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Budget Documents

Citizen Budget

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2017

# The Citizens' Budget for the year 2017-2018

The United Republic of Tanzania

Ministry of Finance and Planning

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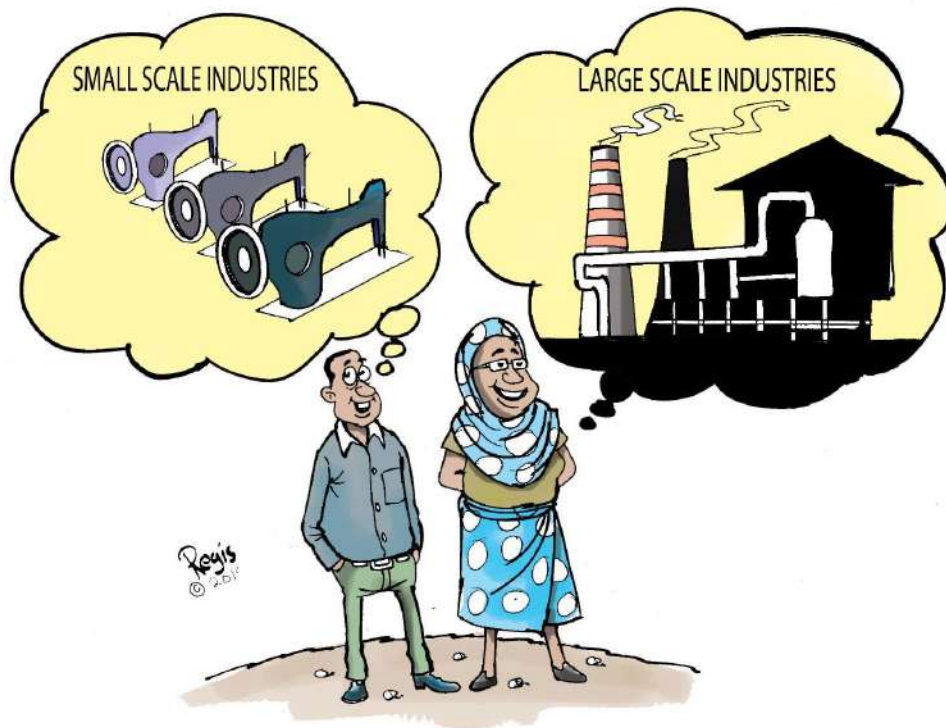
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THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE AND PLANNING

# THE CITIZENS' BUDGET



**A SIMPLIFIED VERSION OF GOVERNMENT BUDGET FOR FINANCIAL  
YEAR 2017/2018**

Issued by Ministry of Finance and Planning  
in Collaboration with Policy Forum



## 1. INTRODUCTION

This Citizens' Budget summarizes the information regarding Government Budget for financial year 2017/18. The booklet has essentially six parts, starting with introductory part which explains budget concepts and objectives of 2017/18 budget. Moreover, in the subsequent parts, it summarizes: Macroeconomic targets and assumptions; Priorities of the 2017/18 budget; Measures and guiding policies for 2017/18 budget; Sources and amount of revenue to be raised; and the expected expenditure outlays.

### *What is Government Budget?*

It is a plan by Government that explains where revenues are coming from and how Government will spend those revenues during a period of one financial year. Indeed, budget is the key tool for the Government to translate its policies into costed actions and hence it help to allocate resources to implement national policies and priorities for the medium term.

### *Citizens' Budget*

Each year, the Government prepares budget and submit to Parliament for discussion and approval. The submitted annual budget is normally long and complex and accompanied by a number of detailed supporting documents. As a consequence, **Citizens' Budget** is prepared to present the annual Government Budget in a simple and clearly understood language to all citizens. It is a part of Government's initiatives for seven consecutive years to inform the Tanzanian citizens with nation's budget. The aim is to give them opportunity to be more involved in Government's plans and budget process.

### *The Objectives of 2017/2018 Budget*

The 2017/18 budget is part of the National Five Year Development Plan 2016/17 – 2020/21 (FYDP II) implementations with the focus of cultivating industrial transformation and human development. The proposed measures in 2017/18 budget aim at building a strong economic base for the industrial economy and widening employment opportunities as well as trade under the theme: **'industrialization for job creation and shared prosperity'**. This will facilitate to achieve the National Vision of attaining a middle-income economy by 2025.

## 2. MACROECONOMIC POLICY TARGETS AND ASSUMPTIONS

The 2017/18 budget aims at achieving the following macroeconomic targets:

- a. Attain GDP growth of 7.1 percent in 2017 from 7.0 percent in 2016;
- b. Inflation rate to remain stable at a single figure, in the average rate of 5.0 to 8.0 percent in 2017;
- c. Domestic revenue including LGA's own sources is projected at 16.5 percent of GDP in 2017/18 from 15.8 percent in 2016/17;
- d. Tax revenue to be raised at 14.2 percent of GDP in 2017/18 from 13.3 percent in 2016/17;
- e. Total expenditures are projected at 26.2 of GDP percent in 2017/18 from 23.7 percent in 2016/17;
- f. Narrow the budget deficit to 3.8 percent of GDP in 2017/18 from 4.5 percent in 2016/17;
- g. Official Foreign Reserve sufficient to pay for four months of imports.

In order to achieve the stated macroeconomic targets, the following assumptions are expected to be observed and maintained;

- a. Peace, unity and political stability within and across the region;
- b. Stability and Sustainability in macroeconomic and social economic gains (including GDP growth, external trade, inflation and domestic revenue);
- c. Stability in global economy;
- d. Stability in the world market oil prices;
- e. Favourable weather condition in a country and neighboring countries;
- f. Favourable relations with neighbours, region and international; and
- g. Supportive laws and regulations for investors

## 3. PRIORITIES OF THE GOVERNMENT BUDGET FOR 2017/18

### *Priority Areas and their respective economic Priorities for 2017/2018*

The 2017/18 Government budget is the second year of implementing the National Five Year Development Plan 2016/17 – 2020/21 (FYDP II). Taking that into consideration, the budget focuses on key priority areas reflected in the FYDP II as follows:

#### ***a. Interventions for fostering economic growth and industrialization;***

⇒ To accelerate inclusive economic growth to reach middle income status.

- ⇒ To emphasize on industrial development bearing in mind that Private Sector plays a key role in building industrial economy (The targeted industries are those which will create jobs, utilize domestically available raw materials, and produce goods which will be consumed by the majority of the people in the country).
- ⇒ To improve agricultural produce, livestock, and fisheries focusing more on value addition and modernization through training, provision of inputs, and extension services.
- ⇒ To ensure that minerals and natural resources are utilized effectively for the benefit of our nation.
- ⇒ To emphasize on improving tourism, land use and environment management.

***b. Interventions for fostering human development;***

- ⇒ To improve the quality of education, health services, water and energy.

***c. Interventions to create a conducive environment for enterprises and businesses to thrive;***

- ⇒ To improve economic infrastructure such as roads, railways, air and marine transport and energy.

***d. Interventions to strengthen implementation effectiveness;***

- ⇒ To increase revenue, curb leakages of (government resources, control expenditure and enforce the budget, and public finance) public procurement legislations.
- ⇒ To combat rampant corruption, embezzlement and drug abuse.

***Priority Projects for 2017/2018***

These are projects, which are viewed as critical and their implementation has a larger positive multiplier effects to the rest of the economy, geared towards Tanzania's industrialization and socio-economic transformation. Most of these projects were initiated in 2016/17, and therefore will be undertaken as ongoing projects. These include:

- a. Construction of new standard gauge railway line.
- b. Revamping the operation of national airline/Air Tanzania Company Limited by acquiring new aircrafts;
- c. Mining of coal and iron ore and construction of steel complex in Mchuchuma and Liganga – Njombe.
- d. Establishment of Special Economic Zones (SEZs) in order to promote investment and trade in industrial activities.
- e. Construction of a Liquefied Natural Gas (LNG) Plant in Lindi.

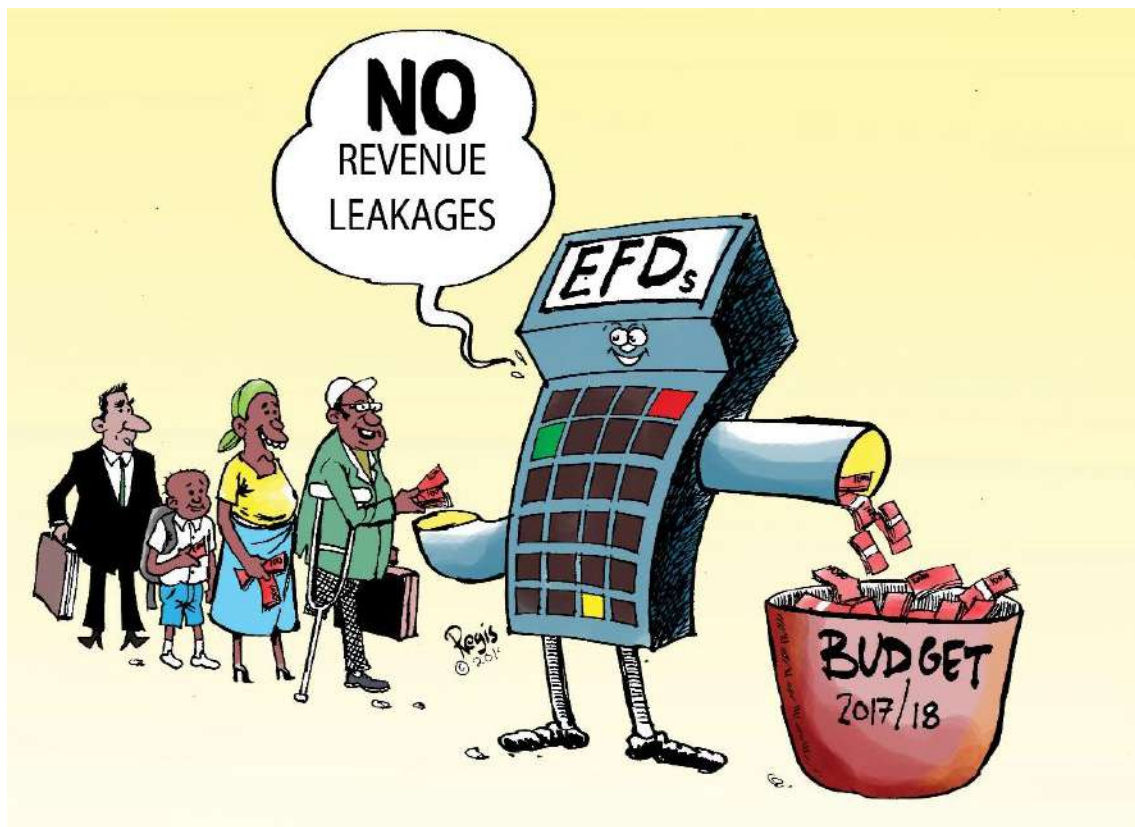
- f. Construction of Crude Oil Pipeline from Hoima (Uganda) to Tanga (Tanzania)
- g. Expand economic infrastructure especially construction and rehabilitation of railway, roads, bridges, Ports and Airports.
- h. Improvement of Transportation in the Great Lakes.
- i. Development of Mkulazi Agricultural Farm and Sugar Factory in Morogoro.
- j. Mass training for development of specialized skills for industrialization and human development and fostering science, technology and innovations. This include completion of Mlonganzila and Dodoma Schools of Medicine.

#### 4. MEASURES AND GUIDING POLICIES FOR REVENUE AND EXPENDITURE

##### *Administrative Measures for Generating Revenue*

To ensure effective implementation of 2017/18 budget the Government will **increase and strengthen domestic revenue collections**. The following administrative measures will simplify and increase domestic revenue collections:

- a. Continue emphasizing effective use of electronic devices and systems such as Electronic Fiscal Devices (EFDs), Electronic Revenue Collection System (e-RCS) and Government Electronic Payment Gateway System to contain revenue leakages.





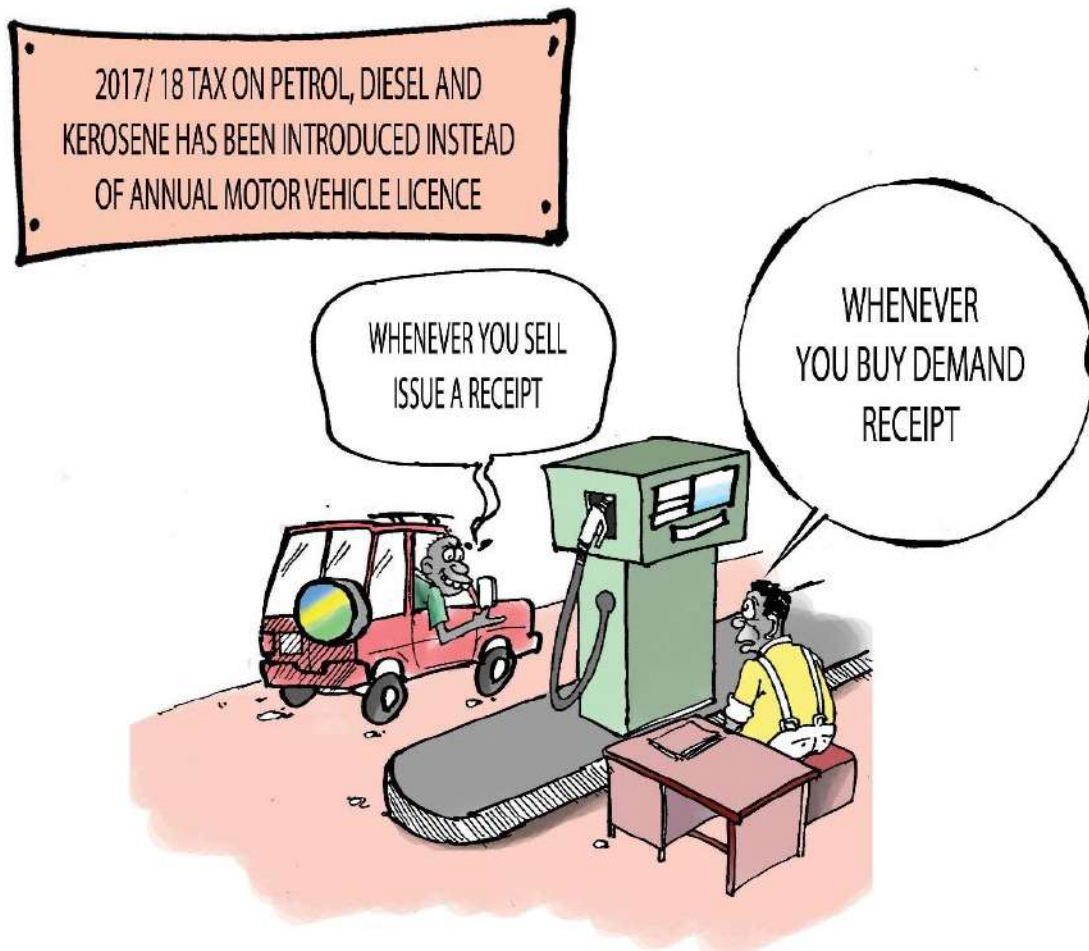
- b. Expansion of tax base including formalization of the informal sector.
- c. Improve monitoring collection and strengthen management of non-tax revenue ;
- d. Continue with mass valuation of properties by Tanzania Revenue Authority (TRA) in order to increase property tax revenue.
- e. Formalizing land ownership with a view of increasing revenue.
- f. Continue with control measures to minimize abuse of tax exemptions.
- g. Establishing clearing houses at the international airports, mining areas and other appropriate areas for minerals to be verified before export.

### ***Policy Changes on Tax Structure, Fees, Levies and Other Revenue***

In the 2017/18 budget the Government has amended the tax structure including tax rates, fees and levies imposed under various laws. The intention behind these amendments is to **increase Government revenue**, to **increase employment opportunities** and to **promote economic growth** particularly in the industrial, agricultural and transport sectors. Key areas of amendments are as follows:

- a. **The Value Added Tax Act, CAP 148** has been amended to exempt VAT on;
  - ⇒ *Capital goods* (for edible oil, textile, leather, pharmaceutical and veterinary industries) to promote Investment;
  - ⇒ *Ancillary transport services* so as to make our ports affordable and competitive
  - ⇒ *Locally produced compounded animal feeds and fertilized eggs for incubation* to reduce cost of production to farmers.
  
- b. **The Income Tax Act, CAP 332** has been amended in order to:
  - ⇒ Modify “*Alternative Minimum Tax*” given to companies derive a loss for three consecutive years instead of five years;
  - ⇒ Increase the qualifying amount of non-commercial motor vehicles from shillings 15 million to shillings 30 million;
  - ⇒ Reduce the “*Corporate Income Tax*” for new assemblers of vehicles, tractors and fishing boats from 30 percent to 10 percent for the first five years from commencement of operation in order to encourage technology transfer and employment creation;
  - ⇒ Introduce *Withholding Tax* (final) of 5 percent of the total market value of minerals to all small miners.
  
- c. **The Excise (Management and Tariff) Act, CAP 147** has been amended to:
  - ⇒ Adjust for inflation rate of five (5) percent to specific Excise Duty rates on non-petroleum products. This adjustment will not involve some locally produced products to support National Strategy for building Industrial economy. The adjustment will involve: soft drinks, imported water, fruit juices, beers, non-alcoholic beer/beverages, wines, imported spirits, and cigarettes.
  - ⇒ Abolish annual *Motor Vehicle Licence Fee* and increase *Excise Duty* on Petrol, Diesel and Kerosene by Shillings 40 per litre to compensate the revenue resulted from the abolition of Annual Motor Vehicle Licence Fee.





- d. The Road Traffic Act, CAP 168 has been amended to abolish the *Annual Motor Vehicle Licence Fees* so that the fee is ***paid only once during first registration***. Moreover, to provide **tax amnesty** for all unpaid fees. The Motor Vehicle Licence Fee on ***first registration*** will be as follows:-

Motor Vehicle Engine Capacity (CC)	Previous Amount Paid in Shs	Current Amount Paid in Shs	Amount Increased in Shs
501 - 1500	150,000/=	200,000/=	50,000/=
1501 - 2500	200,000/=	250,000/=	50,000/=
2501 & Above	250,000/=	300,000/=	50,000/=

- e. **The Local Government Finance Act, CAP 290** has been amended to reduce *Produce Cess* charged by the LGAs from five (5) percent to three (3) percent for cash crops and from five (5) percent to two (2) percent for food crops. Also, *Produce Cess* will not be applicable on the transportation of crops of less than one ton from one Local Government Authority to another.
- f. **The East African Community Customs Management Act, 2004** has been amended to undertake the comprehensive review of Common External Tariff, to effect changes in the Common External Tariff (CET) and make amendments to the East African Community- Custom Management Act (EAC-CMA), 2004 for the financial year 2017/2018.
- g. **Amendment of Various Fees and Levies imposed by Ministries, Independent Departments and Regions by abolishing of:**
  - ⇒ Fees imposed on fertilizer, standards inspection, radiation inspection and weight and measures; standards inspection fee on cash crops such as cotton, tea, cashew nuts and coffee;
  - ⇒ Service Levy imposed on guest houses which are subject to *Guest House Levy*;
  - ⇒ Levy imposed on posters that direct people to the places where public services such as schools, and hospitals or dispensaries;
  - ⇒ Permit fees issued by Local Government Authorities on various activities;
  - ⇒ Fees imposed on livestock when they are in the market for auction.

### ***Measures for Expenditure Management***

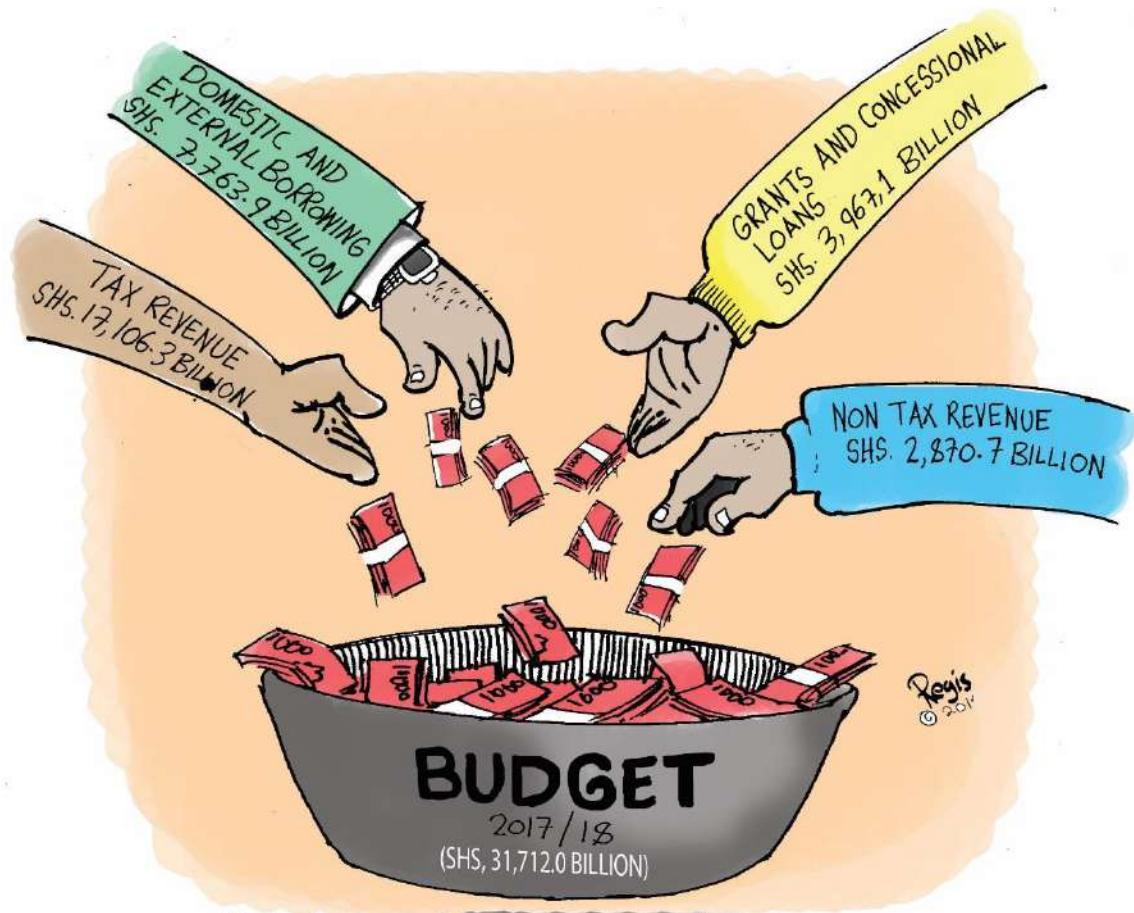
The Government will continue to sustain financial discipline in order to realize the value for money. In implementing this initiative, the Government will;

- a. Ensure that all commercially viable Public Entities are operating profitably without depending on Government subvention.
- b. Ensure that all contracts with Government Entities are expressed in Tanzanian shillings to minimize Government exposure to fiscal risks, unless the contracts involve foreign transactions.
- c. Continue to control cost arising from public utilities, coupled with the use of cost saving technologies.
- d. Continue to ensure that salaries are paid to only eligible employees.
- e. Emphasise applications of ICT to facilitate communications in the Government undertakings.
- f. Control accumulation of arrears.

## 5. HOW DOES GOVERNMENT GET ITS MONEY?

In 2017/18 the Government aims at raising a total of **Shs 31,712.0 billion** for the purpose of running its activities and fulfilling the plans. Revenue is expected from the following sources:

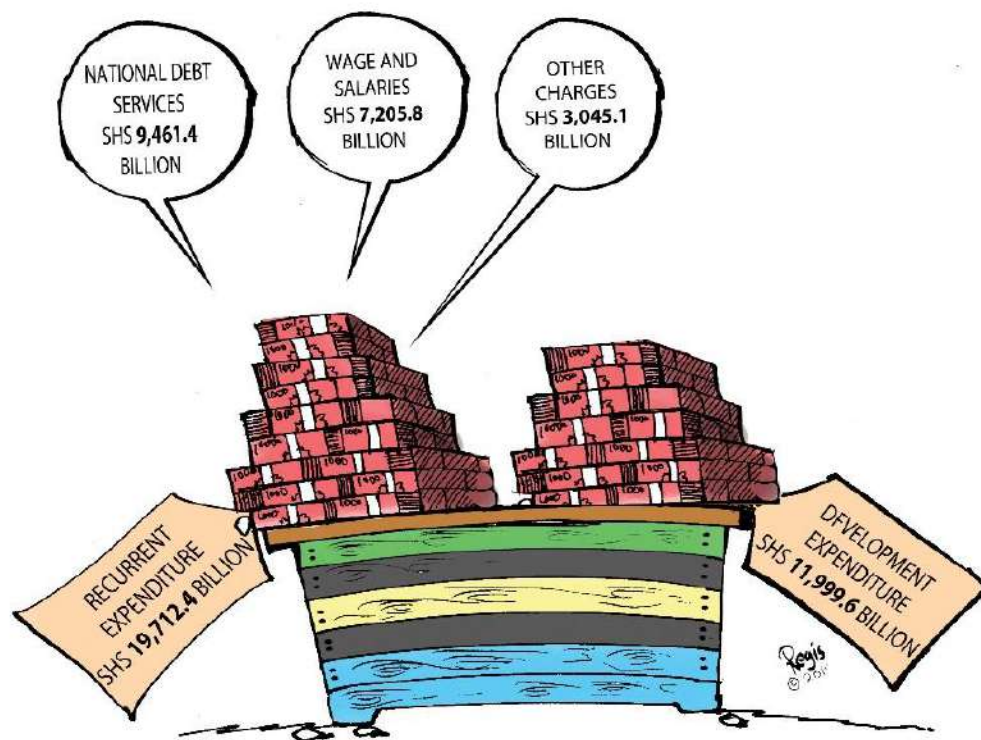
- Shs 17,106.3 billion** from **taxes** including; *Income tax* (from salaries, individuals' income and companies), *VAT and Excise Duty* (from the purchase of goods and services) and *Customs and export duty* (from Imports and exports respectively).
- Shs 2,870.7 billion** from **non- tax revenue** including; fines, fees, levies, sale of tender documents and LGAs own source revenue.
- Shs 3,967.1 billion** from **grants and concessional loans** including; General Budget Support-GBS, Projects Loans and Grants and Basket Loans and Grants.
- Shs 7,763.9 billion** from **domestic and external borrowing** which include: External Non Concessional Borrowing and Domestic Non Concessional Borrowing – 1% of GDP).



## 6. HOW DOES GOVERNMENT INTEND TO SPEND ITS MONEY?

In 2017/18, the Government intends to spend **Shs 31,712.0 billion** on its programmed activities. The Government expenditure will be carried out through two major components as follows:

- a. **Recurrent Expenditure** to meet operational activities such as paying salaries and wages for public servant, goods and services, interest on Government loans, normal repairs and rehabilitation and maintenance of plant and equipment. The Government plans to spend **Shs 19,712.4 billion** for recurrent expenditure.
- b. **Development Expenditure** to finance development projects such as construction of roads, schools, hospitals, water infrastructure and acquisition of new assets. **Shs 11,999.6 billion** will be used for development expenditure component.



### *Funds to be Transferred to Local Government Authorities*

The Central Government is expecting to transfer a total of **Shs 5,831.8 billion** as grants to LGAs. Out of this, **Shs 4,541.1 billion** is for recurrent expenditure and **Shs 1,290.7 billion** is for development expenditure. The transfer will be used to improve service delivery to Local Government under the following sectors:

Sector	Recurrent Expenditure in Shs	Capital Expenditure in Shs	Total Expenditure in Shs
Agriculture	139.1 billion		139.1 billion
Health	669.79 billion	112.09 billion	781.88 billion
Road	33.88 billion	170.22 billion	204.1 billion
Water	25.54 billion	70.44 billion	95.98 billion
Education	3,024.58 billion	201.66 billion	3,226.24 billion
Administration	647.98 billion	736.27 billion	1,384.25 billion
<b>Total</b>	<b>4,541.1 billion</b>	<b>1,290.7 billion</b>	<b>5,831.8 billion</b>

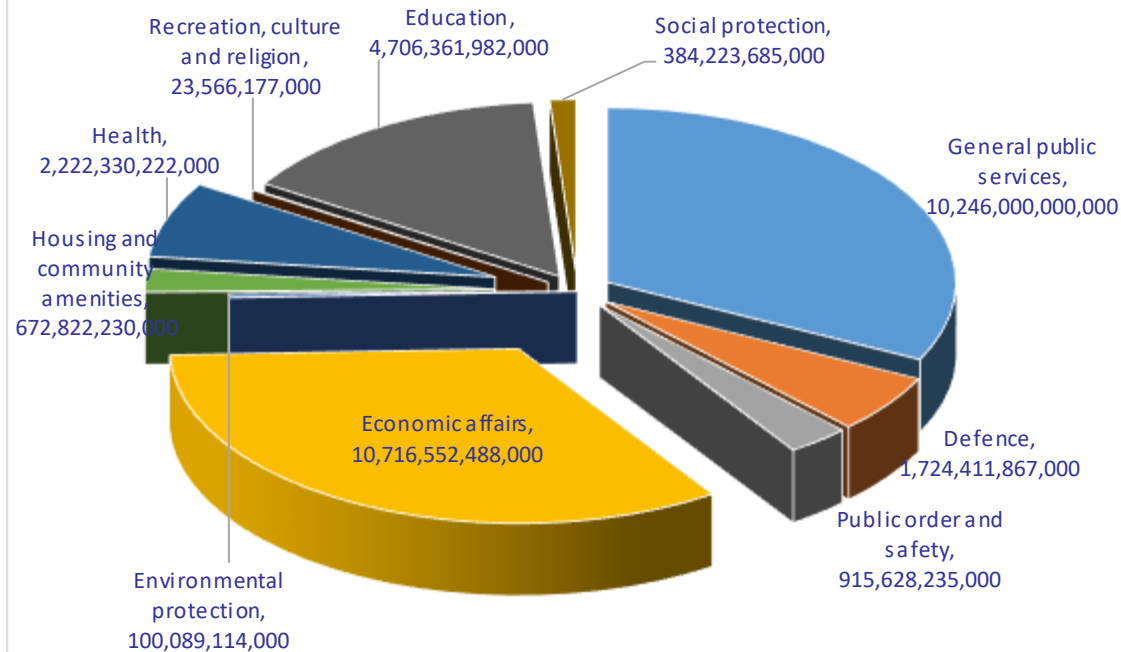
### *Expenditure by Government's Functions*

According to the function it serves, the Government expenditures countrywide are allocated as follow:

- a) **Shs 10,246 billion for *General Public Services*** (include; general services, executive and legislative organs, financial and fiscal affairs, external affairs, public debt transactions).
- b) **Shs 1, 724 billion for *Defense and National Security*.**
- c) **Shs 916 billion for *Public Order and Safety*** (includes; police, prisons, fire protection services, courts of law.
- d) **Shs 10, 717 billion for *Economic Affairs*** (include; industries, trade, labour affairs; agriculture, fishing, minerals and energy, transport, communication, forestry, natural resources and tourism).
- e) **Shs 100 billion for *Environmental Protection*.**
- f) **Shs 673 billion for *Housing and community services*** ( include; housing, water upply, community development)
- g) **Shs 2,222.3 billion for *Health*.**
- h) **Shs 23 billion for *Recreation, Culture and Religion*** (include; youth affairs sports services, culture services, broadcasting, religious services)
- i) **Shs 4,706 billion for *Education*** (includes; pre-primary, primary, secondary and postsecondary educations; higher educations; vocational training and other educations not definable by levels).
- j) **Shs 384 billion for *Social Protection*** (includes; disability services; old age services; Survivors; family and children; unemployment).



### Summary of Expenditure Allocation According to Functions



### Sectoral Outlook for 2017/18

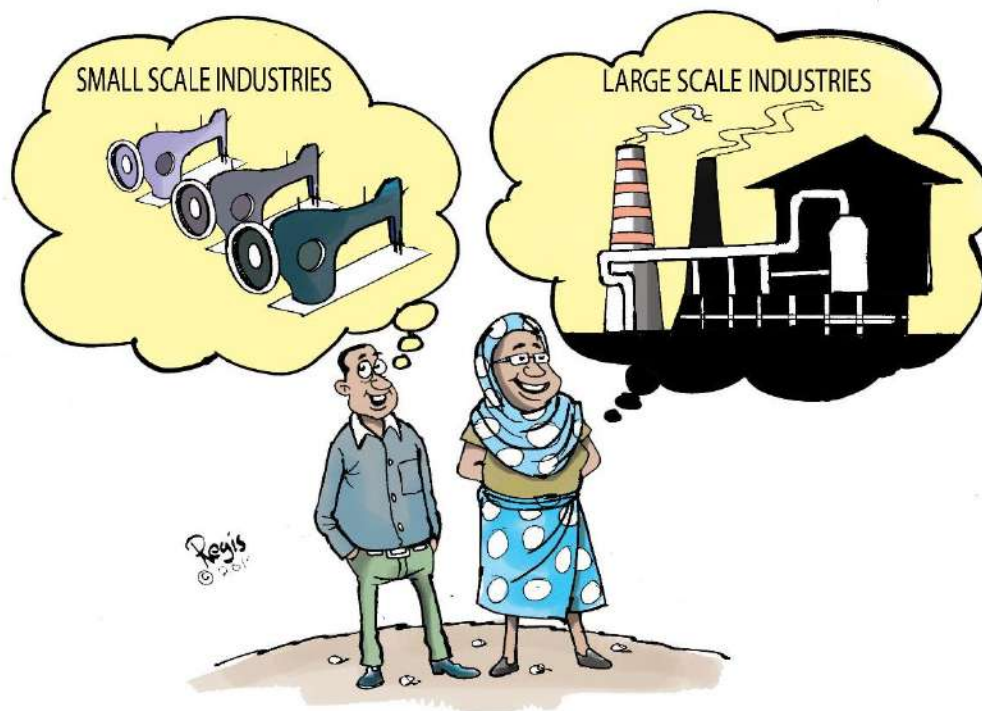
In line with the function it serves the expenditure has been allocated to perform different plans, programmes, projects and activities in various sectors. Some of them are summarised below as follows:

#### Industry

In the thrust of supporting the National Strategy for building an industrial economy, Government will continue to provide necessary incentives to promote industrialisation. Among others, the Government will make effective use of available resources and utilize the domestically produced raw materials. Consequently, will stimulate other sectors including agriculture, financial, livestock, forestry, horticulture, and other related sectors. Furthermore, the Government has set aside funds for implementing specific projects including flagship projects that aimed at laying the foundation for industrial economy. In implementing the industrial economy agenda, SIDO is fully dedicated to ease the process of starting up small industries in the country. Some major allocations on industrial sector

include:

- a. **Shs 12.94 billion** for TAMCO industrial area Kibaha which will include textile and tractor assembly industries.
- b. **Shs 10.5 billion** for development of industrial clusters especially skin and hide products clusters in Dodoma.
- c. **Shs 14.1 billion** to develop small industries, small businesses and entrepreneurship which involves construction of industrial estate in Dodoma, Geita, Kagera, Katavi, Manyara, Mtwara, Njombe na Simiyu;
- d. **Shs 6.5 billion** to improve and facilitate industrial development research in TIRDO, TEMDO, and CAMARTEC.
- e. **Shs 2.070 billion** to revive General Tyre and Rubber plantation and **Soda Ash** project at Engaruka basin;

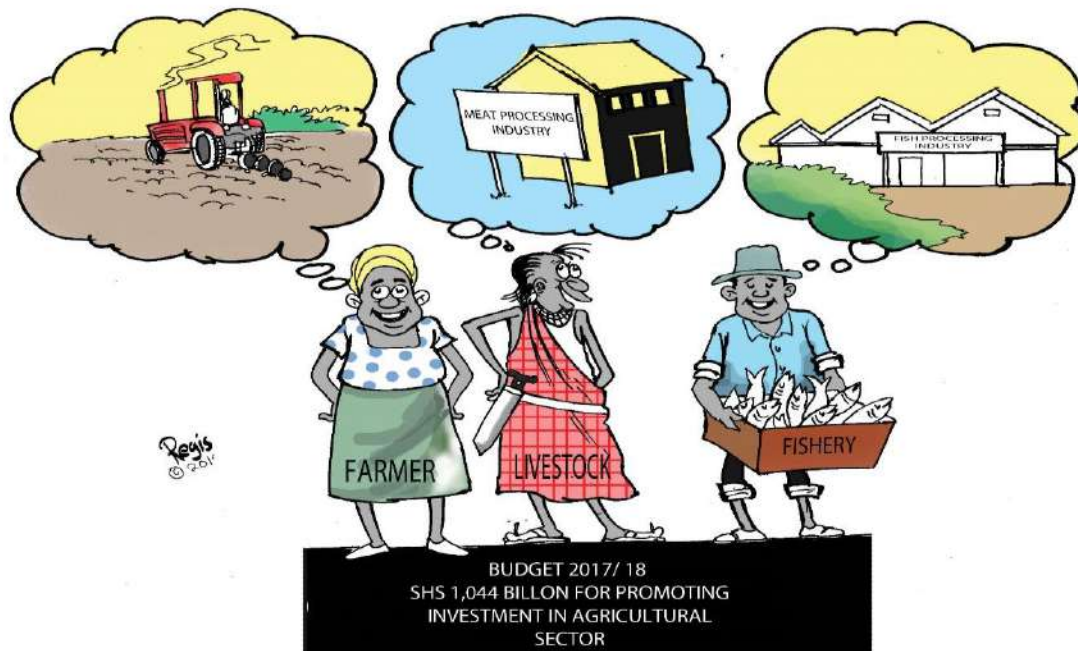


## Agriculture, Livestock and Fisheries

The focus will be at promoting investment in agricultural sector (including livestock and fisheries) so as to increase productivity and income to farmers and people employed in this sector. Thus, budget has set to improve agricultural produce, focusing more on value addition and modernization through provision of inputs, extension services and training. The sector has been allocated a budget of **Shs 1,044 billion** highlighted as follows:

- a. **Shs 377.5 billion** for agricultural research development and extension services.
- b. **Shs 308.2 billion** for agricultural infrastructure development.
- c. **Shs 98.9 billion** for large scale commercialized agriculture and industrial development support.





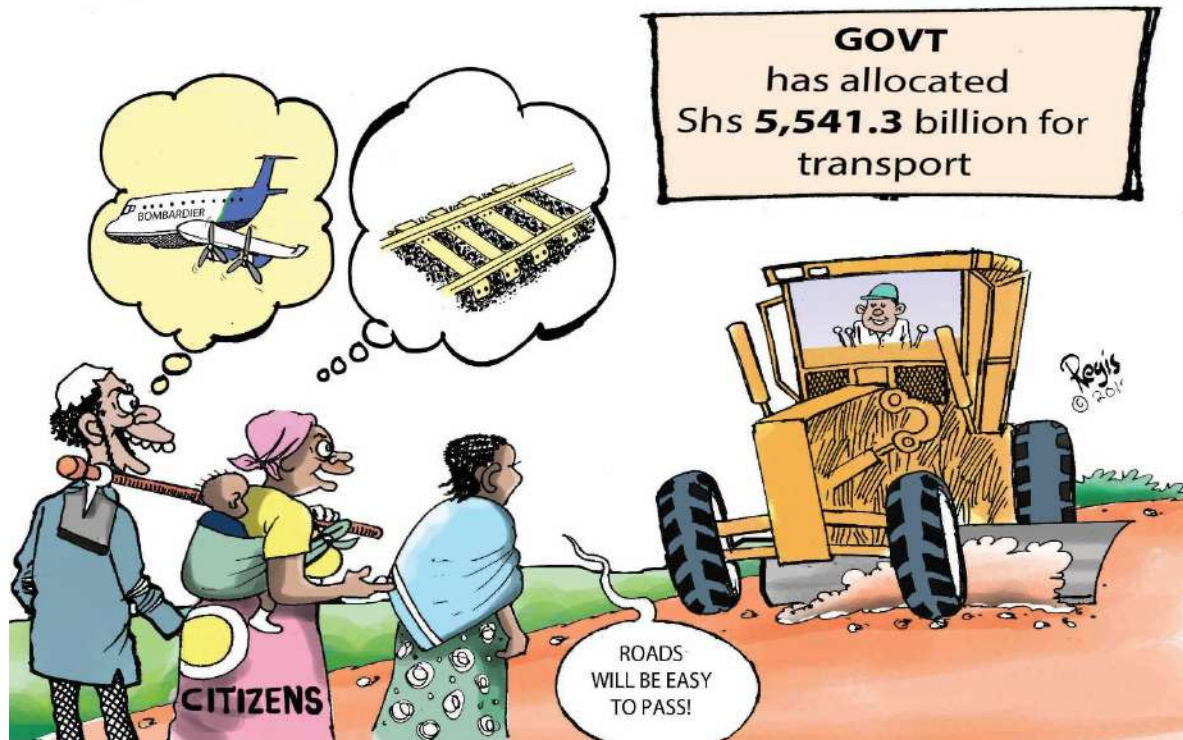
- d. **Shs 81.0 billion** for national food security and nutrition which include purchase of 305, 544 tons of grains and shillings 49.4 billion for developing of marketing infrastructure and financial services especially in rural areas.
- e. **Shs 49.4 billion** for development of market and micro-financial infrastructures to facilitate marketing and financial services in rural areas.
- f. **Shs 46.8 billion** for livestock and fisheries development.
- g. **Shs 43.8 billion** for agricultural inputs (to facilitate availability of fertilizers, tractors and power tillers, irrigation equipment and improved seeds).
- h. **Shs 38.8 billion** for the implementation of irrigation projects in LGAs countrywide.



## Transport

Transport sectoral budget aimed at accelerating industrialisation and promote economic growth by investing on economic infrastructure particularly roads, railways, airports, marine transport and communication. The Government has allocated **Shs 5,541.3 billion** for transport sector and the spending highlights are as follow:

- a. **Shs 917.548 billion** for construction, maintenance and rehabilitation of trunk, regional and district roads through Road Fund;
- b. **Shs 1,052.0 billion** for construction of 778.4 km of tarmac roads countrywide, rehabilitation and maintenance of 150 km of tarmac roads, improvement of 465.5 km of regional roads to gravel standards and construction of 25 bridges;
- c. **Shs 176.368 billion** for construction and improvement of airports infrastructure;
- d. **Shs 500.00 billion** for revamping national air carrier (ATCL);



- e. **Shs 900.00 billion** for construction of new *Central Railway Standard Gauge* (Dar es Salaam – Tabora – Isaka - Mwanza), compensation and acquisition of land for construction of train stations at Buhongwa (Mwanza Region) Ihumwa (Dodoma Region) and Mpiji & Msoga (Coastal Region);
- f. **Shs 218.569 billion** for facilitating construction of new standard gauge rail through the Railway Development Fund;
- g. **Shs 251.0 billion** for rehabilitation and maintenance of Central Railway from Dar es Salaam to Isaka, Improvement of ports, rail infrastructure as well as rehabilitation and maintenance of bridges and cravats along Central Railway from Dar es Salaam to Isaka;
- h. **Shs 24.496 billion** for acquisition and construction of new passenger’s ships in Lake Victoria, rehabilitation and maintenance of ships plying on Lake Tanganyika, Victoria and Nyasa;
- i. **Shs 26.00 billion** for revamping and revitalization of TAZARA;
- j. **Shs 30.8 billion** for acquisition of new train engines and wagons and rehabilitation of old engines and wagons;
- k. **Shs 487.281 billion** (through TPA) for acquisition of ports’ new cargo handling equipment and improvement of infrastructure at ports country wide;
- l. **Shs. 14.00 billion** for construction of public key ICT infrastructure, regulation and coordination of National IT System and Services.



## Energy and Minerals

Major focuses include strengthening the generation, transmission and distribution of energy; strengthening monitoring of safety, environment and production of minerals in small mines; improving the collection of Government revenue resulted from natural gas and mining; The total amount of funds allocated to the Energy and Minerals sectors in 2017/18 amounts to **Shs 998.3 billion**. The funds will be spent with the large amount allocated to priority projects as follows:

- a. **Shs. 499.1 billion** to Rural Energy Agency and Rural Energy Fund to facilitate implementation of phase III projects for power distribution in rural areas;
- b. **Shs. 7.7 billion** for construction of Rusumo, Malagarasi and Kakono Hydropower Plants;
- c. **Shs 11.0 billion** for construction of 220 kV Makambako - Songea Transmission Line;
- d. **Shs 39.6 billion** for extension of North - West Grid 400 kV Transmission Line;
- e. **Shs 91.8 billion** for construction of North - East Grid Transmission Line (Dar - Tanga - Arusha) 400 kV;
- f. **Shs 10.0 billion** for development of Kiwira Coal Mines and construction of 200MW Power Plant;
- g. **Shs 8.9 billion** for establishment of Minerals Exhibition Center;
- h. **Shs 10.0 billion** for construction of Kinyerezi II-240MW Natural Gas Fired Plant.
- i. **Shs 90.0 billion** to expand Kinyerezi I-185 MW Natural Gas Fired Plant;
- j. **Shs 26.8 billion** to facilitate Energy and Mineral sector capacity and institutional support;
- k. **Shs 35.5 billion** to support development of Alternative and Renewable Energies;
- l. **Shs 18.1 billion** to increase power distribution by construction of power lines from Ubungo – Kipawa – Gongo la Mboto – Kurasini;
- m. **Shs 12.2 billion** to increase the capacity of TANESCO in developing new electric power projects ; and
- n. **Shs 76.1 billion** for developing the petroleum subsector including the construction of pipeline to transport crude oil from Kabaale (Uganda) to Tanga.

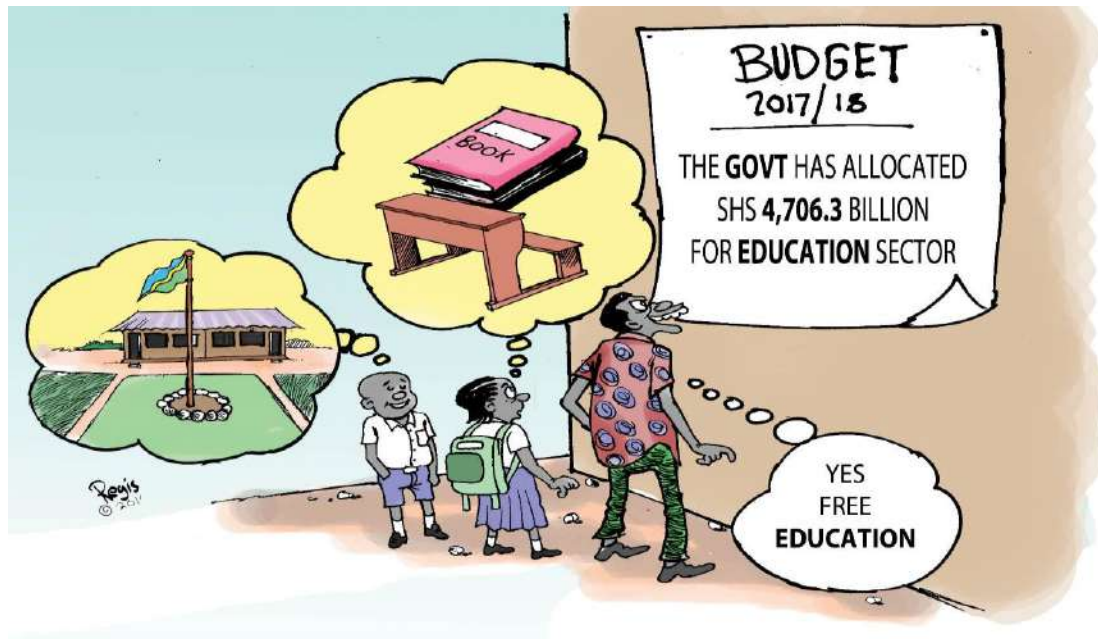


## Education

The main focuses are: To implement fee free basic education; Construction and rehabilitation of education infrastructures; To improve education quality and building relevant skills at all levels; To provide loans to higher learning students; Strengthening Research and Development and the use of science and technology for stimulation of economic development. In 2017/18, the Government has allocated **Shs 4,706.3 billion** for education sector. The allocation highlights are:

- a) **Shs 201.6 billion** for financing free basic education programme;

- b) **Shs 114.1 billion** for facilitating national examinations;
- c) **Shs 1,336.6 billion** for Technical and Vocational training that will be used to support Vocational Education Training Colleges countrywide;
- d) **Shs 68.7 billion** for maintenance and operation of universities and Commissions for Science and Technology;



- e) **Shs 427.5 billion** for providing loans to higher learning students;
- f) **Shs 106.6 billion** will be spent on school quality assurance which includes rehabilitation of Teachers' Colleges and strengthening inspectorate;

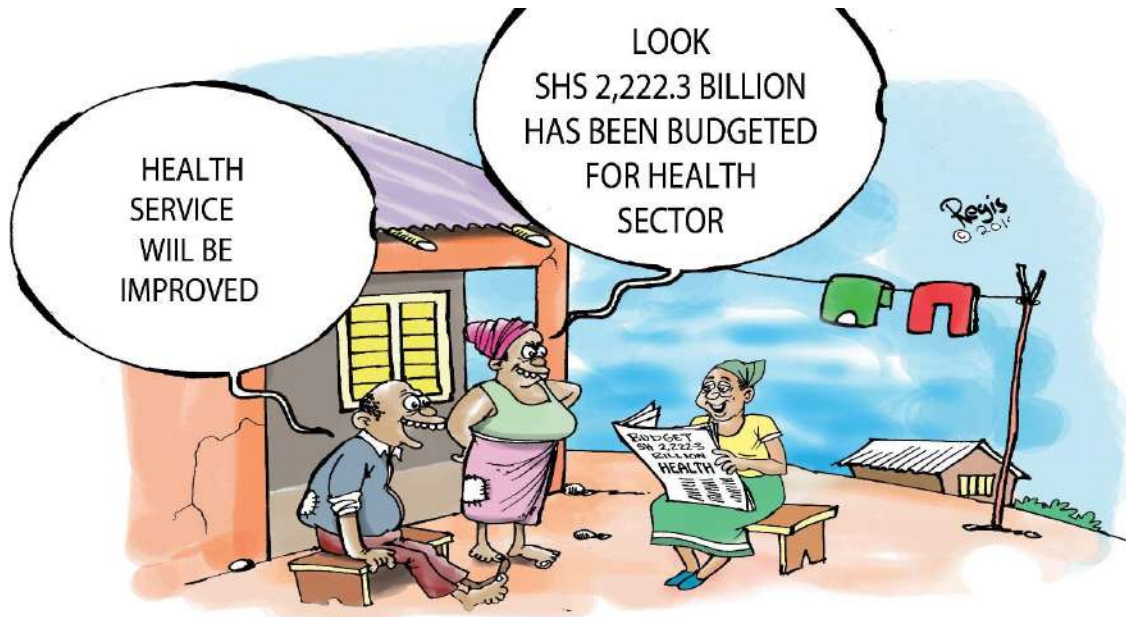
## Health

Health Sector Budget aims to provide better health care for all citizens. The Government has budgeted **Shs 2,222.3 billion** for the health sector. Major expenditures in 2017/18 include:

- a) **Shs 12.1 billion** for reduction of maternal Mortality, funds will be used to improve the infrastructure of health facilities in areas with identified challenges.
- b) **Shs 14.50 billion** to purchase a Positron Emission Tomography (PET) Scan, for effective cancer diagnosis at the - Ocean Road Cancer Institute.
- c) **Shs 236.41 billion** for procurement, storage and distribution of medicines and medical supplies countrywide.
- d) **Shs 3.89 billion** for Strengthening Health Training Colleges
- e) **Shs 22.93 billion** for internship allowances.



- f) **Shs 364.62 billion** to implement Preventive Services Projects including Infectious Disease Control, The National AIDS Control Programme (NACP) and the National Tuberculosis Control Programme.
- g) **Shs 5 billion** for medical treatment abroad, for patients referred for special treatment outside the country.



## Water

Among others, sector budget focus on improving the management and development of water resources, water quality management, improvement of water supply and sanitation as well as irrigation infrastructure. Budget allocation for the financial year 2017/18 is **Shs 747.91 billion**, where major spending are highlighted as follows:

- a) **Shs 237.8 billion** for implementing of rural water projects.
- b) **Shs 91.0 billion** for improving water supply service at townships.
- c) **Shs 62.5 billion** for improving water supply and sanitation at Dar es Salaam.
- d) **Shs 37.0 billion** for Same–Mwanga-Korogwe Water Project.
- e) **Shs 21.0 billion** for LakeVictoria–Kahama–Nzega–Igunga-Tabora water project.
- f) **Shs 19.5 billion** for rehabilitation and expansion of network for clean and safe water supply and sewerage system at Arusha city.
- g) **Shs 12.0 billion** for construction of clean and safe water network at Babati, Mtwara, Kigoma, Sumbawanga, Lindi and Morogoro;
- h) **Shs. 10.5 billion** for construction and rehabilitation of dams projects as well as expansion of infrastructure for water supply from dams;
- i) **Shs. 7.9 billion** for expansion of sewerage system at Mwanza, Bukoba and

Musoma and construction of network for clean and safe water at Lamadi, Misungwi and Magu;

- j) **Shs. 7.5 billion** for expansion of infrastructure for clean and safe water supply in rural areas;
- k) **Shs. 5.0 billion** for construction of infrastructure for clean and safe water supply at Dodoma, Shinyanga, Singida, Pwani, Manyara, Katavi, Lindi, Songwe and Simiyu regions;



- l) **Shs 5.0 billion** for improving water supply services at new regions head offices;
- m) **Shs 4.1 billion** for implementing of Kigoma water project.

## Social Protection

The Government will continue to enabling specific groups access to basic services and to participate fully in development activities. Also, will continue to support economic empowerment initiatives and creating sustainable employment opportunities. **Shs 384.2 billion** has been budgeted to deal with social protection issues and the large amount is allocated as follows:

- a) **Shs 68.7 billion** as 10 percent from Councils' own source revenue for youth and women groups in Local Authority level.
- b) **Shs 16 billion** for specific programmes of which **Shs 15 billion** is for Support National Skill Development Programme and **Shs 1 billion** for Support Employment Creation Programme.

- c) **Shs 60 billion** to enable economic empowerment in small scale economic activities in group, where by each village will be allocated Shs **50** million through the Revolving Fund in phases.
- d) The Government through the Women's Bank (TWB) will provide loans worth **Shs 12 billion** to 9,650 women entrepreneurs in Dar es Salaam, Mbeya, Njombe, Iringa, Dodoma, Ruvuma, Coast and Mwanza.
- e) **Shs 115 billion** to improve elderly services (food, shelter and medical care) across the country and eradicate the murder of the elderly.

## BUDGET REFERENCE DOCUMENTS

The following is a list of the documents published by Government and used as sources of information to prepare the budget:

- a. Tanzania Development Vision 2025, together with Five Year Development Plan II;
- b. Ruling Party Election Manifesto of 2015;
- c. Macro-Economic Policy Framework: Provides information about fiscal policies and reforms;
- d. National Debt Strategy;
- e. Joint Assistance Strategy;
- f. Medium Term Plans and Medium Term Expenditure Framework Budget Memoranda 2017/18;
- g. Ministries Budget Speeches for year 2017/18;
- h. The State of the Economy Speech for Year 2017/18;
- i. Government Budget Speech 2017/18
- j. The Appropriation Act, 2017;
- k. The Annual Finance Act, 2017;
- l. National Economic Survey; and
- m. The Estimates of Public Revenue and Expenditure Books for year 2017/18 (Volumes I – IV).

In order to access some of these documents and previous versions of Citizens Budget you can visit:

- Ministry of Finance and Planning website ([www.mof.go.tz](http://www.mof.go.tz))
- Planning Commission website ([www.mipango.go.tz](http://www.mipango.go.tz))
- Policy Forum website ([www.policyforum.or.tz](http://www.policyforum.or.tz))



.....(Tear-out page).....

What are your ideas, questions, thoughts or comments on the budget?

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Do you need more information than is provided in this booklet?     YES             NO  
If "YES" What kind of information do you need?

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Is there anything more you would like us to know?

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Was this booklet useful                     Yes             No             Somewhat

Was the booklet easy to read and understand?                     Yes             No  
 Somewhat

*Post OR deliver this leaflet to:*

***The Government Budget Division,  
Ministry of Finance and Planning  
18 Jakaya Kikwete Street  
40468 Dodoma  
P.O. Box 2802, Dodoma.***

or email us at: [ps@mof.go.tz](mailto:ps@mof.go.tz)

## What can you do with this information?

The Government budget is an important reflection of what the Government really plans to do in that year. If you want to know where your tax money is going, whether there are plans to improve education, health, agriculture, water supply, e.tc. in your area, you can look at how and how much money is allocated, in particular to development. This booklet tries to summarise some of this information as simply as possible. However, you can find out more about the budget process from:

- ❖ The budget documents of Tanzania (**see reference documents**) and in particular, the four volumes of the Government Budget Books which are available at the Ministry of Finance and Planning or in our Website: <http://www.mof.go.tz>;
- ❖ The Ministry of Finance and Planning; 18 Jakaya Kikwete Street, 40468 Dodoma, P. O. Box 2802;
- ❖ Local Government Authorities' offices and/or officials in your area such as the Village Executive Chairperson; or
- ❖ Policy Forum, P. O. Box 38486, Dar es Salaam.

Remember, it is your right to know this and more information surrounding the national budget. Talk to your leaders about this information and share it with other people in your community!