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2019

# Guidelines For Preparation of Plans and Budget 2020-2021

Tanzania, United Republic

Ministry of Finance and Planning

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**THE UNITED REPUBLIC OF TANZANIA**

**GUIDELINES FOR THE PREPARATION OF PLANS  
AND BUDGET 2018/19**

**MINISTRY OF FINANCE AND PLANNING  
NOVEMBER, 2017**



## **INTRODUCTION**

1. The Plan and Budget Guidelines (PBG) is prepared pursuant to Section 21 of the Budget Act No. 11 of 2015 and the Budget Regulations of 2015. The 2018/19 PBG is the third in implementing the Five Year Development Plan 2016/17 – 2020/21 (FYDP II). The preparation of PBG takes into account: the 2015 Ruling Party Election Manifesto, FYDP II and other Government directives.
2. The main objective of PBG is to guide mobilization and allocation of financial resources for the implementation of Annual Development Plan and Budget for 2018/19 towards attaining socio-economic development and poverty reduction. Thus, PBG provides guidance to all Accounting Officers in Ministries, Independent Departments and Agencies (MDAs), Regional Secretariats (RSs), Local Government Authorities (LGAs), and Public Institutions and Statutory Corporations (PISCs) to prepare their plans and budget in line with the Government Acts, Regulations, Circulars and other Government provisions.
3. The 2018/19 PBG is organized in two parts. Part one provides the generic instruction for preparation of plan and budget in order to achieve the desired outcomes in 2018/19. Part two contains details on the review of economic developments in 2016/17 and first quarter of 2017/18, and initial estimates of resource envelope and expenditure framework for 2018/19. Both sections should be read concurrently, such that, the 2018/19 projections should take into account issues addressed in section one. These Guidelines should also be read together with its Annex which contains generic forms which provide details on the plan and budget submission, implementation and reporting.
4. Accounting Officers are instructed to ensure efficient utilization of public funds by allocating resources into strategic areas with a large multiplier effect in attaining the FYDP II objectives. Among the priority areas include: increasing electricity generation by using various sources; strengthening mining sector by enhancing tax administration; construction and rehabilitation of transport and communication infrastructure which will include among others construction of central line Standard Gauge Railway (SGR), strengthening of airports, and strengthening roads networks; strengthening agriculture including irrigation infrastructure; strengthening livestock and fishing sectors; improving health, education and clean water and sanitation; develop and promote tourists attractions in the country including construction of enabling infrastructure; and strengthen and improve industrial activities.

# **PART I**

## **INSTRUCTIONS FOR PLANS AND BUDGET**



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## LIST OF ACRONYMS

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

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

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

## **1.0 REFORMS ON BUDGETING SYSTEMS**

### **1.1 Introduction**

1. The Government has continued to carry out reforms in legal framework, payment systems and the budget systems in its effort to improve management of public finance and service delivery. Some of these recent reforms are as follows:

#### **1.1.1 Legal Reforms**

2. The Public Finance Act, CAP 348 has been amended by introducing Section 44 which provide legal mandate to embrace the utilization of ICT in collection of public revenues. In addition, the Act obliges the Accounting Officers to utilize the GePG in collection of revenues.

#### **1.1.2 Use of ICT in Public Financial Management (PFM)**

3. In its effort to reduce administrative costs and increasing efficiency in revenue collection, payments of salaries, and goods and services, the Government has introduced several systems which are:-

##### **(i) Government e-Payment Gateway (GePG)**

4. The new e-payment gateway system is an electronic system for tracking all revenue collection by the Government. The Accounting Officer are instructed to optimize the utilization of GePG to enhance control and visibility of the Government funds; minimize leakages; increase collection efficiency; enhance accurate real time reporting and forecasting of revenue.

##### **(ii) Central Budget Management System (CBMS)**

5. The new web based Central Budget Management System (CBMS) provides improvement on budget preparation, allocation, implementation (execution) and performance reporting. Some of the improvement includes use of the new Chart of Accounts, revised GFS Codes 2014, cash flow forecasting, warrant releases and recording of multiyear projects commitments. The system is expected to reduce time spent on budget preparation as well as performance reporting. This system will be used by MDAs and RSs in the preparation, allocation, implementation and performance reporting with effect from 2018/19 budget. The CBMS replaces the use of SBAS in the budget preparation.

**(iii) Planning, Budgeting and Reporting (PlanReP)**

6. Upgraded PlanRep is a web based centralized system, integrated with other system used in LGAs (IFMIS-Epicor, Local Government Revenue Collection Information System-LGRCIS, Facility Financial Accounting and Reporting System-FFARS, Human Capital Management System-HCMS, District Health Information System- DHIS). The upgraded PlanRep is designed to address challenges of the previous standalone PlanRep System so as to ensure efficiency, accountability, consistency, uniformity, transparency in budgeting; improve quality of plans and budget execution reports. The improved system is also designed to measure output of the service for resources allocated.

**(iv) Government Salary Payment Platform (GSPP)**

7. Government Salary Payment Platform (GSPP) is a system that has been put in place to facilitate Electronic Funds Transfer (EFT) in payment of salaries to Government employees. The system offers speed, safety, easiness, reliability to payment recipients and cost saving to the Government.

**(v) Tanzania Interbank Settlement System (TISS)**

8. This is an electronic payment system which has been in place for some time and it provides online real time account management and inter-bank high value or time critical funds transfers. The benefits of TISS include: convenience as it eliminates the use of cheques, provide easy audit trail and reporting, reduces the level of risk of fraud and forgeries and facilitates the introduction of Treasury Single Account (TSA). In addition, it improves efficiency in the payment system by eliminating the settlement time lag for high value and time sensitive payments.

**1.2 Implementation Strategy for the Five Year Development Plan**

9. The Implementation Strategy aims at strengthen and maximize institutional synergies amongst the stakeholders to achieve efficiency in implementation of the the Plan in order to achieve the national goals.

10. Thus, Accounting Officers are instructed to adhere to laws, use of these systems and the strategy during preparation and implementation of their respective Annual Plans and Budget.

## **2.0 PREPARATION OF PLANS AND BUDGETS**

### **2.1 Introduction**

11. Procedures and schedules in Plan and Budget preparations should be adhered to. MDAs, RSs, LGAs and PISCs are required to have plans that take into account goals and objectives of the Tanzania Development Vision 2025, FYDP II and institutional Strategic Plans. These plans should be reflected in annual budget implementations and in the medium term. Instructions are provided to be followed in different stages of preparation of institutional plans and budgets for 2018/19.

### **2.2 Roadmap for Plans and Budget Submission**

12. Preparation of plans and budget estimates for MDAs, RSs, LGAs and PISCs should start immediately following the approval of this PBG using the Medium Term Expenditure Framework (MTEF). The MTEFs should be submitted to MoFP for scrutinization during the first week of February, 2018. RSs and LGAs are directed to prepare and submit their estimates to the President's Office – Regional Administration and Local Government (PO-RALG) after approval by their respective Legislative Authorities by the third week of January, 2018.

13. MoFP will facilitate technical scrutinization of MTEFs and consolidate MDAs' budget estimates for submission to their respective Parliamentary Sectoral Standing Committee from the third week of March, 2018 to the first week of April, 2018 for policy prioritization scrutiny and recommendations for adjustment and improvement, if any. Thereafter, the consolidated budget estimates will be submitted to the Parliament for deliberation and approval from second week of April to fourth week of June, 2018. Budget implementations will commence from 1<sup>st</sup> July, 2018 to 30<sup>th</sup> June, 2019

### **2.3 Budget Dialogue and Committees**

14. Initial preparation of the plans and budgets at all levels of MDAs, RSs, LGAs, and PISCs should start immediately following the approval of this PBG under close supervision of Accounting Officers. The proposed plans and budgets must be presented to their respective Worker's Councils for guidance and approval in accordance with the Public Service Negotiation Machinery Act, CAP 105.

15. The Budget Committees in Government and Public Institutions and Statutory Corporations (PISCs) have specific roles in budget preparation including initial scrutinization to enhance ownership. The Section 17(3) of the Budget Regulations of 2015 should be observed by the Budget Committees during the preparation of

institutional plans and budgets. Accounting Officers for PISCs are required to adhere to Directives and Circulars issued by the Treasury Registrar. In addition, MTEFs should be prepared and submitted in the format described in the Annex.

#### **2.4 Budget Scrutinization Process and Submission**

16. The Ministry of Finance and Planning (MoFP) in collaboration with President's Office, Public Service Management and Good Governance (PO-PSMGG); President's Office, Regional Administration and Local Government (PO-RALG); Office of the Treasury Registrar (OTR); and other Stakeholders shall conduct budget scrutinization on revenue and expenditure estimates of the MDAs, RSs, LGAs and PISCs pursuant to Section 22(1) of the Budget Act No. 11 of 2015.

17. During budget scrutinization, MDAs, RSs, LGAs and PISCs are required to submit two (2) hard copies and soft copy of their MTEF to MoFP and thereafter, submit two (2) final signed hard and soft copies to the same authority. RSs and LGAs are also required to submit one (1) final signed copy of MTEF to PO-RALG. Similarly, PISCs are required to submit a soft copy and four (4) final signed hard copies of MTEFs, such that two (2) submitted to their respective parent ministries and the other two (2) submitted to OTR.

#### **2.5 Data Entry into the Budget System**

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

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

#### **2.6 Priority areas for the Year 2018/19**

19. Priority areas and projects to be implemented in 2018/19 have been derived from the FYDP II and its implementation strategy. Amongst the priority areas, special emphasis will be on the following areas:

- i. **Electricity:** In order to enhance industrial development, electricity is among the catalyst and is a basic input. In order to achieve that, emphasis will be on ensuring the availability of reliable power which will include construction of production, transportation and distribution of power infrastructure;

- ii. **Minerals:** Improving control to ensure anti-smuggling of minerals and illegal trading, enhancing tax administration to curb tax evasion loopholes in the mining sector and facilitating value addition activities on minerals within the country which shall include construction of smelters;
- iii. **Construction of rehabilitation of transport and communication infrastructure:** continue with construction of Standard Gauge Railway line from Dar es Salaam to Morogoro and construction of Morogoro – Makutupora section and ensure availability and reliable source of power for SGR; strengthening airports; and strengthening roads network;
- iv. **Agriculture:** Strengthening agriculture for food self sufficiency and industrial raw materials; developing irrigation infrastructure, increase accessibility and affordability of agro inputs, improvement of agro research in crops and improved seeds, improvement of extension services; enhancing agro processing and availability of storage and markets linkages;
- v. **Livestock and Fishing:** strengthening extension services on animal production in-order to obtain quality animal products (hides and meat), improving marketing, livestock production infrastructure and value addition of livestock products; strengthening and improving fishing activities in deep sea and other sources, construction of fishing ports, protection of marine resources and valued addition in fishing products;
- vi. **Health:** Construction of five regional hospital for new regions; strengthening of training institutes to ensure availability of human resources; equip referral, specialized and national hospitals with medical equipment and reagents, improving maternity and child care services; improving surgical services in health centres; improving specialized doctor services, ensure universal access to health care services designed to reduce new HIV infections, HIV related mortality (stigma and discrimination); and prevention of malaria through application of biolarvicide; and strengthening the availability of markets for locally manufactured drugs;
- vii. **Education:** continue strengthening educational environment at all levels; strengthening education quality control; continue implementation of free basic education program; continue with construction and strengthening of vocational training institutes; enhance capacity of issuing loans to higher leaning students; strengthening research science, technology and innovation;
- viii. **Clean and Safe Water and Sewage Control:** management of water sources and quality of water; construction of strategic dams; improvement and management of environment conservation and water sources; and continue with



improvement of infrastructure for clean water and sewage system and provision of safe and clean water in rural, urban and commercial areas;

- ix. **Tourism:** construction of tourism enabling infrastructures; develop and promote tourists attractions in the country; establishment of Theme Parks; and promote beach tourism; and
- x. **Industries:** establish and develop industrial and technological packs; improvement of SIDO services; strengthen and use of public institutions for industrial revolution; and improve accessibility of loans.

20. Accounting Officers involved in the identified priority and other areas are instructed to accommodate mentioned projects during the preparations of their Plans and Budgets.

### **3.0 RESOURCE ENVELOPE AND EXPENDITURE FRAMEWORK**

#### **3.1 Introduction**

21. This section presents how to prepare revenue and expenditure estimates and adherence to budget ceilings for the year 2018/19. The resource envelope involves tax and non-tax revenue sources, grants and domestic and foreign loans. Availability of financial resources are of important in facilitating execution of Government budget. In additional, there is a need to improve expenditure estimates at vote level. This section also direct on how to prepare revenue estimates and use of financial resources to MDAs, RSs and LGAs based on the developed criteria.

#### **3.2 Resource Envelope**

##### **3.2.1 Domestic Revenue**

22. In the year 2018/19, initial estimates for domestic revenue are shilling 22,088.2 billion, whereby, shilling 18,817.0 billion are tax revenue and shilling 2,423.5 billion are non-tax revenues. In additional, LGAs own sources are shilling 847.7 billion. Revenue estimates should take into account the collection trend, mid-year review, likely outturn and projections for the base year and the two outer years of the MTEF as instructed in the Planning and Budgeting Manual as well as the Annex of these Guidelines. Accounting Officers should also ensure that:-

- i. Revenues collected are remitted to the Consolidated Fund as per requirements of the Budget Act No.11 of 2015;
- ii. Existing taxes, fees, levies and charges should be reviewed and initiate new sources (such as formalization of businesses) to broaden the tax base and that

all revenues shall be collected through electronic system (EFD) in order to control revenue leakages. In addition, Accounting Officers are instructed to award contracts only to suppliers, service providers and contractors who are using EFDs;

- iii. Entering into contracts with tax exemption clauses without prior approval by Minister for Finance and Planning is avoided;
- iv. Potential revenue sources as identified in the Financing Strategy of the FYDP II are utilized in order to increase revenue collection;
- v. Supervision and frequent inspections in the revenue collection centers such as checkpoints, airports, ports and border posts are enhanced;
- vi. Land use planning, survey and mapping should be undertaken for issuance of title deeds;
- vii. PISCs owned 100 percent by the Government should continue to submit their revenue collection in the revenue accounts maintained at BOT and their operational accounts maintained by their respective commercial banks;
- viii. The selected PISCs should continue remitting to the Consolidated Fund the 15 percent of their gross revenues. All own sources collection should be reflected in their respective MTEF document; and
- ix. Performance contracts are entered with PO-PSMGG while PISCs should enter into Performance Contracts with Office of Treasury Registrar (OTR), in order to enhance efficiency and effectiveness in service delivery.

### **3.2.2 Grants and Concessional Loans**

23. The Government is estimating to receive shilling 3,658.2 billion from Development Partners. Out of this, grants are estimated at shilling 946.0 billion, concessional loans are estimated at shilling 2,153.3 billion and basket loans and grants estimated at shilling 558.9 billion. However, of recent, trend in grants and concessional loans were below commitment. In order to improve collection from this source, Accounting Officers instructed to adhere to:

- i. Timely completion of project write up and negotiation with Development partners;
- ii. Completion of all procedures required for project approval in the Government budget before February 2018
- iii. To ensure they fulfil agreed conditions with Development partners;
- iv. Timely dissemination of project implementation reports; and
- v. To have in place debt and grants management strategy during the first quarter of the year.

### **3.2.3 Public Private Partnership**

24. Accounting Officers of Contracting Authority (CA) are required to implement Public Private Partnership (PPP) projects under the PPP arrangement in accordance with PPP Act No. 18 of 2010 as amended in 2014.

25. Budget allocation to implement PPP projects will consider among other things projects with feasibility study. Therefore, respective MDAs, RSs, LGAs and PISCs are required to complete feasibility studies to enable implementation of those projects under the PPP framework.

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

- i. Identify potential projects for PPP arrangement and submit to MoFP for scrutiny as per PPP Act No. 18 of 2010 (as amended). In the case of RSs and LGAs projects proposals should be submitted to PO-RALG for scrutiny and approval and thereafter forwarded to MoFP;
- ii. Integrate PPP projects into their sectoral strategies and plans;
- iii. Submit to MoFP for appraisal of Government obligations such as feasibility studies, viability gap funding (gap financing of the project), and availability payment (claims for services rendered) and guarantees in PPP projects implemented under their jurisdictions;
- iv. Observe and comply to criteria for PPP projects to qualify for funding which includes among others: feasibility study reports, affordability, value for money, risk transfer, economic viability, financial and commercial viability; and
- v. In implementing projects, commercial projects should be given first priority over social projects.

### **3.3 Expenditure**

27. Initial estimates in Government expenditure for the year 2018/19 are shilling 32,476.0 billion. Out of this, recurrent expenditure are estimated at shilling 20,227.6 billion including shilling 7,627.7 billion as wages and salaries. Development expenditure are estimated at shilling 12,248.3 billion. Out of this, shilling 9,536.2 billion are locally financed development expenditure.

### **3.3.1 Recurrent Expenditure**

#### **a. Personnel Emoluments and Remuneration**

28. Budget estimates for PE should take into account:- existing and new employees, annual increments, promotions, and statutory contributions. Therefore, Accounting Officers are required to comply with instructions issued by PO-PSMGG and OTR. In preparing PE budget, the following should be observed:-

- i. Human Capital Management Information System (HCMIS) should be used in the preparation of PE budgets for 2018/19;
- ii. Payment of salaries for employees should abide to Treasury Circular No.2 of 2017 on the use of Government Salary Payments Platform (GSPP);
- iii. Acting allowance dues to officer not holding substantive posts in respective of duties should be part of PE budget and such payment will be made through the payroll and not charged under OC budget. However, PO-PSMGG Circular No. 1 of 2015 instructed that acting allowances for reasons such as absence of the incumbent due to illness, travel and leave will continue to be paid under the OC budget;
- iv. Conduct routinely human resource audit and ensure data cleaning as well as undertaking an evaluation of existing staff in each cadre compared to actual staffing level; and
- v. Budgeting for payment of statutory contributions including gratuity for contractual employees.

29. Accounting Officers should abide to the instructions issued by PO-PSM during preparation of PE estimates while the PISCs should abide to guidelines issued by OTR.

#### **b. Other Charges (OC)**

30. Accounting Officers should ensure that, protected items and core functions expenditure items are fully budgeted as per given ceiling in OC budget estimates. In addition, Accounting Officers are required to allocate funds for payments of outstanding commitments to service providers and suppliers and in order to avoid accumulation of arrears and minimize costs accruing from interest and penalty. Also, they should allocate funds for payments of employee's outstanding claims.

#### **c. Intergovernmental Fiscal Transfer**

31. Fiscal transfers to LGAs will be granted to enable effective performance of their main functions of providing social and economic services to their respective areas of jurisdictions. The transfer grants will be provided in terms of Local Government

Development Grant, Recurrent Block Grants and Sector Specific Development Grants. In 2018/19, LGAs ceilings will be determined by considering resource allocation formula as stipulated by different sectors including costs to cover fee for free education (Capitation) for pre-primary, primary and ordinary secondary, responsibility allowance for Head Teachers, Headmasters/Mistresses and Ward Education Coordinators, School meals and schools with special needs. Part Two Chapter II provides more details on resource allocation formula in MDAs, RSs and LGAs.

### **3.3.2 Development Budget**

32. The Five Year Development Plan 2016/17-20/21 (FYDP II) is mandatory for MDAs, RSs, LGAs and PISCs in the process of preparing development plans and budget estimates. Accounting Officers are also instructed to use the Public Investment Management Operational Manual (PIM-OM) as a guiding framework during preparation of public investments projects. Special attention should be given to the following:

- i. Continue with implementation of D by D policy by ensuring resources are allocated to respective LGAs instead of MDAs;
- ii. Allocation of funds for development projects shall be made to projects which have been approved by MoFP;
- iii. Take into consideration the priority areas in the PBG and intervention areas/projects articulated in the Action Plan of the FYDP II Implementation Strategy;
- iv. Abide to FYDP II Communication, Financing, and Monitoring and Evaluation Strategies;
- v. Inclusion of ongoing development projects to the budget estimates;
- vi. Valuation and compensation of land and property in strategic investment areas for industrial development;
- vii. Giving priority to industrial research geared towards facilitating development of industries which utilize local materials;
- viii. Facilitating development of industrial clusters and availability of simple and affordable industrial technology;
- ix. Payment of overdue debts to contractors to avoid costs accumulation of interest and penalty;
- x. Ensuring availability of enabling infrastructure for industrial investment;
- xi. Preparation of strategic projects in line with the Annual Development Plan for 2018/19 requirements;
- xii. Expenditure items to be financed using foreign funds should be clearly shown, including the amount of funds required (form No.11B (D)); and
- xiii. Set aside funds for monitoring and evaluation activities.

33. The Ministry of Finance and Planning will scrutinize and approve projects with multi-year commitments as stipulated under Section 51 of the Budget Act No. 11 of 2015 and Public Private Partnership (PPP) Act No. 18 of 2010 as amended in 2014. Likewise, the allocation of Local Government Development Grant will be guided by the criteria stipulated in the Revised Local Government Development Grant Implementation Guide.

34. Development budgets for foreign funded projects and programmes shall be prepared by MDAs, RSs, LGAs and PISCs after confirmation of foreign resources. In this case, it is essential for Accounting Officers to ascertain the following:-

- i. Submit to MoFP the contracts of projects receiving foreign financial support;
- ii. Submit quarterly progress reports of development projects to MoFP within 30 days after the end of each quarter;
- iii. Submit Annual Performance Reports to MoFP not later than 15th October after the end of financial year;
- iv. Incorporate counterpart funds in their budgets;
- v. Donor funded projects (including direct, reimbursable and cash categories) to be reflected in the budget estimates; and
- vi. Submit to MoFP on quarterly basis the report of cash, equipments and technical assistance received through the D- Funds modality.

### **3.4 Criteria for Resource Allocation**

35. The criteria for resource allocation will be determined in respect of the type of Government expenditure (i.e Recurrent and Development expenditures) and in line with core functions of the institution.

36. The Ministry of Finance and Planning will provide ceilings to all Votes to guide them in the preparation of budget estimates. Ceilings for all Votes will be determined by using existing criteria and formula developed and stipulated in these guidelines. Accounting Officers are instructed to adhere to the approved budget ceilings for 2018/19 and allocate resources in line with their priorities. However, it should be noted that there will be no additional budget provision outside the set ceilings.

## **4.0 OTHER ISSUES TO BE CONSIDERED DURING PLAN AND BUDGET PREPARATION**

### **4.1 Controlling Accumulation of Arrears**

37. To avoid accumulation of arrears, Accounting Officers are instructed to operate in accordance with Section 52(1) of the Budget Act No. 11 of 2015 and the Paymaster General's Circular No. 4 of 2014/15. Therefore, they are required to:

- i. Ensure that existing arrears are verified by the Internal Auditor General;
- ii. Prioritize budgeting for verified arrears;
- iii. Refrain from committing new project without assurance of availability of funds; and
- iv. Committing all financial obligations through IFMS.

### **4.2 Contingent Liabilities**

38. Accounting Officers are instructed to monitor guaranteed contracts that may lead to creation of contingent liabilities and to take into account all the existing contingent liabilities in their budget preparation. Also all existing contingent liabilities should be disclosed in their final accounts.

### **4.3 Expenditure Control and Cost Reduction Measures**

39. Accounting Officers are instructed to abide by Government expenditure policies in line with the Budget Act, No. 11 of 2015, the Public Finance Act, CAP 348, the Local Authorities Finances Act, CAP 290, the Procurement Act, CAP 410 and their respective Regulations and other Government directives without compromising the quality of service delivery. Therefore, they are instructed to:

- i. Ensure that all contracts are quoted in Tanzanian Shilling to minimize Government exposure to fiscal risks, unless the contracts involve international companies;
- ii. Continue implementing measures aimed at minimizing costs which include but not limited to using Government facilities in conducting meetings, training, seminars and workshops;
- iii. Ensure that all commercially viable Public Institutions and Statutory Corporations are operating profitably and not dependent upon Government subvention;
- iv. Ensure value for money in the procurement of goods, services and works;
- v. Control costs through periodic inspection of public utility systems (water, telephone and electricity) and use energy saving technologies to avoid unnecessary expenditure;
- vi. Verify existing employees periodically to ensure salaries and wages are paid to

- eligible employees only;
- vii. Ensure that Embassies and Consulates use mortgage financing arrangement in acquisition of buildings instead of renting;
  - viii. Continue with procurement of motor vehicles through Government's Procurement Services Agency (GPSA);
  - ix. Ensure that students' loans in higher learning institutions are granted only to eligible beneficiaries; and
  - x. Utilize e-Government system to facilitate communications among Government Offices.

#### **4.4 Exchange Rate**

40. For budgeting purposes, the 2018/19 indicative exchange rate that will be used to convert foreign currency to Tanzanian Shilling is 1 USD to Shilling 2,308.5.

#### **4.5 Mainstreaming Cross-cutting Issues into Plans and Budgets**

41. Accounting officers are instructed to allocate resources in 2018/19 budget to cater for crosscutting issues such as gender, HIV and AIDS, people with disabilities, population, social protection, child protection, youth and elderly people, and environment in line with frameworks that guide integration of cross-cutting issues into plans and budgets.

42. Accounting Officers responsible for the implementation of the National Plan of Action to End Violence Against Women and Children (NPA-VAWC) should ensure their 2018/19 Budgets incorporate activities in line with NPA-VAWC 2017/18-2021/22.

43. Accounting Officers are required to allocate resources to continue implementing reforms and initiatives in order to improve good governance, service delivery and accountability. They include: (PFMRP) Phase V, Local Government Reform Program (LGRP), Second Generation Financial Sector Reforms Programme (SGFRP), Anti-Money Laundering, Africa Peer Review Mechanism (APRM) and National Human Rights Action Plan Eradicating Corruption and promoting strong leadership, improve business environment including land administration and formalization of properties, facilitation of Government effectiveness and strengthening participation through Local Economic Development (LED) approach thus, each institution is obliged to re-design their programmes and allocate resources for effective implementation of their respective reforms.



44. Accounting Officers from Line Ministries constituting the High Level Steering Committee on Nutrition (HLSCN) should allocate resources for nutrition interventions as enshrined in the National Multi-sectoral Nutrition Action Plan (NMNAP) 2016/17-2020/21.

45. MDAs, RSs, LGAs and PISCs must ensure their budgets for 2018/19 incorporate environment and climate change priorities in accordance with the Environmental Management Act 2004, and the National Climate Change Strategy as follows:

- i. Analyze likely environmental impacts (both positive and negative effects) of planned activities and budget to address them through enhancement of positive effects or mitigation of the negative ones;
- ii. Ensure that Strategic Environmental Assessment (SEA) is undertaken during preparation of policies and programs. The budget for SEA should be reflected within MTEF;
- iii. All new capital intensive projects will be required to conduct an Environmental Impact Assessment (EIA) as part of their planning and ensure that budgets are allocated for mitigation measures of negative impacts; and
- iv. Ensure their role in monitoring of the sustainability indicators in the Sustainable Development Goals is clearly indicated. Budgets should reflect environments sustainability.

#### **4.6 International and Regional Cooperation**

46. With regards to International and Regional Cooperation MDAs, RSs and LGAs are instructed to adhere to the following:-

- i. Comply with instructions stipulated in the Development Co-operation Framework (DCF) in implementing various agreements and treaties between Tanzania and other countries;
- ii. Mainstream EAC, SADC and other integration issues into their plans and budget;
- iii. Submit to MoFP eligible contributions to international and regional organizations for centralized budgeting and payment of all commitments;
- iv. Submit to MoFP the required government contribution for development projects implemented under counterpart arrangement for budget allocation;
- v. To sensitise the public to utilize opportunities available in government plans in regional and international cooperation arrangements; and
- vi. Continue to build capacities specifically for Tanzania Embassies' Government officials for effective participation in international meetings and conferences with special emphasis on economic diplomacy.

#### **4.7 Management of Public Institutions and Statutory Corporation**

47. Public Institutions and Statutory Corporations (PISCs) must ensure that they operate efficiently and effectively so as to improve service delivery as well as generating profit and contribute to the Government Consolidated Fund as required. Nonetheless, management of PISCs must be aligned with good governance and institution frameworks for improved service delivery.

48. In view of the above, OTR in particular is instructed to ensure:

- i. Accounting officers of Public Institutions and Statutory Corporations minimize administrative costs for efficient and effective performance. In the same way, they must ensure that eligible institutions pay 15 percent contribution and remittance are made quarterly;
- ii. Every Public Corporation pays dividend in proportionate with what the Government has invested. For other corporations in which the Government is a minority shareholder, OTR should make sure that the Government stake is monitored well;
- iii. Collaboration with Accounting Officers of the sectoral Ministry is extended in order to observe good governance and institution frameworks by appointing competent board representatives who will ensure efficient and effective performance of the institutions;
- iv. Due diligence is undertaken so as to advice the Government on the appropriate way of improving efficiency of the PISCs in accordance with Treasury Registrar Act CAP 370, Sec 10(2b);
- v. Follow up of remaining privatized farms and industries in collaboration with the sectoral Ministries to ascertain whether they are operational. Engagement of potential investors for revamping including Social Security Funds will highly be considered to all farms and industries found to breach the asset and sale agreements. Likewise, OTR will take measures to investors who breached sale agreements on privatized government assets and repossessing such assets; and
- vi. Physical verification of institutional owned land and landed properties is undertaken for proper recording and custodianship of the Government asset in collaboration with the sectoral Ministries.

#### **4.8 Risk Management**

49. The Treasury Circular No. 12 of 2012/2013 requires all Accounting Officers to develop and implement an effective and robust risk management system. Therefore, institutions are instructed to ensure that risk mitigation measures are integrated in their

plans and budgets by formulating targets for implementation of risk management frameworks.

## **5.0 SPECIFIC INSTRUCTIONS FOR RSs & LGAs**

50. In the financial year 2018/19 RSs and LGAs will continue implementing their core functions of ensuring quality service delivery to the community. In the same vein they are instructed to:

- i. Planning, budgeting and budget management procedures should be conducted through PlanRep system, unless instructed otherwise;
- ii. Plans and budgets should be supported by accurate and reliable data;
- iii. Maintain peace, order and tranquillity in their respective areas;
- iv. Prepare and budget for Local Government Elections for the 2019 and include the well-costed activities in their MTEF;
- v. Ensure statutory meetings are conducted and put/upload resolutions in their notice boards and websites respectively with special consideration on income and expenditure reports of Villages/streets and Wards;
- vi. Concentrate on the constructions, rehabilitations and equipping the existing administrative areas;
- vii. Identify settlements and other activities carried out in water catchment areas, forest reserves and other reserved areas and prepare strategies to relocate those communities;
- viii. Continue reviewing strategic plans and profile to be in-line with the Ruling Party Election Manifesto 2015, FYDP II and PO – RALG instrument and upload their strategic plans in their websites;
- ix. Monitor the implementation of D-by-D policy in their areas by ensuring that the devolved functions and resources at Wards, Village/streets are well supervised in order to achieve value for money objective;
- x. Reinforce the use of Land Act No. 4 of 1999 and Village Land Act No. 5 of 1999 by strengthening land use planning in rural and urban areas and settle all issues relating to land conflicts and also allocate land for industrial parks, MSMEs and ensure that the areas are provided with basic infrastructure;
- xi. Strengthen the use of e-Government to improve service delivery especially the use of electronic devices in revenue collections and control of expenditure, the use websites and planning and reporting system (the PlanRep, FFARS) to increase efficiency, transparency, accountability and make the public well informed with the Government business;
- xii. Sensitize livestock keepers on the best livestock keeping practices in order to have productive and manageable number of cattle, quality skin and hides for

- industrial processing as well as avoiding conflict between livestock keepers and farmers;
- xiii. Ensure 40 to 60 percent of LGAs own source revenue is allocated and spent for development activities. Taking into considerations to reinvest to the major revenue generating sources (agriculture, fisheries, livestock, business etc) to improve and sustain those sources;
  - xiv. Allocate 10 percent of council own source revenue for; Youth (4%), Women (4%), and people with disabilities (2%) and monitor its implementations;
  - xv. Set aside funds for rehabilitations and constructions to improve social and economic infrastructure in all sectors with major emphases in construction, rehabilitations and equipping health facilities, classrooms, staff houses, latrines, laboratories, hostels and dormitories. Priority should be to complete unfinished projects, especially those initiated by communities;
  - xvi. Continue with construction, rehabilitation and equipping offices and residences for RCs, RASs, DC, DASs and Offices for Divisional Secretaries, Wards and Village/streets;
  - xvii. Carry over funds should be spent in accordance with Section 29(3) of the Budget Act No. 11 of 2015 and the Budget Regulations of 2015;
  - xviii. Strengthen existing food and cash crops production and introduce new crops to diversify risks and facilitate agro – processing industries;
  - xix. Indicate debt obligations from Local Government Loan’s Board (LGLB) in MTEF through PlanRep to facilitate smooth repayment according to the approved repayment schedule and contribution of minimum compulsory reserve;
  - xx. Given the budget preparation process from facility level (schools, dispensaries and health centers), plans should be based on the identification of the Facility code, and therefore budget will be analyzed based on the account where the fund will be transferred to facility or council level;
  - xxi. Ensure provision of conducive working environment to employees through provision of working tools and trainings;
  - xxii. Ensure that environmental issues such as climatic changes are properly addressed during planning and implementation of projects;
  - xxiii. Ensure that child protection, nutrition and community development are included in plans and budgets;
  - xxiv. Include requirements of vulnerable groups and people with special needs in the plans and budgets in line with existing policies, laws and circulars; and
  - xxv. Facilitate TARURA to perform their mandated functions.

## **5.1 Specific Instructions to LGAs on Designing and Submission of Strategic Projects for Revenue Generation**

51. The LGAs are urged to explore and design strategic projects that will enhance revenue generation and reduce dependence on Central Government grants. In attaining this, LGAs are therefore required to: -

- i. Identify and budget for strategic projects for revenue generation to be implemented in the financial year 2018/19. Such projects include constructions of bus stands, markets, car parking, abattoir, infrastructure for areas of services, and other viable sectoral opportunities.
- ii. Submit to MoFP projects for scrutinization to be considered for funding in year 2018/19. The following criteria should be considered: -
  - a) Projects included in the LGAs' Strategic Plan and MTEF;
  - b) Projects with write-up documents and complete feasibility studies;
  - c) Projects with reliable opportunity to increase revenue;
  - d) Projects that LGAs have capacity to operate efficiently or in collaboration with other stakeholders;
  - e) Projects that comply with sustainable industrial integration strategy, value addition and packaging system; and
  - f) Projects that increase employment opportunities, income and well-being of the citizens.

## **6.0 MONITORING, EVALUATION AND PERFORMANCE REPORTING**

### **6.1 Introduction**

52. Successful implementation of Plans and Budgets depends on effectiveness of monitoring, evaluation and reporting systems. This has been accorded special emphasis in 2018/19.

### **6.2 Monitoring and Evaluation**

53. Performance of monitoring and evaluation will depend on prepared plans and budget based on clear indicator, criteria and goals. Accounting Officers are instructed to ensure that development projects, programme and activities designed are aligned with clear indicator, criteria and goals which will be taken into account during project implementation and monitoring as stipulated in the FYDP II Implementation Strategy for realization of desired outcomes based on the approved budgets. Preparation of plans and budget should adhere to the earmarked criteria.

54. After budget approval, MDAs, RSs, LGAs and PISCs are required:
- i. To prepare action plan and cash flow plans;
  - ii. To adhere to the Medium Term Expenditure Framework;
  - iii. To adhere Public Investment Management - Operational Manual 2015;
  - iv. To adhere to FYDP II Monitoring and Evaluation Strategy (FYDP II-MES) so as to achieve quality of public investments;
  - v. To allocate funds for conducting Monitoring and Evaluation; and
  - vi. To allocate funds for Human Capital development on Monitoring and Evaluation skills.

### **6.3 Performance Reporting**

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

56. Accounting Officers are required:
- i. Submit Quarterly progress and annual performance reports in hard and soft copies should be submitted to MoFP, PO-PSMGG, PO-RALG (for RSs and LGAs) and OTR (for Public Entities); and
  - ii. Adhere to the formats provided in the Annex during plan and budget preparation, implementation and performance reporting.

### **7.0 CONCLUSION**

57. Accounting Officers are instructed to adhere to the instructions and its Annex, and comply with the Budget Act No 11 of 2015 and the Budget Regulations of 2015 as well as Government circulars and directives.



## **PART II**

# **BUDGET REVIEW AND OUTLOOK**





## **CHAPTER ONE**

### **REVIEW OF RECENT ECONOMIC DEVELOPMENT AND MACROECONOMIC OUTLOOK**

#### **1.1 Overview**

1. Performance of the economy in the past five years (2012-2016) remained buoyant with real GDP growing at an annual average rate of 6.7 percent supported mainly by improvement in transport infrastructure, communication, construction and financial services. In 2016, the economy grew by 7.0 percent, missing the target of 7.2 percent by 0.2 percentage point mainly on account of underperformance in agriculture sector, which accounts for a significant share to GDP of 28.9 percent. During the first half of 2017, real GDP grew by 6.8 percent compared with 7.7 percent in the corresponding period in 2016. Real GDP growth is projected at 7.0 percent in 2017 and further up to an annual average of 7.4 percent in the medium term. This projection continues to be supported by successful implementation of FYDP II.

2. Inflation is still on check with single digit, mainly on account of increased food supply in the domestic and neighbouring markets, general slowdown in global commodity prices, particularly oil prices, and implementation of contractionary fiscal policy. The value of Tanzanian shilling against the US dollar remained broadly stable throughout 2016/17, consistent with liquidity conditions in the economy and the improvement in the current account balance. Deficit in the current account narrowed significantly to USD 1,353.3 million in 2016/17 from USD 2,954.2 million in 2015/16, mainly on account of substantial decline in imports of goods and services.

3. During 2016/17, annual growth of monetary aggregates slowed down, with broad money supply (M3) growing by 6.1 percent in June 2017, compared to 12.7 percent recorded in June 2016. Likewise, annual growth of credit to the private sector slowed down from 19.1 percent recorded in June 2016 to a growth of 1.3 percent in June 2017. The slowdown was on account of cautious measures taken by commercial bank in lending to private sector following the increase in non-performing loans. However, the banking sector remained sound, stable and profitable with levels of capital and liquidity generally above regulatory requirements. The slowdown in growth of credit to private sector may deny funds to private investment and trade, and consequently affecting GDP performance. In addressing liquidity challenge in the economy, the Government through Bank of Tanzania reduced the minimum reserve

requirement and discount rate with a view to broaden lending to private sector in order to accelerate economic activities. In addition, the Government has continued to invest in public infrastructure in a view to create conducive environment for private investment.

## **1.2 Recent economic Development**

### **1.2.1 Domestic Economic Development**

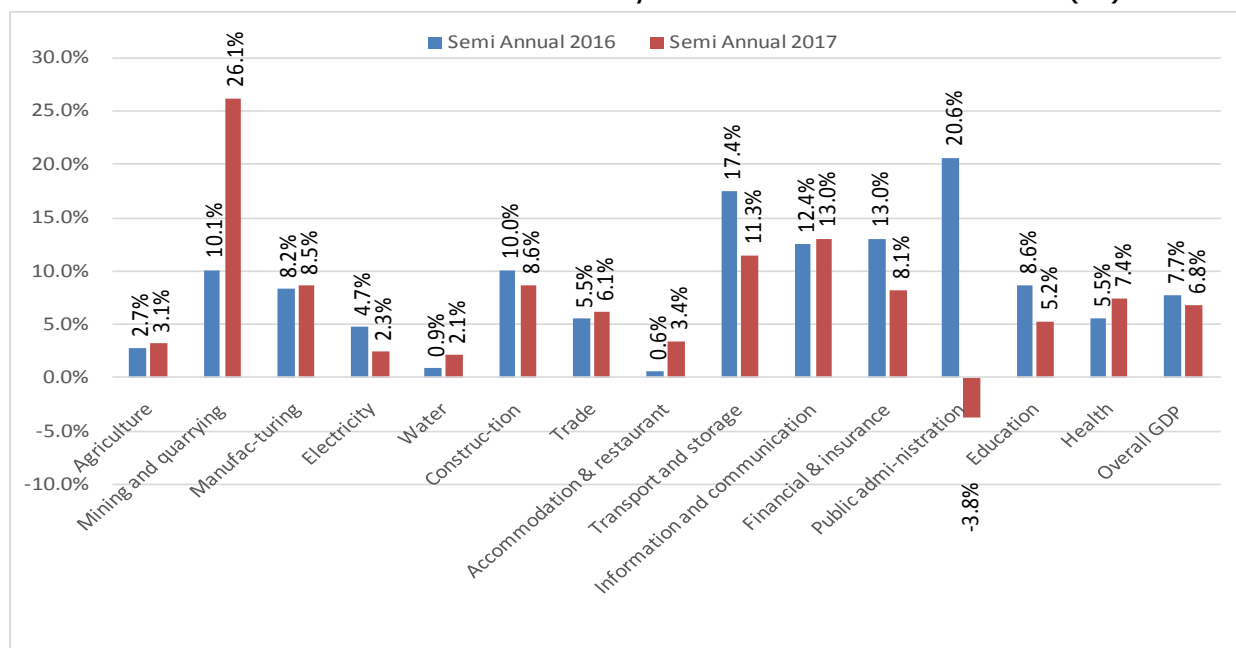
#### **GDP Growth**

4. The real GDP growth between 2012 and 2016, remained strong, with real GDP growing at an average rate of 6.7 percent. In 2016, real GDP grew by 7.0 percent supported mainly by increase in power supply, specifically from natural gas; increase in manufactured goods; stability in transport services; and increase in Government spending on education which resulted from increased enrolment for standard one pupils and form one students due to Government free basic education policy which started in January 2016.

5. In the first half of 2017, GDP grew by 6.8 percent compared to a growth rate of 7.7 percent observed in the corresponding period in 2016. Economic activities which recorded higher growth include mining and quarrying (26.1 percent); information and communication (13.0 percent); transport and storage (11.3 percent); and construction (8.6 percent). Transport and education also recorded lower growth following completion of one-off activities in 2016, which are commencement of Dar es Salaam rapid transport, gas transportation from Mtwara to Dar es Salaam as well as free basic education.

6. However, decline in the economic growth in the first half of 2017 was mainly attributed by financial and insurance activities due to decline in growth of credit to private sector; decline in power generation due to expiration of some of power generation project contracts and decline in copper production in the second quarter of 2017.

Chart 1.1: Semi Annual GDP Growth Rates by Selected Economic Activities (%)



### 1.2.2 GDP Growth for East Africa Community Member States (EAC)

7. Tanzania economic performance continued to record the highest growth in the region. Kenya's real GDP growth rebounded to 5.8 percent in 2016 up from 5.7 percent in 2015 mostly supported by construction, manufacturing, finance and ICT. Rwanda's real GDP growth slowed down to 5.9 percent in 2016 due to weak external demand and tight monetary policy from 8.9 percent in 2015 while growth in the Uganda's economy also slowed down to 2.3 percent in 2016 from 5.7 percent in the previous year. Burundi continued to record the lowest economic growth in the region with real GDP growth recovered modestly to a contraction of 1.0 percent in 2016 up from a contraction of 4.0 percent in 2015. Table 1.1 shows the trend of EAC real GDP growth.

**Table 1.1: East African Community Economic Growth**

	2014	2015	2016
Tanzania	7.0	7.0	7.0
Kenya	5.4	5.7	5.8
Uganda	4.6	5.7	2.3
Rwanda	7.6	8.9	5.9
Burundi	4.5	-4.0	-1.0

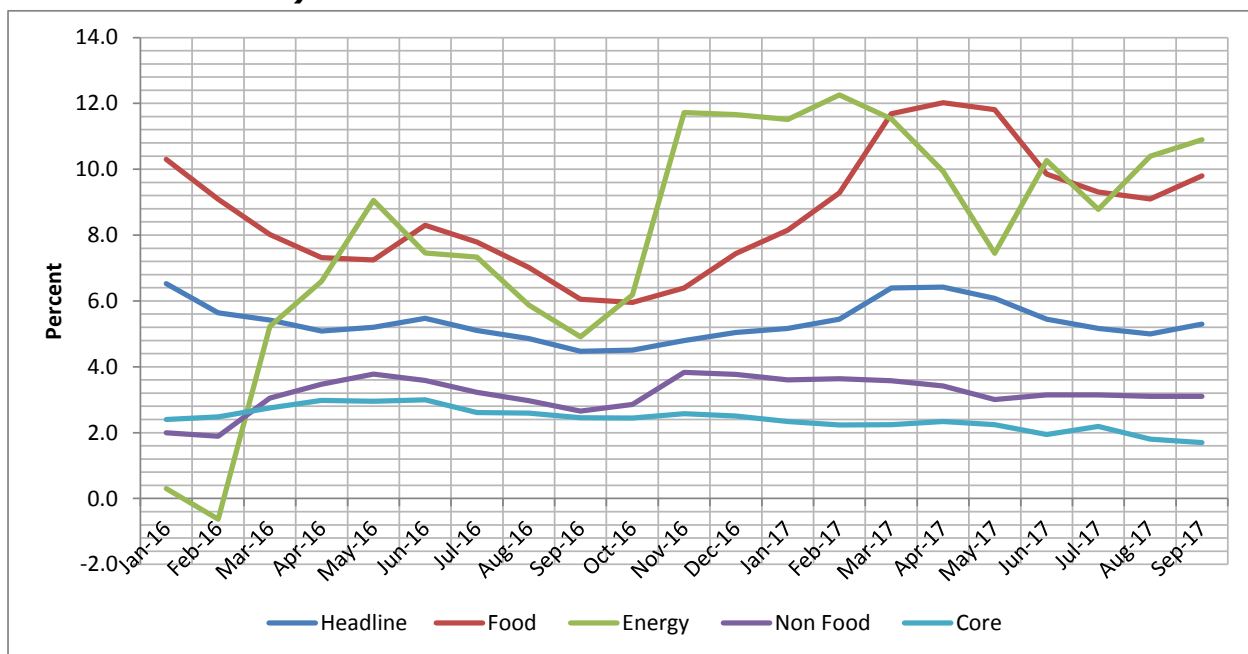
Source: IMF, WEO October 2017.

## Inflation Trends

### (i) Inflation in Tanzania

8. Throughout the first half of 2017, headline inflation continued to be at single digit supported by contractionary fiscal policy, general slowdown in global commodity prices, particularly oil prices and slower pace in the increase of domestic food prices. However, when compared to similar period in 2016, inflation has increased marginally. During the first half of 2017, headline inflation averaged at 5.8 percent up from 5.6 percent in the corresponding period in 2016, while food inflation averaged at 10.5 percent against 8.4 percent in the same time frame in 2016. On the other hand, core inflation improved from an average of 2.8 percent in the first half of 2016 to 2.2 percent in the first half of 2017. In September 2017, headline inflation stood at 5.3 percent while core inflation averaged at 1.7 percent.

**Chart 1.2: Tanzania Inflation Developments (January 2016 – September 2017)**

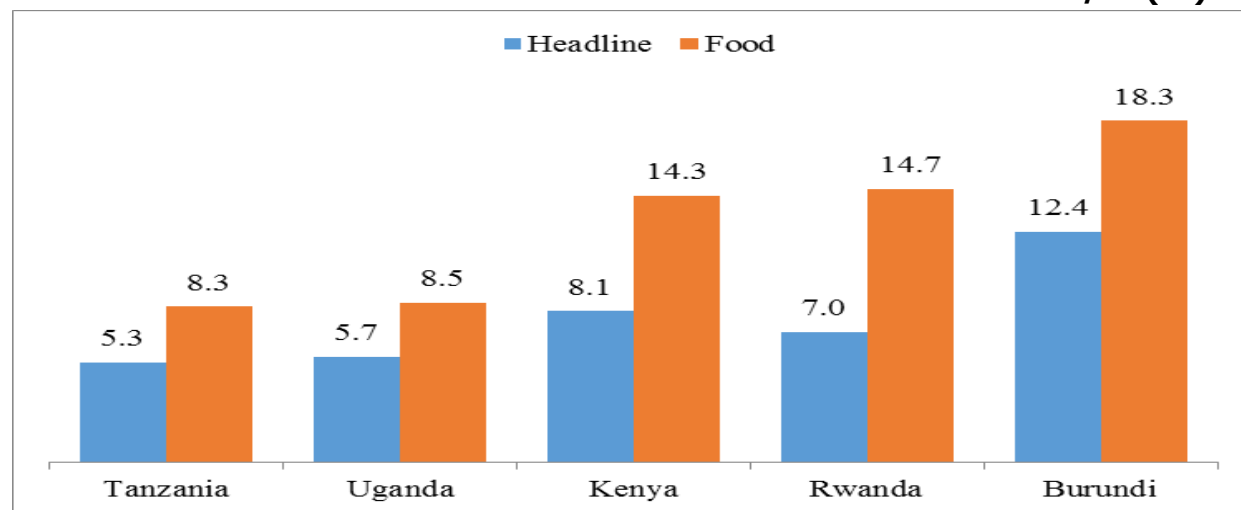


### (ii) Inflation Rates for EAC Member States

9. The average inflation rate in the EAC region continued to be stable maintaining single digit of 7.7 percent in 2016/17. During the year, Tanzania recorded the lowest annual average headline inflation of 5.3 percent followed by Uganda 5.7 percent, Rwanda 7.0 percent, Kenya 8.1 percent and Burundi recorded the highest annual average headline inflation of 12.4 percent as shown in **Chart 1.3**. Generally, the

slowdown in inflation has been induced by availability of food supply in the region.

**Chart 1.3: Headline and Food Inflation for East African Countries in 2016/17 (%)**



### **1.3 Review of Budget Implementation for 2016/17**

10. Implementation of the Government budget during 2016/17 was characterized by increase in domestic revenue collections coupled with shortfalls mainly in disbursements of GBS and external non-concessional loans. Given such shortfalls, the Government resorted to more domestic borrowing to finance key expenditures.

#### **1.3.1 Domestic Revenue**

11. In 2016/17, the Government estimated to collect domestic revenue amounting to Shilling 18,463.5 billion. Actual collections for 2016/17 were Shilling 16,639.8 billion, equivalent to 90.1 percent of the target and an increase of 18.4 percent when compared to 2015/16 actual collections.

#### **Tax Revenue**

12. In 2016/17, the Government estimated to collect tax revenue amounting to Shilling 15,105.1 billion, equivalent to 13.8 percent of GDP and the actual out-turn was Shilling 14,126.5 billion, equivalent to 93.5 percent of the estimate. Despite the underperformance against the target, the actual out-turn was 13.2 percent higher than the actual collection of 2015/16. In terms of tax yield, collections in 2016/17 were 14.2 percent of GDP compared to 13.2 percent of GDP in 2015/16. This achievement was mainly attributed to close monitoring of the existing revenue potentials, tax arrears recovery measures, increased compliance by Government institutions in withholding tax upon payments for goods and services.

### **Performance of Major Tax Categories**

13. In 2016/17, import duty collection was Shilling 1,538.0 billion against the target of Shilling 1,497.6 billion, implying over-performance by 2.7 percent. Value Added Tax (VAT) on non-petroleum imports were Shilling 1,803.6 billion against the target of Shilling 2,102.4 billion. This marks a performance of 85.5 percent or a growth of 4.4 percent from collection realized in 2015/16. The excise duty on imports recorded unsatisfactory performance of 62.2 percent by collecting Shilling 345.6 billion against the target of Shilling 555.9 billion. This collection represents decline in growth rate by 35.9 percent from Shilling 539.3 billion that was collected in 2015/16. The underperformance of these taxes on imports was mainly attributed to decline in the value of consumer goods, which attracts high duty rates.

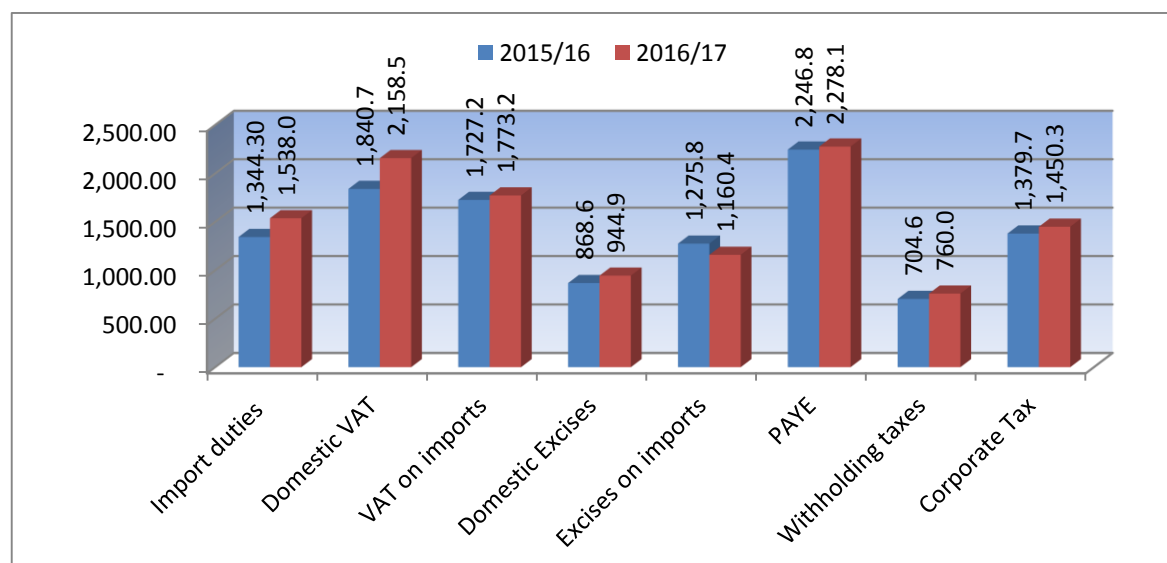
14. Revenue collected from imported petroleum products was Shilling 1,884.8 billion which is 93.5 percent of the target of Shilling 2,025.8 billion. However, this is equivalent to 9.6 percent increase from 1,719.8 billion in 2015/16. The excise duty on petroleum, petroleum levy-REA and fuel levy performed slightly below the target by registering the performance of 97.5, 99.0 and 86.5 percent respectively. The performance and growth is ascribed to close control and monitoring of the importation of petroleum products.

15. Revenue collection from the corporate tax amounted to Shilling 1,450.3 billion which is 89.8 percent of the target of Shilling 1,615.9 billion equivalents to 5.1 percent increase when compared to year 2015/16. Under performance of corporate tax was attributed by decline of sales of goods in the local markets faced by companies producing among others cement, beer, and soft drinks; downward revision of corporation tax due to increase in production costs; and financial market liquidity squeeze which reduced profitability of some of the financial institutions.

16. PAYE performance was at 90.5 percent with revenue collection amounted to Shillings 2,278.1 billion against the set target of Shillings 2,516.7 billion equivalent to 1.4 percent increase when compared to previous year. The underperformance of PAYE was caused by the retrenchment of workers in some companies due to slowdown of economic activities. Such companies include Pangea and Bulyanhulu Mining, Bakhresa Food Products Ltd, SSB Grain Mills Ltd, Azam Bakeries and Mtibwa Sugar. Furthermore, declined wage bill resulted from the Government postponement of employment of public servants due to on-going verification exercise and removal of unqualified workers attributed to the underperformance of PAYE.

17. Taxes on local goods and services amounted to Shilling 3,045.5 billion equivalent to 98 percent of the target of Shilling 3,078.2 billion. The underperformance in some of major tax items especial domestic VAT and excise duty was attributed to decline in consumption of some manufactured goods such as cigarettes, beer, soft drinks and hard drinks which have affected the taxable base. Low performance in telecoms economic activity as a result of the changes of consumption pattern of telecommunication services from airtime to lower cost bundled products triggered by stiff competition in the industry.

**Chart 1.4: Performance of Major tax categories for 2015/16- 2016/17**



### Non-Tax Revenue

18. In 2016/17, actual non-tax revenue collection (excluding LGAs own sources) was Shilling 2,072.9 billion against the target of Shilling 2,718.6 billion equivalent to 76.3 percent. Contributions, dividends and excess capital redeemed from Government Entities were Shilling 893.9 billion against the target of 1,306.5 billion. The performance was attributed mainly by dividends from parastatals and collections from some MDAs as a result of use of revenue collection electronic systems. LGAs collection from own sources was Shilling 511.7 billion equivalent to 76.0 percent of the target.

### Tax Exemptions

19. In 2016/17, tax exemptions were Shilling 952.5 billion compared to Shilling 1,103.3 billion in 2015/16 equivalent to a decline of 14 percent. Similarly, the proportion of tax exemption to total tax collection declined from 7.8 percent of tax revenue collected in 2015/16 to 6.7 percent in 2016/17. The share of exemption to GDP has also



declined to 0.9 percent in 2016/17 from 1.2 percent registered in 2015/16. Decline in exemption was attributed to both policy and administrative measures taken by the Government, aiming at minimizing unproductive tax exemptions, scrutiny and monitoring of exemption requested before being granted.

### 1.3.2 External Resources

20. During the year 2016/17, Development Partners pledged to provide the Government with support amounting to Shilling 3,600.8 billion through several projects and programmes. Pledges for each financing mechanism were Shilling 483.0 billion for General Budget Support (GBS), Shilling 372.1 billion for Basket Fund, and Shilling 2,745.7 billion for direct to project fund. The actual out-turn for the year was 68.7 percent of the total pledge. Out of the total disbursement, GBS was Shilling 342.8 billion, equivalent to 71 percent of the annual target. Basket funds and direct to project funds received were Shilling 274.0 billion and 1,857.4 billion, equivalent to 73.6 percent and 68 percent of their respective annual targets.

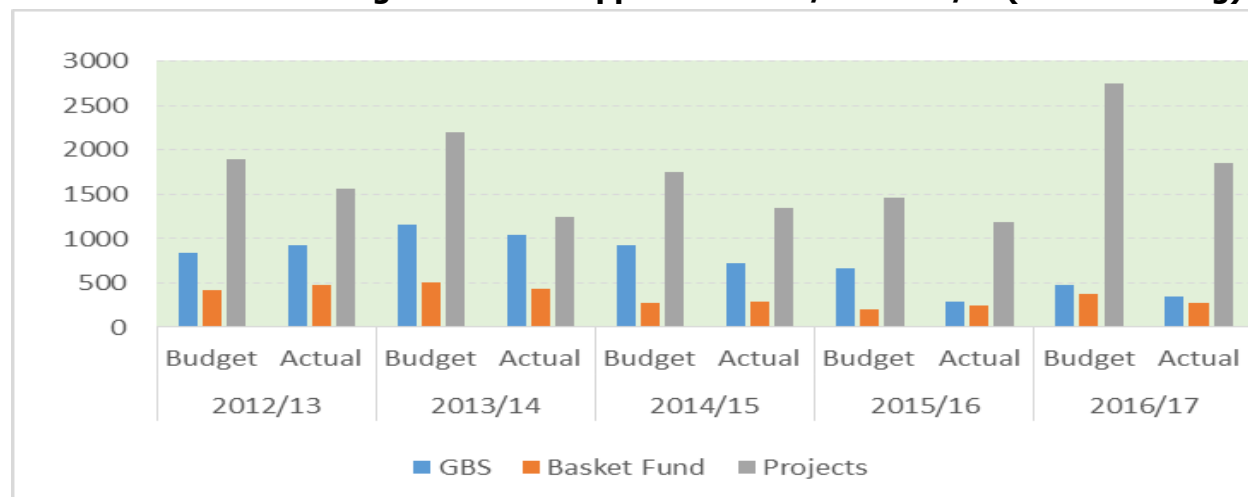
21. Shortfall in the external financing was largely because of deferred discussions around three Development Policy Operations (Power and Gas; Business Environment for Jobs; and Open Government and Public Financial Management) that could not materialize during the year due to failure to meet triggers set. Some of these conditions include the review of Local Government Finances Act, CAP 290 to reduce agriculture cess and exempt sales less than one ton to support the lowest income farmers and the Government contribution to these projects. Other factors include direct to project funds that did not perform due to slow implementation pace of some projects whose subsequent tranche of disbursement is prompted by completion of earlier stages and respective reporting requirements.

**Table 1.3: Trend of Foreign Financial Support for 2012/13-2016/17(Billion Shilling)**

FY	2012/13		2013/14		2014/15		2015/16		2016/17	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>GBS</b>	843	919	1,163	1,041	922	717	660	292	483	343
<b>Basket Fund</b>	415	478	500	434	274	290	199	248	372	274
<b>Projects</b>	1899	1562	2192	1236	1745	1339	1463	1186	2,746	1,857
<b>Total</b>	3157.0	2959.0	3855.0	2711.0	2941.0	2346.0	2322.0	1726.0	3600.8	2474

Source: Ministry of Finance and Planning

**Chart 1.5: Trend of Foreign Financial Support for 2012/13-2016/17(Billion Shilling)**



Source: Ministry of Finance and Planning

### 1.3.3 Expenditure

22. Total approved budget for 2016/17 was Shilling 29,539.6 billion of which recurrent expenditure was estimated at Shilling 17,719.1 billion and development expenditure was estimated at Shilling 11,820.5 billion. Actual expenditure as of end June, 2017 was Shilling 23,634.6 billion, equivalent to 80.0 percent of the approved budget. Total expenditure for 2016/17 increased by 6.5 percent compared with Shilling 22,099.1 billion in 2015/16. Out of the total expenditure for 2016/17, recurrent expenditure was Shilling 17,136.2 billion, equivalent to 96.7 percent of budget estimates and development expenditure was Shilling 6,498.3 billion, equivalent to 55.0 percent of the estimates.

23. The major components of recurrent expenditure were Consolidated Fund Services (CFS) and wages and salaries. Actual CFS was Shilling 8,781.6 billion equivalent to 51.2 percent of the recurrent expenditure. Wages and salaries was shilling 6,367.1 billion equivalent to 37.2 percent of recurrent expenditure and 96.5 percent of the budget estimate.

24. Achievements in implementation of 2016/17 development budget included: financing free primary and secondary education (Shilling 206.9 billion); procurement of two new planes (Shilling 103.4 billion) and advance payment for four new planes (Shilling 320.1 billion) to revive the national air carrier; construction of phase I standard gauge railway line from Dar es Salaam to Morogoro (Shilling 1,000.0 billion); investment in power generation (Shilling 176.5 billion); transmission and expansion of

rural electricity infrastructure (Shilling 361.5 billion); construction and maintenance of roads through Road Funds (Shilling 807.4 billion); investment in urban and rural water supplies infrastructure (Shilling 137.4 billion); higher learning students loans (Shilling 495.4 billion) and medical supplies and equipment (Shilling 165.0 billion).

25. Other achievements includes: securing a tender of construction of crude oil pipeline from Hoima-Uganda to Chongoleani-Tanga (USD 3.5 billion) whereby the country is expected to benefit in terms of employment, expertise and business opportunities; expansion of Dar es Salaam port (USD 345 million); 100 percent ownership of TTCL by government through redemption of 35 percent shares (Shilling 14.9 billion); and strengthening defence and Security of people and natural resources.

#### **1.3.4 National Debt**

26. As of June, 2017 the National Debt stood at USD 26,115.2 million compared to USD 22,320.76 million recorded in the corresponding period in 2016, which was an increase of 17.0 percent. The increase was on account of new borrowing to finance development projects including: Standard Gauge Railway; Strategic Cities; Dar es Salaam Rapid Transport; Malagarasi Power Generation; and Dar es Salaam clean water. Out of the national debt, USD 7,643.2 million is domestic and USD 18,472.0 million is the external. The external debt comprises of public and publicly guaranteed debt of USD 14,800.5 million and private external debt of USD 3,671.50 million.

#### **National Debt Sustainability**

27. The Government Loans Guarantees and Grants Act CAP 134, requires the Government to conduct an annual Debt Sustainability Analysis (DSA) which among other things indicate the trend of various debt sustainability indicators including description of economic situation in different scenarios and recommend measures for maintaining sustainable level of debt. Results of DSA conducted in November 2016 indicates that, the present value of public debt to GDP was 32.5 percent, implying that Tanzania's debt remains at low risk of debt distress and that the debt outlook in the medium to long term is sustainable both under baseline and alternative scenarios. All debt burden indicators have remained below their indicative thresholds as shown in Table 1.4.

**Table 1.4: Debt Sustainability Indicators**

<b>External Public Debt</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2020/21</b>	<b>2025/26</b>	<b>2035/36</b>	<b>Threshold</b>
PV of Debt to GDP	19.9	19	18.8	18.6	20.1	18.9	14.2	40
PV of Debt to Export	97.7	94.2	98.2	100.6	107.4	95.5	71	150
PV of Debt to Revenue	145.3	111.46	114.3	107.6	98.7	91.8	68.39	250
Debt Service to Export	7.8	9.2	8.4	8.7	8	7.9	8	20
Debt Service to Revenue	11.5	11	9.7	9.3	7.3	7.6	7.7	20
<b>Total Public Debt</b>								
PV of Public Debt to GDP	34.2	32.5	31.2	30.8	32.7	29.4	23.3	56
PV of Public Debt to Revenue	249.9	178.5	177.6	168.3	153.9	137	108	
Debt Service to Revenue ratio	30.8	21.1	23.4	20.6	16.9	16.6	16.1	

Source: MoFP DSA Report November 2016

## **1.4 Monetary and Credit Developments**

### **1.4.1 Money Supply**

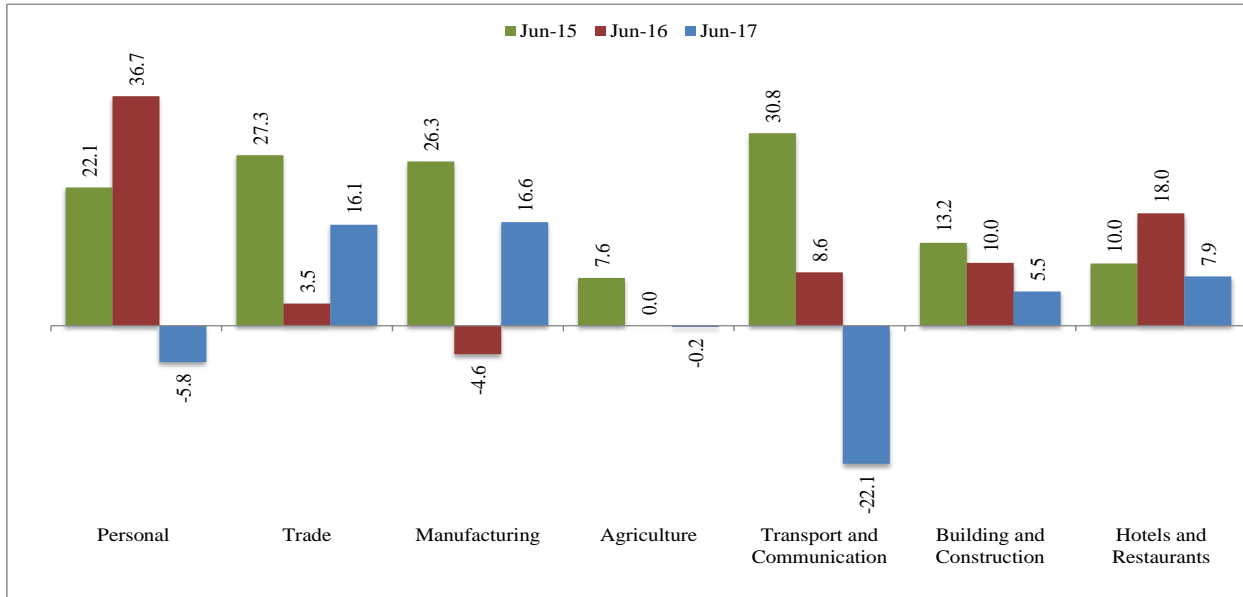
28. During 2016/17, annual growth of monetary aggregates slowed down, with broad money supply (M3) recording 6.1 percent growth in June 2017, lower than 12.7 percent recorded in June 2016. Slow pace of increase in domestic credit was the main driver of the money supply growth. In particular, annual growth of credit to the private sector slowed down from 19.1 percent recorded in June 2016 to 1.3 percent in June 2017. At the same time, net credit to the Government declined by 21 percent during the year ending June 2017, compared to an increase of 41.1 percent recorded in the corresponding period in 2016. This development was supported by build-up of deposits at the BOT, following improvement in domestic revenue collection, expenditure control and receipt of proceeds from external non concessional borrowing.

29. The slower pace of increase in credit to the private sector reflected cautious approach taken by most of the commercial banks in extending credit, following increase in non-performing loans. Credit growth was also affected by structural factors including slower growth of deposits for some banks, segmentation in the interbank cash market, asset portfolio diversification by banks with a bias to low risk government securities.

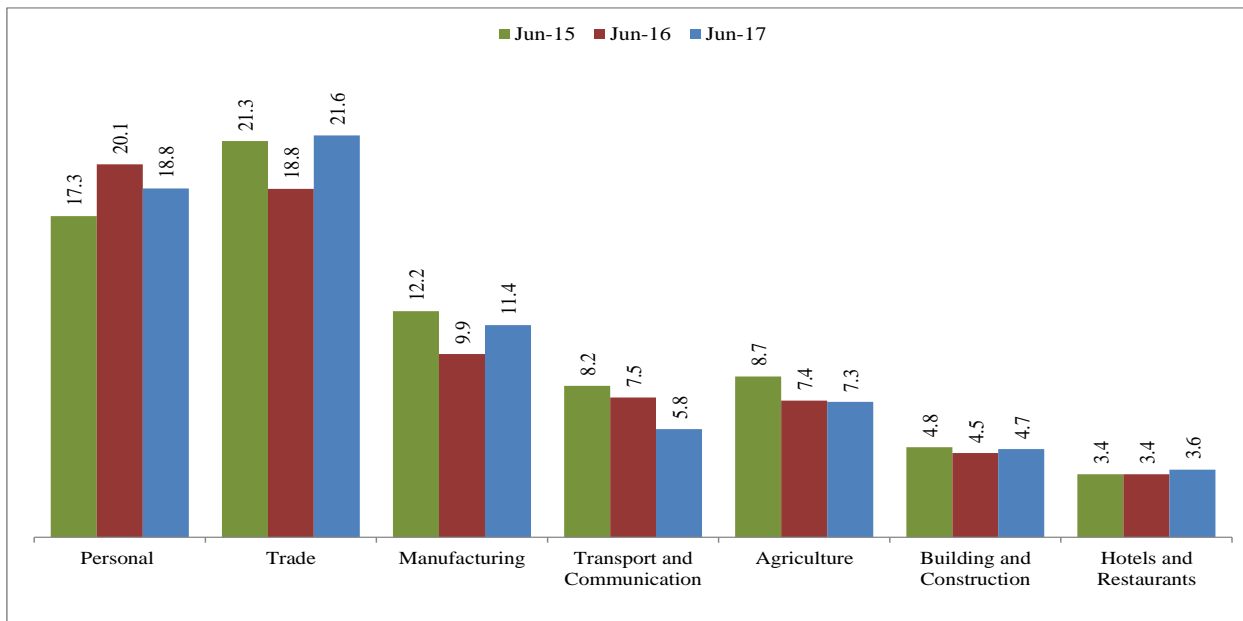
30. Credit growth to private sector slowed down in most of the major economic activities during the year ending June 2017, with notable decline in credit to transport and communication, personal and agricultural activities. Nevertheless, there was a rebound in credit growth in some activities including manufacturing and trade. In terms of sectorial distribution of credit, trade and personal activities continued to dominate

the largest share of outstanding credit, with respective shares of 21.6 percent and 18.8 percent.

**Chart 1.6: Annual Growth of Banks' Credit to Major Economic Activities (%)**



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

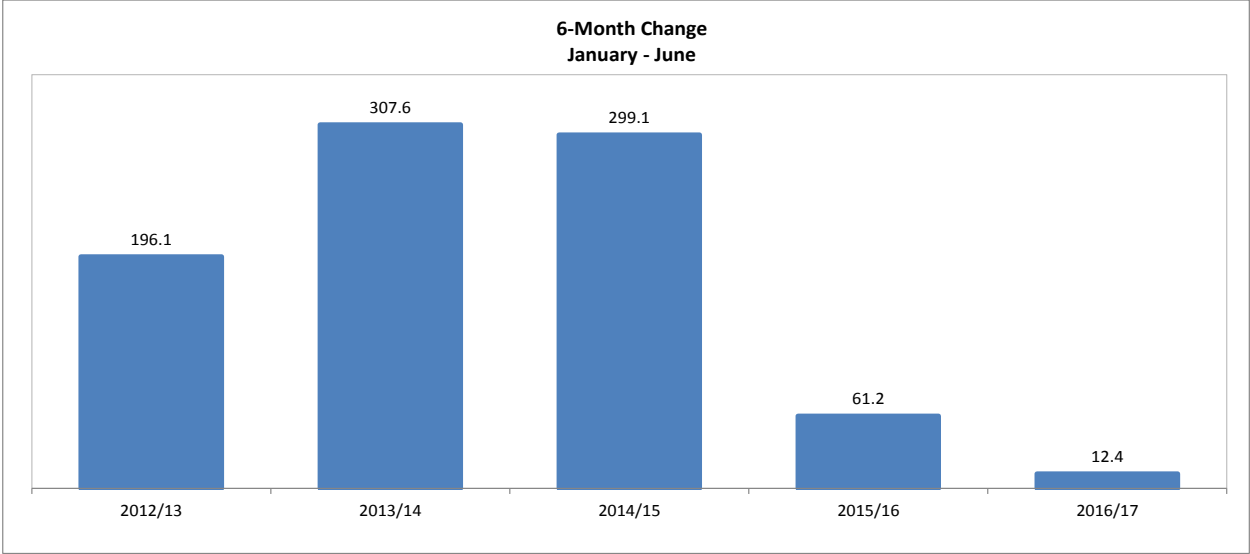


### 1.4.2 Currency in circulation

31. During the first half of 2017, currency in circulation increased by Shilling 12.4

billion much lower than the average increase of Shilling 222.6 billion recorded in the similar period over the past three years. The decrease of currency in circulation was associated with the impact of contractionary fiscal policy and slowdown in credit to private sector. However, the increased use of digital financial services in the country has partly dampened the slowdown impact of currency in circulation on growth of economic activities.

**Chart 1.8: Annual Change in Currency in Circulation (Billions Shilling)**



**1.4.3 Liquidity Management and Interest Rates Developments**

32. In addressing liquidity condition, the Bank of Tanzania pursued expansionary monetary policy in order to support the growth of economic activities and credit to the private sector, while ensuring stability of money market rates. The Bank reduced the statutory minimum reserve (SMR) requirement on private sector deposits from 10.0 percent to 8.0 percent in April 2017, alongside the adoption of reserve averaging framework in January 2017. The Bank also reduced the discount rate from 16.0 percent to 12.0 percent with effect from March 2017. Further, the Bank used a mix of policy instruments in order to inject liquidity into the economy including purchase of foreign exchange from domestic market, inward foreign exchange swaps and provision of short term loans to banks. The standby facilities at the Bank of Tanzania were also available for any bank in need of short term liquidity. In addition, the Government has continued to invest in public infrastructure and payment of verified arrears aiming at attracting private investment, increasing liquidity in the economy, reducing the level of non-performing loans and stimulating economic activities.

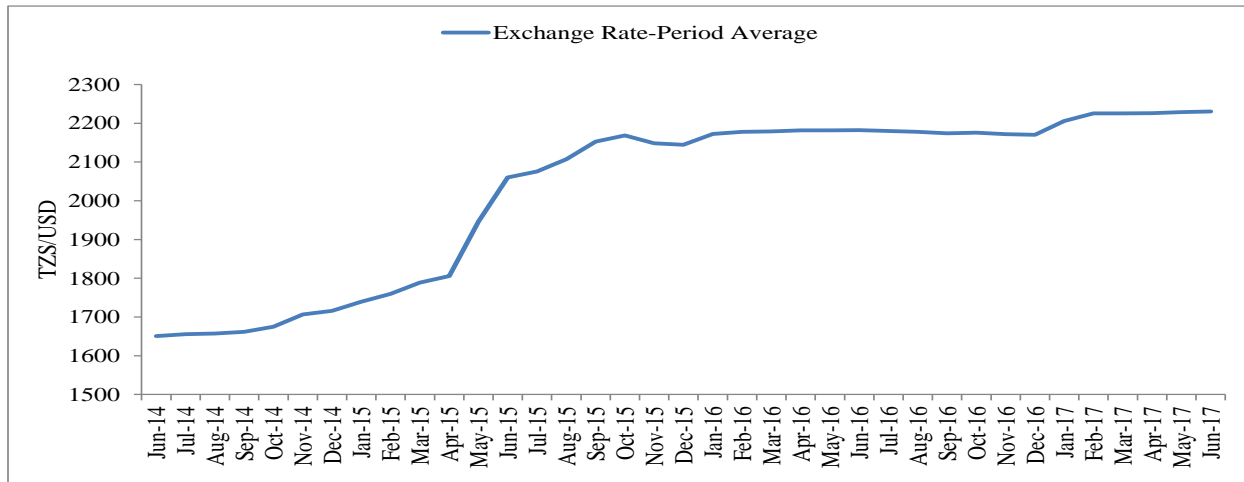
33. Following these measures, excess reserves of banks increased and the overnight interbank cash market rate decreased to 4.08 percent in June 2017 from an average of 14.89 percent recorded in the first half of 2016/17 when liquidity among banks was tight. Likewise, Treasury bills rates responded, following oversubscriptions in the auctions. The overall Treasury bills rate decreased to 7.64 percent in June 2017 from an average rate of 15.56 percent recorded in the first half of 2016/17.

34. Developments in the money market rates were not fully mirrored in the commercial banks interest rates. During 2016/17, deposits rates were on average higher than those recorded in 2015/16, reflecting increased competition in deposit mobilisation, while lending rates increased largely associated with liquidity squeeze among banks, owing to moderate net fiscal outlays and the rise in risk premium due to weakening of banks' asset quality following increase in non-performing loans. During 2016/17, overall deposit rate rose to an average rate of 9.61 percent compared with average rate of 9.25 percent in 2015/16, while twelve - month deposits rate averaged 11.66 percent, compared with 11.17 percent recorded in 2015/16. Likewise, the overall lending rate increased to an average rate of 16.53 percent compared with average rate of 16.17 percent recorded in 2015/16, whereas one-year lending rate averaged at 15.38 percent, compared with 14.19 percent recorded in 2015/16. As a result, the spread between one year deposit and lending rates increased to 3.72 percentage points in 2016/17 from 3.02 percentage points recorded in 2015/16.

#### **1.4.4 Exchange Rate Developments**

35. The value of Tanzanian shilling against the US dollar remained broadly stable throughout 2016/17, consistent with shilling liquidity conditions in the economy and the improvement in the current account balance. The exchange rate fluctuated within a range of Shilling 2,171.0 to Shilling 2,230.1 against the US dollar, compared with a range of Shilling 2,020.3 to Shilling 2,182.3 per US dollar in the corresponding period of 2015/16. In mid-January 2017 though, the shilling experienced a short-lived sharp depreciation against the US dollar, a phenomenon that was primarily associated with developments in the external environment but stabilized thereafter.

**Chart 1.9: Nominal Exchange Rate Movements (Shilling /US Dollar)**



Source: Bank of Tanzania

### 1.4.5 Banking Sector Performance Indicators

36. During the year ending June 2017, the banking sector remained sound, stable and profitable with levels of capital and liquidity generally above regulatory requirements. The ratio of core capital to total risk weighted assets and off-balance sheet exposures was 18.3 percent at the end of June 2017, above the minimum legal requirement of 10 percent and 17.2 percent recorded in June 2016. In the same period, the ratio of liquid assets to demand liabilities stood at 38.1 percent, above the minimum regulatory requirement of 20 percent, but slightly above 37.0 percent recorded in June 2016.

37. The quality of the banking sector’s assets deteriorated as reflected by the ratio of non-performing loans (NPLs) to gross loans, which increased to 10.6 percent at the end of June 2017 from 8.9 percent recorded at the end of June 2016. To address this challenge, BOT directed banks with high NPLs ratio to formulate and implement strategies to bring the ratio to at most 5 percent, and encouraged them to increase use of the existing credit reference system to reduce risks. In addition, both return on assets and equity underperformed during the period ending June 2017, which is an indication of decrease in earnings and profitability. During the period, return on assets decreased to 2.3 percent while return on equity decreased to 10.4 percent from 3.0 percent and 15.3 percent in the corresponding period in 2016 respectively.



**Table 1.5: Banking Sector Financial Soundness Indicators (%)**

Indicator	Regulatory Limit	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
<b>Capital adequacy</b>						
Core capital to total risk weighted assets plus off balance sheet exposure	Minimum 10	17.2	17.3	17.8	19.0	18.3
Total capital to total risk weighted assets plus off balance sheet exposure	Minimum 12	19.2	19.2	19.8	21.0	20.3
<b>Liquidity</b>						
Liquid assets to demand liabilities	Minimum 20	37.0	34.2	42.4	36.0	38.1
Total loans to customer deposits	N/A	85.8	87.1	86.3	86.0	83.1
<b>Earnings and profitability</b>						
Return on assets	N/A	3.0	2.5	2.4	2.4	2.3
Return on equity	N/A	15.3	12.0	10.5	11.3	10.4
Non-interest expenses to total income	N/A	65.0	66.9	67.6	67.3	51.5
<b>Assets quality</b>						
Non-performing loans to gross loans	N/A	8.9	9.1	9.5	11.0	10.6

Source: Bank of Tanzania

## 1.5 External Sector Development

38. The current account deficit narrowed significantly from USD 2,954 million in 2015/16 to USD 1,350 million in 2016/17 due to a considerable decrease in the value of imports of goods and services and a slight decrease in the value of exports of goods and services. As a percentage of GDP, current account deficit was 2.8 percent in 2016/17 compared to a deficit of 6.5 percent in 2015/16. Following this development, the overall balance of payments registered a surplus of USD 1,226 million from a deficit of USD 368 million in the year ending June 2016. The stock of gross official reserves as at end-June 2017 amounted to USD 5,022 million, sufficient to cover 5.8 months of projected imports of goods and services excluding those financed by foreign direct investment.

39. In 2016/17, the value of exports of goods and services decreased marginally by 0.8 percent to USD 8,908.0 million compared to USD 8,981.0 million recorded in 2015/16 mainly on account of underperformance in manufacturing exports. Export of manufactured goods declined by 29.8 percent to USD 893.0 million from USD 1,273 million recorded in 2015/16. The low performance is partly explained by security concern particularly in DRC, which is among the largest market for the country's manufactured goods. Nevertheless, good performance was recorded in transport service receipts and export value of gold and traditional goods. The value of gold exports increased to USD 1,517.9 million from USD 1,243.3 million, due to increase in both volume and unit price.

**Table 1.6: Tanzania Current Account**

Item	2015/16	2016/17 <sup>P</sup>	<i>Millions of USD</i> % Change
<b>Goods account (net)</b>	<b>-3,333.4</b>	<b>-2,327.1</b>	<b>-30.2</b>
Exports	5,584.6	5,238.3	-6.2
Imports	8,918.0	7,565.4	-15.2
<b>Service account (net)</b>	<b>887.5</b>	<b>1,639.3</b>	<b>84.7</b>
Receipts	3,396.2	3,669.6	8.1
Payments	2,508.7	2,030.3	-19.1
<b>Goods and services (net)</b>	<b>-2,445.9</b>	<b>-687.9</b>	<b>-71.9</b>
Exports of goods and services	8,980.8	8,907.9	-0.8
Imports of goods and services	11,426.7	9,595.7	-16.0
<b>Primary income account (net)</b>	<b>-840.9</b>	<b>-1,099.6</b>	<b>30.8</b>
Receipts	100.8	105.7	4.9
Payments	941.7	1,205.3	28.0
<b>Secondary income account (net)</b>	<b>332.5</b>	<b>437.7</b>	<b>31.6</b>
Inflows	410.5	502.7	22.5
o/w General Government	40.8	140.2	243.6
Outflows	78.0	65.0	-16.7
<b>Current Account Balance</b>	<b>-2,954.3</b>	<b>-1,349.8</b>	<b>-54.3</b>

<sup>P</sup> =provisional actual

**Source:** *Bank of Tanzania*

40. In 2016/17, value of import of goods and services declined to USD 9,595.7 million compared to USD 11,426.7 million recorded in 2015/16. The decline was specifically noted in capital goods, oil, food and food stuff. The value of oil, which accounts for the largest share in goods import declined by 8.5 percent to USD 2,803.2 million due to a fall in prices in the world market as volume of imported oil increased. The observed decline in imports was also on account of good harvest in the country and completion of major projects such as the Dangote Cement Factory, natural gas pipeline and Kinyerezi I power plant.

## 1.6 Macroeconomic Outlook in the Medium Term

### 1.6.1 Global Economic Growth and Outlook

41. According to the World Economic Outlook (WEO) of October 2017, the global output is projected to grow by 3.6 percent in 2017 and 3.7 percent in 2018. The projected growth is on account of pickup in economic activities in both advanced economies, and emerging and developing economies in 2017.

42. Economic growth in advanced economies is projected at 2.2 percent in 2017 and 2.0 percent in 2018. In the United States, growth projections are 2.2 percent in 2017 and 2.3 percent in 2018. The growth in the United Kingdom is projected to slowdown from 1.8 percent in 2016 to 1.7 percent in 2017 mainly on account of weaker-than-expected activity in the first quarter of 2017. The growth is projected to decline further to 1.5 percent in 2018.

43. Growth in the emerging and developing economies is projected to experience a sustained pickup in activity, with growth rising from 4.3 percent in 2016 to 4.6 percent in 2017 and 4.9 percent in 2018. The projected pickup in growth is driven by gradually improving conditions in large commodity exporters that experienced recessions in 2015/16, as a result of decline in commodity prices. China's growth is expected to remain at 6.8 percent in 2017, and projected to decline modestly to 6.5 percent in 2018. India's growth is forecasted to pick up further to 6.7 percent and 7.4 percent in 2017 and 2018 respectively, explained by strong government spending and data revisions that show stronger momentum in the first quarter of 2017.

44. In Sub-Saharan Africa, growth is projected to be 2.6 percent in 2017 slightly up relative to the earlier forecast reflecting a modest upgrading of growth prospects for South Africa, which is experiencing a bumper crop due to favourable weather conditions and an increase in mining output prompted by a moderate rebound in commodity prices. Moreover, the growth is expected to continue increasing to 3.4 percent in 2018.

**Table 1.7: World Economic Performance and Outlook (%)**

	Actual			Estimate Projections	
	2014	2015	2016	2017	2018
World	3.6	3.4	3.2	3.6	3.7
Advanced economies	2.1	2.2	1.7	2.2	2.0
Emerging and Developing Economies	4.7	4.3	4.3	4.6	4.9
Developing Asian Countries	6.8	6.8	6.4	6.5	6.5
China	7.3	6.9	6.7	6.8	6.5
India	7.2	8.0	7.1	6.7	7.4
Sub-Saharan Africa	5.1	3.4	1.3	2.6	3.4
Tanzania	7.0	7.0	7.0	7.0	7.1
Kenya	5.4	5.7	5.8	5.0	5.5
Uganda	4.6	5.7	2.3	4.4	5.2
Rwanda	7.6	8.9	5.9	6.2	6.8
Burundi	4.5	-4.0	-1.0	0.0	0.1

**Source:** IMF World Economic Outlook October, 2017 and FP August, 2017

## **Macroeconomic Assumptions**

45. In achieving the desired Government targets, a set of assumptions have to be in place and considered in setting the targets. Some of the key assumptions underlying macroeconomic projections and policy targets in the medium term (2018/19-2020/21) are as follows:

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

## **GDP Growth**

46. GDP projection was based on the analysis of performance of various leading indicators in the first half of 2017. Assessment of these indicators in the first half of 2017 revealed the following:

- i. GDP in the first half of 2017 expanded by 6.8 percent compared to a growth rate of 7.7 percent observed in the corresponding period in 2016;
- ii. Production of cement increased to 2,220.4 thousand tons compared to 1,953.8 thousand tons produced in the corresponding period of 2016, equivalent to an increase of 13.6 percent. This is a proxy of performance in the manufacturing sector and is also used as an input in the construction sector;
- iii. Total electricity generated for the first half of 2017 reached 3,476.1 million kWh compared to 3,454.2 million kWh in 2016. Electricity is an important ingredient in many sectors including manufacturing and trade;
- iv. Exports of manufactured goods decreased by 24.6 percent during the first half of 2017 to USD 481.3 million compared to the corresponding period of 2016;
- v. The growth rate of all major tax revenue revealed a slight positive growth, with exception of excise on imports. However, all major tax items save for domestic excise recorded lower growth in the first half of 2017 compared to the growth recorded in the corresponding period in 2016. The observed lower growth rates

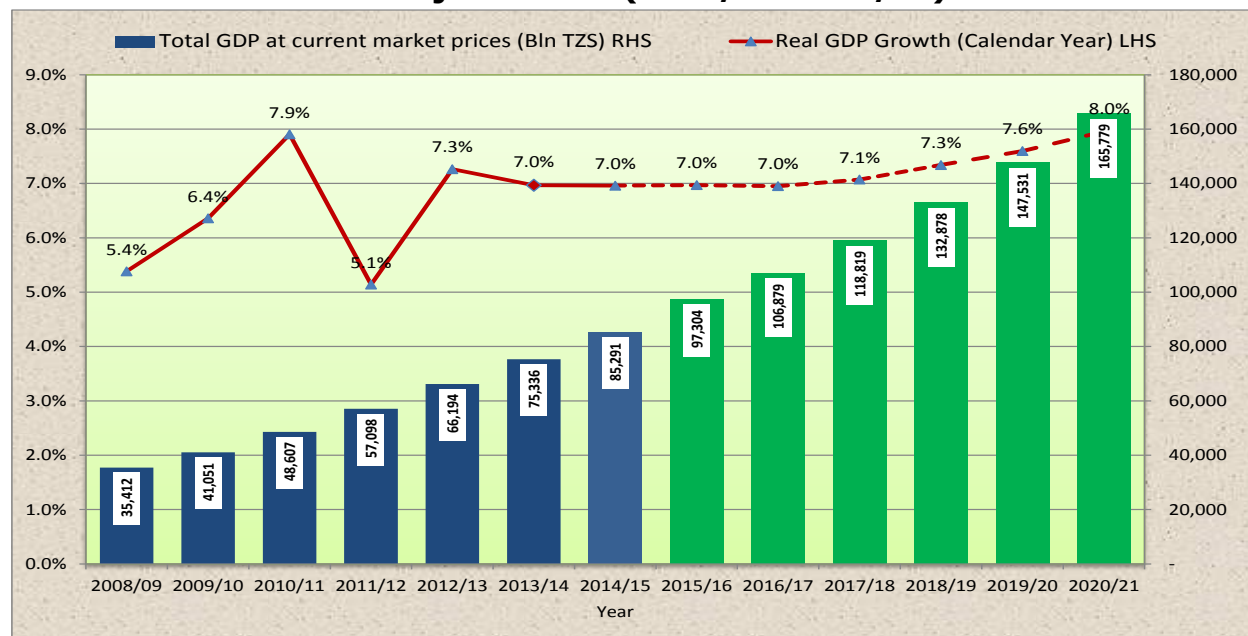
reveal that there was a decrease of the level of production and consumption related activities;

- vi. During the year ending June 2017, credit to the private sector grew by 1.3 percent, much lower than 19.1 percent recorded in the year ending June 2016. This slowdown in growth of credit to private sector may lead to slowdown in private investment and trade, and consequently affecting GDP performance; and
- vii. During the first half of 2017, currency in circulation increased by Shilling 12.4 billion much lower than the average increase of Shilling 222.6 billion recorded in the similar period over the past three years.

47. As noted above, most of the leading indicators to growth did not perform as anticipated in the first half of 2017. As such GDP projection was revised downward from the earlier projection of 7.1 percent to 7.0 percent in 2017. However, it is expected that successful implementation of on-going government policies, including policies under Five Year Development Plan, 2016/17 – 2020/21, as discussed in the preceding section will lead to a higher growth of GDP, averaging at 7.4 percent in the medium term.

48. The medium term outlook is supported by massive investments by the Government especially in power generation to enhance stability in power supply mainly from hydro power (Stigler's Gorge and other hydro power projects) and natural gas (Kinyerezi I – IV projects) sources which are expected to boost performance of other sectors including manufacturing and trade; construction of central railway line to standard gauge; reviving Air Tanzania Company Limited through acquisition of new aircrafts; establishment of special economic zones; construction of the crude oil pipe line from Hoima (Uganda) to Tanga (Tanzania); Mkulazi Sugarcane Plantation and Sugar Factory; Iron ore and Coal mining projects in Liganga and Mchuchuma; Liquefied Natural Gas (LNG) plant in Lindi; increase in the capacity and efficiency of the Dar es Salaam, Tanga, and Mtwara ports; scaling-up of onshore gas production as well as increase in financial deepening.

**Chart 1.10: Actual and Projected GDP (2008/09-2020/21)**



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

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

NOMINAL GDP BIL. SHILLING								
2013	2014	2015	2016	2017	2018	2019	2020	2021
70,953.2	79,718.4	90,863.8	103,744.6	110,013.1	127,625.7	138,131.2	156,931.7	174,626.8
2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
66,193.7	75,335.8	85,291.1	97,304.2	106,878.9	118,819.4	132,878.4	147,531.5	165,779.2
REAL GDP BIL. SHILLING								
2013	2014	2015	2016	2017	2018	2019	2020	2021
38,546.5	41,231.4	44,100.8	47,174.9	50,454.2	54,022.2	57,987.5	62,392.9	67,356.7
2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
37,241.5	39,889.0	42,666.1	45,637.9	48,814.5	52,238.2	56,004.8	60,190.2	64,874.8

Source: Abridged from FP August 2017

### Inflation Outlook

49. Inflation is projected at 5.0 percent through June 2018, and is expected to remain at that rate in the medium term. The inflation forecast is supported by the following:

- i. Reduction in the production costs on account of reliable and affordable power supply emanating from increase in gas powered electricity generation as well as cost reduction in oil import for power generation;

- ii. Improvement in food supply in 2017/18 on account of favorable weather condition in the region. According to Famine Early Warning System Network (FEWSNET) report of August 2017, national cereal production is estimated at 14 percent above last year production;
- iii. The impact of increase in global oil prices will be partly dampened by continued use of natural gas as alternative source energy; and
- iv. Prudent fiscal policy including public expenditure management.

### **Monetary Policy**

50. The extended broad money supply (M3) is projected to grow in line with the projected pace of expansion of economic activities and moderate change in velocity of money in circulation. Growth of M3 is expected to pick up to 12.0 percent by June 2018 from 6.1 percent recorded in June 2017, while credit to private sector is projected to grow by about 10 percent, from 1.3 percent. In the medium term growth of M3 is projected to remain at around 12.5 percent, while credit to the private sector is projected to grow at annual average rate of 18 percent.

### **External trade Sector**

51. The current account balance is projected to record a deficit of 4.2 percent of GDP in 2017/18 compared to a deficit of 2.8 percent in the preceding year. In the medium term, the ratio of current account deficit to GDP is projected at an average of 6.6 percent as growth in imports of capital goods for industrialization is projected to be relatively higher compared to exports.

52. The ratio of export of goods and services to GDP in 2017/18 is estimated at 17.6 percent, which is lower compared to 18.3 percent recorded in the preceding year. In the medium term, the ratio of export of goods and services to GDP is projected at an average of 16.4 percent.

53. The ratio of import of goods and services to GDP is estimated at 21.4 percent in 2017/18 compare to 19.7 percent recorded in the preceding year. The projected increase in imports is consistent with the expansion of economic activities such as implementation of some major investment projects including construction of the central railway line to standard gauge level, Stigler's Gorge Hydro dam and the crude oil pipeline from Hoima (Uganda) to Tanga. In the medium-term, the ratio of import of goods and services to GDP is projected to average about 22.6 percent.

## **CHAPTER TWO**

### **RESOURCE ENVELOPE AND EXPENDITURE FRAMEWORK FOR THE PERIOD 2018/19 - 2020/21**

#### **2.1 Introduction**

54. This chapter outlines the key issues related to development of medium term fiscal projections as provided for by the Budget Act No. 11 of 2015 and the Budget Regulations of 2015. The Budget Act provides for adherence to principles of fiscal responsibility and that revenue, expenditures and financing presented in the budget and for periods beyond are founded on a credible and consistent macroeconomic framework.

55. Resource and expenditure allocations for fiscal year 2018/19 and for two upcoming financial years present a complete picture of the government finances for realization of FYDP II objectives. Cognisant of that, the Government has prepared a comprehensive financing strategy and forecasts of expenditure areas to match with the financial requirements for the implementation of the FYDP II. The aim is to secure adequate resources to fasten completion of projects and therefore reduce the risk of underperforming of the Plan.

56. The strategy highlights the traditional ways of resource mobilization including tax revenues, non-tax revenues, domestic borrowing, and external financing and identifies innovative (non-traditional) sources of financing emphasizing the use of Bonds (Local Government/Municipal Bonds), Pension Equity Fund, Foreign Market Bond, National Climate Fund, Public Private Partnerships (PPP) and enhanced use of Development Financial Institutions for financing development project.

57. The budget for 2018/19 is estimated at shillings 32,476.0 billion, which is an increase of 2.4 percent from the 2017/18 approved budget of shillings 31,712.0 billion. The budget frame for 2018/19 – 2020/21 is shown in Table No. 2.1. These figures provide indicative projections of revenue and expenditure that government intends to anchor its medium term policy.



## **2.2 Fiscal Policy**

### **2.2.1 Revenue Policies**

58. The Government will continue to strengthen and build an effective domestic revenue system with a view to having predictable and sustainable revenue needed to finance its expenditure. Furthermore, it will continue to progressively strengthen tax administration in order to reduce tax evasion and broaden tax base by formalizing economic activities as well as encouraging growth of small and medium business sector that is an engine for employment generation and economic growth.

59. In the medium term, implementation of revenue policies and administrative measures are expected to increase domestic revenue (including LGAs own source) to 17.5 percent of GDP by 2020/21 from 16.6 percent of GDP estimated in 2018/19. These levels are consistent with Sub-Saharan Africa average yield.

### **Tax Revenue**

60. The Government will continue to support voluntary compliance through strengthening of a Comprehensive Taxpayer Communication Strategy and improving presumptive taxation scheme. Administrative intervention will include among others: providing a single platform for processing clearance of documents through implementation of e-Single Window system for port community and cross border trade; implementing an Integrated Domestic Revenue Administration System (IDRAS); strengthening management and controls at Dar es Salaam port and other ports of entry; and continue with identification and registration of taxpayers in the database.

61. The Government will also continue to strengthen the capacity to monitor transfer pricing and invoice mispricing by multinationals; enhancing risk based compliance management; enhancing administration and monitoring of the block management system; and enhancing information sharing and exchange with Government Agencies; and Regional Revenue Bodies to combat tax evasion.

62. Tax policies and administration interventions will be geared towards increasing tax revenue yield to 14.2 percent of GDP in 2018/19.

### **Non Tax Revenue**

63. The Government will continue undertaking policy and administrative measures to strengthen non tax revenue collection by MDAs, LGAs and Public Entities. In addition, the Government will continue with implementation of the road map for gradual transfer

of non-tax revenue administration function from MDAs, LGAs and Public Entities to Tanzania Revenue Authority and enhance Government e-Payment Revenue Gateway System to accommodate the accounting of non-tax revenue. Furthermore the Government will continue to enforce the transfer of non-tax revenue collected by MDAs, LGAs and Public Entities to the Consolidated Fund in accordance with the Budget Act No. 11 of 2015.

64. The Government efforts to strengthen non tax revenue collection by MDAs, LGAs and Public Entities will be geared towards raising non tax revenue collection (including LGAs own source) to about 1.9 percent of GDP in the medium term.

65. Specific policy and administrative interventions for strengthening administration and collection of domestic revenue will include:

- (i) Expansion of tax base through enforcing registration of new taxpayers for Income Tax and VAT;
- (ii) Implementing an Automated Tax Stamp System to minimize the risk of tax evasion for the excisable products such as soft drinks, beers and cigarettes;
- (iii) Effective monitoring of EFD usage through surveillance programmes, and implementation of tax incentives with the aim of curtailing revenue losses;
- (iv) To continue streamlining multiplicity of levies and fees imposed by various Government Agencies / Institutions;
- (v) Enforcing the use of Government electronic Payment Revenue Gateway System (GePGS) in non-tax revenue collection in order to enhance efficiency and control revenue losses;
- (vi) Continuing to monitor Public Entities to ensure appropriate dividends, contribution and surplus are remitted to the Consolidated Fund;
- (vii) Continuing with mass valuation of rateable properties to increase revenue;
- (viii) Continuing with formalization of land ownership with the view of increasing revenue; and
- (ix) Reviewing various rate of fees and levies charged by Ministries, Regions and Independent Departments in order to rationalize with the current level of economic growth.

### **Grants and Concessional Loans**

66. The Government in collaboration with Development Partners have agreed on the improved Development Cooperation Framework (DCF) that will be implemented starting 2018/19. This Framework will enable Development Partners to honour their commitment and thus bring efficiency in the implementation of the government budget.

67. In the Medium term, Development Partners' support will remain an essential source of financing the Government budget. Meanwhile, the Government will increase efforts to mobilize non-aid resources in order to reduce dependency and achieve desired development goals.

68. Projections for financial year 2018/19 indicate that Development Partners will provide Shillings 3,658.2 billion, of which General Budget Support is estimated at shilling 946.0 billion; Basket Funds and Project funds amounting to shillings 558.9 billion and 2,153.3 billion respectively.

### **2.2.2 Expenditure Policy**

69. Effective spending prioritization and prudent fiscal management are the main enforcement mechanisms for implementation of 2018/19 budget and the two subsequent financial years. Expenditure policy over the medium term is designed to consolidate the gains made towards achieving fiscal sustainability and macroeconomic stability and maintaining the Government convergence path towards the East Africa Community Monetary Union protocol. The policy stance is to ensure that recurrent expenditure in Government budget is reduced to create fiscal space for financing infrastructure.

70. Allocation for development expenditure in the medium term, will be maintained at the range of 30 to 40 percent of the total budget. The focus will be to implement the strategic projects (flagship projects) and new development initiatives. Commercially viable projects will be financed through Public Private Partnership arrangements. In addition, the Government will continue to recognize the development expenditure from earmarked funds for specific investments of national interest such as the Roads fund, Railway Development Fund, Rural Energy Development Fund, and Water Development Fund.

71. Total expenditure for 2018/19 is estimated to be shillings 32,476.0 billion equivalent to 24.5 percent of GDP. Out of this, recurrent expenditure is expected to be shillings 20,227.6 equivalent to 15.2 percent of GDP of which wages and salaries (including Parastatals) are estimated to be shillings 7,627.7 billion (5.7 percent of GDP) and CFS are expected to be shillings 9,705.2 billion (7.3 percent of GDP). Development expenditure is projected to be shillings 12,248.3 billion equivalent 9.2 percent of GDP in 2018/19.

### **2.2.3 Management of Domestic Arrears**

72. The Government policy stance is as per PMG Treasury Circular No. 4 of 2014/15 which issued instructions and strategies aiming at improving budget credibility, reducing stock of domestic arrears and preventing creation of new arrears. The emphasis is on strengthening cash management function and ensuring that MDAs, RSs & LGAs submit credible action plans and cash flow plans that will be the basis for allocating available resources.

73. Currently, one of the Government's initiatives is to continue to verify unpaid claims and use earmarked budget allocation to clear stock of arrears (Suppliers, Contractors and Staff) in phases. Other initiatives include:

- (i) Scrutinizing all MDAs, RSs, and LGAs MTEF so as to maintain credible spending components and reducing less prioritised expenditure;
- (ii) Prohibiting supplying of goods and services for the Government without providing system generated Local Purchase Order (LPO) from the IFMS;
- (iii) Strictly subjecting Government commitments to funds availability and awarding of contracts supported by warrants to spend;
- (iv) Government institutions seeking approval from the Minister for Finance and Planning before borrowing as stipulated in the Government Loans Guarantees and Grants Act, CAP 134; and
- (v) Reducing transaction costs in acquisition of Government common usage by using existing bodies for acquisition; e.g. the use of GPSA in acquisition of motor vehicles etc. and the use of public facilities to minimize expenditures etc.

### **2.2.4 Deficit Financing Policy**

74. The Government will continue borrowing from domestic and external sources to finance the deficit. External non-concessional borrowing will be undertaken cautiously and limited to capital expenditure with viable expected returns. Consistent with the recent Medium Term Debt Strategy (MTDS) 2016, the Government will increasingly rely on Multilateral Development Banks and Export Credit Agencies on project financing, which is more affordable compared to market terms. Upon completion of credit rating process the Government may explore other alternative sources of financing including issuance of Euro Bond with a view to diversify our funding sources for capital expenditures while at the same time reducing pressures on domestic market.

75. Government borrowing from the domestic market will be limited to levels that will not crowd out the private sector. Moreover, in reducing rollover risks, the Government will aim at lengthening the average maturity of domestic debt. On external

financing, the Government will continue borrowing more on concessional terms and fixed interest rates in order to minimize foreign exchange and interest rate risk exposure.

76. Based on the projected revenues and expenditures, in 2018/19 the fiscal deficit (excluding grants), is projected at shillings 4,612.4 billion (equivalent to 3.5 percent of GDP) against the estimated fiscal deficit of shillings 5,604.1 billion (equivalent 4.6 percent of GDP) in 2017/18. The overall deficit (including grants) is projected at shillings 3,310.5 billion (equivalent to 2.5 percent of GDP) in 2018/19 against the estimated fiscal deficit of shillings 4,560.3 billion (equivalent to 3.8 percent of GDP) in FY 2017/18. The fiscal deficit in 2018/19 of 2.5 percent of GDP, will be financed by net external financing of shillings 1,983.5 billion (equivalent to 1.5 percent of GDP) and shillings 1,327.0 billion (equivalent to 1 percent of GDP) from net domestic borrowing.

**Table 2.1: Budget Frame for 2016/17 - 2020/21 (in Million Shillings)**

	2016/17 APPROVED BUDGET	2016/17 ACTUAL BUDGET	2017/18 APPROVED BUDGET	2018/19 PROJECTED BUDGET	2019/20 PROJECTED BUDGET	2020/21 PROJECTED BUDGET
<b>I. TOTAL RESOURCES</b>	<b>29,539,603</b>	<b>23,634,550</b>	<b>31,711,986</b>	<b>32,475,950</b>	<b>35,429,541</b>	<b>39,066,057</b>
<b>Domestic Revenue including LGAs own source</b>	18,463,532	16,639,831	19,977,001	22,088,150	24,885,709	28,251,708
Domestic revenue	17,798,118	16,128,113	19,289,695	21,240,498	23,953,292	27,226,050
Tax Revenue (TRA)	15,105,100	14,126,488	17,106,336	18,816,970	21,263,176	24,240,020
O/w Non Tax Revenue	2,693,018	2,001,625	2,183,359	2,423,528	2,690,117	2,986,029
LGAs Own Sources	665,415	511,718	687,306	847,652	932,417	1,025,659
Programme loan and grants	483,002	342,785	941,258	945,986	962,840	979,984
Project loans and grants	2,745,659	1,857,399	2,473,770	2,153,312	2,150,918	2,189,215
Basket Support Loans	193,472	104,991	355,454	357,239	363,604	370,078
Basket Support Grants	178,675	168,984	200,621	201,629	205,222	208,876
Domestic Borrowing (Rollover)	3,777,112	4,615,670	4,948,229	4,028,593	3,990,300	3,990,300
Net Domestic Financing	1,597,157	-110,862	1,220,668	1,327,040	1,472,467	1,652,516
Adjustment to cash	0	0	0	0	0	0
Non-Concessional borrowing	2,100,995	1,226,760	1,594,985	1,374,000	1,398,480	1,423,380
Financing Gap	0	-1,211,008	0	0	0	0
<b>II. TOTAL EXPENDITURE</b>	<b>29,539,603</b>	<b>23,634,550</b>	<b>31,711,986</b>	<b>32,475,950</b>	<b>35,429,541</b>	<b>39,066,057</b>
<b>RECURRENT EXPENDITURE</b>	17,719,100	17,136,246	19,712,394	20,227,617	23,300,437	24,732,170
CFS	8,000,000	8,781,628	9,461,433	9,705,237	11,137,342	11,299,678
o/w Interest payments	1,709,922	1,715,429	1,699,038	2,208,015	2,847,465	3,059,367
Pension Bond	0	0	50,000	0	0	0
Amortization	4,742,980	5,519,101	6,130,880	5,775,418	6,472,661	6,322,259
o/w Rollover	3,777,112	4,615,670	4,948,229	4,028,593	3,990,300	3,990,300
CFS Others	405,954	405,954	435,633	466,128	498,757	533,670
Employee's Contr. To Pension Funds	1,141,144	1,141,144	1,195,882	1,255,676	1,318,460	1,384,383
Recurrent Exp (excl. CFS)	9,719,100	8,354,618	10,250,961	10,522,380	12,163,095	13,432,492
Wages & Salaries	6,600,000	6,367,147	7,205,768	7,627,710	8,999,579	10,110,198
Special Expenditure	305,747	305,747	200,000	200,000	200,000	200,000
LGAs Own Sources	266,166	204,687	274,922	381,443	419,588	461,546
Other Charges	2,547,188	1,477,037	2,570,270	2,313,226	2,543,929	2,660,748
<b>DEVELOPMENT EXPENDITURE</b>	11,820,503	6,498,304	11,999,592	12,248,333	12,129,103	14,333,886
Local	8,702,697	5,141,451	8,969,747	9,536,152	9,409,359	11,565,717
o/w Fuel Levy and Transit Fee	832,349	744,100	917,550	1,194,336	917,550	1,194,336
o/w Railways & Water Fund	287,388	328,772	377,067	433,627	377,067	433,627
o/w Local Govt own source	399,249	307,031	412,384	508,591	412,384	508,591
o/w REA	321,594	334,055	394,952	466,044	394,952	466,044
o/w HESLB	427,555	427,555	427,554	427,554	427,554	427,554
o/w Ports Expansion	510,677	510,677	557,684	607,876	662,585	722,217
o/w TEA	10,000	10,000	10,000	15,000	15,000	15,000
o/w Clearance of arrears	630,000	630,000	1,000,000	1,000,000	1,000,000	1,000,000
Foreign	3,117,805	1,356,853	3,029,845	2,712,181	2,719,744	2,768,169

**Table 2.2: Budget Frame for 2016/17 - 2020/21 (in Million Shillings) as % of GDP**

	2016/17 APPROVED BUDGET	2016/17 ACTUAL BUDGET	2017/18 APPROVED BUDGET	2018/19 PROJECTED BUDGET	2019/20 PROJECTED BUDGET	2020/21 PROJECTED BUDGET
<b>I. TOTAL RESOURCES</b>	<b>27.0%</b>	<b>23.8%</b>	<b>26.2%</b>	<b>24.5%</b>	<b>24.1%</b>	<b>23.6%</b>
Domestic Revenue including LGAs own source	16.9%	16.7%	16.5%	16.6%	16.9%	17.1%
Domestic revenue	16.3%	16.2%	16.0%	16.0%	16.3%	16.5%
Tax Revenue (TRA)	13.8%	14.2%	14.2%	14.2%	14.4%	14.7%
o/w Non Tax Revenue	2.5%	2.0%	1.8%	1.8%	1.8%	1.8%
LGAs Own Sources	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%
Programme loan and grants	0.4%	0.3%	0.8%	0.7%	0.7%	0.6%
Project loans and grants	2.5%	1.9%	2.0%	1.6%	1.5%	1.3%
Basket Support Loans	0.2%	0.1%	0.3%	0.3%	0.2%	0.2%
Basket Support Grants	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
Domestic Borrowing (Rollover)	3.5%	4.6%	4.1%	3.0%	2.7%	2.4%
Bank Borrowing	1.5%	-0.1%	1.0%	1.0%	1.0%	1.0%
Adjustment to cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Concessional borrowing	1.9%	1.2%	1.3%	1.0%	0.9%	0.9%
Financing Gap	0.0%	-1.2%	0.0%	0.0%	0.0%	0.0%
<b>II. TOTAL EXPENDITURE</b>	<b>27.0%</b>	<b>23.8%</b>	<b>26.2%</b>	<b>24.5%</b>	<b>24.1%</b>	<b>23.6%</b>
<b>RECURRENT EXPENDITURE</b>	<b>16.2%</b>	<b>17.2%</b>	<b>16.3%</b>	<b>15.2%</b>	<b>15.8%</b>	<b>15.0%</b>
CFS	7.3%	8.8%	7.8%	7.3%	7.6%	6.8%
o/w Interest payments	1.6%	1.7%	1.4%	1.7%	1.9%	1.9%
Pension Bond	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	4.3%	5.6%	5.1%	4.4%	4.4%	3.8%
o/w Rollover	3.5%	4.6%	4.1%	3.0%	2.7%	2.4%
CFS Others	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%
Employee's Contr. To Pension Funds	1.0%	1.1%	1.0%	0.9%	0.9%	0.8%
Recurrent Exp (excl. CFS)	8.9%	8.4%	8.5%	7.9%	8.3%	8.1%
Wages & Salaries	6.0%	6.4%	6.0%	5.7%	6.1%	6.1%
Special Expenditure	0.3%	0.3%	0.2%	0.2%	0.1%	0.1%
LGAs Own Sources	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
Other Charges	2.3%	1.5%	2.1%	1.7%	1.7%	1.6%
<b>DEVELOPMENT EXPENDITURE</b>	<b>10.8%</b>	<b>6.5%</b>	<b>9.9%</b>	<b>9.2%</b>	<b>8.2%</b>	<b>8.7%</b>
Local	8.0%	5.2%	7.4%	7.2%	6.4%	7.0%
o/w Fuel Levy and Transit Fee	0.8%	0.7%	0.8%	0.9%	0.6%	0.7%
o/w Railways & Water Fund	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
o/w Local Govt own source	0.4%	0.3%	0.3%	0.4%	0.3%	0.3%
o/w REA	0.3%	0.3%	0.3%	0.4%	0.3%	0.3%
o/w HESLB	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
o/w Ports Expansion	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%
o/w TEA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
o/w Clearance of arrears	0.6%	0.6%	0.8%	0.8%	0.7%	0.6%
<b>Foreign</b>	<b>2.9%</b>	<b>1.4%</b>	<b>2.5%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.7%</b>

**Table 2.3: Budget Frame for 2016/17 - 2020/21 (in Million Shillings) as % of Total Budget**

	2016/17 APPROVED BUDGET	2016/17 ACTUAL BUDGET	2017/18 APPROVED BUDGET	2018/19 PROJECTED BUDGET	2019/20 PROJECTED BUDGET	2020/21 PROJECTED BUDGET
<b>I. TOTAL RESOURCES</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Domestic Revenue including LGAs own source	62.5%	70.4%	63.0%	68.0%	70.2%	72.3%
Domestic revenue	60.3%	68.2%	60.8%	65.4%	67.6%	69.7%
Tax Revenue (TRA)	51.1%	59.8%	53.9%	57.9%	60.0%	62.0%
o/w Non Tax Revenue	9.1%	8.5%	6.9%	7.5%	7.6%	7.6%
LGAs Own Sources	2.3%	2.2%	2.2%	2.6%	2.6%	2.6%
Programme loan and grants	1.6%	1.5%	3.0%	2.9%	2.7%	2.5%
Project loans and grants	9.3%	7.9%	7.8%	6.6%	6.1%	5.6%
Basket Support Loans	0.7%	0.4%	1.1%	1.1%	1.0%	0.9%
Basket Support Grants	0.6%	0.7%	0.6%	0.6%	0.6%	0.5%
Domestic Borrowing (Rollover)	12.8%	19.5%	15.6%	12.4%	11.3%	10.2%
Net Domestic Financing	5.4%	-0.5%	3.8%	4.1%	4.2%	4.2%
Adjustment to cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Concessional borrowing	7.1%	5.2%	5.0%	4.2%	3.9%	3.6%
Financing Gap	0.0%	-5.1%	0.0%	0.0%	0.0%	0.0%
<b>II. TOTAL EXPENDITURE</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
RECURRENT EXPENDITURE	60.0%	72.5%	62.2%	62.3%	65.8%	63.3%
CFS	27.1%	37.2%	29.8%	29.9%	31.4%	28.9%
o/w Interest payments	5.8%	7.3%	5.4%	6.8%	8.0%	7.8%
Pension Bond	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
Amortization	16.1%	23.4%	19.3%	17.8%	18.3%	16.2%
o/w Rollover	12.8%	19.5%	15.6%	12.4%	11.3%	10.2%
CFS Others	1.4%	1.7%	1.4%	1.4%	1.4%	1.4%
Employee's Contr. To Pension Funds	3.9%	4.8%	3.8%	3.9%	3.7%	3.5%
Recurrent Exp (excl. CFS)	32.9%	35.3%	32.3%	32.4%	34.3%	34.4%
Wages & Salaries	22.3%	26.9%	22.7%	23.5%	25.4%	25.9%
Special Expenditure	1.0%	1.3%	0.6%	0.6%	0.6%	0.5%
LGAs Own Sources	0.9%	0.9%	0.9%	1.2%	1.2%	1.2%
Other Charges	8.6%	6.2%	8.1%	7.1%	7.2%	6.8%
DEVELOPMENT EXPENDITURE	40.0%	27.5%	37.8%	37.7%	34.2%	36.7%
Local	29.5%	21.8%	28.3%	29.4%	26.6%	29.6%
o/w Fuel Levy and Transit Fee	2.8%	3.1%	2.9%	3.7%	2.6%	3.1%
o/w Railways & Water Fund	1.0%	1.4%	1.2%	1.3%	1.1%	1.1%
o/w Local Govt own source	1.4%	1.3%	1.3%	1.6%	1.2%	1.3%
o/w REA	1.1%	1.4%	1.2%	1.4%	1.1%	1.2%
o/w HESLB	1.4%	1.8%	1.3%	1.3%	1.2%	1.1%
o/w Ports Expansion	1.7%	2.2%	1.8%	1.9%	1.9%	1.8%
o/w TEA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
o/w Clearance of arrears	2.1%	2.7%	3.2%	3.1%	2.8%	2.6%
Foreign	10.6%	5.7%	9.6%	8.4%	7.7%	7.1%



## 2.3 Resources Allocation Criteria

77. During 2017/18, the Government developed a descriptive resource allocation formula to forecast expenditure for MDAs. Resource allocation formula for LGAs was developed and used since financial year 2005/06. The Government will continue using the developed formula in allocating resources at individual vote level based on set criteria. Priority areas for resource allocation have been identified in the Part One of this Guideline. Therefore, resource allocations aim to ensure adequate funding for the on-going projects/ activities and other key priority areas identified. To ensure strategic focus in resource allocation is maintained, development expenditures are allocated 30 – 40 percent of total budget.

### 2.3.1 Recurrent Expenditure

78. Under this category of expenditure the focus of resource allocation will be based on the following criteria:-

- (i) **Personnel Emolument (PE):** Salary scales and the number of existing employees, new employees, promotions, and annual increments;
- (ii) **Consolidated Fund Services (CFS):** Estimated costs of servicing public debts (both principal repayments and interest expenses), statutory contributions, gratuities and pension;
- (iii) **Contingency Fund:** Regulations 22 of the Budget Act No.11 of 2015 provides a one percent of the total budget of the prevailing financial year to be set aside for Contingency Fund;
- (iv) **Protected Expenditures:** Estimated cost to cover core operating expenses committed by the Government. These include; Inmates (Prisoners) food, ration allowance, examination expenses for primary and secondary schools, foreign service allowance, grants to political parties, Government contributions to regional and international organizations, rental charges to Government offices, entitlements for retired leaders, internship allowances, on-call allowance, and constituency allowance;
- (v) **One-off Expenditures:** Estimated costs related to general elections, Local government elections, population and housing censuses, etc; and
- (vi) **Administrative Costs:** Number of staff and management team, number of statutory meetings, office rent and fuel and core functions of MDAs as specified in the establishing instrument.

To establish the resource requirements mathematical computation is done by using block computation methodology where data sets collected from various MDAs are broken down into expenditure blocks as follows:-

**Block 1: Leaders** - Computation of this block expenditure is delivered by considering the number of leaders and number of cars in use. These help to compute the estimated budget for fuel, utilities (telephone, electricity, water), maintenance, furniture and house rent for the leaders in a specific vote.

**Block 2: General administration** - To deliver the estimate cost of office running and fulfilling the organization's mandate, parameters like number of employees, cars used by staff other than leaders are used to compute budget for fuel, maintenance, travel expenses, annual leave and other staff allowances.

**Block 3: Protected Items** - Computation of this expenditure block is delivered by identifying beneficiaries, applicable rate and parameters used to establish amounts to be protected in a specific Vote.

**Block 4: Salary and wages** – Allocation to this category will be based on salary scales and number of existing employees, new employees, promotions and annual increments.

### **2.3.1.1 Specific Criteria for Regional Secretariats**

79. Allocation of other charges estimates to RSs will be determined according to their responsibility of coordinating and backstopping LGAs in their endeavour to deliver social services and facilitate economic development at local levels. The following criteria will be used to allocate resources to RSs: -

- i. Administration costs including overhead costs, leaders entitlements, etc;
- ii. Regions sharing borders with neighbouring countries;
- iii. Number of Councils in the Region (Cost of Service provision);
- iv. Number of state visitors (Local and International);
- v. Distance of Region Headquarters to Dodoma (number of kms);
- vi. Distance of Regional Headquarters to District Headquarters (number of kms);
- vii. Geographical size of the region (square kilometers); and
- viii. Regional hospital operations cost. (Population).

### **2.3.1.2 Criteria for Local Government Authorities**

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

- i. **Category A**, Urban LGAs (TC/MC/CC);
- ii. **Category B**, Rural LGAs (> 50 people/square km);

- iii. **Category C**, Rural LGAs (< 50 people/square km); and
- iv. **Category D**, Special cases ( to be determined).

81. Special circumstances affecting the cost of social service delivery will be additional criteria.

82. In allocating resources to specific sector within LGAs, the following criteria will be used:-

- a. **Education Sector Block Grant:-** proportion of the (cost-adjusted) number of school-aged children (primary), proportion number of students (Secondary) and proportion to enrolment of eligible students, as approved by MoEST.
  - i. The capitation grant for primary schools will continue to be Shillings 10,000 per enrolled pupil per annum, including pre-primary pupils and those in special schools. Forty percent (40%) of the capitation grant to be kept centrally (MoEST) through Tanzania Institute of Education for bulk procurement of books and the remaining sixty percent (60%) for operational costs at school level;
  - ii. The capitation grant for secondary schools will continue to be Shillings 25,000 per enrolled day and boarding student per annum. Fifty percent (50%) of the grant will be used for bulk procurement of books centrally and the remaining fifty percent (50%) for operational costs at school level; and
  - iii. The budget for school meals estimates will be at an average of Shillings 540,000 per annum (i.e. Shillings 2,000 x 270 school days) per student enrolled in registered boarding primary and secondary schools.
- b. **Health OC Block Grant:** The number of residents and estimated number of poor households and Under Five (5) Mortality Rate.
- c. **Health Sector Basket Fund:** The number of residents, estimated number of poor households and Under Five (5) Mortality Rate.
- d. **Agriculture Sector Block Grant:** The proportion of number of villages, estimated number of rural residents and rainfall.
- e. **Water Sector Block Grant:** The fixed amount per Council and proportion to the number of rural residents; and
- f. **Local Government Development Grant (LGDG):** The proportion of the (cost-adjusted) number of residents and estimated number of poor households.

### 2.3.2 Development Expenditure

83. Under this category of expenditure the focus of resource allocation will be based

on the following criteria: -

- i. Protected Expenditures: Estimated cost to cover expenses committed by the Government include; capitation, school meals, medical supplies and Constituency Catalyst Development Fund;
- ii. Contractual obligation arrears;
- iii. Cost of finalizing on-going projects;
- iv. Foreign funded projects requiring counterpart funds;
- v. New projects approved by MoFP for implementation under FYDP II;
- vi. Implementation of flagship projects and other priority areas;
- vii. Projects implemented under PPP framework;
- viii. Projects implemented under the earmarked development expenditures financed through ring fenced sources of revenue such as fuel levy; skills development levy; livestock development fund; petroleum levy; railway development levy; National Water Investment Fund; and education levy;
- ix. Projects funded by Social Security Funds which requires counterpart fund; and
- x. Land acquisition and property compensation.

**PLAN AND BUDGET SUBMISSION, IMPLEMENTATION AND REPORTING  
FORMATS**

84. This annex provides the formats to be used by MDAs, RSs and LGAs in Plan and Budget preparation, implementation and performance reporting for 2018/19 - 2020/21.

The annex includes:

- i. MTEF presentation format;
- ii. Quarterly and annual performance reporting formats;
- iii. Budget preparation forms: Form 1, 3 (A-C), 4, 6, 6.1, 7, 8 (A-F), 9, 10 (A&C), 15A and Form 16 for pilot Ministries implementing Programme Based Budgeting.
- iv. Budget Implementation forms: Form 11A (R) and Form 11A (D); Form 11B (R) and Form 11B (D); Form 14B (R), Form 14B (D) and Form 14C; and
- v. Performance reporting forms: Form 10B, Form 12A; Form 12B; Form 12C; Form 13A and 13B; and Form 13(C1 – C5); and Form 15B.

85. Furthermore, during planning, implementation and reporting, the following documents/tools can be used as reference materials: Public Investment Management - Operational Manual (PIM-OM) which provides guidance on methods and procedures involved in selecting, financing, implementation and evaluation of public investment projects; Medium Term Strategic Planning and Budgeting Manual (2008) which guides MDAs, RSs, LGAs and Public Entities on Strategic Plans (SPs) and MTEF preparation as well as their monitoring and reporting; Planning, Budgeting and Reporting System Tool (PLANREP) and *Facility Financial Accounting and Reporting System (FFARS)* designed to incorporate LGAs medium term strategic Planning, budgeting and reporting to the service delivery output level.

## **MTEF PRESENTATION FORMAT FOR 2018/19 – 2020/21**

### **Overview and Policy Statements**

- i. Policy Statement of the Minister/RCs/Council or Board Chairperson
- ii. Executive Statement of the Accounting Officer

### **Chapter 1: Environmental Scan**

- 1.1 Stakeholders' analysis
- 1.2 SWOC analysis
- 1.3 Key issues ( Including Risk Management Profile)

### **Chapter 2: Budget Performance Review**

- 2.1 Performance – 2016/17
  - 2.1.1 Annual Approved Revenue Vs Actual Collection
  - 2.1.2 Annual Approved Expenditure Vs Actual Expenditure
  - 2.1.3 Summary of Planned Targets Vs Main Achievements
  - 2.1.4 Summary of carry over funds per Programme and Physical Implementation
- 2.2 Mid Year Review – 2017/18
  - 2.2.1 Annual Approved Revenue Vs Actual Collection
  - 2.2.2 Annual Expenditure Vs Actual Expenditure
  - 2.2.3 Summary of MTEF targets Vs Main Achievements
- 2.3 Challenges Experienced in 2017/18 and Future Strategies

### **Chapter 3: Estimates for MTEF (2018/19 – 2020/21)**

- 3.1 Summary of Annual and Forward Budget Estimate (Form 1)
- 3.2 MTEF Sheet for Objectives, Targets and Activities – Segment 2 (Form 3A)
- 3.3 Activity Costing Sheet (Form 3B)
- 3.4 Recurrent Expenditure Summary of Draft Estimates (Form 3C)
- 3.5 Revenue Estimates and Projections (Form 4)
- 3.6 Development Expenditure Detail of Annual and Forward Budget (Form 6)
- 3.7 Development Expenditure Projects Summary (Form 6.1)
- 3.8 Results Framework (Form 7)
- 3.9 Summary of Personal Emoluments Estimates per Vote (Form 8A)
- 3.10 Summary of Personal Emoluments Estimates per Sub Vote (Form 8B)
- 3.11 Item I – Summary of Existing Employees on Payroll (Form 8C)
- 3.12 Item II – Summary of Existing Employees Not on Payroll (Form 8D)
- 3.13 Item III – Summary of New Employees to be Recruited (Form 8E)
- 3.14 Employees to retire (Form Na. 8F)
- 3.15 Schedule of Personal Emoluments Establishment and Strength (Form 9)
- 3.16 Project Profile Data Form (Form 10A)
- 3.17 FYDP's Project Information and Performance Assessment (Form 10B)
- 3.18 Summary of Project Forward Budget Estimates All Sources (Form 10C)

## STRUCTURE OF THE QUARTERLY REPORTS

- I. Title/cover page
- II. Table of contents
- III. Main body

### ***Introduction***

- *Overview of Implementation of Milestones/Priority Interventions:*
- This Section of the quarterly report describes progress in implementing milestones, which are developed during the planning process. To collect information on the implementation of milestones the officer responsible for preparing the report should informally interview implementers (verbally), rather than distribute a form or sheet for them to fill out.

### ***Issues and Constraints:***

- During the process of monitoring milestones and targets, issues and constraints should typically be identified. Issues arising may concern, delays in implementation, reduced scope or quality of outputs, constraints in terms of resource availability, etc. The identification of issues to be reported is, however, a subjective matter and there will be a need to prioritize which issues affected the achievement of the set milestones and targets within the specified period.

### ***Remedial Actions***

- IV. \*\* Summary of budget variations and their justification (for Quarter II only)
- V. Annex and Tables
  - Annex 1: Form 12A: Quarterly Cumulative MTEF Target Monitoring Form
  - Annex 2: Form 12B: Quarterly Cumulative Milestone (Priority) Form
  - Annex 3: Form 13A: Quarterly Cumulative Financial Overview Form
  - Annex 4: Form 13B: Quarterly Cumulative Financial Detailed Form

**Key: \*\* included during the mid-year progress report only**

## STRUCTURE OF AN ANNUAL PERFORMANCE REPORT

### TITLE/COVER PAGE

### TABLE OF CONTENTS

### PREFACE

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

### MAIN BODY

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

### ANNEX and TABLES

- Annex 1: Form 12A: Quarterly Cumulative MTEF Target Monitoring Form
- Annex 2: Form 12B: Quarterly Cumulative Milestone (Priority) Monitoring Form
- Annex 3: Form 12C: Outcome Indicator Monitoring Form
- Annex 4: Form 13A: Quarterly Cumulative Financial Overview Form
- Annex 5: Form 13B: Quarterly Cumulative Financial Detailed Form



**BUDGET PREPARATION FORMS**

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

VOTE: .....

VOTE NAME .....

Description		Actual Y <sub>0-2</sub>	Approved Budget Estimates Y <sub>0-1</sub>	Annual Budget Estimates Y <sub>0</sub>	Forward Budget Estimates Y <sub>0+1</sub>	Forward Budget Estimates Y <sub>0+2</sub>	
1		2	3	4	5	6	
<b>1. Revenue Estimates</b>	Government Ceiling/ Grant						
	Loan						
	Own Source						
	Other Sources						
<b>TOTAL REVENUE</b>							
<b>2. Recurrent Expenditure</b>	PE	PE for Vote proper					
		PE Subvention					
	Total PE						
	OC	OC for Vote Proper					
		OC Subvention					
	Total OC						
<b>Total Recurrent Expenditure</b>							
<b>3. Development Expenditure</b>	Govt. Funds						
	Foreign Funds						
	Own Source						
	Other Funds						
<b>Total Development Expenditure</b>							
<b>4. Remittance to Consolidated Fund</b>							
<b>TOTAL EXPENDITURE</b>							

<p>Y<sub>0-2</sub> = Two previous Years (2016/17)  Y<sub>0-1</sub> = Current Financial Year (2017/18)  Y<sub>0</sub> = Budget Year (2018/19)  Y<sub>0+1</sub> = Forward Budget (2019/20)  Y<sub>0+2</sub> = Forward Budget (2020/21)</p>
--

**Note:** Revenue estimates = All available funds received from various sources  
Total Revenue = Total Expenditure  
Total Expenditure = Total Recurrent Expenditure + Total Development Expenditure  
Total recurrent expenditure = Total PE + Total OC  
Total PE = PE for vote proper + PE subvention  
Total OC = OC for vote proper + OC subvention  
Total Dev = Govt. Funds + Foreign Funds + Own Source + Other Funds  
Other Sources = Accrued interest, dividends, interest earned and other returns from investments  
Other funds = Community contribution, PPP funds from private sector, etc.  
Government Ceiling/Grant = Total ceilings or grants received from the Government  
Own Source = Revenue collected that form part of institutions spending (MDAs, LGAs and Parastatals)  
Loan = Borrowed funds that form part of institutions spending.  
Other Sources = Funds received apart from loan, Own Source or Government grants  
Vote Proper = Revenue collected and expenditure incurred within the same vote  
Subvention = Government grant through vote proper

**FORM 3A: MTEF SHEET FOR OBJECTIVES, TARGETS AND ACTIVITY COSTING**

VOTE: .....

VOTE NAME .....

SUB-VOTE CODE: .....

SUB-VOTE NAME .....

Objective	Target	Target Type	Activity Code	Segment 2	Activity Description	Actual Yo-2	Approved Budget Estimates Yo-1	Annual Budget Estimates Yo	Forward Budget Estimates Yo+1	Forward Budget Estimates Yo+2
A										
	01									
		S								
			01	A01S01						
<b>TOTAL</b>										

**FORM 3B: ACTIVITY COSTING SHEET**

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

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

Tick the appropriate (✓)  
 FYDP II   
 Other  }

Segment 2 Code and Description	Segment 4 (GFS Code)	Required Inputs			Annual Budget Estimates		Forward Budget Estimates		Forward Budget Estimates	
		Segment 4 Description (GFS Code Description)	Unit of Measure	Unit cost of Inputs	Y <sub>0</sub>		Y <sub>0+1</sub>		Y <sub>0+2</sub>	
					No of Units	Estimates	No of Units	Estimates	No of Units	Estimates
1	2	3	4	5	6	7	8	9	10	11
<b>TOTAL</b>										

Notes

**Column 1:** Segment 2 includes objective, target, target type and activity;

**Column 7** equals column 5 x column 6

**Column 9** equals column 5 x column 8

**Column 11** equals column 5 x column 10

**FORM 3C: RECURRENT EXPENDITURE SUMMARY OF DRAFT ESTIMATES**

VOTE: .....

VOTE NAME .....

SUB-VOTE CODE: .....

SUB-VOTE NAME .....

Segment 4 (GFS Code)	Segment 4 Description (GFS Code Description)	Actual Budget Y <sub>0-2</sub>	Approved Budget Estimates Y <sub>0-1</sub>	Annual Budget Estimates Y <sub>0</sub>	Forward Budget Estimates Y <sub>0+1</sub>	Forward Budget Estimates Y <sub>0+2</sub>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>TOTAL</b>						

**Notes**

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

Y<sub>0-2</sub> = Two previous Years (2016/17)

Y<sub>0-1</sub> = Current Financial Year (2017/18)

Y<sub>0</sub> = Budget Year (2018/19)

Y<sub>0+1</sub> = Forward Budget (2019/20)

Y<sub>0+2</sub> = Forward Budget (2020/21)

**FORM 4: REVENUE ESTIMATES AND PROJECTIONS**

VOTE: .....

VOTE NAME .....

SUB-VOTE CODE: .....

SUB-VOTE NAME .....

Segment 4 (GFS Code)	Description	Actual Collection Y <sub>0-2</sub>	Approved Estimates Y <sub>0-1</sub>	Draft Estimates Y <sub>0</sub>	Forward Budget Y <sub>0+1</sub>	Forward Budget Y <sub>0+2</sub>	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	<b>Total of Sub-Vote</b>						
	<b>TOTAL OF VOTE</b>						

**Notes:**

Y<sub>0-2</sub> = Two previous Years (2016/17)

Y<sub>0-1</sub> = Current Financial Year (2017/18)

Y<sub>0</sub> = Budget Year (2018/19)

Y<sub>0+1</sub> = Forward Budget (2019/20)

Y<sub>0+2</sub> = Forward Budget (2020/21)

Remarks = Reason for significant decrease or increase of revenue

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

**FORM 6: DEVELOPMENT EXPENDITURE DETAILS OF ANNUAL AND FORWARD BUDGET**

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

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

Tick the appropriate (√)

FYDP II  }  
 Other  }

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

**Notes**

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

**FORM 6.1 DEVELOPMENT EXPENDITURE PROJECTS SUMMARY**

Project code	Project name	Annual Budget Estimates Y <sub>0</sub>				Forward Budget Estimates Y <sub>0+1</sub>			Forward Budget Estimates Y <sub>0+2</sub>			
		Local		Foreign		Total	Local	Foreign	Total	Local	Foreign	Total
		Government	Own Source	L/G	D							
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total of Sub Vote</b>												
<b>Total of Vote</b>												



**FORM 7: INSTITUTIONAL RESULTS FRAMEWORK**

VOTE: .....

VOTE NAME .....

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

Objective Code and Description	Target Code and Description	Indicator Name and description	BASELINE		INDICATOR TARGET VALUES (AS PER SP)			CLASSIFICATION				Source of Data / Means of verification
			Baseline Date	Baseline Indicator Value	Y <sub>0</sub>	Y <sub>+1</sub>	Y <sub>+2</sub>	FYDP II	SDG		R	
	1	2	3	4	5	6	7	8	9		11	12

**Notes**

Each row on this form describes a single performance indicator. Indicators are used to measure progress towards meeting objectives; Targets under each objective are assigned indicators e for performance measuring. Descriptions of each column are as follows:

**Column1.** Target Code and Description: the target (in words) and its code, being measured by the indicator, for example: “Primary School Enrolment Rate increased from 80 percent to 98 percent” ”

**Column2.** Indicator Name and Description: s. The indicators name should be in italics while its description (how the indicator is calculated) should be listed below it in a bullet or in parenthesis, for example: *Primary School Enrolment as a percentage of school age children*”

**Column3.** Baseline date: describes the most recent date, prior to the current planning phase that the indicator was collected.

**Column4.** Baseline indicator value is the value of the indicator, on the most recent date prior to the current planning phase. If indicator values (and their date) is not known place a dash.

**Columns 5 to 7:** Indicator targets: the expected or projected annual future value of the indicator at the end of the first, second, and third year of implementation, as found in the Strategic Plan. (Y<sub>0</sub>= Base Year, (Y<sub>+1</sub>) = the next financial year, and Y<sub>+2</sub>is the next two years and Y<sub>+3</sub>is the next three years

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

**Column12.** The source is where the indicator data was collected (data source) while means of verification is the supporting evidence.

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

VOTE: .....

VOTE NAME .....

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

**Notes**

(Summary Items I, II, and III)

**Item I** = Existing Employees on Payroll

**Item II** = Existing Employees not on Payroll

**Item III** = New Employees to be Recruited  $Y_0$

**Column 6 Gives** Total Sum of Columns 3 to 5

**Column 16 Gives** Total Sum of Columns 7 to 15  
NSSF = National Social Security Fund; ZSSF = Zanzibar Social Security Fund; LAPF = Local Government Authorities Pension Fund;

PSPF = Public Service Pension Fund; PPF = Parastatal Pension Fund; GEPF = Government Employees Provident Fund;

NHIF = National Health Insurance Fund; WCF = Workers' Compensation Fund.

$Y_{O-2}$  = Two previous Years (2016/17)

$Y_{O-1}$  = Current Financial Year (2017/18)

$Y_0$  = Budget Year (2018/19)

$Y_{O+1}$  = Forward Budget (2019/20)

$Y_{O+2}$  = Forward Budget (2020/21)

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

VOTE: .....

VOTE NAME .....

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

**Notes**

(Summary Items I, II, and III)

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

**Item I** = Existing Employees on Payroll

**Item II** = Existing Employees not on Payroll

**Item III** = New Employees to be Recruited Y<sub>0</sub>

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

**Column 17** Gives the total sum of Columns 8 to 16

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

VOTE: .....

VOTE NAME .....

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

**Notes**

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

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

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

VOTE: .....

VOTE NAME .....

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

**Notes**

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

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

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

VOTE: .....

VOTE NAME .....

Sub-vote	Number of Employees	Basic Salary	Total P.E	Employers Contributions									
				NSSF 15%	ZSSF 15%	LAPF 15%	PSPF 15%	PPF 15%	GEPF15%	Gratuity 25%	NHIF 3%	WCF 0.5%	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>TOTAL</b>													

**Notes**

- Column 4** – Gives the Total Sum equals to Column 3
- Column 14** – Gives the Total Sum of Columns 5 to 13

**FORM: 8F: LIST OF EMPLOYEES EXPECTED TO RETIRE**

S/No	Name of Employees	Check Number	Designation	Salary Scale	Basic Salary	Retirement Date
1						
2						
3						
.						
.						
.						
.						

**VOTE:.....**

**VOTE NAME (MDA/RS/LGA/PUBLIC ENTITIES).....**

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

VOTE: .....

VOTE NAME .....

SUB VOTE: .....

SUB VOTE NAME .....

Employee Code	Description	Salary Scale	Establishment					Actual Strength at Present	Variation (+ Over) or (- Under)	Remarks
			Y <sub>0-2</sub>	Y <sub>0-1</sub>	Y <sub>0</sub>	Y <sub>0+1</sub>	Y <sub>0+2</sub>			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

**Notes**

Y<sub>0-2</sub> = Two previous Years (2016/17)

Y<sub>0-1</sub> = Current Financial Year (2017/18)

Y<sub>0</sub> = Budget Year (2018/19)

Y<sub>0+1</sub> = Forward Budget (2019/20)

Y<sub>0+2</sub> = Forward Budget (2020/21)



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

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

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

- A8. Does this Project have feasibility study or project document?  
     Feasibility study .....1   
     Project document .....2  
     No Document .....3  
 A9. Feasibility study Number of Project \_\_\_\_\_  
 A10. Project document Number \_\_\_\_\_  
 A11. Project Description (describe major components/activities) .....  
 A12. Project coverage:  
     National wide (beneficiaries of project in entire  
     Country, or in more than one region) .....1   
     Regional (beneficiaries of project in one Region) .....2  
     District (beneficiaries of project in one District) .....3  
 A13. Geographic Location of Project (Tick the right option)  
     (a) Nationwide -----  
     (b) Region Name-----  
     (c) District Name -----  
     (d) LGA-----

A14. Type of Implementing (Executing) Agency:  
 Ministry .....1            Parastatal .....5  
 Region .....2            LGA .....6  
 Donor .....3            Agency .....4

A15. Lead Implementing Agency Name \_\_\_\_\_ Code /\_/\_/\_/\_/

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

A17. Planned Start date (Month & Year) /\_/\_/\_/\_/

A18. Actual Start Date (Month & Year) /\_/\_/\_/\_/

A19. Planned Completion Date (Month & year) /\_/\_/\_/\_/

A20. Latest revised completion Date (Month & Year) /\_/\_/\_/\_/

A21. Status of project funding in Development budget

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


A22. PPP Projects:

Project name .....

Total project cost, .....

of which Tshs..... Government, Tshs ..... Private

Project status:

Feasibility study.....

Design .....

Fund mobilization ..... Contract document

.....

REMARKS.....

**SECTION B: PROJECT FINANCE (EXTERNAL ONLY)**

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

- B1 Total Number of Donors for this Project /\_/ /  
B2 The Project Funded through Basket funding? Yes  No

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

- B3. Donor 1 Name \_\_\_\_\_  
B4. Donor 1 Code /\_/ /\_/ /\_/ /  
B5. Total Donor Commitments (Tshs.) \_\_\_\_\_  
B6. Type of Currency in Agreement \_\_\_\_\_  
B7. Total Donor Commitment in currency of Agreement \_\_\_\_\_  
B8. Date of Agreement (Month/Year) /\_/ /\_/ /\_/ /  
B9 Funding Terms  
Grant ...1   
Loan .....2  
Loan with grant element.....3  
  
B10 Amount of Grant (Tshs.): \_\_\_\_\_  
B11 Amount of Loan (Tshs.): \_\_\_\_\_  
B12. Type of Disbursement:  
Direct .....1   
Cash .....2

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

VOTE: .....

VOTE NAME .....

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

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

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

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**PROGRAM BASED BUDGETING TEMPLATE**  
**VOTE NAME**  
 (eg. MINISTRY OF WATER AND IRRIGATION)  
**VOTE CODE**  
 (eg. VOTE 49)

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**PART 1: VISION AND MISSION**

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- *Vision*
- *Mission*

**PART 2: MEDIUM TERM STRATEGIC OVERVIEW**

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(Content of the page)

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

**PART 3: PROGRAMMES, OBJECTIVES AND KEY ACTIVITIES**

Programmes	Objectives	Key Activities

**PART 4: PROGRAMMES KEY OUTPUT AND PERFORMANCE INDICATORS**

Programme Name:

01: .....

Outcome: .....

Sub programme Name:

01: .....

<b>Delivery Unit</b>	<b>Key Output (KO)</b>	<b>Key Performance Indicators (KPIs)</b>	<b>Baseline (2017/18)</b>	<b>Target (2021)</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Source of verification</b>

Sub programme Name:

02: .....

<b>Delivery Unit</b>	<b>Key Output (KO)</b>	<b>Key Performance Indicators (KPIs)</b>	<b>Baseline (2017/18)</b>	<b>Target (2021)</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Source of verification</b>

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

<b>Expenditure Type</b>	<b>Sub Group</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Compensation of Employees</b>					
<b>O/w</b>	Wages and Salaries				
	Employers' social contributions				
	Allowances				
<b>Use of goods and services</b>					
<b>O/w</b>	Office and general supplies and services				
	Utilities supplies and services				
	Fuel, oils, lubricants				
	Medical supplies & services				
	Military supplies and services				
	Clothing, bedding, footwear and services				
	Rental expenses				
	Training - domestic				
	Training - foreign				
	Travel - in - country				
	Travel out of country				
	Communication & information				
	Educational materials, services and supplies				
	Hospitality supplies and services				
	Agricultural And Livestock Supplies & Services				
	Printing, advertizing and Information Supplies and Services				



	Food Supplies and Services				
	Routine Maintenance And Repair Of Roads And Bridges				
	Routine maintenance and repair of buildings				
	Routine maintenance , Repair of Water And Electricity Installations				
	Routine Maintenance And Repair Of Vehicles And Transportation Equipment				
	Maintenance of Specialized equipment				
	Routine Maintenance and Repair of Machinery, Equipment and Plant				
	Other Routine Maintenance Expenses not elsewhere classified				
	Expenses on Professional fees and charges				
	Other operating Expenses				
<b>Interest</b>					
<b>o/w</b>					
	Domestic				
	Foreign				
<b>Subsidies</b>					
<b>Grants</b>					
<b>o/w</b>	Grant to local government authorities				
	Grant to extra budgetary Accounts				
<b>Social benefits</b>					
<b>o/w</b>	<i>Social security benefits</i>				
	<i>Employee social benefits</i>				
	<i>Social assistance benefits</i>				

<b>Others expenses</b>					
	<b>o/w</b> <i>Transfers not elsewhere classified</i>				
<b>Net/gross investment in nonfinancial assets</b>					
	<b>o/w</b> Fixed assets				
	Inventories				
	Valuables				
	Nonproduced assets				

**5B: MEDIUM TERM ALLOCATIONS BY PROGRAM AND SUBPROGRAMS**

Programme/ Sub-Programme	Name	(Budget (TZS Millions))			
		2017/18	2018/19	2019/20	2020/21
0101-					
0101					
0102					
<b>Total Programme</b>					
02					
0201					
0202					
<b>Total Programme</b>					
<b>TOTAL VOTE</b>					

**5C: MEDIUM TERM ALLOCATIONS BY PROGRAM AND ECONOMIC CLASSIFICATION**

Programme/ Sub-Programme	Economic Classification	(Budget (TZS Millions))			
		2017/18	2018/19	2019/20	2020/21
Programme 1	Compensation of Employees				
	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				
	Debt repayment				
<b>Total Programme</b>					
Programme 2	Compensation of Employees				
	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				
	Debt repayment				
<b>Total Programme</b>					
<b>TOTAL VOTE XX (By Programmes)</b>					

**5D: MEDIUM TERM ALLOCATIONS BY PROJECTS AND ECONOMIC CLASSIFICATION**

Projects	Economic Classification	(Budget (TZS Millions))			
		2017/18	2018/19	2019/20	2020/21
XXXX - Project 1	Compensation of Employees				
	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				
	Debt repayment				
	<b>Total Project</b>				
XXXX - Project 2	Compensation of Employees				
	Use of goods and services				
	Interest				
	Subsidies				
	Grants				
	Social Security benefits				
	Other expenses				
	Net/gross investment in nonfinancial assets				
	Debt repayment				
	<b>Total Project</b>				
<b>TOTAL VOTE XX (by Project)</b>					

**BUDGET IMPLEMENTATION FORMS**

**PBF 5.2 (a)**

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

**VOTE:** ..... **VOTE NAME** .....

**FINANCIAL YEAR** .....

**SUB-VOTE CODE:** ..... **SUB-VOTE NAME** .....

**OBJECTIVE CODE AND DESCRIPTION:**.....

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

**Notes**

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

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

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

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

FINANCIAL YEAR .....

PROJECT CODE AND NAME: .....

SUB-VOTE CODE AND NAME: .....

OBJECTIVE CODE AND DESCRIPTION: .....

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

**Notes**

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

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

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

VOTE: .....  
 SUB-VOTE CODE: .....  
 PROJECT CODE: .....  
 OBJECTIVE No: .....  
 TARGET CODE: .....

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

Tick the appropriate (√) FYDP II  }  
 Other  }

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

**Notes**

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

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



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

VOTE: .....  
 SUB-VOTE CODE: .....  
 PROJECT CODE: .....  
 OBJECTIVE No: .....  
 TARGET CODE: .....

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

Tick the appropriate (√)  
 FYDP II   
 Other

Activity Code	Activity Description	Source of Financing	Approved Annual Budget	Amount to be Spent in Foreign Currency (\$,£,€,¥)	Planned Quarterly Expenditures (Projected Cash Flow)			
					Quarter I	Quarter II	Quarter III	Quarter IV
1	2	3	4	5	6	7	8	9
		Local						
		Foreign						
		Own Source						
		PPP						
		Total						
		Local						
		Foreign						
		Own Source						
		PPP						
		Total						

Notes

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

- **Column 1. Activity Code:** Segment 2 code for the activity, for example: A02C03
- **Column 2. Activity Description:** the activity description in words, for example “ To construct 30 classrooms by June 2019”
- **Column 4. Approved Annual Budget:** the total budget (in Tanzanian Shillings) for the current financial year. This is divided into 2 sources of funds: Government and Own Funds. Own funds apply only to LGAs and Executive Agencies and may include revenues collected and contributions from citizens or communities.
- **Column 5. Amount of Total Budget to be spent in foreign currency (\$,£,€,¥):** This will include spending in activities that will require forex
- **Columns 6 to 9. Quarter I, II, III, and IV:** the projected cash flow (in Tanzanian Shillings), for each quarter, divided into 2 sources of funds: Government and Own Funds.
- **PPP=Government contribution to Public Private Partnership Project Financing**

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

VOTE NO: .....

VOTE NAME: .....

SUB-VOTE CODE: .....

SUB-VOTE NAME: .....

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

**Notes**

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

- Column 1: the Objective Code (A, B, C, etc) as well as the objective’s description, for example: “A. Improve Access to markets.” Part of the Segment 2 code.
- Column 2: the Target Code (A01C or B02S etc) as well its description, for example: “ To train 10 staff in MTEF preparation by June 2019
- Columns 3 to 5: place a check mark (√) to link your target as appropriate with those planning frameworks as described in other forms above.
- Column 6: the Activity Code (A01C03 or B02S01 etc) as well as the activity’s description, for example: “A01D05. Train 100 people in Results Management by June 2018.” Part of the Segment 2 code.
- Column 7: list main tasks or phases which enable respective activity to be completed when such tasks are implemented.
- Column 8: list sub tasks or milestone which enable respective task to be completed when such milestones are implemented.
- Column 9: the date at which the activity should start. The start of an activity should include its procurement, where applicable.
- Column 10: the date at which the activity should be completed.
- Column 11: the approved budget of the target or activity. The target’s budget is the sum of the budgets for all activities under it
- Column 12: the expected workdays on the activity. Some activities may have long durations in which implementation is sporadic. For example an activity “supervision of procurement” may take place over a 3 month period, but may only involve 2 workdays per month.
- Column 13: the institution or agency responsible (accountable) for the execution of the activity. This should be shown as a institution, such as “TRA, UDOM, COSTECH, TMMA, etc.”
- Column 14: the person responsible (accountable) for the completion of the activity. This should be listed as a position, such as “Commissioner for Budget, DPP, DHRM, etc.”

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

VOTE NO: .....

VOTE NAME: .....

SUB-VOTE NO: .....

SUB-VOTE NAME: .....

PROJECT CODE .....

PROJECT NAME .....

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

**Notes**

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

- Column 1: the Objective Code (A, B, C, etc) as well as the objective’s description, for example: “A. Improve Access to markets.” Part of the Segment 2 code.
- Column 2: the Target Code (A01C or B02S etc) as well its description, for example: “A01D. Construct 25 Kilometres of road by June 2018.”
- Columns 3 to 5: place a check mark (√) to link your target as appropriate with those planning frameworks as described in other forms above.
- Column 6: the Activity Code (A01C03 or B02S01 etc) as well as the activity’s description, for example: “ To construct 30 classrooms by June 2019”
- Column 7: List main tasks or phases which enable respective activity to be completed when such tasks are implemented.
- Column 8: List sub tasks or milestone which enable respective task to be completed when such milestones are implemented.
- Column 9: The date at which the activity should start. The start of an activity should include its procurement, where applicable.
- Column 10: The date at which the activity should be completed.
- Column 11: The approved budget of the target or activity. The target’s budget is the sum of the budgets for all activities under it
- Column 12: The expected work days on the activity. Some activities may have long durations in which implementation is sporadic. For example an activity “supervision of procurement” may take place over a 3 month period, but may only involve 2 work days per month.
- Column 13: The institution or agency responsible (accountable) for the execution of the activity. This should be shown as an institution, such as “TRA, UDOM, etc.”
- Column 14: The person responsible (accountable) for the completion of the activity. This should be listed as a position, such as “Commissioner for Budget, DPP, DHRM, etc.”



**PERFORMANCE REPORTING FORMS**

**FORM 10B: FYDP II PROJECT IMPLEMENTATION - QUARTERLY PERFORMANCE ASSESSMENT FORM FOR FISCAL YEAR.....**

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

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

<b>TERM</b>	<b>EXPLANATION/DEFINITION</b>
<i>Project/Activity Name:</i>	The exact name of the assessed Project/Activity/Name as listed under investments it is associated with.
<i>Responsible Ministry</i>	Ministry under which Project/Activity is implemented
<i>Lead implementer</i>	Institution responsible for day to day management of the Project/Activity
<i>Contact Person(s):</i>	Name (if possible), designation and phone as well as e-mail contacts for the person(s) who will be responsible for providing the required information, so that this person can be contacted for clarification if needed.
<i>Project /Activity Location</i>	Physical address of the Project/Activity
<i>Annual Target(s) for 2017/18:</i>	Stage(s)/steps of the project/activities expected to be completed/reached by end of FY 2017/18
<i>Target(s) for Each Quarter:</i>	Stage(s)/steps of the project/activity expected to be completed/reached by end of each quarter in FY 2017/18
<i>Achievements for</i>	Stage(s)/steps of the project/activity actually completed/reached by end of each Quarter in FY 2017/18
<i>Constraints:</i>	Any current or anticipated obstacle that is hindering or has potential to hinder the project/activity reaching its fruitful completion in the allocated time
<i>Remarks:</i>	<ul style="list-style-type: none"> <li>• Proposals on how the identified constraints can be addressed</li> <li>• Any information deemed pertinent for the successful implementation and completion of the Project/Activity</li> </ul>
<i>Target(s) for next/ following Quarter :</i>	Stage(s)/Steps of the project/activities expected to be completed /reached by end of next quarter
Annual Budget 2017/18	Total Planned expenditure on the Project/Activity for FY 2017/18 as well as a breakdown of expected source of funds to be used
Expenditure Approved for specific quarter	Total Planned expenditure on the Project/Activity for the specific quarter of FY 2017/18 as well as a breakdown of expected source of funds to be used for the quarter
Funds Released for Q	Actual funds allocated to the Project/Activity for that Quarter and break down of the sources of the released funds.
Cumulative Expenditure	Total expenditure on the project/activity for up to that Q of FY and a breakdown of where the funds used were sourced.
Percent (Expenditure vs. Budget)	Proportion of planned total fund spent on the project/activity up to that Quarter with breakdown according to source of funds.
Constraints	Current or potential financial constraint facing the project/activity

TERM	EXPLANATION/DEFINITION
Remarks	<ul style="list-style-type: none"> <li>Proposals on how the identified financial constraints can be addressed</li> <li>Any financial information deemed pertinent for the successful implementation and completion of the project/activity</li> </ul>
GOT	Funds from the Government of Tanzania
PPP	Funds obtained from Public Private Partnerships
DPs	Funds from Development Partners
Others	Funds from sources other than the ones listed

## 2. BASIC PROJECT/ACTIVITY INFORMATION

Project/Activity/Name; .....

Responsible Ministry:.....

Leading Implementer:.....

Contact Person(s):

Designation:.....

Phone:.....

E-mail:.....

## 3. IMPLEMENTATION ASSESMENT

**TABLE A: ACTIVITY ASSESSMENT**

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

**TABLE B: FINANCIAL ASSESSMENT**

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

---

<sup>1</sup> Please Identify this source of funds

<sup>2</sup>Please identify this source of funding

**FORM 12A: CUMULATIVE QUARTERLY MTEF TARGET MONITORING FORM**

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

PERIOD COVERED: QUARTER ENDING ..... IN THE FINANCIAL YEAR .....

BUDGET COVERAGE: (DEVELOPMENT OR RECURRENT).....

PROJECT CODE AND NAME: .....

SUB-VOTE CODE AND NAME:.....

OBJECTIVE CODE AND NAME: .....

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

Notes: Each row is a single target. Descriptions of each column are as follows:

**Column 1.** Target Code is the Segment 2 code at the target level, for example “A03C”

**Column 2 to 4:** FYDP, P, R” Place a check mark (tick or X) in the columns FYDP, P, R as follows: FYDP= Five Year Development Plan, P = PAF Matrix (if it is a PAF target); R = Ruling Party Manifesto. This will help link the MTEF target to other coordinating plans

**Column 5.** Annual Physical Target Description (current year): The target (in words) describing the final state at the end point of the current year; for example “build 150 kilometres of road by 30 June 2017”

**Column 6:** this is the cumulative total as of the current quarter, for example “60 kilometres were constructed by 31<sup>st</sup> March 2018.”

**Column 7:** Estimated % complete: if the target is quantitative divide the Actual Value by the Planned Value, for example 60 kms built / 150 km planned = 40%

**Columns 8-10** (Assessment): Check or tick one of the columns “on track,” “at risk” or ‘unknown”

**Columns 11-12:** Cumulative Actual Expenditure as of Quarter XXX: this is the actual expenditure (not the disbursed or the released amount) while the Cumulative Budget is the amount that was expected to be spent (according to the cash flow plan) by quarter XXX;.

**Column 14:** % spent: the actual expenditure to date divided by the budgeted expenditure for the financial year.



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

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

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

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

**Notes**

Each row is a single milestone. Descriptions of each column are as follows:

Column 1: Institution’s Key Priority intervention or milestone. Should be selected from the Institution’s MTEF

Column 2 Brief implementation on the status for each priority area

Columns 3, 4, & 5 General Assessment of key priority areas. Tick one only.

Column 6 Comment: describe possible reasons for variation (if not on track) as well as remedial actions planned or implemented for each priority area.

## FORM 12C: OUTCOME INDICATOR MONITORING FORM

VOTE: .....

VOTE NAME .....

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

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

**Notes**

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

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

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

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

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

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

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

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

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

**Column 19:** Comment: any comment describing implementation

**FORM 13A: QUARTERLY CUMULATIVE FINANCIAL OVERVIEW FORM**

VOTE: .....

VOTE NAME .....

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

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

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

**FORM 13B: QUARTERLY CUMULATIVE FINANCIAL DETAILED FORM**

**VOTE CODE AND NAME:** .....

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

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

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

**COUNCIL FINANCIAL REPORT (CFR)**

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

Council Name: .....

Quarterly Financial Report As At:.....

All amounts in Tanzanian Shillings

Own Source Revenues	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
	A	B	C	D	E
<b>Local Taxes (Rates, Levies and Cesses)</b>					
Property Tax	-	-	-	-	0.0
Land Rent	-	-	-	-	0.0
Produce Cess	-	-	-	-	0.0
Service Levy	-	-	-	-	0.0
Guest House Levy	-	-	-	-	0.0
Other Levies on Business Activity	-	-	-	-	0.0
<b>Subtotal, Local Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Licenses and Permits</b>					
Licenses and permits on business activities	-	-	-	-	0.0
Permits on construction activities	-	-	-	-	0.0
Licenses on extraction of forest products	-	-	-	-	0.0
Licenses/permits on vehicles and transport.	-	-	-	-	0.0
<b>Sub-Total, Licenses and Permits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Fees and Charges</b>					
Market fees and charges	-	-	-	-	0.0
Sanitation fees and charges	-	-	-	-	0.0
Specific service fees	-	-	-	-	0.0
<i>o/w Parking Fees</i>	-	-	-	-	0.0

Own Source Revenues	Annual Estimate as per Approved Budget	Actual Collection/Received			Cumulative as % of Annual Estimate
		Cumulative Amount, Previous Quarter	For the Quarter	Cumulative Amount, Year to Date	
	A	B	C	D	E
<i>o/w Central Bus Stand Fees</i>	-	-	-	-	0.0
<b>Sub-Total, Fees and Charges</b>	-	-	-	-	<b>0.0</b>
<b>Other Own Revenues</b>					0.0
Fines and penalties	-	-	-	-	0.0
Income from sale or rent	-	-	-	-	0.0
Other own revenues	-	-	-	-	0.0
<b>Sub-Total, Other Own Revenues</b>	-	-	-	-	<b>0.0</b>
<b>Total, Own Source Revenues</b>	-	-	-	-	<b>0.0</b>

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

**COUNCIL FINANCIAL REPORT (CFR)**

**FORM 13 C2: Quarterly Financial Progress Report – Transfers (LGA's)**

**Council Name**

Quarterly Financial Report As At:.....

All amounts in Tanzanian Shillings

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



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

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

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

**COUNCIL FINANCIAL REPORT (CFR)**

**FORM 13 C3: Quarterly Financial Progress Report – Expenditure (LGA's)**

**Council Name**

Quarterly Financial Report As At:.....

All amounts in Tanzanian Shillings

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

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

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

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

**COUNCIL FINANCIAL REPORT (CFR)**

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

**Council Name**

Quarterly Financial Report As At:.....

All amounts in Tanzanian Shillings

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

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

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

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

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

<b>Project Budget:</b>		<b>Project Details:</b>			<b>Main Project Outputs:</b>		
Approved Council Budget:		Project (Activity) Code :				Number	Unit
Supplementary Council Budget		Sector / Dept. :		Select		Select	
Total Approved Council Budget	0	HLG / LLG:		Select		Select	
Community Contribution:		FYDP II:		Select		Select	
Other Off Budget Funding:		Objective:				Select	
<b>Total Budget (incl Comm. Contr. and Off Budget Funding)</b>	<b>0</b>	Target:				Select	
Main Funding Source:	Select	Expenditure Category:	Select				
Co-Funding From Other Source:	Select						



**Financial Progress Report: Actual Allocations and Expenditures**

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

**Physical Progress Report**

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

**Notes**

- i. In the Council Development Reporting (CDR) forms there are DP1-DP100, each DP is one development activity as it appears in the Plan-Rep
- ii. Select the Council Name and Quarter from the dropdown menu in the cover page sheet, other information (Dates and Reporting Period will be generated automatic)
- iii. The forms are self-explanatory, you are required to type or select the information from only the coloured cell (other areas is protected and the information will generated automatic)
- iv. Second and third boxes represents the Council Planned Budget as it appears in *PlanRep* and is prepared once in a year while the fourth and fifth boxes is for reporting the implementations and is to be filled in Quarterly basis in the respective quarter.
- v. The form contains the formulas which provides a cumulative information building from each quarter of reporting

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

<b>FINANCIAL YEAR: .....</b>																																	
<b>VOTE NO:.....</b>										<b>VOTE NAME: .....</b>																							
<b>SUB-VOTE NO:.....</b>										<b>SUB-VOTE NAME: .....</b>																							
<b>PERIOD COVERED: .....</b>																																	
<b>Objective:</b>																																	
Sector	Employment Opportunities (Project Name)	Project Code	Target Description	Activities code and description	Total approved budget (Tshs)	Actual Release (Tshs)	Name of Region	Name of District	Total actual No. of jobs created	Actual number of jobs created segregated by sex and age groups																							
										Male				Female																			
										15*-35	36-60	61+	Total	15-35	36-60	61+	Total																
<b>Specific Instructions to Sector Ministries, Independent Departments and Agencies (MDAs), Regional Secretariats (RS) and Local Government Authorities (LGAs)</b>																																	
1	<b>This form should be filled quarterly and;</b>																																
2	<b>Submitted to the Permanent Secretary Prime Minister's Office, Policy, Parliament, Labour, Employment, Youth and Disables</b>																																
<b>15* As per Section 5 (a)&amp;(b) of the Employment and Labour Relations Act No. 6 of 2004</b>																																	