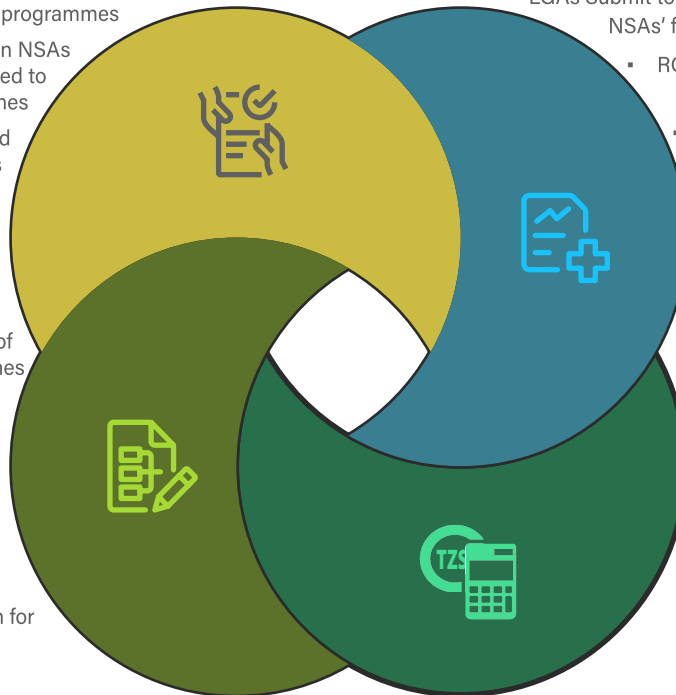
- Ministry of Finance to recognize NSAs' contribution in the Government Budget speech for the next financial year

### 3. Plan and Budget Guidelines (October - December)

- LGAs Submit to Regional Commissioners' Offices a detailed report on NSAs' final projections of projects/programmes
- RC office to submit to PO-RALG a detailed report on NSAs' final projections of projects/programmes
- PO-RALG to submit to the Ministry of Finance a detailed report on NSAs' previous year's disbursements related to projects/programmes and tentative projections of projects/programmes

### 3. Formulation of Estimates and Scrutinization (January - March)

- Scrutiny of estimates by Parliamentary sub-committees and Inter-Ministerial Technical Committee



## ANNEX 2: Chapter references

1. Budget Act CAP 439 of 2015 and its regulations as amended
2. Public Finance Act CAP 348 of 2001
3. Anti-Money Laundering Act CAP 423 of 2007
4. Local Government Finance Act CAP 290 of 1983
5. Plans and Budget Guidelines (PBG)
6. Development Cooperation Framework (DCF) 2017/18- 2029/30
7. The Societies Act, CAP 337 of 1954 as amended
8. The Government Loans, Guarantees and Grants Cap 134
9. The Public Private Partnership Act CAP 103 of 2010 as amended
10. National Policy on Non-Governmental Organizations, 2001
11. Non-Governmental Organizations Act, Cap. 56 of the Laws of Tanzania
12. Non-Governmental Organizations Code of Conduct, 2008 (G.N. 363)
13. Non-Governmental Organizations (Amendments) Regulations, 2019 (G.N. 685)
14. Non-Governmental Organizations (Renewal and Incentives) Regulations, 2019 (G.N. 686)
15. Non-Governmental Organizations (Rights and Duties of Assistant Registrars) Regulations, 2019 (G.N. 687)
16. Non-Governmental Organizations (Amendments) Regulations, 2018 (G.N. 609)
17. Guideline for NGOs Coordination in Mainland Tanzania of 2020 (Revised in 2024)