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Budget Documents

Citizen Budget

2019

The Citizens' Budget for the year 2019-2020

The United Republic of Tanzania

Ministry of Finance and Planning

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THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE AND PLANNING

THE CITIZENS' BUDGET

A SIMPLIFIED VERSION OF THE GOVERNMENT BUDGET FOR THE FINANCIAL
YEAR 2019/2020



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



1. INTRODUCTION

1.1 Citizens' Budget

Citizens' Budget is the version that has been prepared since the financial year 2010/11 aiming at informing citizens on plans and budget highlights in a simple language. Furthermore, the version provides an opportunity for citizens to participate in planning and budgeting hence, increasing transparency and accountability in the management of public funds. It is important for citizens to understand and comprehend fully the Government budget as it affects their lives in different manners. The 2019/20 financial year Citizens' Budget begins with an introduction that includes the overall budget concept, budget targets and budget process for the financial year 2019/20. Other parts include: Budget priorities for the financial year 2019/20; Measures and guiding policies to enable the budget for the 2019/20; Reforms in tax system, fees and charges; How the government expects to get revenue; and how the Government aims to spend public monies.

1.2 Government Budget Process in Financial Year 2019/20

The budget was prepared in accordance with Plan and Budget Guidelines that identify budget priorities and instructions for 2019/20 budget. After the preparation, budget was presented to the various stages for approval including the Cabinet and consequently the Parliament. With the understanding that Preparation and Approval stages have been set, the subsequent stages are Implementation and Monitoring. The 2019/20 budget has been prepared and submitted to Parliament based on the requirement of the Constitution of the United Republic of Tanzania of 1977 and the Budget Act, CAP 436.

2. PRIORITY AREAS FOR THE FINANCIAL YEAR 2019/20

This budget aims at lifting the country economically and improve the business and investment environment in the country. The Budget theme in 2019/20 is to build an industrial economy that will stimulate employment and sustainable social welfare. Key Priority areas to be implemented are as follows:

2.1 Industries and Agriculture

- i. To promote investment on industries that utilize locally available raw materials such as agricultural produce, livestock, fishery, forestry and minerals;
- ii. To produce goods for domestic market and for export;
- iii. To increase employment opportunities;
- iv. To implement Agricultural Sector Development, particularly in availability of improved seeds, inputs, extension services, markets, supportive infrastructure and research;
- v. To allocate more fund to agricultural supportive sectors and granting tax reliefs;

- vi. To strengthen Agricultural Crop Boards by improving and promoting the establishment of crop Cooperative Societies to enable them access credit from financial institutions for investment in various agricultural activities; and
- vii. To establish small scale industries for crop value addition.

2.2 Economic growth and human development

Improving accessibility of quality health services, education and skills, food and nutrition as well as clean and safe water with emphasis on increasing the quality of labor force to meet the labor market demands.

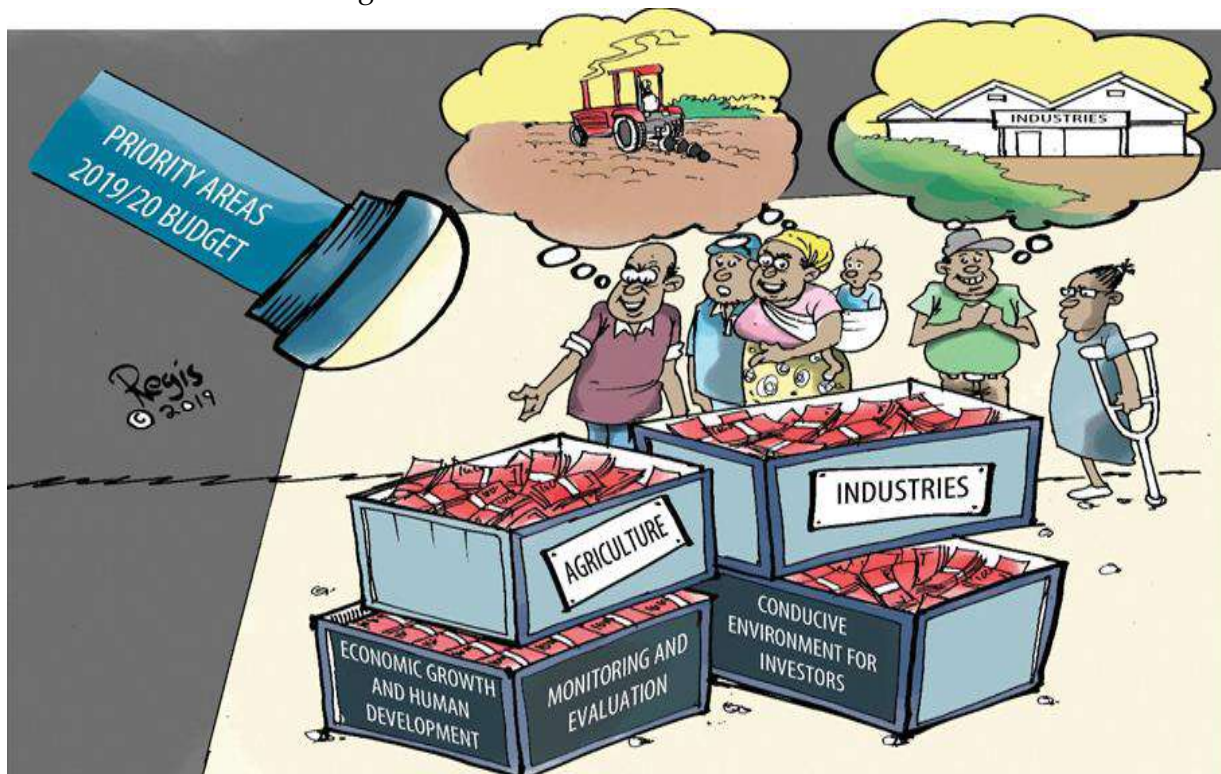
2.3 Creating enabling environment for business and investment

The budget focuses on creating friendly business environment that is cost effective and efficient by:

- i. Constructing and rehabilitating infrastructure especially railway, ports, energy, roads, bridges and airports;
- ii. Reviewing and strengthening the policy, legal and institutional frameworks; and
- iii. Strengthening peace and security in order to attract both domestic and foreign investors.

2.4 Monitoring and Evaluation

The Budget aims to strengthen monitoring and evaluation of development projects implementation at all levels. It will also strengthen administration of tax and non-tax revenue collections without affecting businesses.



3. MEASURES AND GUIDING POLICIES

3.1 Macroeconomic Policy Targets for the Financial Year 2019/20

The budget aims at attaining the following macroeconomic targets:

- i. Attain GDP growth of 7.1 percent in 2019 compared to 7.0 percent in 2018;
- ii. Continue to contain inflation rate at a single digit (between 3.0 to 4.5 percent);
- iii. Domestic revenue projected at 15.8 percent of GDP in 2019/20 from 14.3 percent in 2018/19;
- iv. Tax revenue is estimated at 13.1 percent of GDP in 2019/20 from 12.1 percent in 2018/19; and
- v. The budget deficit to be 2.3 percent of GDP in 2019/20.

3.2 Policy and Strategies to increase Revenue for the Financial Year 2019/20

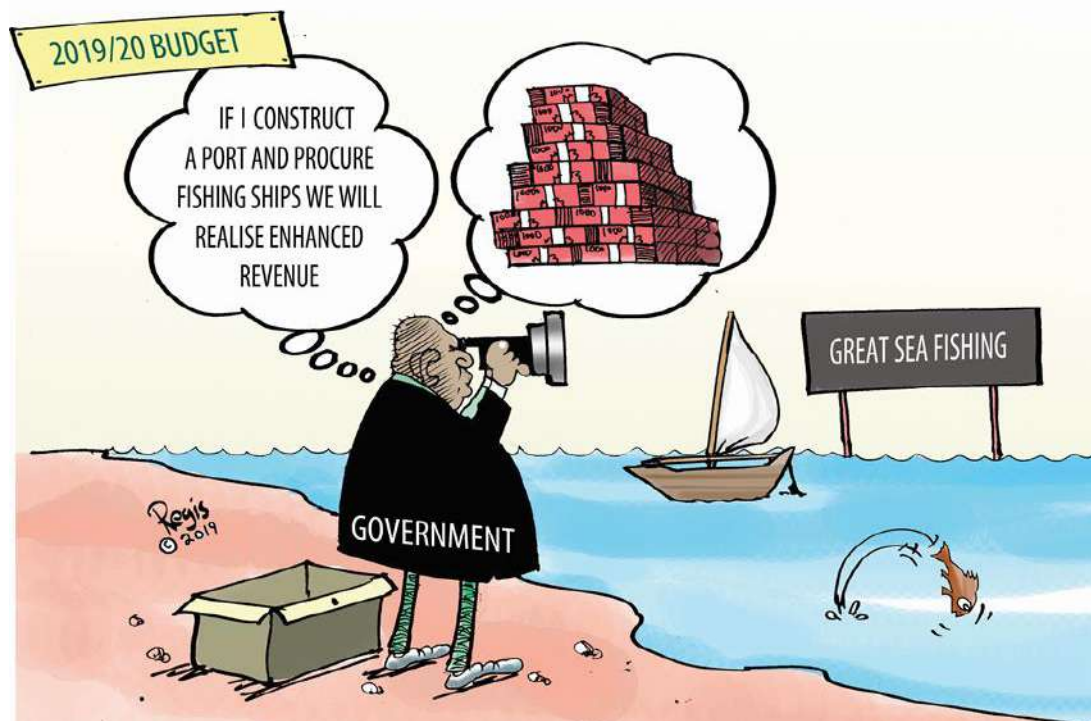
Domestic resource mobilization will be strengthened aiming at financing Government operations, including infrastructural projects and social services. In achieving this aspiration, the focus will be on the following policy and administrative measures:

- i. Improving business environment with a view of attracting and retaining investments, promoting growth of small and medium size enterprises in order to widen the tax base and increase other Government revenues;
- ii. Reviewing tax rates with a view of promoting production and protecting local industries against unfair external competition;
- iii. Inculcating the culture of voluntary tax payment, widening tax base and use of ICT in tax administration;
- iv. Strengthening administration of tax laws to address challenges of tax evasion and reduce revenue leakages, as well as emphasizing on provision of education to taxpayers;
- v. Continue to harmonize and adjust various levies and fees being charged by Government Agencies, Institutions and Local Government Authorities; and
- vi. Strengthening the capacity of TRA to detect and control tax evasion practices, especially through increasing manpower, modern working tools and training.

In order to attain the estimated domestic revenue targets, the following administrative strategies will be implemented:

- i. Increasing efficiency in administration and collection of domestic revenue through implementation of Integrated Domestic Revenue Administrative System (IDRAS);
- ii. Widening the tax base through identification and registration of new taxpayers as well as continuing with the exercise of formalizing the informal sector;
- iii. Investing in areas that have potential of generating more revenue to the Government, particularly in deep sea fishing through construction of fishing port and procurement of fishing ships;
- iv. Strengthening capacity for monitoring and controlling of transfer pricing commonly practiced by international companies;
- v. Enhancing administration of tax exemptions by ensuring that they are directed to the intended projects;

- vi. Ensuring that non-tax revenues are collected through Government Electronic Payment Gateway System (GePG); and
- vii. Strengthening monitoring systems in the Government institutions in order to ensure that contributions from public institutions are timely remitted to the Government Cooffers.



3.3 Policy and Measures on Expenditure Management

Expenditure policies for financial year 2019/20 include:

- i. Continue to ensure discipline in spending public funds;
- ii. Ensuring that budget deficit does not exceed 2.3 percent of GDP;
- iii. Allocation of funds to economic supportive sectors that increase productivity in order to stimulate economic growth; and
- iv. Continue controlling accumulation of arrears.

In implementing expenditure policies, the following measures will be applied;

- i. Continue conducting monitoring and evaluation, especially on development projects to increase efficiency in the use of public funds;
- ii. Continue paying verified arrears promptly;
- iii. Accounting Officers award contracts only after approval of funds by Paymaster General;
- iv. Pursuing legal, administrative and disciplinary actions to those contravening laws and regulations governing their institutions;

4. REFORMS OF THE TAX STRUCTURE, FEES AND OTHER LEVIES

In the financial year 2019/20, the Government's thrust to have stable and predictable tax system that led to undertake reforms in the tax structure. The reforms include amendments of tax rates, levies and fees imposed under various laws and administrative procedures on government revenue collection. The reforms are intended to promote economic growth particularly in the agricultural and industrial sectors, increase employment opportunities, improve business environment and increase Government revenue. Among the reforms undertaken include the following revenue laws:

4.1 Amendment of the Value Added Tax (VAT) Act:

- i. To zero rate supply of electricity services from Tanzania Mainland to Tanzania Zanzibar;
- ii. To exclude the restriction on exports of raw agricultural products to facilitate export of raw products and enhance competitiveness of the product in international markets;
- iii. To exempt VAT on:
 - a) Imported refrigeration boxes to reduce production costs and promote modern horticultural farming in the country;
 - b) Grain drying equipment to reduce costs incurred in grain drying for storage purposes and stimulate production of grain crops and
 - c) Aircraft lubricants imported by domestic operators; National Air Forceor Airlines Corporations recognized in Bilateral Air Service Agreement to enable our country to sign Bilateral Air service Agreements which we could not sign due to absence of such exemptions.

4.2 Amendment of the Income Tax Act, by:

- i. Reducing the Corporate Income Tax rate from 30 to 25 percent for new investors in production of sanitary pads for two years starting from year 2019/20 in order to attract investment in the production of sanitary pads, create employment and raise Government revenue;
- ii. Increasing the minimum amount of turnover required for taxpayer to start filing the accounts to TRA from twenty million shillings to one hundred million shillings in order to improve voluntary compliance and reduce costs to taxpayer to engage a CPA for preparation of final accounts;
- iii. Exempting Withholding tax on various fees charged to Government on loans received from Non- Residential Banks and other International Financial Institutions to enable Government secure loans at lower costs and in reasonable time to facilitate timely implementations of Government projects;
- iv. Introducing Presumptive tax regime to taxpayers with annual turnover from 4,000,000 shillings and 100,000,000 shillings for entrepreneurs with Tax Identification Card and reduce tax bands from 150,000 shillings to 100,000 shillings to ease tax burden to small taxpayers.

4.3 Amendments in Excise (Management and Tariff) Act, by:

- i. Retaining specific excise duty rates for all non-petroleum products;

- ii. Imposing excise duty rate of 10 percent on locally made artificial hair and 25 percent on imported ones;
- iii. Imposing excise duty rate of 10 percent on pipes and plastic materials used in construction of water infrastructures in order to protect local producers, increase employment and Government revenue;
- iv. Reducing excise duty rate on wine produced with domestic fruits produced locally other than grapes from 200 shillings per litre to 61 shillings per litre to encourage voluntary tax compliance and growth of small and medium scale industries with a view of increasing Government revenue.

4.4 Amendment of the Tax Administration Act, by

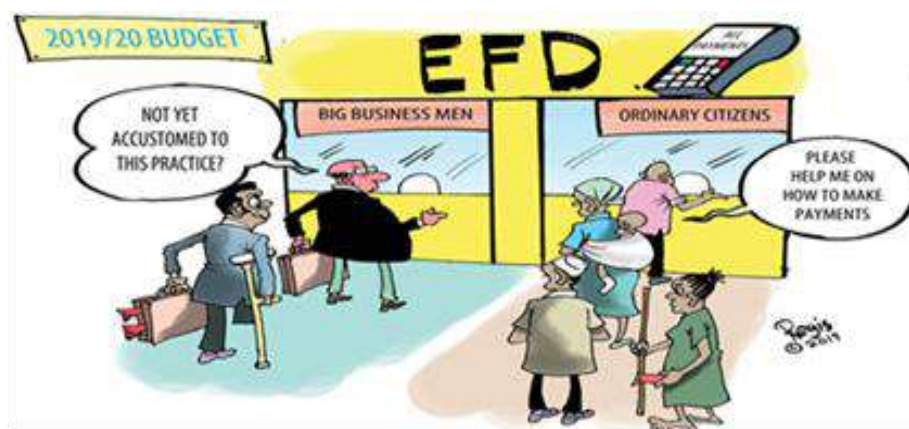
Extending Tax Amnesty period granted to taxpayers on interest and penalties for six months up to December 2019 to ease tax burden due to positive response from taxpayers after the tax amnesty was announced in July 2018.

4.5 Amendment of the Road Traffic Act, by:

- i. Extending the validity period for Driving License from three years to five years;
- ii. Increasing the Driving License fees from the current 40,000 shillings to 70,000 shillings;
- iii. Increasing registration card fee for all forms of motor vehicles from 10,000 shillings to 50,000 shillings; Tricycle, from 10,000 shillings to 30,000 shillings; Motorcycle, from 10,000 shillings to 20,000 shillings.

4.6 Minor amendments in Tax laws and others

To allow smooth implementation of the **Blueprint for Regulatory Reforms** to improve the business environment where, about 54 fees and levies were repealed in order to eliminate existing duplication of responsibilities among **the Ministries, Regulatory Authorities and Institutions**. The reforms will consider the following laws; *Tanzania Food and drugs Authority (TFDA), Tanzania Bureau of Standards (TBS), Government Chemist laboratory Authority (GCLA), Industrial and consumer Chemicals (Management and Control) Act, Ministry of Livestock and Fisheries, Ministry of Natural Resources and Tourism and Ministry of Water.*



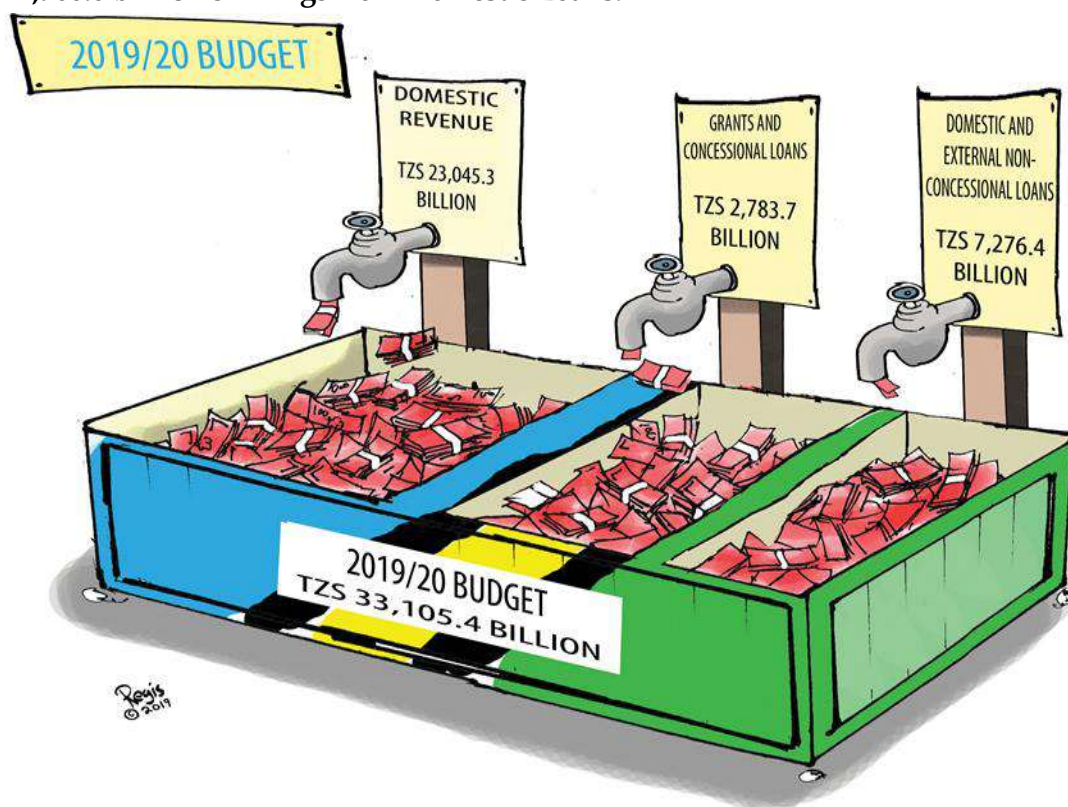
4.7 Amendment of the East Africa Community Customs Management Act, 2004

This amendment aims at transforming lives through industrialization and job creation for shared prosperity amongst people of the East African Community.

5. GOVERNMENT REVENUE SOURCES

In the financial year 2019/20, the Government plans to collect a total of **33,105.4 billion shillings**. The Sources of fund are categorized as follows: -

- i. **Domestic Revenue** amounting to **23,045.3 billion shillings** of which Tax revenue is **19,100.9 billion shillings**; Non-tax revenue is **3,178.9 billion shillings** and revenue from Local Government authorities is **765.4 billion shillings**.
- ii. **Grants and concessional Loans** amounting to **2,783.7 billion shillings**, of which General Budget Support is **272.8 billion shillings**, Projects Loans and Grants is **2,311.4 billion shillings** and Basket Loans and Grants is **199.5 billion shillings**.
- iii. **Domestic and External non-concessional Loans** are estimated to **7,276.4 billion shillings**. Out of this amount, **2,316.4 billion shillings** comes from External Loans and **4,960.0 billion shillings** from Domestic Loans.

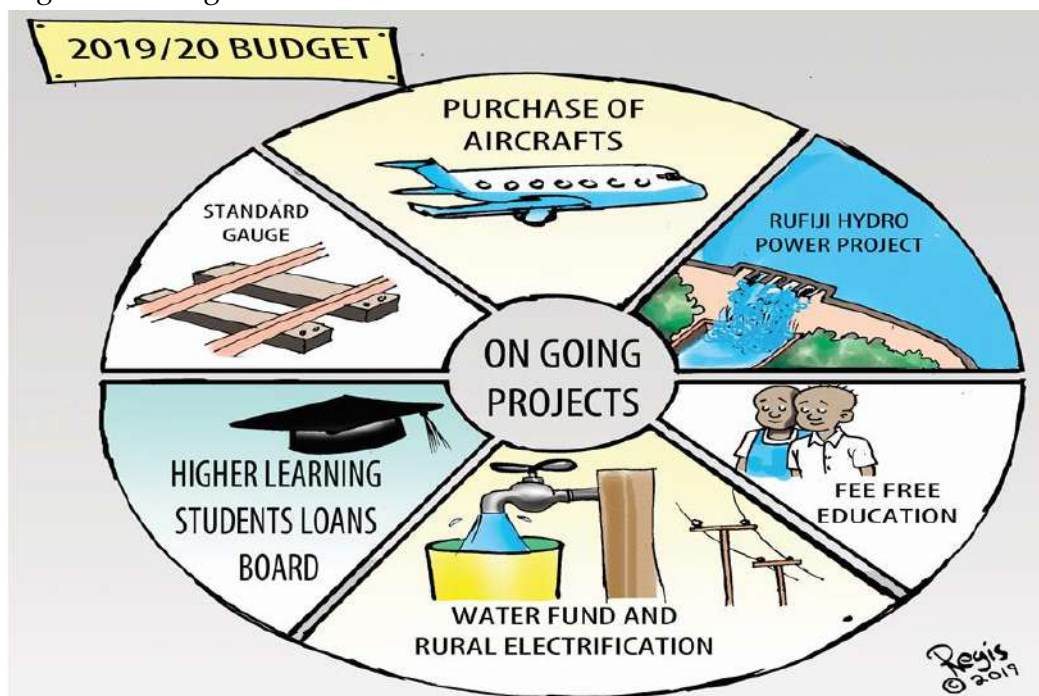


6. PLANNED GOVERNMENT EXPENDITURE IN 2019/20

6.1 Expenditure in Major components (Recurrent and Development)

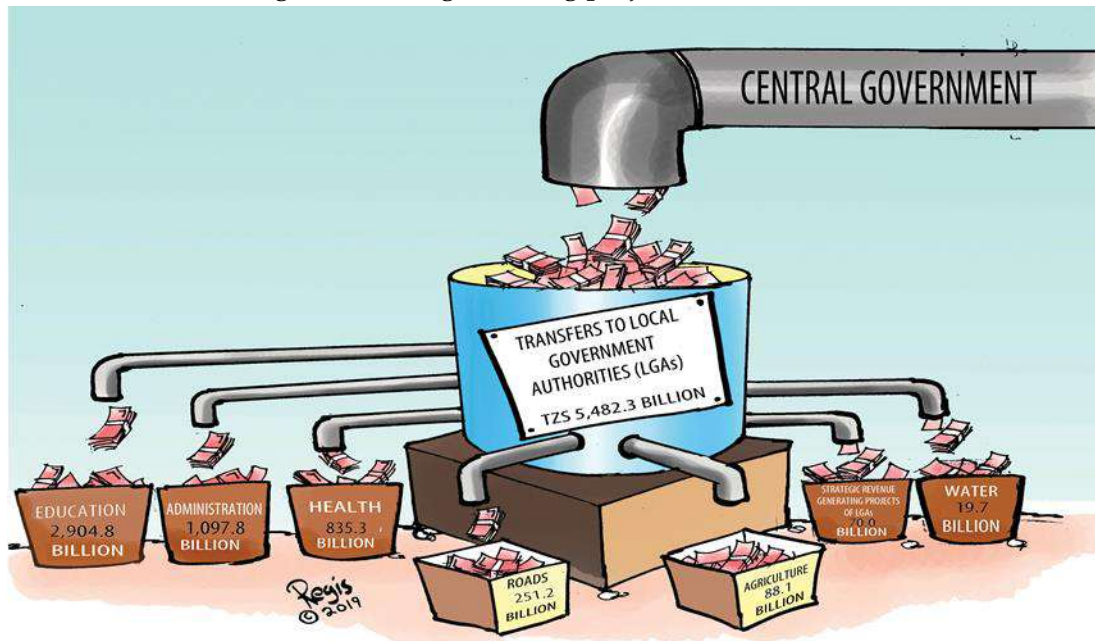
In the financial year 2019/20, the Government has planned to spend **33,105.4 billion shillings** in Recurrent and Development Expenditures as follows:

- i. **Shs 20,856.8 billion** for Recurrent Expenditure equivalent to 63 percent of the total budget, out of which **Shs 9,721.1 billion** allocated for Government Debts servicing; **Shs 7,558.9 billion** for Government Employees Salaries. In addition, **Shs 3,576.7 billion** allocated for Other Charges including **Shs 2,956.1 billion** for office operations; **Shs 160.0 billion** for clearance of verified domestic arrears; and **Shs 460.5 billion** for LGAs.
- ii. **Shs 12,248.6 billion** allocated for Development Expenditure equivalent to 37 percent of the total budget, out of which **Shs 9,737.7 billion** is local funds and **Shs 2,510.8 billion** is foreign funds. Out of local development expenditure finances, **Shs 8,992.8 billion** is for implementation of ongoing projects including constructions of Standard Gauge Railway, Rufiji Hydro Power Project; Railway Fund; Water Fund; Rural Electrification Fund; Higher Learning Student Loans Boards and Fee free Education.



- iii. **Transfers to Local Government Authorities (LGAs):** In the financial year 2019/20, a total of **5,482.3 billion shillings** is the s ubventions to Local Government Authorities. Out of this, **4,320.3 billion shillings** is for Recurrent Expenditure of which **3,669.3 billion shillings** is for Personal Emoluments and **Shs 650.9 billion** is for Other Charges. **1,162.0 billion shillings** allocated to LGAs for Development expenditure, out of which **797.4 billion shillings** is Local fund and **364.6 billion shillings** is foreign fund. Summary of sectoral allocation to LGAs transfers is as follows:

- i. Education sector **Shs 2,904.8 billion**;
- ii. Health sector **Shs 835.3 billion**;
- iii. Agriculture sector **Shs 88.1 billion**;
- iv. Roads **Shs 251.2 billion**;
- v. Water sector **Shs 19.7 billion**;
- vi. Administration **Shs 1,097.8 billion**; and
- vii. Strategic Revenue generating projects for LGAs **Shs 70.0 billion**.



6.2 Sectoral Expenditure Plans for the Financial Year 2019/20

The summary of expenditure plans for programmes, projects and activities in different sectors is as follows:

6.2.1 Education



programmes in Education Sector including: Implementation of Fee Free Basic Education;

National Examinations costs; Higher Learning Education Loans; and various development projects. Some of key expenditure areas are:

- i. **Shs 288.4 billion** for Fee Free Basic Education;
- ii. **Shs 165.62 billion** for Primary and Secondary infrastructures including construction, rehabilitation and maintenance of schools' infrastructures;
- iii. **Shs 73.97 billion** for National Examinations costs;
- iv. **Shs 62.94 billion** for Technical and Vocational training;
- v. **Shs 75.35 billion** for Science, Technology, Innovation, Research and Development;
- vi. **Shs 450.00 billion** for Higher Education Students' Loans Board (HESLB); and **Shs 218.38 billion** for school quality Assurance through inspectorate institutions.

6.2.2 Health



The budget for Health Sector in financial year 2019/20 is **1,822.5 billion shillings** equivalent to 7.8 percent of the Government budget excluding Government debt. Some of the planned

interventions include: improving and strengthening provision of vaccination services; improve availability of medicines, reagents and equipments in public health facilities; improving maternity services, mother and child; improve regional referral hospitals infrastructures; strengthen provision of specialized health services; strengthen information systems in referral and regional hospitals; and finalise enactment of Health Insurance act by 2030. In implementing planned intervention, funds have been allocated as follows:

- i. **Shs 30.0 billion** for Procurement and distribution of vaccines;
- ii. **Shs 200.0 billion** for procurement of medical drugs, equipment and reagents;
- iii. **Shs 2.0 billion** for sensitization of safe blood donation in health centers;
- iv. **Shs 4.0 billion** for construction of Private Ward at Muhimbili National Hospital;
- v. **Shs 1.0 billion** for provision of specialized services at Jakaya Kikwete Cardiac Centre;

- vi. **Shs 5.0 billion** for extension of maternal wards in referral hospitals including ICU related to maternal issues in 5 regions;
- vii. **Shs 12.0 billion** for construction of referral hospitals;
- viii. **Shs 10.0 billion** for improving service delivery at ORCI;
- ix. **Shs 5.0 billion** for improving service delivery at MOI;
- x. **Shs 1.9 billion** for improving service delivery at Kibong'oto Hospital; and
- xi. **Shs 1.7 billion** for improving service delivery at Bungando Referral Hospital.

6.2.3 Economic Development

This sector has been allocated a **total of 8,687.5 billion shillings** to cater for its sub sectors which are works, transport and communications, agriculture, industry, trade, energy, minerals, natural resources, tourism and environment, youth, employment and development skills.

Works, Transport and Communication



has continued to emphasize and strengthen the construction and rehabilitation of supportive economic infrastructures especially in roads and bridges, railway, ports and airports. In order to achieve these objectives, **5,519.5 billion shillings** is allocated for transport, works and communication sector. Part of the proposed expenditure for the sector are:

- i. **Shs 2,476.1 billion** for construction of new central standard gauge railway (SGR);
- ii. **Shs 1,046.7 billion** for maintenance of highway roads, regional roads, bridges and weight bridges operations;
- iii. **Shs 500.0 billion** for procurement of Aircraft Boeing 787-8 Dreamliner and Q400 Bombardier and routine maintenance cost;
- iv. **Shs 216.0 billion** for improvement of central railwayline infrastructure from Dar es Salaam to Isaka;
- v. **Shs 255.7 billion** for constructions and rehabilitations of railwayline infrastructures through the Railway Fund;
- vi. **Shs 102.2 billion** for improvement of airports infrastructures countrywide;
- vii. **Shs 70.0 billion** for building and maintaining ships located in Lake Tanganyika and Victoria;
- viii. **Shs 53.1 billion** for the procurement, construction, maintenance and expansion of ferries and ferries ramps countrywide;
- ix. **Shs 11 billion** for the construction of New Selander bridge in Dares Salaam;
- x. **Shs s 251.7 billion** for rehabilitation of urban and rural roads through TARURA.



Agriculture

Agriculture comprises the subsectors of crops, irrigation, livestock, fisheries, cooperatives, forestry and beekeeping. It contributes 30.1 per cent of GDP, employs about 65.5 per cent of Tanzanians and provides 65 per cent of industrial raw materials.



In the financial year 2019/20, the Government has allocated a total of **543.9 billion shillings** to implement specific strategies for food security and ensure availability of raw material for industries. The

expenditure areas are as follows:

- i. **Shs 29.6 billion** allocated for increasing productivity through timely supply of agricultural inputs, agricultural chemicals, and production of improved seed, pest control, and improved farm equipment and extension services.
- ii. **Shs 32.5 billion** for construction and rehabilitation of irrigation infrastructure;
- iii. **Shs 75.7 billion** for construction of warehouses, market and infrastructure for the national food reserve to ensure sustainable food security in the country and market infrastructure;
- iv. **Shs 36.6 billion** for improving agricultural research and training;
- v. **Shs 11.4 billion** for establishing sustainable system for the supply of inputs and agricultural equipment;
- vi. **Shs 5.5 billion** for farmers register, database and crop insurance system;
- vii. **Shs 3.0 billion** for promoting commercial investment in livestock farming;
- viii. **Shs 1.0 billion** for strengthening fisheries infrastructure to improve fishery;
- ix. **Shs 14.7 billion** for control and sustainable use of fisheries resources;
- x. **Shs 8.0 billion** for strengthening cooperative in terms of audit, management, research, training, marketing and investment promotion for economic growth;



Industry and Trade



In the financial year 2019/20 a total of **287.9 billion shillings** has been allocated for the industry and trade. The budget intends to analyse the actual demand of production and industrial needs (status); Monitoring and evaluation of

strategic projects including Liganga and Mchuchuma; Review and evaluate the implementation strategies for processing industries such as cotton to textiles, sunflower production and skin products; promoting development of palm oil production; to facilitate accessibility of loans to small and middle entrepreneurs; and promoting bilateral, multilateral and regional discussions so as to attract investors as well as expanding market opportunities. Among major allocations in industry and trade include:

- i. **Shs 1.16 billion** for developing Coal mining Project at Mchuchuma and Liganga (Njombe);
- ii. **Shs 9.0 billion** for the development of Special Economic Zones (SEZs) such as Bagamoyo Technology Park, William Benjamin Mkapa and Kurasini Trade and Logistics centre;
- iii. **Shs 1.5 billion** for General Tyre factory – Arusha;
- iv. **Shs 1.0 billion** for implementing UNIDO project - Intergrated Industrial Development Programme (Programme for CountryPartnership PCP)
- v. **Shs billion 5.0** for Magadi Soda project at Engaruka Basin;
- vi. **Shs 8.0 billion** for industrial research and development activities conducted at TIRDO, TEMDO AND CAMARTEC;
- vii. **Shs 5.0 billion** have been allocated for construction of small scale industries Development organization (SIDO) infrastructures in the regions of Tabora, Kigoma, Iringa, Lindi, Morogoro, Mtwara, Mwanza, and Kagera;
- viii. **Shs 1.0 billion** for Entrepreneurs Fund (NEDF-SIDO);
- ix. **Shs 7.5 billion** for assembling plant of URSUS TAMCO tractors and development of TAMCO Industrial Park; and
- x. **Shs billion 4.64** have been allocated for several projects such as NDC, TANTRADE, COSOTA, Muhimbili Coal and establishment of Warehouse Receipt Regulatory System in produce such as tea, cocoa, coffee, sesame seeds and lentils.



implement various interventions for power supply. Some of the activities to be implemented include implementation of Rufiji hydro power generation, implementation of third phase of rural electrification project for remaining villages. Some of the expenditures in the sector are as follows:

- i. **Shs 1,443 billion** for the implementation of Rufiji Hydro Power generation project aimed at generating 2,115 MW.
- ii. **Shs 423.10 billion** for the power supply in the rural areas.
- iii. **Shs 60 billion** for extension of Kinyerezi power generation in order to generate 185 MW.
- iv. **Shs 12.5 billion** for construction of 358MW Ruhudji hydro power plant.
- v. **Shs 11.22 billion** for construction of natural Gas infrastructure that will be used to supply natural gas in the Industrial areas.
- vi. **Shs 11.0 billion** for construction of 400kV transmission line from Rufiji, Chalinze and Dodoma.
- vii. **Shs 7 billion** for construction of crude oil pipeline from Uganda to Tanga port, in Tanzania.
- viii. **Shs 4 billion** for construction of 400kV transmission line from Singida, Arusha and Namanga.
- ix. **Shs 3 billion** for construction of Rusumo Hydro Electric power 80 MW
- x. **Shs 0.8 billion** for preliminary works of natural gas infrastructure that will be used to supply natural gas from Tanzania to Uganda.



In the sector to implement priority areas including: developing small and medium mining; strengthening monitoring and inspection of safety, environment and production of minerals in small, medium and large scale mining; providing trainings to people engaged in small-scale mining; establishment and management of mineral markets; and promoting value chain additions activities to minerals. Among the key allocations in the sector includes:

- i. **Shillings 6.0 billion** for Sustainable Management Project of Mineral Resources; and
- ii. **Shillings 1.04 billion** for Public awareness, transparency and accountability in Mineral Resources, oil and natural gas under Tanzania Extractive Industrial Transparency Initiative (TEITI) programme.

Natural Resources, Tourism and Environment



In the financial year 2019/20, a total sum of **111.3 billion shilings** has been allocated for conservation and sustainable management of natural resources and cultural resources, environmental protection and development of the tourism industry in the country. Some key allocations in the sector include:

- i. **Shs 14.6 billion** for sustainable management of natural resources and to combat wildlife crime;

- ii. **Shs 13.3 billion** for enhancing Forest Nature Reserves Network and forestry value chains Development Programme;
- iii. **Shs 20.0 billion** for supporting resources management in tourism growth project;
- iv. **Shs 18.2 billion** to support climate adaptation programme, national biosafety programme and ozone depleting substance programme.



Youth, Employment and Skills Development



In the financial year 2019/20, a total sum of **32.7 billion shillings** has been allocated for creating an enabling environment through its various programmes to generate jobs and create employment opportunities. Some major spending areas include: -

- i. **Shs 18.0 billion** for National Skills Development programme and increasing employment and decent work opportunities. Some of key activities for this programme include;
 - a) **Shs 3.6 billion** for training 20,000 youth on modern field agriculture and on agricultural product value addition
 - b) **Shs 4.1 billion** for training 3,000 apprentices in various sectors
 - c) **Shs 1.4 billion** for re-skilling 450 private sector employees on emerging technologies and new industry techniques and facilitating internship program to 500 graduates
 - d) **Shs 0.2 billion** for training 300 persons with disability on modern agriculture, animal husbandry, poultry and fishing
 - e) **Shs 3.1 billion** for identifying, assessing and certifying 10,000 persons acquired skills through non-formal learning and
 - f) **Shs 1.1 billion** for provision of working tools (specialized equipment) to beneficiaries of this programme.
- ii. **Shs 1.0 billion** for disbursement of soft loans to youth-based groups; and
- iii. **Shs 2.9 billion** for private sector development and citizens economic empowerment.

1.1.1 Water, Housing and Social Development

The sector is allocated a total of 807.15 billion shillings including sub-sectors of Water, Land, Housing and Housing as well as Community Development.



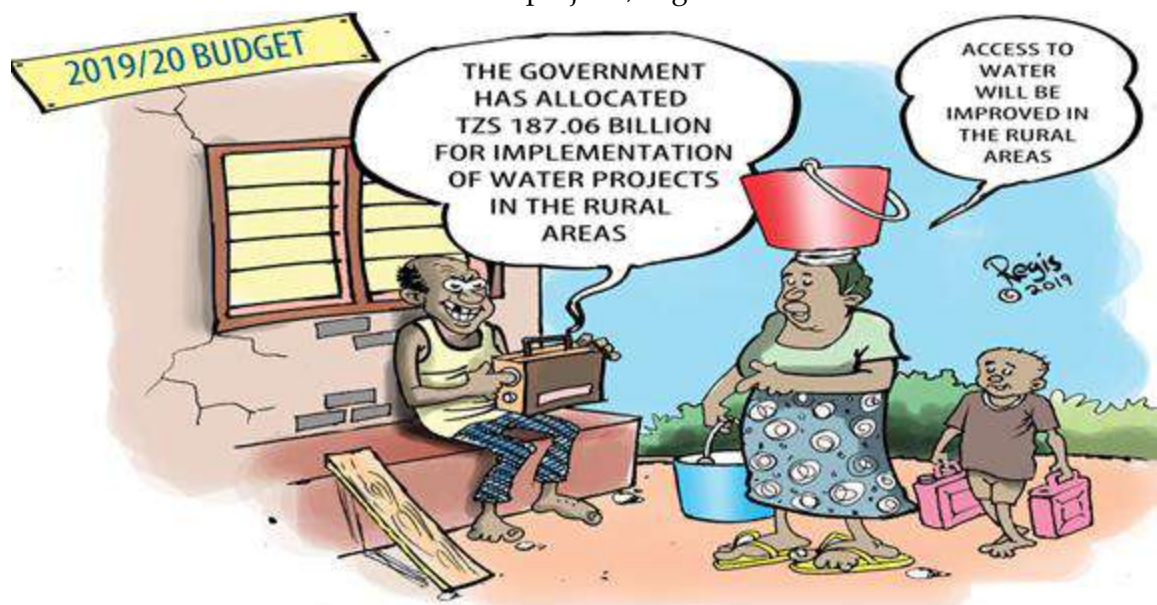
Water



In the financial year 2019/20, Water has been allocated **661.09 billion shillings** for the construction, rehabilitation and implementation of water projects in urban and rural areas. Priorities to be implemented include: strengthening water resources data collection systems and flood alerts in the

country; capacity building to Basin Water Boards; Some of the expenditures in the sector are as follows: -

- i. **Shs 187.06 billion** for the implementation of rural water projects;
- ii. **Shs 29.28 billion** for the implementation of the Same - Mwanga - Korogwe project;
- iii. **Shs 10.3 billion** for the construction and maintenance of dams;
- iv. **Shs 2.1 billion** for the promotion of solar energy in rural water projects;
- v. **Shs 2.5 billion** for the feasibility study and design of the Ismani (Iringa Rural) water project and water projects along the Great Lakes (Victoria, Nyasa and Tanganyika);
- vi. **Shs 1.1 billion** for the Lukululu project to serve 12 villages in the Mbozi District; and
- vii. **Shs 2.04 billion** for rural water projects, Kigoma.





In the financial year 2019/20, a total sum of **shillings 68.2 billion** has been allocated for land, housing and human settlement.

The focus is to strengthen land ownership and tenure services; contribution of land sector to the economy; and ensuring that land is used effectively and provision of sustainable housing.

Some major allocations for the financial year 2019/20 include: -

- i. **Shs 8.0 billion** for Planning, Surveying and Land Tilting Programme;
- ii. **Shs 6.0 billion** for Land Tenure Support Programme;
- iii. **Shs 5.4 billion** for strengthening International Boundaries;
- iv. **Shs 3.4 billion** transfer to LGAs Land Development and Urban Planning;
- v. **Shs 3.2 billion** for Land Tenure Improvement Project;
- vi. **Shs 2.6 billion** for Land Use Planning Projects;
- vii. **Shs 1.1 billion** for Construction and Rehabilitation of Government Buildings;
- viii. **Shs 0.5 billion** for promotion of appropriate technology and affordable housing.



Community Development



The Community development has been allocated a total of **47.0 billion shillings** for financial year 2019/20 to improve social services and community development.

Among key priority areas include;

- i. **Shs 8.3 billion** for construction and rehabilitation of infrastructure of training institutes including Tengeru, community Development Centers and Kisangara collage;
- ii. **Shillings 3.4 billion** for coordination on the implementation of the National Action Plan to End Violence Against Women and Children;
- iii. **Shillings 2.3 billion** for promotion of gender equity, women economic empowerment, dissemination of appropriate technology to women entrepreneurs, coordination of financial services among women economic groups, SACCOs, VICOBA;
- iv. **Shillings 0.5 billion** for coordination and management of Non-Government institutions as per regulations of the Act Na. 24 of year 2002;
- v. **Shillings 0.4 billion** for strengthening social welfare services to elderly and children living in risk environment including improvement of housing infrastructure;
- vi. **Shillings 0.3 billion** for strengthening children development and rights inline to ratified international protocols; and
- vii. **Shilling 0.3 billion** for sensitization and community mobilisation to enhance their participation in development activities including building of decent settlements in rural and urban areas.

Information, Sports and Culture



In the financial year 2019/20 a total of **30.879 billion shillings** has been set aside to implement policies, laws and various programs relating to information, sports, arts and culture. Some uses include:

- i. 5 billion shillings for the expansion of the TBC sensitivity.
- ii. 1 billion shillings for the news to the public.

1.1.2 Social Protection



In the financial year 2019/20, a sum total of **1,867.08 billion shillings** has been allocated for creating an enabling environment to various groups to participate in economic and social activities. Some key spending areas are as follows:

- i. **Shs 19.93 billion** for ensuring availability of basic services for elderly and children living in vulnerable environment;
- ii. **Shs 1,617.62 billion** for Social Security Funds; and
- iii. **Shs 229.52 billion** for National Health Insurance Fund (NHIF).

1.1.3 Defence, Public Order and Safety



In the financial year 2019/20, a total of **2,965.98 billion shillings** has been allocated for strengthening defense, security and justice delivery. Among the programmes to be implemented include: acquisition of military tools and equipment special operations to combat

crimes, disaster response, immigration control and timely access to justice. Some of expenditures in this area include:

- i. **Shs 133.90 billion** for special disasters operations, crimes and immigration controls in the country;
- ii. **Shs 128.00 billion** for the acquisition of military tools and equipments, construction and rehabilitation of the military camps and barracks in strengthening military ability and working environment in general;
- iii. **Shs 80.07 billion** for coordinating and strengthening access to justice in the Court of Law, Arbitration Councils as well as in all human and constitutional rights; and anti-drug abuse and trafficking;
- iv. **Shs 14.01 billion** for construction and rehabilitation of High Court, District Court and Primary Court buildings;
- v. **Shs 10.00 billion** for the National Identities Project;
- vi. **Shs 5.00 billion** for the development of prison farms and Industries;
- vii. **Shs 4.50 billion** for fire safety and rescue services;
- viii. **Shs 2.00 billion** for construction and rehabilitation of Police Force Residential and Office buildings in regions of Kagera, Mbeya, Simiyu and Zanzibar islands.

1.1.4 General Administration Services

The General Administration Services Sector has been allocated a total sum of **12,400.0 billion** shillings for financial year 2019/20 to finance Government operations related to executive, legislative, financial, fiscal and foreign issues as well as the public debt service.

Some key allocations in the sector include:

- i. **Shs 7,800.0 billion** for settlement of Government debt;
- ii. **Shs 2,200.0 billion** for Support to Tanzania Social Action Fund, National Expenses Management Project, Rehabilitation of Government Houses, Uongozi Institute Project, and Public Service Reform Programme III; and
- iii. **Shs 166.8 billion** for provision of services related to the operation of Tanzania's overseas Embassies and diplomatic issues.
- iv. **Shs 2,200.0 billion** for capacity strengthening on: budget monitoring, revenue collection mechanisms, institutional capacity on good governance and construction and rehabilitation of the CAG's office.

Table 1 Summary of Sectoral Allocations

Sector	2019/20 budget in billion	% share
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Education		4,511.79	13.63
Health		1,822.48	5.51
Economic Development	Works, Transport and Communication	5,519.48	16.67
	Agriculture	543.95	1.64
	Industry and Trade	287.96	0.87
	Energy	2,142.77	6.47
	Minerals	49.43	0.15
	Natural Resources, Tourism and Environment	111.32	0.34
	Youth, Employment and Skills Development	32.67	0.10
Water, Housing and Social Development	Water	661.09	2.00
	Lands, Housing and Human Settlement	68.18	0.21
	Community Development	47.01	0.14
	Information, Sports and Culture	30.88	0.09
Social Protection		1,867.08	5.64
Defence, Public Order and Safety		2,960.98	8.94
General Administration Services	General Administration Services (excluding Debt Services)	4,585.77	13.85
	Government Debt Services	7,862.58	23.75
TOTAL		33,105.41	100.00

BUDGET REFERENCE DOCUMENTS

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

- ❖ Tanzania Development Vision 2025, together with Five Year Development Plan II;
- ❖ Ruling Party Election Manifesto of 2015-2020;
- ❖ Macro-Economic Policy Framework: Provides information about fiscal policies and reforms;
- ❖ Plan and Budget Guideline 2019/20
- ❖ Ministries Budget Speeches for year 2019/20;
- ❖ Medium Term Plans and MediumTerm Expenditure Framework Budget Memoranda 2019/20;
- ❖ The State of the Economy Speech for Year 2019/20;
- ❖ National (Government) Budget Speech 2019/20
- ❖ The Appropriation Act, 2019;
- ❖ The Annual Finance Act, 2019;
- ❖ The Budget Act, 2015
- ❖ National Economic Survey; and
- ❖ The Estimates of Public Revenue and Expenditure Books for year 2019/20 (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)
- ☞ Policy Forum website (www.policyforum.or.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, Dar es Salaam;
- ❖ Local Government Authorities' offices and/or officials in your area such as the Village Executive Chairperson; or
- ❖ Policy Forum, Sembeti Street, Plot No. 14, House No. 752, off Mwai Kibaki Road, Mikocheni B, 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.

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

What are your ideas, questions, thoughts or comments on the 2019/20 budget?

Do you need more information than is provided in this booklet? ☐ YES ☐ NO

If "YES", What kind of information do you need?

Is there anything more you would like to know regarding the budget?

To what extent was this booklet useful? ☐ Very Useful ☐ Moderate ☐ Not useful

If Not Useful, please

explain.....

Was the booklet easy to read and understand? ☐ Very Easy ☐ Moderatess ☐ Uneasy

If it was Not Easy, please

explain.....

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