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ROLLING PLAN AND FORWARD BUDGET FOR TANZANIA

1993/94 — 1995/96

Joint publication by:

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ROLLING PLAN AND FORWARD BUDGET FOR TANZANIA

1993/94 — 1995/96

PREFACE

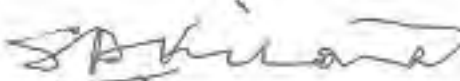
The reform of the Planning and Budgeting System, which has found specific expression in the adoption of the "Rolling Plan and Forward Budget" (RPFB) procedure, is an integral part of the broader reform process in "Public Sector Management" embarked upon since the conclusion of the Public Expenditure Review (PER) in 1989. The reform process has covered four main areas, namely:-

- i) The Civil Service;
- ii) The Parastatal Sector;
- iii) The Financial Sector; and
- iv) The Planning and Budget System.

The main objective of the overall reform process is to arrive at the most optimum and efficient use of public resources, for better performance of the public sector itself and the economy at large. It goes without saying that the Planning and Budget System forms the hub of public resource management; but its strength also hinges on the well functioning of the various component parts of the public sector. For example, an efficient parastatal sector that produces a surplus, or at least minimises leakage of public resources, contributes to a strong resource base that can then be managed through a sound planning and budget system to strengthen social and economic services for the betterment of society and the economy in general. A motivated and well functioning Civil Service can become an essential catalyst for development even in the face of scarce public resources. So also can a strong Financial Sector contribute to economic development by facilitating private sector activity which can then compensate for shortage of public sector investment resources. All this goes to underline the interdependence of the various components of the reform process currently underway. The specific objectives of the Rolling Plan and Forward Budget procedure in this context are outlined in the Introductory section of this document.

The fact that the RPFB system has had to be initiated concurrently with, and before completion of the other inter-related reforms in public sector management obviously places a limit on what can be achieved at this initial stage, in terms of perfection of the procedure itself. What has been done in this first year really is to create a vision of what the planning

and budgeting system ought to look like in a reformed public sector, and put some practical beginnings to it. But while the vision is clear, some of the information and expertise needed to actualise it may not yet be in place. It might take another year or so to build up an adequate information base for the visualized RPFB framework, as well as to cultivate the necessary skills for its proper implementation at various levels. This will be achieved through training, but more so through the process of learning by doing which has already started by way of producing this first RPFB. Whatever shortfalls are noticed in this document, therefore, ought to be seen against this background. But we hope to improve the quality as we go along, and we bank on all well - wishers to assist us in whatever way possible.


S.A. Kibona

MINISTER OF STATE (PRESIDENT'S OFFICE) AND
VICE CHAIRMAN OF THE PLANNING COMMISSION

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INTRODUCTION TO THE ROLLING PLAN AND FORWARD BUDGET

Introduction

1. This introduction provides an overview of the Rolling Plan and Forward Budget and explains:
 - (a) the components of the RPFB;
 - (b) why the new process of planning and budgeting is being introduced and the improvements that are being sought through its introduction;
 - (c) the process involved in putting together the document;
 - (d) the preparation of the second RPFB.

Format and Content of the RPFB Document

2. The Rolling Plan and Forward Budget will be the major annual statement of the Government's development strategy, economic targets and budgetary projections. The document covers a three year period and will be rolled over and updated each year: the first RPFB covers 1993/94-1995/6, while the second will cover 1994/95-1996/7, and so on. But this is not a strict three year period: while the budgetary targets will have a three year horizon, policy statements and strategies are based on a longer term perspective.

3. The document contains three Parts:

Part I

Macro Chapters outlining:

- Chapter 1: Basic Situation
- Chapter 2: Overview of Economic Performance since 1986/87
- Chapter 3: Macroeconomic Policies during 1993/94 - 1995/96
- Chapter 4: Public Revenue and Expenditure Framework for the RPFB period (1993/94 - 1995/96)
- Chapter 5: Economic Outlook.

Part II

Sector Policy Statements, including an outline of Government policies and priorities showing their connection with macro policies.

- Chapter 6: Introduction
- Chapter 7: Productive Sectors
- Chapter 8: Economic Services Sectors
- Chapter 9: Social Services Sectors
- Chapter 10: Administration
- Chapter 11: Cross Sectoral Issues

Part III

The Forward Budget covering a three year period.

4. The Forward Budget is presented in less detail than the National Budget Estimates, providing a summary of revenues and expenditures, and the allocation of funds between the development and recurrent budgets and between the various sectors. The forward budgets for 1994/95 and 1995/96 will provide guidance for the preparation of the National Budget Estimates in subsequent years.

5. The RPFB is being produced along with the Annual Budget Estimates, but replaces several of the documents previously prepared by the Government. Those documents to be replaced by the RPFB include the Five Year Plan and the Annual Plan, while the RPFB document will be the basic document prepared for the Consultative Group Meetings with donors. The Five Year Plan will be replaced with a statement of Medium Term Development Strategy.

The need for planning and budgeting

6. Although the Government is reducing its role in directly productive activities, as explained in Chapter 2, it does not mean that there is no longer a need for the Government to plan its activities. In fact the effectiveness of the planning system will be a vital ingredient in ensuring the success of economic reforms. The reasons for the Government to plan are explained below.

7. First of all, the Government will continue its commitment to improve the welfare and quality of life of all Tanzanians through the provision of social services. This will require increased expenditures in these areas. Secondly, the Government will still need to provide the necessary economic services and infrastructure to enable development of productive activities by the private sector. Thus the Government will have to continue to raise substantial revenues to meet such expenditures and will have to ensure effective use of these resources, particularly as the resource constraints are likely to persist.

8. The Government will still be responsible for the macroeconomic management of the economy and will need to develop and implement appropriate policies as outlined in Chapter 3. And finally, even in those sectors where the private sector is expected to play a major role, it will still be necessary for the Government to provide an "enabling environment" through clear policies and supporting services. The Government will therefore shift the emphasis of planning from management of public enterprises to policy analysis and formulation.

9. Thus even with the new emphasis on private sector development, the RPFBS has been developed to fulfil the following functions:

- (a) To provide an overview of the development of the economy and in each sector. Such an overview should enable the Government to see the linkages and trade-offs between different policies and the allocation of funds between activities. The summary of Government policy and activities contained in the RPFBS will facilitate the monitoring of policy and expenditures.
- (b) To enable the Government to decide on its objectives for the economy as a whole and in each sector, and to make sure that these objectives are consistent.
- (c) To provide a means of allocating limited funds to those activities which will be the most effective in terms of achieving Government objectives.

10. The RPFBS is being introduced in recognition of the shortcomings in the planning and budgeting system in being able to fulfil the above functions.

The improvements embodied in the RPFBS

11. The improvements to the planning and budgeting system (PBS) to be achieved through the introduction of the Rolling Plan and Forward Budget are listed below:

- (a) To improve the links between planning and budgeting. The planning and budgeting systems have become fragmented particularly with the division of responsibilities between the Planning Commission and Ministry of Finance. The RPFBS is part of the process of strengthening these links and the preparation of the document has been very much a joint exercise.
- (b) To reintroduce an effective medium term framework for planning. As there have been insufficient resources to implement the programmes outlined in the Five Year Plans, the allocation of funds had become based on an annual budgeting exercise. The element of forward planning of resources and expenditure is to be reintroduced with the Forward Budget.
- (c) To introduce improved forecasting of macroeconomic variables, particularly revenues on which to base forward planning of expenditures. A budget projection model (BUDMOD) and a simple macro model (MACMOD) for Tanzania have been developed and used for budgetary and macroeconomic projections contained in this document.
- (d) To reinforce the link between macro and sectoral policy, so that sector policies are consistent with the macro reforms already under way. The preparation of the sector policies contained in Part II involved a review of the consistency between sector and macro policies.

- (e) To strengthen the link between policy and allocation of funds to development projects and recurrent activities: the projects and Government activities contained in the Forward Budget have been reviewed on the basis of their compatibility with sector objectives and policies as described in Part II. Some of the projects and recurrent activities which are not compatible have remained in the Budget as it is not always possible to terminate activities in one year. They will be phased out over several years, for example the parastatal reform programme will take several years to complete.
- (f) To improve Recurrent Expenditure planning: the Forward Budget provides the mechanism for projecting recurrent cost requirements of Government services as well as the recurrent cost implications of development projects.
- (g) To reduce the number of development projects, so that limited resources are provided to a smaller number of projects, making more effective use of those resources. The preparation of the Development Budget will involve a project screening exercise to exclude those projects which are not consistent with sector policies and merge small projects into larger programmes, particularly at the District level.
- (h) To ensure that all aid funds pass through the Government Budget, so that the Government is responsible for the allocation of funds between sectors and projects, and the presentation of funding requirements to donors. Steps have already been taken in this regard.
- (i) To improve the transparency of the system so that the effects of policy and resource allocation are more obvious, thereby improving decision making.
- (j) To introduce a degree of flexibility into the planning system: the annual rolling over of the RPF, involving the review of policy and expenditure planning, will enable economic and financial projections to be adapted to changing economic circumstances, in comparison to the fixed Five Year Plan.

The Process of Preparing the RPF

12. The process involved the following steps:

- Starting with the overall framework of resource availability which involved the preparation of the budget frame and ceilings based on analysis of the macroeconomic situation and implications of macro policies.
- Preparation and presentation of guidelines containing:
 - a summary of the macro situation and policies to guide sector ministries in the preparation of their inputs;
 - budget ceilings from which sector ministries had to produce their development and recurrent budgets for three year period;
 - guidelines for preparing sector policy papers contained in Part II;
 - guidelines for preparing the annual and forward budgets.
- Preparation and review of submissions from line ministries: sector policy papers and budget submissions.
- Consolidation of budget estimates to fit into the budget frame.
- Consolidation of inputs into final document.

13. The preparation process involved wide participation and agreement at all levels: from Cabinet, Principal Secretaries, as well as officers in line ministries, Regions and Districts. This was achieved through a series of workshops held throughout 1992/93.

The 1994/95 - 1996/97 RPF

14. The preparation of the next RPF will start soon after the publication of this document. Not as much detail will be required for the second RPF, particularly in the articulation of policies. The preparation of the second RPF will involve the following:

- Review of the macro situation and revenue and expenditure forecasts.

- Preparation of budget ceilings for the next three years: 1994/95 - 1996/97 based on the revised budget frame.
- Review of sector policies: Part II will only describe changes in policies and strategies to be implemented during second RPFB period.
- Preparation of the Annual and Forward Budgets, using the second year of this RPFB as the basis.

15. While the first RPFB has resulted in some of the improvements described above, further refinements to the planning and budgeting system will still be required; especially with respect to project screening, forward projections of recurrent and development expenditures, macro forecasting and link between policies and resource allocation. The annual rolling over of the Plan will provide opportunity for making further improvements each year.

**PART I: MACROECONOMIC POLICY AND RESOURCE
FRAMEWORK**

CHAPTER 1: BASIC SITUATION

A. Introduction

1.1 The Macroeconomic policy and resource framework is a key element of the Rolling Plan and Forward Budget (RPFB). The purpose of the framework is to:

- (a) provide a clear statement of macroeconomic policies;
- (b) establish consistent macro and sectoral policy linkages so as to ease overall plan implementation;
- (c) set the resource framework so that sectoral programmes are drawn up in the light of realistic projections of sectoral resource allocation.

B. Fundamental Principles and Goals of the Government

1.2 The Government's basic development objective is to improve the welfare of its people through a sustained improvement in their living standards. Socio-economic development is only meaningful if it encompasses the majority of the population, both as participants in bringing it about as well as its beneficiaries. Because mass poverty, ignorance and disease, limit full and active participation of the Tanzanian majority in the development process, their alleviation is the ultimate target for development policy.

1.3 The Government recognizes that there are trade-offs between short and long term objectives. In the long term, the resources to improve the welfare of the poor will depend on economic expansion. Therefore, there is a need for striking a balance between provision for current social services demands and the long term investment for growth. Poverty alleviation strategies have to take this into account by focusing special, targeted programmes which can have a direct and immediate impact on the welfare of vulnerable social groups.

1.4 Human development is a key element in the economic and social development process. In order, therefore, to achieve and sustain development, it is crucial to ensure that the education/training, health and vitality of the people are well taken care of for their effective participation in the development process. In addition, population policy has to be given its proper perspective so as to ensure that economic growth is advancing at a higher rate than that of population. This will allow increasing levels of per capita income growth for the people.

C. Shift in Economic Policy Emphasis

1.5 From the latter part of the 1960s, Tanzania's economic policy came to place heavy emphasis on the public sector. Economic growth as well as improvement in living conditions were expected to be spearheaded by the state. As a result, the public sector expanded enormously. There were, for example over 400 parastatal institutions by mid 1980s when compared to less than 50 in mid sixties. Because of inadequate management capability and considerable government intervention, the sector's ability in spearheading economic development became increasingly under strain.

1.6 The shift in economic policy emphasis has its origins in the problems which faced the economy in the latter part of the 1970s and which led to its virtual collapse at the beginning of the 1980s. It became clear that the public sector was no longer capable of bringing about socio-economic progress alone as had been originally envisaged. Restructuring and downsizing was necessary in order to enable it play an active and efficient role in the development of the economy. With the launching of the First Economic Recovery Programme (ERP I) in 1986 recognition was given to efficient commodity production and the regulatory role of the market system.

1.7 The Tanzanian economy has become increasingly liberalized and economic management is gradually moving away from central controls towards market orientation. The government has undertaken to reduce its involvement in directly productive activities and the private sector is being encouraged to invest in those activities. The government sees its role as being the maintenance of law and order, provision of social and economic infrastructure, formulation and pursuit of appropriate macroeconomic policies, and the creation of an enabling environment for other actors on the economic scene.

1.8 The shift in economic policy emphasis has not dampened the Government's resolve to enable people to enhance their living conditions. What has essentially taken place is a change in the strategy to attain that objective. Whereas previously the government sought to undertake that task more or less alone, it is now seeking broader participation.

CHAPTER 2: OVERVIEW OF ECONOMIC PERFORMANCE SINCE 1986/87**A. General**

2.1 Since 1986/87, Government's main economic policy objective has been to bring the economy on an even keel and thereby facilitate sustained growth. Two economic recovery programmes (ERP I: 1986/87-1988/89 and ERP II: 1989/90-1991/92) aimed at:

- (a) raising GDP growth to an average of 5 percent;
- (b) reducing inflation to below 10 percent;
- (c) restoring internal and external balances in the economy;
- (d) improving social service delivery.

2.2 In pursuing those objectives, the government has introduced numerous policy reform measures. They include active exchange rate management, trade liberalization, adjustment of interest rates, price deregulation, initiation of public expenditure restructuring, promulgation of an investment promotion policy and re-examination of the country's financial system. Policy measures like devaluation and price deregulation have had a fairly immediate impact on the performance of the economy, whereas the impact of investment policy and public expenditure restructuring can only be expected in the medium and long term.

2.3 The implementation of the recovery programmes has lifted the economy out of the lethargy in which it had sunk in the early 1980s:

- The 1986-92 period has witnessed an annual average growth of the Gross Domestic Product (GDP) of around 4.0 percent and a rise of between 1.5-2.0 percent in per capita income. This stands in remarkable contrast to the average GDP growth of just 0.8 percent and a *decline* in per capita incomes during the early 1980s.
- Official export earnings have risen from an average of US \$380 million in 1980-86 to around US \$450 million a year by 1991-92, almost half of it coming from non-traditional exports.
- There was some improvement in revenue collection.
- Recourse to bank borrowing as a source of government financing was brought under control.
- The rate of inflation dropped from an average of 30 percent in the 1980s to about 23 percent at the end of 1992.

2.4 The economic recovery has also become apparent in increased availability of basic consumer goods as a result of both trade liberalization and increased internal production. Despite sporadic food shortages over the past two years, increased food crop output has taken place on account of good weather as well as liberalized marketing.

2.5 Economic performance in the past seven years cannot, however, be described as buoyant:

- The two ERPs recorded average growth rate of 4.0 percent, somewhat less than the target.
- Earnings from official export can presently finance only a third of the imports, but financed between two thirds and three quarters up to the mid-1970s. Most of the imports are presently funded through loans, grants and own-imports.
- In spite of the improvement in revenue collection, the overall budgetary deficit has tended to increase rather than decrease.
- The rate of inflation has abated, but it is still high compared with the target of below 10 percent.
- The performance of some infrastructural sectors is also still unsatisfactory and is constraining economic recovery efforts.

B. The Public Sector

Institutional Reforms

2.6 During Economic Recovery Programmes I and II, the need to bring about institutional changes to match the economic policy changes became increasingly obvious. Government has set up several commissions to examine the activities of a number of key institutions within financial services, co-operatives, public revenue and expenditure and recommend how those activities could be pursued in a restructured economy. Many of the commissions' recommendations have been accepted by the government, and their implementation has either started or is envisaged.

Government Budget

2.7 Beginning 1986/87, budget policy has been targeted at containing the overall deficit to levels consistent with the required macroeconomic objectives such as attainment of low inflation rates and a sustainable balance of payments position.

Revenue

2.8 The period between 1986/87 and 1991/92 saw increasing government effort to raise more revenue. Measures taken included expansion of the tax base of various taxes and rationalisation of tax structure. Some tax rates were lowered to ease collection and curb evasion. A start was made on strengthening tax administration through greater provision of manpower, training and working equipment. These measures helped to improve revenue collection. Total revenue collection rose from an annual average of 17.5 percent of GDP during 1980/81 - 1985/86 to 18.5 percent of GDP between 1986/87 and 1991/92. For 1992/93 revenue collection was estimated at 23.9 percent of GDP compared to 23.5 percent recorded in 1991/92. However, due to lowering of tax rates, fall on taxable imports and a significant decline in industrial output, the likely revenue outturn is expected to reach about 18.2 percent.

2.9 Improvement in revenue collection during 1986/87-1991/92 period was not solely due to revenue measures. Expansion of import levels also contributed to the revenue growth trend. Increased imports of consumer goods as well as industrial raw material and spares led to expansion of the value and volume of taxable commodities which allowed for more revenue collection from consumption taxes. Import value for example, rose from an annual average of US\$ 953 million during 1980/81-1985/86 to US\$ 1293 million in 1986/87-1991/92 period.

2.10 Revenue collection also faced various problems during that period. Tax evasion for almost all types of taxes was very high. Management of non tax revenue, particularly fees and charges, remained very weak. In addition, even the relevant stationary for revenue collection has not been available in adequate supplies. These problems have to be addressed seriously if further improvement on revenue collection is to be attained.

Expenditure

2.11 Government took various measures with the aim of bringing expenditure in line with prudent fiscal policy. Major areas of concern were the reduction of certain government activities by abolishing some departments or merging functions; reducing substantially subsidies to various parastatals; and cutting down staff numbers. Recurrent expenditure (including amortization) which was about 22 per cent of GDP on annual average during 1980/81 - 1985/86 has remained almost at the same level between 1986/87 and 1991/92.

2.12 Still, the size of the public sector, including local government and public institutions, has substantially grown beyond the resource level to sustain it. Parallel to this fact is the excessive staff numbers, some of them clearly under-employed. Financial requirements for debt service, particularly the foreign component, also increased substantially during the period 1986/87 to 1991/92. This was mainly due to depreciation of the currency rather than a rise in the foreign exchange value of debt service. During that period, the annual average exchange rate with respect to United States Dollar moved from Shs. 48.0 to Shs. 245, a decline of about 410 percent. This has caused debt service to grow from 5.9 percent of GDP in 1986/87 to 7.4 percent of GDP in 1991/92.

2.13 Such problems and the limited resource level have led to very low provision to normal government activities. As a result, there has been a substantial under-funding of various government operations leading to inadequate provision of services to the general public.

2.14 On development expenditure, government's thrust was to reduce further capital investment and concentrate on rehabilitation and maintenance of the existing stock of capital. Annual allocation for development expenditure declined from 7.3 percent of GDP on average between 1980/81 and 1985/86 to 5.1 percent between 1986/87 and 1991/92. While development expenditure is heavily dependent on foreign assistance, it has also suffered from under-funding, mainly due to poor management of project portfolio. It has been difficult to reduce the list of projects in line with resources available. As a result, many projects remain uncompleted for many years.

Financing

2.15 During 1986/87 - 1991/92 government's recourse to domestic bank borrowing for deficit finance was severely curtailed. In 1989/90, 1990/91 and 1991/92 government budget operations realised net *repayment* to the banking system. In 1991/92 net repayment to the banking system was 4.7 percent of GDP, while 1.5 percent was planned for 1992/93. Increased foreign financing was the major factor which contributed towards this improved government financial position. Foreign financing which averaged 2.5 percent of GDP per annum during 1980/81 - 1985/86 rose sharply to 8.1 percent of GDP between 1986/87 and 1991/92.

Overall Performance

2.16 Overall, efforts taken to revamp the economy during the two ERPs have produced some positive results. Thus, while consolidating the gains made, prudent economic policies will be maintained and the reform process accelerated through the Rolling Plan and Forward Budget (RPFB) during 1993/94-1995/96.

CHAPTER 3: MACROECONOMIC POLICIES DURING 1993/94 - 1995/96**A. The Setting**

3.1 The Rolling Plan and Forward Budget will form the focus of Government's medium term economic planning and management effort and replace the former Five Year Planning system. The system will be the mechanism through which the Government's fundamental principles and goals are translated into operational and coherent policy measures. For the foreseeable future, major emphasis will be on economic reform aiming at:

- combatting poverty and deprivation and thus improvement of people's welfare;
- creation of an enabling environment for a strong private sector;
- reduce government involvement in direct productive activities;
- improve efficiency in the use of public resources, focusing government's effort on economic and social infrastructure;
- ensure macroeconomic stability;
- maintain an environmentally sustainable development path.

3.2 The government will continue focusing its attention on combatting poverty and deprivation in order to improve the peoples' welfare. The Government realises, however, that resources to improve the people's welfare will accrue from economic expansion. Policy and institutional reforms to vitalise the economy and facilitate economic expansion will, therefore, be continued.

3.3 The macroeconomic policy thrust during 1993/94-1995/96 will emphasize the creation of an environment conducive to growth; a task which began in 1986/87 with the launching of ERP-I. This will involve the implementation of the already identified reform measures from both ERP-I and ERP-II which are yet to take off or have been addressed only marginally.

3.4 The maintenance of macroeconomic stability is important for two main reasons. *Firstly*, an unstable environment militates against investment and economic growth. Macroeconomic stability is thus an important part of the "enabling environment". *Secondly*, instability tends to lead to economic crisis and make-shift macroeconomic solutions which reduces the room for national economic policy making and tends to make crisis endemic. The aim of stability is therefore a top priority of the macroeconomic policy agenda.

3.5 The need to take adequate care of environmental issues, has become increasingly realized, since the sustainability of development endeavours in the medium and long term is inextricably linked with how the nation's physical/natural resources are exploited or the impact of development activities on the nation's resources. The relevant institutions will henceforth effect more vigorously the measures to ensure proper management of the environment.

B. Overall Policy Objectives for 1993/94-1995/96

3.6 In view of the above basic development principles, the following major policy objectives will be pursued during the 1993/94-1995-96 period:-

- (i) Attaining an average economic growth rate in real terms of around 4.5 percent a year in order to achieve positive per capita growth in real incomes as well as lay a foundation for a higher growth rate in the medium term. The analysis of the effects of policy and other factors, shows that such a target should be within reach.

- (ii) A reduction of the rate of inflation to below 10 percent should be feasible under a regime of prudent fiscal policies.
- (iii) A reduction of dependence on exceptional balance of payments financing should be possible with a modest improvement in export prices, the aim being to reach a viable external position in the medium term.
- (iv) Ensure adequate foreign reserve level equivalent to at least three months of imports.
- (v) Intensifying restrictive fiscal and monetary policies consistent with inflation and balance of payment objectives as well as currency stabilization purposes.
- (vi) Enhancing efficiency in the mobilization and utilization of domestic resources.
- (vii) Reducing the public sector role in directly productive sector (agriculture, industry, trade, mining) and facilitating substantial private sector involvement in those sectors.

3.7 Actions to attain these objectives are described in the paragraphs which follow.

The External Sector

3.8 The government will take further steps to establish a market based exchange rate system as well extend import liberalization. In the case of the exchange rate, the government will see to it that buying and selling of foreign exchange in the newly established foreign exchange bureaux are conducted competitively. The strategy for transition to a single exchange rate system will aim at achieving an equilibrium exchange rate by the end of 1993/94. In the field of import liberalization, the Open General License (OGL) negative list has already been shortened to goods that the government wishes to control for health and security reasons and some luxury consumer goods. The Government will maintain this shortened negative list during the 1993/94-1995/96 period. Administrative procedures for imports, particularly import licensing requirements, will be further simplified.

3.9 The programme for export promotion will be encouraged further by extending more incentives to exporters. Export licensing requirement for each export consignment has been removed and the intention is to eliminate all remaining unnecessary bureaucratic procedures so as to promote exports.

3.10 External trade will continue to play an important part in Tanzania's economy. In addition to the measures to encourage exports, efforts will be made through relevant institutions, to closely and continuously monitor external market trends in order to derive maximum benefits from external trade.

Fiscal Policy and Budgetary Management

3.11 Fiscal policy will principally aim at exercising restraint in order to ensure that the overall budgetary deficit remains within levels which can be financed from local non-bank and ordinary foreign financing. The aim will be to reduce the overall deficit from around 5.5 percent of GDP in 1992/93 to 1 percent by 1995/96 through strong measures on both revenue and expenditure fronts. On the revenue side, the implementation of the recommendations of the Report of the Presidential Commission on Taxation and Expenditure will be speeded up.

3.12 The process of changing existing local sales and excise taxes into a Value Added Tax (VAT) system has already started. It is intended that the VAT system becomes operational beginning July 1994. Collection of customs duty, sales tax and excise tax on imports is currently faced with excessive tax exemption and

evasion. Measures will be taken to rectify the situation. Already in 1992/93 the government has contracted international agencies (SGS and COTECNA) to assist in making tax assessment in this area with a view to establishing correct tax liability. Similarly, inadequate attention has been given to non-tax revenue. Most fees or charges are either not collected at all or at very low rates. Revenue collecting units in ministries and regions will be strengthened by providing them with adequate working facilities, especially stationery, and raising rates of various fees and charges so that they maintain their value in real terms. Moreover, various revenue collecting institutions will be motivated by allowing them to retain a certain percentage of collections for service improvement.

3.13 In line with monetary policy objectives, the government will refrain from using banking credit as a source of financing for its activities. In the light of the developments taking place on the international scene, the prospects for external aid during the 1990s are very bleak. Whatever external resources become available must be channelled into activities which have the potential for moving the economy forward. The use of external aid for consumption has to be checked.

3.14 Apart from containing expenditure in line with the expected domestic and foreign resources, measures will be taken to reduce the size of the government and make its structure consistent with its new role. To this end, during 1993/94-1995/96, the following measures will be taken:

- (i) Complete and implement a new government structure.
- (ii) Retrench its staff by 50,000 while continuing to freeze new employment in the civil service except for a few specified cadres
- (iii) Looking into the possibility of eliminating certain services which can efficiently be performed by other sectors.
- (iv) Strengthen financial discipline so as to enhance accountability.
- (v) Reduce substantially the number of existing development projects, retaining only those which qualify to be under government sector with adequate funding.
- (vi) Looking into the possibility of introducing a low cost government transportation system.
- (vii) Continue with the policy of eliminating subsidies to commercial institutions.
- (viii) Decide on the status of non-commercial parastatal institutions.
- (ix) Seek active involvement and cooperation of community organisations and NGO's in social service delivery.

Financial Sector Reform and Monetary Policy

3.15 The ongoing financial sector reform will be speeded up so as to develop a competitive, autonomous and solvent financial system. To this end, important financial institutions (NBC, CRDB, THB etc.) will be restructured. Private financial institutions have already been allowed to establish themselves or to participate in existing institutions on a joint venture basis. The Government will stop its "overbearance" in the activities of public financial institutions.

3.16 Overall, monetary policy will aim at dampening inflation and maintain monetary stability. Inflationary pressures will be contained by avoiding inordinate supply of credit. Monetary policy will also

aim at increasing the reliance on domestic resource mobilization and improving the allocation of financial resources.

Parastatal Reform

3.17 Reform of the parastatal sector is a central element in the economic reform programme. Measures like divestiture, liquidation and partnership that have been identified as parts of the parastatal sector reform will be effectively pursued in the next three fiscal years. The Parastatal Sector Reform Commission (PSRC) was set up in early 1992 to guide the reform process. Its master plan for the restructuring operations will be the basis for speeding up reform efforts. The establishment of a capital market is also an essential element of the parastatal reform process.

Civil Service Reform

3.18 The Civil Service reform programme aims to:

- establish proper personnel control and management system;
- reduce the size of the civil service;
- enhance salary levels and undertake a decompression of pay scales;
- institute a programme of training so as to enhance productivity in the civil service.

Starting 1993/94, there will be an acceleration in the implementation of the civil service reform programme.

3.19 As for personnel control and management, the current hiring freeze will be continued, with exceptions for specified categories within health and education sub-sectors. A central personnel data base will be established and recruitment and regrading procedures will be recentralized.

Wages and Incomes Policy

3.20 The need for adequate compensation to workers is necessary for enhancing efficiency and improving the general standard of living. However, in order to ensure that employers are able to comply, compensation has to be linked to workers' productivity. Thus, the level of productivity has to determine the level of compensation.

3.21 While matching workers compensation with productivity is widely practised in the private sector, it hasn't yet been adopted seriously in the public sector. Adequate compensation has been difficult due to, among other reasons, uncontrolled over-staffing. During 1993/94-1995/96, it is intended to take serious measures to check this situation in the public service. As stated earlier, downsizing the government structure and reduction of staff numbers are some of the instruments to be used to attain that objective.

Private Sector and Business Development

3.22 Private sector investment will be given a greater role in the economy. As the size of the public sector is reduced by moving it out of direct productive and commercial activities, the private sector will expand the production of goods and services and create increasing employment opportunities. To this end, a number of measures will be taken including:

- The amendment of the Companies Ordinance and the reviewing of the Investment Act in order to eliminate any remaining obstacles to private sector advancement;
- Reforming the financial sector so as to facilitate private sector involvement.

C. Macroeconomic Policies for the Year 1993/94

3.23 Consistent with envisaged macro policies for the three years of the RPFB, the policy objectives during 1993/94 will aim at:

- (i) attaining economic growth of 4.5 percent;
- (ii) reducing the inflation rate to 15 percent;
- (iii) maintaining an external trade account deficit at 4.6 percent of GDP as in 1991/92.

3.24 In order to realise these objectives, specific measures have to be taken. In the external sector, by the end of 1993/94, a system of single exchange rate will be established. This is necessary since the current multiplicity of foreign exchange windows distort the opportunity cost of foreign exchange. Export promotion, particularly of non traditional commodities will be given more emphasis. Efforts to encourage the private sector to get involved in buying and exporting traditional commodities will be enhanced.

3.25 In the fiscal sector, the aim is to reduce the overall budget deficit to 1.5 percent of GDP. Revenue collection as well as control on expenditures will be strengthened. The preparations for the introduction of a Value Added Tax (VAT) system will be completed. The VAT system will be introduced in July 1994. Measures will be taken to reduce exemptions and evasion. Efforts to enhance collection of non-tax revenue through improving facilities, providing incentives and changing rates will be taken.

3.26 During 1993/94, a public service structure which is consistent with its new role will be implemented. 20,000 personnel will be retrenched; the possibility of establishing a less costly management system of purchase, use and maintenance of government vehicles will be considered; start implementation of a cost sharing approach for social services; and the number of projects in the public investment portfolio will be substantially reduced.

3.27 The restructuring of public commercial banks with adequate capital requirements will be completed. The initial requirements for establishing a capital market will be put in place. The divestiture deals of 12 corporations will be completed.

CHAPTER 4: ECONOMIC OUTLOOK

A. Introduction

4.1 In previous chapters, the economy's past performance and the planned policies for the next three financial years have been outlined. This chapter presents an analysis of the likely performance of the economy during the 1993/94-1995/96 period, given the outlined policies and the likely development of those external and uncontrollable factors which exercise the greatest influence on the economy.

B. Economic Growth

4.2 Overall real GDP is expected to grow at 4.5 percent on average during the 1993/94-1995/96 period, spurred particularly by vigorous growth in manufacturing, construction and cashew nut exports, while overall agricultural growth will be somewhat sluggish. The most likely developments for important sectors of the economy are detailed below. Tables 4.1 and 4.2 and Figures 4.A and 4.B show economic growth projections.

4.3 After a bumper harvest for cotton in 1992, the cotton harvest should drop to normal levels in 1993, partly due to lower producer prices in 1992/93. For subsequent years it is considered likely that cotton production picks up again. Necessary prerequisites for this is that the payment to producers as a share of the world market price is increased, and that the ginneries and storage facilities are sufficient. Coffee production is still suffering from low world market prices and financial problems. The problems in coffee marketing are not likely to be resolved in the short run, and coffee prices are still declining in the world market. Coffee production is therefore expected to grow slowly at a rate of about 2 percent a year. Cashew nut production has experienced a strong recovery due to the Cashewnut Recovery Programme. The capacity of existing plants is estimated at 90 mill. tons of raw nut annually enabling cashewnut production to grow at 10-15 percent a year during 1993/94-1995/96. Tea is also likely to pick up and grow at about 5 percent annually, while sisal is expected to grow at 2 percent annually, in line with what has been the trend during the last five years.

4.4 For the main food crops, the declining trend from 1989 to 1991 is expected to be reversed, production increasing to 1988/89 levels. However, constraints in the form of shortages or inefficient distribution of inputs, a tight credit policy, and shortages of labour for some crops is likely to be binding during the period, resulting in an overall growth rate for agriculture of slightly above 4 percent on average during the projection period.

4.5 Manufacturing output was adversely affected by power cuts during the fiscal year 1992/93, but production will pick up during the second half of 1993. Manufacturing production has however been stagnant or declining during the last 15 years and even with growth of 6-7 percent annually, production will reach the 1976 level in 1994.

4.6 The construction boom during 1989-1990 is likely to level off. Construction growth is expected to be around 4 percent, due to large investments in the Integrated Road Project and the high priority of infrastructure investments and maintenance of existing infrastructure.

4.7 The service sectors have been largely stagnant during the last three years. It is likely that transport, communication and finance will regain their growth potential as a result of more vigorous growth in other sectors during 1994. Both transport and tourism will benefit from better infrastructure as the road projects are implemented, and tourism is also likely to benefit from the depreciation of the Shilling. The financial sector reform will have a positive effect on this sector from 1994/95. Overall, a growth rate of at 4-5 percent annually for the service sectors is expected.

C. The Balance of Payments

4.8 Traditional exports will grow in line with the increased production of export crops and developments in world market prices. World market prices in real dollar terms are expected to be nearly stagnant over the RPFB period; which means a slight increase in nominal dollar terms and a substantial increase in Shilling terms over the first two years due to depreciation of the Shilling.

4.9 For non-traditional exports the following growth pattern is expected:

- manufacturing exports are expected to grow in pace with production, with a slight adjustment upwards of the export share during 1995/96 due to improved competitiveness as a result of a depreciated Shilling and increased export incentives;
- the 1991/92 export share of mining will most likely prevail during the RPFB period;
- food crops produced beyond domestic demand will be exported;
- for other crops, export volume is likely to grow in pace with crop production;
- export of non-factor services is expected to grow at the same rate as merchandise exports.

4.10 Imports of intermediates is likely to grow roughly in line with domestic production; imports of consumer goods being linked to overall consumption and imports of capital goods reflecting overall investment. Import of non-factor services is assumed to grow at the same rate as GDP.

4.11 External transfers are likely to decline by 10 percent in nominal dollar terms during the RPFB period as a result of international events and administrative inertia as mentioned above. This will outweigh a slightly improving balance of trade in dollar terms, keeping the current account deficit at around USD 200 mill. during the RPFB period. Unless there is a substantial increase in foreign borrowing or inflow of foreign investment, rescheduling and debt relief will have to continue beyond 1993/94 at approximately the same level as in recent years, if reserves are to remain positive. Table 4.3 and Figure 4.C show projections of some components of the Balance of Payments.

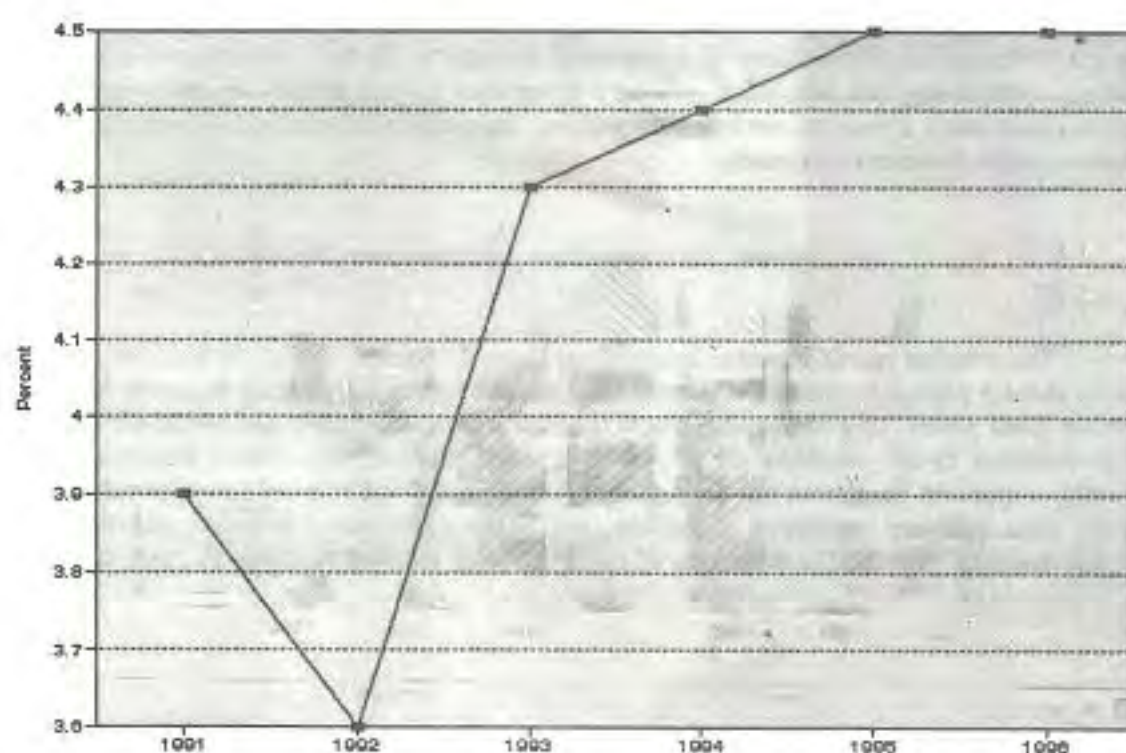
D. Inflation, Exchange Rate and Monetary Sector

4.12 The inflation rate is expected to remain at about 20 percent during 1992/93, but will gradually decline to about 5 percent by the end of June 1996. This will require a tightening of money supply through appropriate credit policy. This represents a risk to the growth forecast, if the consideration for inflation is not carefully balanced by the consideration for credit to viable projects. The official exchange rate will be depreciated to approach the bureau rate during 1993/94, and remain stable in real terms thereafter. Table 4.4 shows the main monetary aggregates projections; and Figure 4.D shows a graphical projection of money supply and domestic growth. The projection of consumer price inflation is shown in Table 4.5.

Table 4.1: Projected Economic Growth

	1991	1992	1993	1994	1995	1996
GDP growth	3.9	3.6	4.3	4.4	4.5	4.5
of which:						
Agriculture	4.0	4.4	4.4	4.0	4.1	4.1
Manufacturing	12.0	1.9	6.5	7.1	7.2	7.3
Mining	38.8	24.2	8.7	6.6	6.6	6.6
Constr. Elec. & Water	-6.7	1.4	4.6	3.9	3.9	4.0
Services	3.5	2.9	3.4	4.3	4.3	4.3

Figure 4.1: Overall Real GDP Growth



**Table 4.2: Projected Level of Real GDP by sector
(Tshs. Million 1976 Prices)**

	1990	1991	1992	1993	1994	1995	1996
Agriculture	14055	14618	15263	15940	16579	17253	17956
Manufacturing	2338	2619	2668	2841	3043	3263	3500
Mining	170	236	293	318	339	362	386
Constr. Elec. & Water	2128	1985	2012	2105	2187	2273	2365
Services	11230	11626	11967	12373	12905	13464	14049
Total GDP	29921	31084	32203	33577	35053	36615	38255

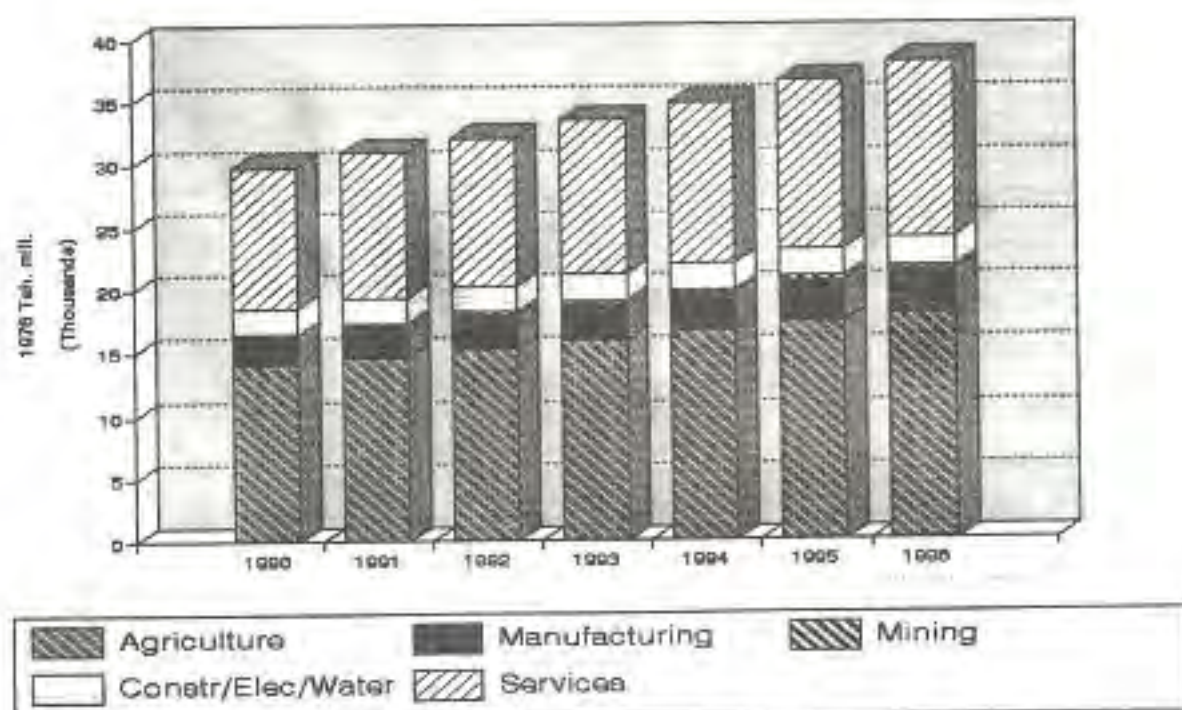
Figure 4.2: Sectoral Real GDP Growth

Table 4.3: Balance of Payments (Current USD, mill.)

	1990	1991	1992	1993	1994	1995	1996 *
Exports	389	362	416	478	546	615	678
Imports	1346	1477	1510	1498	1526	1586	1619
Balance of trade	-957	-1114	-1093	-1020	-979	-971	-942
Non-factor services, export	130	143	164	188	215	243	267
Non-factor services, imports	111	101	104	109	114	119	124
Factor services, receipts	6	7	20	21	30	33	35
Factor services, payments	191	210	186	186	177	172	163
interest	191	192	186	186	177	172	163
other	0	18	0	0	0	0	0
Current transfers, receipts	975	991	1046	966	885	800	735
private tr. from abroad	435	432	467	417	415	375	335
official grants	540	559	581	549	470	425	400
Current transfers, payments	31	33	46	46	46	46	46
private	31	33	46	46	46	46	46
public	0	0	0	0	0	0	0
Current account	-178	-317	-198	-185	-186	-233	-238
Capital account	60	117	44	39	35	38	45
inflows, loans	224	250	268	315	222	209	200
direct foreign inv.	5	13	14	19	25	30	35
outflows	169	146	239	260	212	201	191
Errors and omissions	-6	11	0	0	0	0	0
Overall Balance	-125	-190	-154	-146	-150	-194	-193

Figure 4.3: Balance of Payments

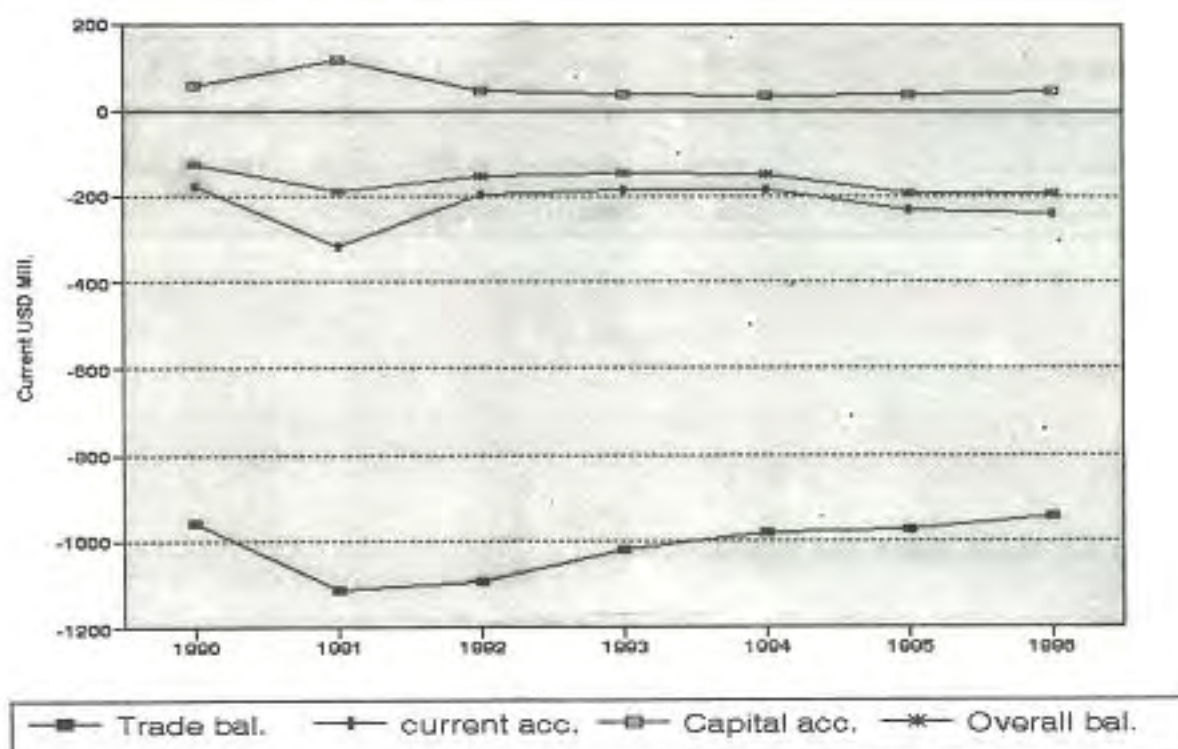


Table 4.4: Monetary Survey

End June, Tsh mill	1990	1991	1992	1993	1994	1995	1996
Money supply (M2)	132304	171751	241123	308629	362480	411291	451714
Percentage change		29.8%	40.4%	28.0%	17.4%	13.5%	9.8%
Net foreign assets	-11467	5528	50082	80546	97335	103010	109137
Net domestic credit	166802	201236	204475	248580	262470	305605	339901
Percentage change		20.6%	1.6%	21.6%	28.4%	16.4%	11.2%
Net claims on govt	55920	48756	50220	83346	43955	22802	10445
Other items	-23030.8	-35013.1	-13433.2	-20496.4	2675.9	2675.9	2675.9

Figure 4.4: Money Supply and Domestic Credit

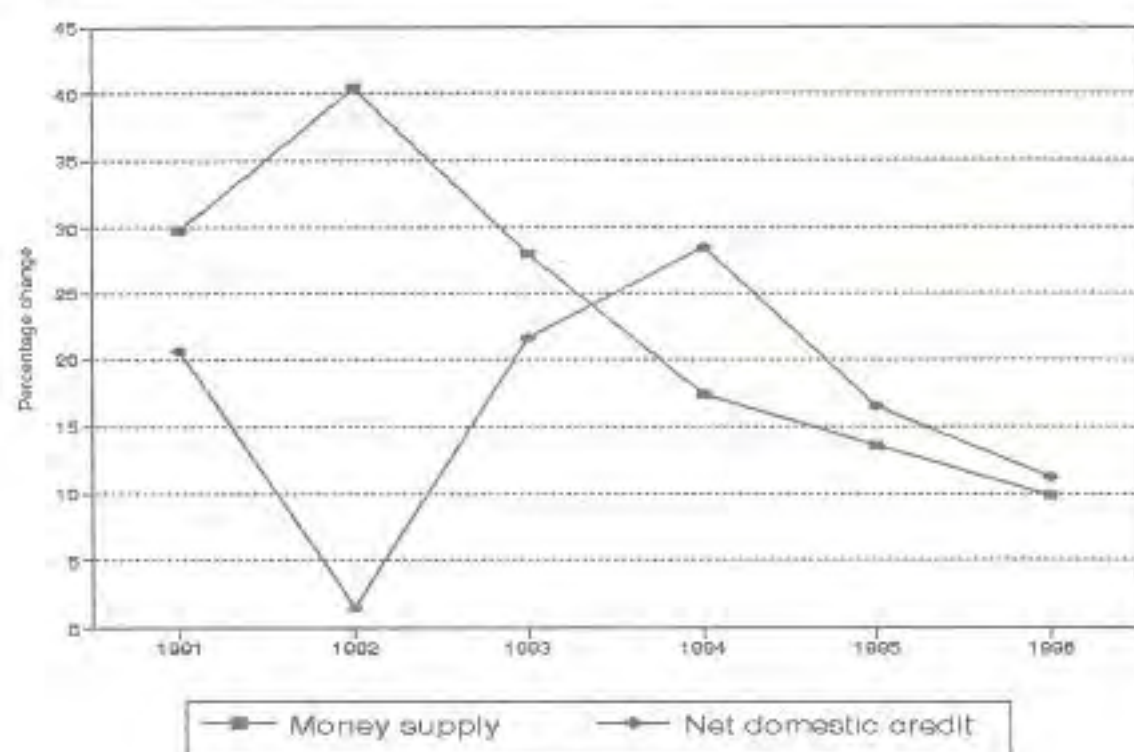


Table 4.5: Projected Consumer Price Inflation

	1992	1993	1994	1995	1996
Implicit GDP Deflator	19.6	20.6	13.3	9.0	5.2
Inflation rate	23.0	15.0	10.0	7.0	5.0

CHAPTER 5: PUBLIC REVENUE AND EXPENDITURE FRAMEWORK FOR THE RPFB PERIOD (1993/94-1995/96)

5.1 The budget frame for 1993/94-1995/96 is based on the macroeconomic policies detailed in Chapter 3 and is consistent with the economic outlook described in Chapter 4. The frame takes into account the need to maintain consistency between budgetary policies and policies for economic growth, balance of payments and the monetary sector.

A. Revenue

5.2 In 1991/92 revenues stood at 23.5 percent of GDP. This level dropped sharply in 1992/93 as a result of lowwring of tax rates and fall in taxable imports as well as a significant decline in industrial output. Revised 1992/93 revenue estimates based on first half actual performance puts revenue for the year at Shs.164,238 million compared to the original estimate of Shs.215,607 million. As a share of GDP the revised estimates represent 18.2 percent of GDP compared to the 23.9 percent of GDP budgeted. In 1993/94, revenue collection will need to regain its previous share on GDP and strong tax measures will need to be taken. Most exemptions will have to be reduced substantially. Significant improvement on non-tax revenue collection, particularly fees and charges is expected, given the great potential of this source.

Foreign Financing

5.3 Future prospects on foreign financing are not bright. Most traditional donors are expected to undertake cuts of between 15 percent and 20 percent in the real value of their normal aid disbursement to many developing countries, including Tanzania. Moreover, there is a tendency for donors to channel an increasing proportion of their aid to non governmental institutions. Furthermore, historical experience has revealed that there is a wide difference between pledges and actual disbursements. These factors will all affect foreign finance inflows in the next few years.

Bank and Non Bank Financing

5.4 During the next three years the government will abstain from the use of domestic bank credit for budget financing. This is in line with the monetary policy objective of controlling money supply. It is not expected to keep non bank borrowing at a high level. The traditional investors in government stocks are currently free to invest in any venture where rewards are more attractive. Originally, these institutions were required by law to invest most of their investable fund in government stocks.

B. Expenditure

5.5 Given the scarce resources available and the need to fully meet contractual obligations like debt service payment, other expenditure growth need to be severely restrained. Also, some special expenditure commitments already made will need to be covered at substantial levels. This leaves the expenditure restraint impact to fall mainly on the supply and development components of expenditure. The major guideposts for recurrent expenditure are as follows:-

Debt Service

5.6 This element is determined by the repayment schedule for local and foreign debt. Total debt service is expected to account for about one third of total domestic revenues during the three years of the RPFB, while interest payments may average about 15 percent of domestic revenue. With respect to foreign debt, the government will take the following measures:

- Keep current on its obligations under the rescheduling agreements with the Paris Club creditors;
- Seek rescheduling on terms at least as concessional from non-Paris creditors;
- Restrict future non-concessional borrowing, with the exception of normal short-term trade credit;
- Examine the feasibility of undertaking a debt buy-back operation.

Restructuring Costs

5.7 Total requirements for restructuring cost of civil service retrenchment, parastatals and financial sector reform will demand a sizable portion of expenditure for the RPFB period. During this period, the Government will accommodate the amounts shown in the *Special Expenditure* table (table No....). Requirements beyond those levels will have to be covered from other sources, such as seeking special donor support or from institutions themselves by selling some of their assets to realise additional financial requirements.

Development Expenditure

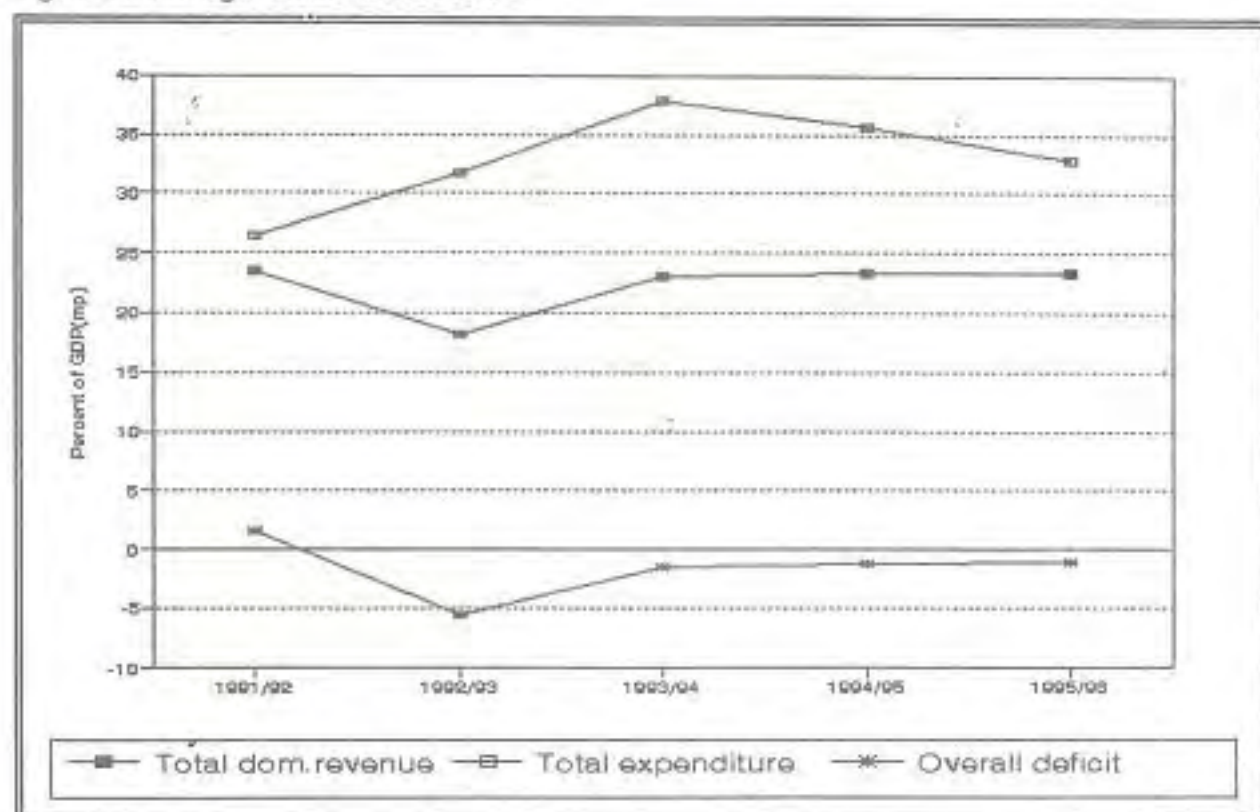
5.8 The entire development expenditure is heavily dependent on foreign financing, either directly or through import support/OGL funds. The Government is determined to reduce this dependence over time. Due to economic stagnation in major donor countries as well other factors, it is likely that external aid will be scaled down. This source of government revenue is expected to decline by about 10 percent a year in dollar terms during the next three years. Measures will have to be taken to scale down drastically the project list so as to realise an efficient use of the resources available.

5.9 The projected government budget frame during the RPFB period (1993/94-1995/96) is shown in Table 5.1. Figure 5.A is a graphical presentation of the budget as fractions of GDP.

Table 5.1: Budget Frame for the RPFH (Mill. Shs.)

	1991/92 PROV. ACT	1992/93 ORIGINAL ESTIMATE	1992/93 REVISED ESTIMATE	1993/94 BUDGET	1994/95 PROJECTION	1995/96 PROJECTION
Domestic Revenue	173,535	215,607	164,238	235,591	263,688	289,660
Foreign Financing	84,351	140,998	121,230	326,551	195,457	158,187
Grants	32,798	110,239	72,917	133,962	127,033	105,820
Loans	51,553	30,759	48,313	92,589	68,424	52,367
Local Financing	(27,737)	(3,000)	40,126	(33,392)	(15,153)	(6,357)
Bank	(36,450)	(10,000)	33,126	(39,392)	(21,153)	(12,357)
Non Bank	8,713	7,000	7,000	6,000	6,000	6,000
Adjustment	(1,840)	-	(11,543)	-	-	-
Total Resources	228,309	353,605	314,051	428,750	443,992	441,490
Recurrent Expenditure	195,705	251,543	251,205	292,827	325,398	341,838
Debt Service	57,111	76,504	66,687	79,013	74,666	74,971
Interest	25,760	39,930	31,436	35,094	33,638	41,386
Amort.	31,417	36,574	35,251	43,919	40,828	33,585
Recurr (excl. Debt)	138,588	175,039	184,518	213,814	250,932	265,867
Supply	115,703	127,890	157,572	167,190	183,605	205,895
Special Exp.	22,885	47,149	27,146	46,624	67,327	59,972
Development Expenditure	32,604	102,062	62,846	136,923	118,594	100,652
Foreign	4,801	72,062	32,508	111,036	95,594	80,652
Local	27,803	30,000	30,338	24,887	23,000	20,000
Total Expenditure	228,309	353,605	314,051	428,750	443,992	441,490

Figure 5.a : Budget Frame for the RPFB



**PART II: SECTOR POLICIES FOR THE ROLLING
PLAN AND FORWARD BUDGET**

CHAPTER 6 : INTRODUCTION

Introduction

6.1 Part II outlines the objectives, policies and strategies for the different sectors of the economy during the RPF period. This first Chapter introduces the sector policy statements by explaining their importance in the RPF process and by listing the various groupings of sectors as they appear in this Part of the document.

Role of Sector Policy Statements

6.2 The review and definition of sector policies and strategies seeks to fulfil three functions. Firstly, to ensure that sector policies and strategies are in line with current macro objectives and policies. Even with the recent economic reforms, the overall objectives of the Government remain largely unchanged, e.g. increasing GDP and improving the welfare of the population. It is the policies and strategies for achieving the objectives that have been modified, for example, by the Government withdrawing from directly productive activities.

6.3 Having determined those sector policies that are consistent, the second function is to ensure that resources are allocated in line with the stated objectives and policies, so as to form a basis for rational resource allocation in the Forward Budget. Defining policies and strategies has therefore involved identifying priority areas of action. The aim is to allocate scarce resources to priority areas rather than spreading limited funds over a wide range of activities, thereby achieving a more efficient use of the limited resources.

6.4 The third function of this exercise is to articulate all Government policies to be pursued during the Rolling Plan period, for the benefit and awareness of the general public, the private sector and the donor community.

6.5 Part II is a consolidation of inputs from all line Ministries who reviewed their policies and strategies to identify those that are consistent with the current reforms. It is only those that are considered consistent with the reforms that have been outlined here.

Broad Grouping of Sectors

6.6 The policies described in Part II include those that relate to specific sectors and others which cover issues that cut across sectors. The sectors have been grouped into four main areas: productive, social services, economic services and administration. Implementation of these policies and strategies is not only the responsibility of the line ministries under central Government, but also Regions, Urban and District Councils, communities, the private sector, NGOs and donors.

6.7 The broad groupings of both sectoral and cross-sectoral issues, are described below.

Productive Sectors

Agriculture
Livestock
Forestry,
Beekeeping,
Wildlife
Fisheries
Industry
Minerals

Economic Service Sectors

Communications
Transport
Construction
Water
Energy
Lands and Urban Development
Tourism
Trade

Social Service Sectors

Health
Education
Housing
Information and Broadcasting
Labour
Youth and Social Welfare
Community development
Women and Children

Cross-Sectoral Issues

Environment
Science and Technology
Regional Administration and Rural Development
Cooperatives
Culture

Administrative Issues

Civil Service
Home Affairs
Justice and Judiciary
Economic and Financial Management
Foreign Affairs
Defence

CHAPTER 7: PRODUCTIVE SECTORS

A. Overview

7.1 This Chapter covers the following productive sectors: Agriculture, Livestock, Forestry, Beekeeping, Wildlife, Fisheries, Industry and Minerals.

7.2 In view of the redefined role of the Government, the productive sectors will be the main source of economic growth, although they will continue to receive a declining proportion of Government funding. This is because the government is in the process of withdrawing from productive activities and encouraging growth from the private sector.

7.3 Although the decision has been taken to promote private sector involvement, detailed strategies are still being developed on the measures required. Such strategies will aim to avoid disruptions in production and provision of services and to ensure the development and involvement of the indigenous private sector. During the first RPFB strategies will be developed for privatisation of parastatals within these sectors under the direction of the Parastatal Sector Reform Commission.

7.4 The Government will still have an important role to play in the productive sectors through the provision of supporting services such as research and extension, as well as providing an enabling environment to the private sector. This involves reviewing and developing appropriate policies, such as pricing, relevant legislation and regulations, etc, which will encourage increases in private sector investment and production. Thus, the development of the productive sectors will be dependent on appropriate macro policies as outlined in Part I of this document. Increased production, processing and marketing will also require improvements in infrastructure such as roads and energy supplies, as described in Chapter 3.

B. Agriculture

Introduction

7.5 Agriculture is the most important sector in Tanzania's economy: it employs 80% of the population and accounts for over 50% of GDP and 75% of foreign exchange earnings. Furthermore, it is the main source of food supply and raw materials for the industrial sector. In view of this, the performance of the agricultural sector is a major indicator of overall economic performance.

7.6 The Ministry of Agriculture, Livestock Development and Cooperatives is responsible for provision of extension and research services to both small scale and commercial producers, as well as being involved in the production and marketing of agricultural produce and inputs through a number of parastatal organisations.

Performance during 1990/91-1992/93

7.7 The performance of the sector was satisfactory with production partially meeting national requirements, although intermittent food deficits were experienced in various areas of the country. Cash crops performed better than food crops, with the production of most cash crops increasing over the period.

7.8 However the sector experienced various constraints which were:-

- (a) Bad weather including erratic rains and poor distribution;
- (b) Inadequate and delayed supply of inputs;
- (c) Pests and diseases;
- (d) Inadequate marketing services, due to poor infrastructure, operational problems of Cooperative Unions and infancy of private sector marketing machinery.

Objectives

7.9 The main objectives of the agricultural sector are:

- (a) To increase agricultural production and productivity thereby raising incomes of all Tanzanians.
- (b) To achieve national food self sufficiency and security.
- (c) To improve the efficiency of agricultural marketing, processing and storage.
- (d) To increase foreign exchange earnings.
- (e) To produce and supply raw materials for the industrial sector.
- (f) To ensure increases in production are environmentally sustainable.

Policies

7.10 To achieve the above objectives, the following policies have been developed:-

- (a) Encourage increased production by subsistence and commercial farmers.
- (b) Reorient the functions of the Ministry of Agriculture to providing services to subsistence and commercial farmers.
- (c) Further liberalisation of agricultural marketing and input supply.
- (d) Encourage diversification of agricultural production into non-traditional crops and agro-processing.
- (e) Encourage increased exports, including food crops in selected areas.
- (f) Sustainable methods of production will be identified and introduced.

Strategies

7.11 These policies will be implemented through the strategies described below.

7.12 In order to *encourage increased production by subsistence and commercial farmers* the sector will focus on:-

- (a) Providing the appropriate incentives to producers and ensuring prompt payment. Prices announced by the Ministry for traditional export crops will only be indicative and pricing of agricultural products will continue to be reviewed.
- (b) Improved extension and advisory services in the following areas:⁽¹⁾
 - (i) Methods of improving production and productivity;
 - (ii) Development of appropriate technology and dissemination through training programmes;
 - (iii) Reducing pest and diseases;
 - (iv) Reduction of post-harvest losses;
 - (v) Small scale irrigation.
- (c) Increasing productivity will be depend on further research into improved methods and varieties for both food and cash crops. Thus crop research facilities will be rehabilitated as well as foundation seed farms.
- (d) Provision of agricultural credit which is another vital ingredient of increasing agricultural output. Efforts will be directed at ensuring the banking sector is responsive to rural financing

requirements as well as encouraging rural credit associations based on farmers groups and other innovative approaches.

7.13 *The functions of the Ministry will be reoriented to providing the above services to subsistence and commercial farmers.* This will be achieved through:-

- (a) Reallocation of funds to these services.
- (b) Providing an appropriate policy and regulatory framework, i.e pricing, promoting environmental sustainability etc. Thus, the Ministry will strengthen its capacity for planning, policy analysis and management. One of the first steps in this process will be improving the agricultural database and producing reliable statistics for policy planning.
- (c) During 1993, the Ministry intends to complete a comprehensive review of the agricultural sector, which will assess the ongoing reforms in the sector and provide consolidated measures and strategies for the 1990s.

7.14 *The efficiency of agricultural marketing and input supply will be improved through:-*

- (a) Further liberalisation of agricultural marketing, restructuring of marketing boards and parastatals as well as increasing participation of the private sector in the marketing of food and cash crops. In the longer term Marketing Boards will act mainly as self-regulatory bodies.
- (b) Continued reduction of subsidies on fertilisers. The Ministry will identify further measures required to encourage private sector involvement in the procurement and distribution of other agricultural inputs as well as strengthening its own regulatory functions to prevent importation of environmentally harmful pesticides.
- (c) Continuing with the reforms started in 1989 under the Seed Industry Development Programme, including encouraging the entry of the private sector in production and marketing, revitalising support services, decontrol of seed prices and restructuring of TANSEED. The Ministry will then focus on research and quality control.

7.15 *Farmers will be encouraged to diversify agricultural production and processing* to reduce the risks associated with being dependent on the production of a few crops. Further expansion of high value export products and other potential products will be encouraged through research and extension services, in addition to the improved incentives for exports from further trade liberalisation. The potential for small scale agro-processing will also be reviewed as a means for increasing rural incomes.

7.16 *The Ministry will provide the necessary support to encourage increased exports, including food crops in selected areas.* The following strategies will be adopted:-

- (a) Improving incentives on export production through further liberalisation on export marketing, pricing, exchange rate reforms and an attractive export retention scheme.
- (b) Legalising selective exports of food crops in border areas where there are problems of marketing food crop surpluses.
- (c) Establishing a market information system to provide producers with up to date information on international commodity prices, etc.
- (d) Assisting producers to improve the quality of export crops so that they can compete in the international market.

7.17 *Identification and introduction of sustainable production methods* will involve the following strategies:-

- (a) In collaboration with relevant Ministries, soil and water conservation measures will be incorporated in all land use plans and Village Master Plans, indicating measures to preserve and improve the quality of land.
- (b) Undertaking further research and dissemination of sustainable agricultural practices, including the development of appropriate technology, such as animal drawn power.
- (c) Developing environmental awareness through education campaigns and establishing by-laws for environmental protection, in collaboration with relevant Ministries.

Priority Areas:

7.18 The areas to receive priority in terms of funding include:-

- (a) Rehabilitation of extension and research services;
- (b) Improvement of input supply and delivery systems;
- (c) Improvement of foundation seed farms;
- (d) Reduction of post harvest losses;
- (e) Improvement of traditional irrigation;
- (f) Strengthening soil and water conservation measures;
- (g) Strengthening policy analysis and planning;
- (h) Rehabilitation of training institutes;
- (i) Improvement of agricultural statistics.

Performance Indicators

7.19 Overall production of both food and cash crops will decline in 1993/94 compared to 1992/93, but pick up in 1994/95 - 1995/96. Production figures for the main crops are shown in tables 6.1 - 6.3 below.

Table 6.1: Production targets for main Food Crops

Crop	('000 Tonnes)			
	1992/93	1993/94	1994/95	1995/96
Maize	2,634	2,710	3,083	3,245
Millet/Sorghum	857	770	819	942
Paddy/Rice	620	414	532	638
Wheat	78	78	80	89
Beans/Cow peas	508	369	383	437
Cassava	1,790	1,700	1,822	1,986
Sweet Potatoes	234	400	420	450
Bananas	797	794	833	854
Sugar	121	128	134	140
Total	7,639	7,363	8,106	8,881

Table 6.2: Production targets for Main Cash Crops

Crop	('000 Tonnes)			
	1992/93	1993/94	1994/95	1995/96
Coffee	59	66	69	73
Cotton	450	350	368	386
Cashewnuts	55	50	53	55
Tobacco	21	21	22	23
Tea	19	20	21	22
Sisal	40	40	42	44
Pyrethrum	1	3	3.2	3.4
Total	645	550	578.2	606.4

Table 6.3: Production targets for Non-Traditional Crops

Crop	('000 Tonnes)		
	1993/94	1994/95	1995/96
Groundnuts	62	65	68
Cowpeas/Greengram	37	39	41
Wine Graps	1.9	2.0	2.1
Palm Oil Seeds	2.0	2.1	2.2
Vegetables/Fruits/Flowers	52	55	57
Simsim	5.0	5.3	5.6
Sunflower	62	65	68
Soya Beans	6.0	6.3	6.6
Cardamon	1.5	1.6	1.7
Castor Oil	5.0	5.3	5.6
Total	234.4	246.6	257.8

C. Livestock

Introduction

7.20 As in crop production, the majority of producers in the livestock sector are small scale subsistence producers. While some production is undertaken by Government farms and parastatals, the role of the small scale producers will continue to be emphasised. The livestock sector has not experienced the same marketing problems as the crops sector, largely because there has been little excess supply to be marketed.

7.21 The livestock sector generates almost one-quarter of agriculture's contribution to GDP: meat accounts for 40%, milk for 30% and smallstock 30%. In addition, it provides animal traction for cultivating 20% of agricultural land as well as rural transport: 80% of livestock owners are also crop farmers.

Performance during 1990/91 - 1992/93:

7.22 The general performance of the livestock sector during the period was moderately satisfactory. The envisaged increased levels in production of meat, milk and poultry were not attained during the period due to various constraints. The per capita consumption of meat has stagnated over the last three years, whereas that of milk has dropped slightly. The performance of large scale dairy farms and processing plants has not been encouraging. This has also been the case with parastatals entrusted with poultry production and development.

7.23 Acute shortage of funds has been a major constraint especially in range management, pasture development as well as veterinary and extension services. The dwindling grazing resource coupled with overgrazing and land degradation was also a problem. Productivity has been hampered by inadequate feed and water especially during the dry season and the prevalence of livestock diseases was aggravated by inadequate supply of essential livestock inputs. Highly productive stock of all types have also been in short supply.

Objectives:

7.24 The livestock sector has the following objectives:-

- (a) To increase production, processing and marketing of animal proteins to meet national nutritional requirements.
- (b) To increase net earnings of livestock producers, processors and traders, particularly those in the traditional sector.
- (c) To generate exportable surplus and reduce import requirements of livestock products.
- (d) To increase the volume and quality of livestock derived raw materials for agro-industries.
- (e) To optimize long term land use particularly in the pastoral sector.

Policies

7.25 The main policies to achieve the objectives outlined are as follows:-

- (a) Encourage increased production in the small holder and commercial sectors.
- (b) Maximize returns from marketed products and stock.
- (c) Improve the quality of livestock products.
- (d) Export promotion of livestock products.
- (e) Encourage private sector involvement in production, marketing and input supply.
- (f) Restructure and complete reforms of livestock parastatals.
- (g) Improve research, extension and animal health services.

Strategies

7.26 Strategies are indicated under each major policy statement as follows:-

7.27 To encourage *increased livestock production* in the small holder and commercial sector will entail:-

- (a) Increasing productivity and the number of improved stock.
- (b) Intensifying applied research and strengthening extension services.
- (c) Securing additional donor funding for exploration and penetration of export markets, design of a development oriented land policy, development and rehabilitation of infrastructure and transport facilities, disease control and input supply.

7.28 In order to *maximize returns from marketed products and stock*, the following will be carried out:-

- (a) Marketing centres will be improved to allow for organised flow of stock to domestic and export markets.
- (b) Quality control measures and deconfinement of prices.
- (c) The development of market information systems.

7.29 The *improvement of quality of livestock products* will call for:

- (a) Promotion of village level processing in areas with seasonal milk surpluses.
- (b) Public health regulations will also be enforced together with the quality standards of processed animal food.
- (c) Gradual phasing out of Government involvement in processing enterprises.

7.30 *Export promotion of livestock products* will involve the legalisation and formalization of border trade, exploration of ways of penetrating the international livestock market and carrying out studies to determine the market potential and requirements.

7.31 In order to *encourage private sector involvement* in production, marketing and input supply the following strategies will be adopted:

- (a) Promotion of rural self help livestock organisations.
- (b) Development of ownership of primary markets, dips, slaughter houses and hides and skins facilities to district councils.
- (c) Subsidies will gradually be phased out, while the supply of inputs and some services will be liberalised.

7.32 The *restructuring and completion of reforms of the livestock parastatals* will be effected by minimizing further government liabilities through the guidance of the report of the Presidential Commission for Parastatal Reform. Where the Ministry has reason to remain involved in productive activities, these enterprises will be managed on commercial lines, and full cost recovery or cost sharing arrangements will be developed.

7.33 To *improve research, extension and animal health services* the following will be adopted:-

- (a) Enhancement of mobility and supervision of staff.
- (b) Efforts will be made to optimize resource use through group approach methods.
- (c) Expansion of Applied Farming Systems Research and rationalization of Extension Agent/Farmer Ratio.

Priority areas:

7.34 Priority areas for resource allocation in relation to the core functions of the livestock sector will be as follows:-

- (a) Livestock extension services.
- (b) Disease control.

- (c) Livestock research and training.
- (d) Data and market information services.
- (e) Regulatory services.
- (f) Policy management.
- (g) Improvement of inputs supply and delivery system to farmers.

Performance Indicators

7.35 The output of various livestock products is expected to increase at an average of 4.2% per annum. Milk, eggs and hides production will increase by 5%, while meat and animal feeds as well as heifers by 3.5%. Production targets are shown in the table below.

Table 6.4: Production Targets for Livestock Products

Product	1992/93	1993/94	1994/95	1995/96
Meat ('000 tonnes)	211	228	236	244
Milk (million litres)	585	614	665	677
Eggs (million)	365	386	405	425
Animal Feeds ('000 tones)	123	170	175	180
Hides ('000 pieces)	1666	1890	1985	2084
Heifers	2074	2504	2591	2681

D. Forestry

Introduction

7.36 Forests are the main source of energy used by most of the population, both in rural and urban areas: 90% of fuelwood is derived from forests. The contribution of the forestry sector to GDP is underestimated, including its contribution in terms of rural energy, protection of watersheds for hydropower generation and soil conservation in agricultural production, for irrigation purposes, as well as employment opportunities.

7.37 In order to curb deforestation, a long term programme, known as the Tropical Forestry Action Plan has been launched. Under the programme, a total of 530,000 hectares of catchment forest and mangrove forests are managed and developed for water catchment.

Performance during 1990/91 - 1992/93

7.38 The performance of the forestry sector for the period was satisfactory. A number of programmes have been implemented including forestry development, environmental protection, training, research and evaluation as well as forestry inventory and surveys.

7.39 Various constraints have hampered the development of the forestry sector. These include the following:-

- (a) Inadequate forestry extension services;
- (b) Low performance of wood based industries;
- (c) Poor infrastructure facilities;
- (d) Inadequate legislation on land and tree ownership;
- (e) Fragmented forestry administration at regional and district levels;

Objectives

7.40 There are three main objectives of the sector:

- (a) To enhance forestry contribution to national economy.
- (b) To improve efficiency in the forestry practices.
- (c) To strengthen formal forest education and capacity building.

Policies

7.41 The following policies will be implemented:

- (a) Strengthen the linkages between the inter-related sectors.
- (b) Manage the country's forest land and resources for sustainable and progressive development.
- (c) Involve local government bodies, private individuals and private enterprises in various forest based activities.
- (d) Conserve the country's unique eco-system.
- (e) Rationalize the institutional framework.

Strategies

7.42 The policies outlined above will be implemented through the following strategies.

7.43 To *strengthen the linkages between interrelated sectors*, the following strategies will be pursued:-

- (a) Enhancing supportive role to land-based activities e.g agriculture, livestock, beekeeping, etc.
- (b) Increasing the quality and quantity of forest based products and services.
- (c) Increasing the efficiency of forest based industries.

7.44 *Managing the country's forest land and resources for sustainable and progressive development and utilization* will require:

- (a) The control of all catchment, watersheds and uneconomical land as well as preserve the forested areas to protect land against flood erosion, regulation of water supplies and flow of streams.
- (b) Promotion of community involvement in protecting and conserving forests through extension services.
- (c) Carrying out assessment of forest resources and developing plans for effective management.

7.45 In order to *involve local government bodies, private individuals and enterprises in various forest activities* the sector will direct efforts on:-

- (a) Strengthening formal forest education, training and forest research.
- (b) Encourage and assist communities to establish and manage forests.

7.46 *Conserving the country's unique eco-system* will be effected by:

- (a) Providing extension services to communities, farmers and other target groups through integration of tree growing in agriculture, beekeeping and livestock extension packages.
- (b) Controlling bush fires and other irrational utilization by preventing abuse and waste.
- (c) Intensifying afforestation activities.

7.47 In *rationalizing the institutional framework*, the administrative capacity of the sector will be improved and strengthened through training and retraining of staff particularly extension officers.

Priority areas

7.48 The forestry sector will focus on playing a supportive role by creating an environment conducive for private sector and community participation. Some of the state forests and forest based industries will be commercialised.

7.49 Other priority areas will include:

- (a) Consolidation of management plans and implementation for the catchment forests and miombo woodlands;
- (b) Resource assessment activities i.e surveys, mapping and inventory;
- (c) Strengthening research and training institutions.

E. Beekeeping

Introduction

Performance during 1990/91 - 1992/93

7.50 The general performance of the sector was encouraging especially on foreign exchange earnings. Production of bee products increased by 119% between 1990 and 1992. Likewise, exports of the products were on the increase. Involvement of youth and women in beekeeping has equally increased. Research activities, training and extension services were also carried out. This performance is attributed to NGO's increased support.

7.51 Despite these achievements, the development of the sector has been constrained by lack of policy and legislation; appropriate beekeeping technologies, incentive packages, institutional support and organisation. In addition to these, there is lack of clear marketing strategies for the bee products and integrated programmes amongst inter-related sectors. Inadequate extension services and training programmes also constrained performance.

Objectives

7.52 The main objectives of the sector are:

- (a) To increase the production of bee products to satisfy the local demand and export markets.
- (b) To increase exports of honey and beeswax.
- (c) To enhance environmental conservation.

Policies

7.53 To achieve the above objectives, the following policies will be pursued:

- (a) Encourage public institutions, NGO's and the private sector to participate in beekeeping development activities.
- (b) Encourage the establishment and development of local bee products based industries.

Strategies

7.54 The policies outlined above will be achieved through the following strategies:

7.55 To encourage public institution NGO's and private sector participation in beekeeping development activities, efforts will be made to involve them in the opening up of large bee farms and marketing. Development and dissemination of appropriate beekeeping technologies will also be emphasised.

7.56 To encourage the establishment and development of local bee products -based industries, efforts will be made to ensure production of high quality finished commodities. The internal and export marketing systems will be strengthened by carrying out marketing surveys, dissemination of market information and removal of bureaucratic formalities.

Priority areas

7.57 During the RPFB period, priority areas will be:

- (a) Rehabilitation of research and training institutions.
- (b) Development and improvement of research and extension services.
- (c) Improve storage, processing and marketing of bee - products.
- (d) Improve institutional framework.

F. Wildlife**Introduction**

7.58 The Government has set aside nearly 26% of the total land area, which is equivalent to 230,000 square kilometres as wildlife protected and conservation areas (national parks, the Ngorongoro Conservation Area and game reserves). Wildlife is the most valuable living natural resource in Tanzania and contributes to economic development by providing employment, income and revenues, including foreign exchange, protein to people and other wildlife products. However, the sector is still underdeveloped and the Government does not earn as much as the sector could potentially generate: it is estimated that US\$ 200 million could be achieved annually by 1995.

Performance during 1990/91 - 1992/93

7.59 There has been an upward trend in wildlife contribution to the national economy for the past three years. Integration of wildlife protection and utilization with rural development programmes has been pursued in some wildlife protected areas. The private sector has shown interest in game ranching and game farming.

7.60 Apart from inadequate funding and deteriorating infrastructure the sector has also experienced the following constraints:

- (a) Lack of incentive schemes and inadequate manpower.
- (b) Lack of public awareness on the importance of conservation for wildlife resources.
- (c) Poaching and encroachment of wildlife protected areas.
- (d) Conflicting interests due to lack of community participation in protection, management and utilization of wildlife resources.

Objectives

7.61 The main objectives of the wildlife sector are as follows:

- (a) To ensure environmental sustainability through wildlife protection, conservation and management.
- (b) To increase foreign exchange earnings through tourism.
- (c) To improve the living standards of the local population adjacent to protected and conserved areas.

Policies

7.62 The following policies will be pursued to achieve the above objectives:

- (a) Improve the conservation, protection and management of wildlife protected areas.
- (b) Strengthen and improve the integration of wildlife conservation and utilization with rural development.
- (c) Encourage private sector and NGO's participation on wildlife protection, conservation management and sustainable utilization.
- (d) Improve efficiency within the sector and increase foreign exchange earnings.

Strategies

7.63 To achieve the above policies the strategies listed below will be undertaken:

7.64 *In order to improve the conservation, protection and management of wildlife protected areas:*

- (a) Management plans of different wildlife protected areas will be developed.
- (b) Land use plans and demarcation of all protected areas will be carried out.
- (c) Formal and informal wildlife education and extension services will be strengthened.
- (d) Anti-poaching campaigns will be enhanced through provision of modern tools and equipments.
- (e) Efforts will be made to develop ways of establishing an autonomous wildlife management organ with reduced dependence on government funding.
- (f) All areas with potential wildlife will be upgraded and gazetted.
- (g) Emphasis will be put on improving social and economic infrastructure of wildlife protected areas.

7.65 *Strengthening and improving the integration of wildlife conservation and utilization with rural development* will call for:

- (a) Encouragement and support for community wildlife management and utilization programmes.
- (b) Assistance to local communities to form wildlife protection and conservation units.
- (c) Supporting communities living adjacent to protected areas to rehabilitate their socio-economic facilities.

7.66 *Encouragement of private sector and NGO's participation* in the sector will entail:

- (a) Private sector involvement in wildlife activities.
- (b) Provision of extension services to local communities.
- (c) Reviewing the existing regulations, procedures and laws.

7.67 *To improve efficiency within the sector and increase revenue* the following will be carried out:

- (a) Encouragement of export of finished wildlife products.
- (b) Improve mechanisms for revenue collection.
- (c) Strengthening of formal and informal wildlife education, training, research and extension services.
- (d) Rehabilitation and maintenance of training and research institutions.
- (e) Restructuring of parastatals within the wildlife sector so as to increase efficiency.

Priority Areas

7.68 During the plan period priority will be accorded to:

- (a) Rehabilitation of social and economic infrastructure within and around the wildlife protected areas.
- (b) Rehabilitation of training and research institutions.
- (c) Provision of transport and communication facilities, equipment and tools, for the wildlife protection unit.
- (d) Training of wildlife extension and research staff.
- (e) Preparation of management plans for wildlife protected areas.

G. Fisheries

Introduction

7.69 Tanzania's fisheries' potential is high both in marine and freshwater sources. The coverage is estimated at 58,000 square kilometres for marine and 64,000 square kilometres for freshwater fishing. The annual yield in fresh water fishing is 233,100 metric tonnes while that of the coastal fisheries is 60,000 metric tonnes. However, the production is very low compared to the potential of 780,000 metric tonnes of fish stock, thus much of it has not been tapped yet. The fisheries sector is a major source of protein food, employment opportunities and foreign exchange earnings. The fisheries industry involves predominantly artisanal fishermen, who use primitive gear, with very few commercial enterprises.

Performance during 1990/92 - 1992/93

7.70 During the past three years, production of fish has been increasing at a rate of 10%, most of it being from artisanal fishermen contributing 95% of the production. During the same period, foreign exchange earnings were to the tune of US\$ 10m through fish exports. Government revenue through royalty fees based on exports and license fees increased by 142.8%. Projects aimed at establishing credit facilities for fishermen have been initiated, in Kigoma and Kagera regions. A fisheries information and data base has been established and preparations are underway to collect data on fish stocks.

7.71 Development of the sector has been constrained by a number of problems which include inadequate supply of fishing gears and spares including vessels and inadequate financing of sector activities. In recent years, use of dynamite in fishing practices has increased considerably.

7.72 Transport is another major problem to ferry fish from the sources to the markets.

Objectives

- 7.73 The following objectives have been formulated for the development of the sector:
- To put into full use the available and underutilized fish resource.
 - To improve the living standards of the fisher folk and the dietary conditions of Tanzanians.
 - To ensure environmental sustainability within the aquatic terrestrial areas related to the fish sector.

Policies

- 7.74 To achieve the above objectives the following policies will be pursued:
- Create an enabling environment for joint venture investments.
 - Ensure resource and environmental sustainability.
 - Strengthen extension services to fishermen.
 - Improve infrastructure for fish handling, processing and storage.

Strategies

7.75 Strategies for implementing the above policies will be as follows:

7.76 In creating an enabling environment for joint venture investment, efforts will be made to make the sector efficient enough to attract foreign investors. Procedures for licensing, pricing and marketing as well as payment of royalty will be streamlined. Areas of participation will be in the production, processing and marketing of fish.

7.77 In order to ensure resource and environmental sustainability:

- (a) Conservation areas will be established in all lake waters and the ocean. Water qualities will also be improved to preserve natural ecosystems.
- (b) Security measures to monitor and discourage dynamiting in coastal areas will be intensified. Use of herbs and industrial chemical to poison fish will also be prohibited.
- (c) Research centres will be expanded so as to monitor aquatic pollution and establish resource base and management regimes.

7.78 Strengthening of extension services will be done by:

- (a) Training of fishermen in modern fishing techniques, fish farming, processing, preservation and distribution.
- (b) Strengthening of fingerling supply centres and distribution networks for fish farming.
- (c) Establishing surveillance facilities to curb destructive fishing methods in inland and marine waters.
- (d) Extending rural credit program for fishermen which have already been established in Kigoma and Kagera to other regions.
- (e) Strengthening of zonal training centres to cope with the increase in fisher folk.

7.79 In improving infrastructure for fish handling, processing and storage:

- (a) Private investors will be encouraged to participate in rehabilitating the existing infrastructure, e.g. cold storage transport and storage facilities, boat building etc.
- (b) All laboratories for quality control will be rehabilitated.

Priority Areas**7.80 Priority for the sector development activities will be accorded to:**

- (a) Strengthening the capability of the artisanal fishermen to be able to increase production through use of modern fishing gears, engines and related accessories. Extension services will therefore be expanded.
- (b) Curbing bad fishing practices which result in destruction of coral reefs and eventually coastal beach erosion.
- (c) Strengthen and rehabilitate research and training institutions.

H. Industry

Importance of the Sector

7.81 Industry is a very important sector in the development of the economy, and thus its share in the national income is considered as an indicator of economic and social transformation. In Tanzania, the industrial share in the economy has for the past four years grown at an average of 8%, and it remains to be the largest single source of urban employment. Industrial exports account for 20% of total earnings, ranking second after agriculture. It is undisputable also that the sector facilitates technical progress in the rest of the economy. It has high backward and forward linkages.

7.82 The Ministry of Industries and Trade has a major responsibility for the promotion of the industrial sector, although the Investment Promotion Centre also plays an important role of promoting local and foreign investment. The Ministry is also involved in productive activities through a large number of parastatals. But, this direct involvement is expected to diminish as more private sector participation is encouraged.

Performance during 1990/91 - 1992/93:

7.83 The industrial sector has continued to perform well following the introduction of the Economic Recovery Program (ERP). Capacity utilization improved over the average of 30% on some priority industries. The share of industry in total wage employment increased from 14% to 18% i.e. an average of 2.8% p.a.

7.84 The share of the sector in total GDP remained at 8% which is a positive trend. Despite of the above achievements, the sector continued to be constrained by a number of problems which include insufficient supply of raw materials and other imported inputs, inadequate cash cover consequently failing to make use of OGL, unreliable supply of water and power, management inefficiencies and poor intra and inter-sectoral integration.

Objectives

7.85 The objectives of the sector are:

- (a) To increase output and share of industry in the overall economy.
- (b) To establish a strong industrial base for further economic development.
- (c) To make industrial development self sustaining.
- (d) To create and expand employment opportunities.
- (e) To protect the environment from industrial pollution.

Policies

7.86 In order to ensure speedy realisation of the sector objectives highlighted above, the following policies will be used:

- (a) Creating an enabling environment conducive to private sector participation.
- (b) Restructuring the industrial sector.
- (c) Enhancing efficiency and capacity utilisation in the existing industries.
- (d) Strengthening the human resource and technical capabilities.
- (e) Promoting the indigenous private sector.
- (f) Encouraging the use of production technologies which are environmentally friendly.

Strategies

7.87 Strategies for implementing the above policies will be:

7.88 *Creating an enabling environment conducive to private sector participation* will involve:

- (a) Privatisation of public industries.
- (b) Invitation of joint ventures with public owned industries.
- (c) Review of incentive packages like tariffs to induce new investments.
- (d) Streamlining industrial investment, licensing and export and import procurement procedures.
- (e) Enhance availability of information pertaining to investment opportunities.

7.89 The *restructuring of the industrial sector* will be continued and directed by the Parastatal Sector Reform Commission and will involve:

- (a) Undertaking privatisation of public industries.
- (b) Inviting joint ventures in the remaining public industries.
- (c) Rehabilitation of industries through strengthening of capital structure, managerial capability and industrial infrastructure.
- (d) Reduce Government interventions so as to allow competitive business environment.

7.90 *Enhancing efficiency and capacity utilisation in existing industries* will involve:

- (a) Rehabilitation of existing capacities.
- (b) Strengthening of both backward and forward linkages of the sector to the whole economy.
- (c) Reliable and adequate supply of basic industrial infrastructure.
- (d) Improving the availability of raw materials and other production inputs.
- (e) Decentralise decision making and induce effective and efficient management control structures.

7.91 To *strengthen human resources and technical capabilities* by:

- (a) Surveys will be undertaken to assess manpower and skills requirements for the industrial sector so as to improve the training provided.
- (b) Improving the existing training institutions to meet the increasing demand for technical and management skills.
- (c) Undertake further research into new products, packaging materials, local raw materials, production processes and appropriate technologies.
- (d) Establishing links between local institutions and relevant ones abroad.

7.92 To *promote the development of the indigenous private sector*, the main focus will be directed to the following:

- (a) Enabling development of the informal sector.
- (b) Identification of a potential class of entrepreneurs: graduates, retired civil servants, school leavers, etc. so as to target training programmes.
- (c) Development of a package of incentives and head-start programmes including soft loans, loan guarantees and low equity contributions.
- (d) Encouraging the development of local consultancies through using their services for extension programmes.
- (e) Identification of key industrial subsector growth poles and negotiating sub-contracting some of their activities to small scale industries.

7.93 *Emphasising the use of technologies friendly to the environment* will be achieved through:

- (a) Encouraging the development of industries which can make use of industrial waste.
- (b) Ensuring proper industrial location and avoiding establishment of industries within or close to residential areas.
- (c) Enforcing the use of environmental protection measures and laws.

- (d) Carrying out social and economic analysis of industrial pollution before allowing projects to be undertaken.

Priority areas

7.94 Priority will be given to the following areas:

- (a) Restructuring of industrial sector.
- (b) Rehabilitation of existing industries.
- (c) Improvement of human resource development.

Performance Indicators

7.95 Industrial capacity utilisation is expected to increase from the present 30% to 50% by 1995/96. Consequently, the sectoral contribution to GDP is expected to amount to 12% as against the current 8%. Also, industrial exports are expected to increase from 20% to 30% of the country's total export earnings.

I. Minerals

Importance of the Sector

7.96 The mineral sector, which has performed very well in recent years, had the highest growth rate of 24% and contributed 0.9% to GDP in 1992. Following an increase in private sector participation and improved mineral buying services, a booming industry has been forecast for Tanzania in the near future. The number of people engaged in mineral activities such as small scale mining and mineral prospecting is expected to increase from 5192 in 1992 to 6345 in 1995. Export earnings from minerals is expected to increase further to US \$70.0 million in 1996 as against US \$53.1 million realised in 1992.

7.97 The Mineral Resources Department of the Ministry of Water, Energy and Minerals is responsible for overseeing the development of the mineral sectors and provides support services to producers. Mineral production and marketing is undertaken by Government through the State Mining Corporation and its subsidiary companies; the Saruji Corporation and its group of companies; local and foreign private companies; and small scale miners.

Performance during 1990/91 - 1992/93

7.98 The performance of the mineral sector over the past three years was more satisfactory than the preceding years. There has been a sharp increase, in both production and exports following Government's liberalization policy on mineral trade. The increase in gold purchase reached 4.52 tonnes in 1992 compared to 1.63 tonnes in 1990. Mineral exports rose to US \$26.29 million in 1990 from US \$16.94 million and further doubled to US \$53 million in 1992.

7.99 Despite this good performance, the mining sector has been constrained by lack of funds, essential modern tools and equipments, laboratory services, marketing problems, inadequate manpower, extension services, poor motivation of workers and mineral smuggling. Also conflict among small and larger scale miners and between miners and villagers especially over plot allocation and village boundaries hampered the sector over the period.

Objectives

7.100 The main objective of the sector over the plan period are the following:-

- To increase mineral production and mineral exports;
- To develop and improve local capacity in processing and utilisation of minerals;
- To increase Government revenues.
- To increase foreign exchange earnings.

Policies

7.101 In order to achieve the above objectives the following policies will be adopted:

- Encourage private sector participation in the development of the mineral sector.
- Promotion of small scale mining.
- Enhance and improve health conditions and environmental sustainability in mining areas.
- Strengthen the institutional framework and capacity building.
- Promotion of mineral trade.

Strategies

7.102 The above policies will be implemented through the following strategies.

7.103 To *encourage private sector participation in the development of mineral sector* emphasis will be put on:

- (a) Reviewing existing laws and regulations, particularly legal and fiscal, to make them attractive and conducive to investors.
- (b) Organising and disseminating information on the country's mineral potential through workshops, seminars, publications etc.
- (c) Carrying out geological, geochemical and geophysical investigations for obtaining basic data on mineral occurrences in the country.
- (d) Liberalising production and processing of minerals and restructuring of mineral parastatals.
- (e) Encouraging local open markets where miners can sell their products to licensed dealers.

7.104 To *promote small scale mining*, the main focus will be directed to the following activities:

- (a) Improving extension and advisory services in mining, prospecting, processing and marketing.
- (b) Facilitating the availability of tools and equipments by identifying local and foreign manufacturers and suppliers of mining tools and equipments.
- (c) Encouraging local entrepreneurs to manufacture and/or supply tools, equipment and offer consultancy services.
- (d) Providing market outlets to small scale miners.

7.105 On *Strengthening institutional framework and capacity building* the following measures will be undertaken:

- (a) Rehabilitation and strengthening of existing institutions.
- (b) Development and sustenance of local capacity to process, edit and print geo-technical maps and develop geo-technical information data base.
- (c) Increase zonal mining offices and strengthen the existing ones.
- (d) Improve on the job training to enhance technology transfer and improve the development of human resources through training, seminars etc.
- (e) Encouraging inter-sectoral linkage in utilisation of minerals eg. power generation, industrial, domestic, etc.

7.106 In line with the macro policy, *improving health conditions and environmental sustainability on mining areas* will be given priority in the following areas:

- (a) Instituting remedial measure in areas where environmental hazards have occurred.
- (b) Protecting ground water pollution, arrest deforestation and degradation in mining areas.
- (c) Instituting and enforcing laws and regulations which will govern environmental protection in mining areas.
- (d) Provision of adequate social services in mining areas.
- (e) Enhancing the use of mineral products to improve human health eg. use of iodate salt, and encourage health check ups for miners.

7.107 *Promotion of mineral trade* will involve the following strategies:

- (a) Promoting private participation in mineral trading through review of rules and regulations.
- (b) Encouraging wider participation in gemstone auctions.
- (c) Developing local capacity of sorting and valuation of minerals.
- (d) Encouraging local producers to sell value-added products through lapidary and gold smiths.
- (e) Promoting establishment of financing schemes for mineral development and trade.

Priority Areas

7.108 Priority will be accorded to:

- (a) Provision of extension services to small scale miners.
- (b) Promotion, supervision and monitoring of mineral trade.
- (c) Training and capacity building.
- (d) Improve planning, data collection and dissemination.
- (e) Undertake geological survey and mapping.

CHAPTER 8: ECONOMIC SERVICE SECTORS

A. Overview

8.1 This Chapter covers the economic services sectors: Communications; Transport; Construction; Water; Energy; Lands; Urban Development; Tourism; and Trade.

8.2 The Economic Services Sectors will provide the necessary support for increased production as well as improvements in social services. As such they are of vital importance. The Government recognises that it cannot provide sufficient infrastructure and services with its limited resources and that the Government is not always the most efficient provider of such services. Thus private sector involvement will also be encouraged in these sectors, with Government playing the role of regulator and promoter. In addition to the policies outlined in this Chapter, the Macro policies outlined in Part I will form an important part of encouraging private sector involvement in the economic services sectors.

8.3 However, there will still be some areas where private sector investment may not be forthcoming, for example rural electrification infrastructure. In these areas the Government will continue to operate, but efforts will be made to improve efficiency and cost recovery measures will be strengthened to increase the resources available to these sectors.

B. Communications

Introduction

8.4 Postal and telecommunications services are a complement to transport and provide a fast link between areas of production and market centres within and outside the country. Consequently, telecommunication services are very essential for effective and competitive businesses.

8.5 The Ministry of Communications and Transport is responsible for the development of the sector through the Tanzania Posts and Telecommunications Corporation (TP&TC), which was established in 1977. Since its establishment it has enjoyed monopoly in the development of the telecommunications network and in the provision of customer services as well as providing postal services. The Post Office Savings Bank was also part of the TP&TC until its recent restructuring into a fully fledged banking institution.

8.6 Meteorological services are also provided by the Ministry of Communications and Transport through the Directorate of Meteorology and are geared to monitoring the atmosphere and eventually providing information vital for planning and operational activities of other sectors, such as agriculture.

Performance during 1990/91-1992/93:

8.7 The main achievements of the sector were:-

- (a) Expansion of telecommunication services to new areas as evidenced by the growing list of applicants for the services.
- (b) Modernisation of the telecommunications systems through the introduction of digital switching and transmission facilities.
- (c) Restructuring of the Tanzania Posts and Telecommunications Corporation (TP&TC) to enhance performance and expansion of postal services.
- (d) Introduction of Expedited Mail Services (EMS) and "DHL" services in the country.

8.8 However, it was not possible to meet the targeted mail delivery time, to reach accuracy levels in weather forecasts, and to forecast beyond twenty four hours. Telecommunication services were also less than

satisfactory. This low performance is attributed to four major constraints, which include inadequate funding, particularly foreign exchange; overstretched organisation structure for TP&TC; poor transport for mail delivery services and dilapidated equipment and cable network.

Objectives:

8.9 The main objectives are:-

- (a) To improve local and international postal and telecommunication service quality;
- (b) To widen coverage of communication services;
- (c) To raise the level of accuracy and ability in weather forecasting.

Policies:

8.10 In order to achieve the objectives, the following policies will be pursued.

- (a) Confining the role of the government to policy issues;
- (b) Promoting private sector participation;
- (c) Strengthening the management of the communications sector;
- (d) Enabling parastatals to become more commercially viable;
- (e) Enhancing benefits from global communication links;
- (f) Improving customer service in telecommunications and postal services

Strategies:

8.11 In an endeavour to achieve the policies and subsequently the objective, the following strategies will be implemented:

8.12 *Confining the role of government to policy issues* will be achieved through giving the necessary autonomy to the TP&TC to undertake investment and operational decisions and entering into performance agreements with the Government.

8.13 Related to that, *promotion of private sector participation* will be undertaken through;

- (a) Transferring activities not best carried out by public institutions to the private sector.
- (b) Constantly reviewing legislation with a view of removing undue barriers of entry into the industry.
- (c) Liberalising tariff setting as well as market access.

8.14 To *strengthen the management of the sector* the following will be carried out:-

- (a) Overseeing smooth restructuring of the postal and telecommunications parastatal.
- (b) Building capacity for monitoring the sector, as well as setting and enforcing service quality standards.
- (c) Enhancing accuracy in climatological information through:
 - (i) Entering into arrangements with institutions like schools and mission centres on strategic locations around the country to collect, record and convey basic information to meteorological offices.
 - (ii) Participating effectively in regional and international meteorological links.
 - (iii) Establishing a central information data bank.
 - (iv) Decentralising management into zones where convenient.

8.15 *Enabling parastatals to become more commercially viable* will be achieved by:

- (a) Carrying out investment based on commercial viability.
- (b) Continuing divestiture of non-core activities from the TP&TC.
- (c) Leaving supply and installation of subscriber equipment to the private sector.
- (d) Decentralising management into zones where convenient.

- (c) Carrying out a study to identify other areas of privatisation e.g. maintenance of cable network by contract or postal operations by agents.

8.16 *Enhancing benefits from global communication links* will be done mainly through effective participation in regional and international co-operation arrangements.

8.17 *Improvement of customer service in telecommunications and postal services* will be done by:

- (a) Rehabilitation of dilapidated infrastructure.
- (b) Contracting mail transportation to scheduled transport service operators in collaboration with Tanzania Licensing Authority (TLA).
- (c) Encouraging competition through private participation in requisite services.
- (d) Use of modern telecommunications equipment particularly exchange and transmission facilities.
- (e) Rehabilitation and/or provision of pay-phones (call boxes) at strategic locations.

Priority areas:

8.18 These will include activities aimed at:

- (a) Improving customer service.
- (b) Enhancing benefits from regional and international communication and climatological information system.
- (c) Extension as well as modernization of the services.

Performance Indicators

8.19 Postal services are expected to increase by opening 60 and 150 new post and sub-post offices respectively, installing 67,350 private letter boxes and licensing 80 private stamp sellers. This is aimed at extending services to many areas, but also cutting down the number of customers served per post office from 29,000 to 25,000 in 1992/93 and 1995/96 respectively. Letter delivery time is also expected to improve from 4.2 to 2.5 for air mails and 6 to 4.5 ordinary mail.

8.20 Telecommunication services are expected to be expanded and improved to cope with a rapid increase in subscriber demand. Therefore, telephone exchange capacity will be increased from 83,460 lines in 1990 to 190,000 in 1995/96, while direct exchange connections from 73,000 to 133,000, MDF pairs from 100,000 to 220,000 and telex capacity from 2350 to 4350 for the same period. The number of telex subscribers will rise to 4,300 in 1995/96 from the current figure of 1780.

8.21 Telephone service available is therefore expected to improve from 0.3 to 0.54 telephone per 100 people in 1990 and 1995 respectively. Similarly, trunk call completion rates between regional headquarters is expected to increase from 25% in 1990 to 60% in 1995 for STD and 50% to 80% for manual ones, while local calls will be 65%.

8.22 Alongside this expansion programme, efficiency is expected to increase. Fault rate per telephone per annum is expected to drop from 2.7 to 1.2% and 3 to 1.6% in urban and rural areas respectively. Number of telephones repaired one day after fault will increase from 25 to 50%, while those after two days from 45 to 60% in 1990/91 and 1995/96 respectively.

C. Transport

Introduction

8.23 The transport sector, which accounts for 5.6% of GDP and the highest share of annual investment (16%), provides the vital spatial and sectoral links in the economy, particularly in agriculture, for internal distribution and marketing of food and cash crops. Transport infrastructure also facilitates trade with other

land locked countries in the region and thus provides a source of revenue. The deterioration of the transport system during the period of economic decline was a serious constraint on the development of the productive sectors. Since the introduction of economic reforms, significant improvements have been achieved in transport infrastructure and services. However, there is still need for further rehabilitation and expansion in the sector. In particular, transport remains a major constraint in rural areas: a recent study estimated that headloading accounts for 73% of all transport in rural areas.

8.24 The Ministry of Communications and Transport has overall responsibility for the transport sector, although the construction of transport infrastructure is the responsibility of the Ministry of Works. The national transport system consists of about 80,000 kms of roads, two railway systems (Tanzania Railways Corporation (TRC) and TAZARA - jointly owned with Zambia), an ocean port facility operated by the Tanzania Harbours Authority, lake ports operated by TRC, two international airports, eleven smaller airports and fifty landing strips.

8.25 Transport services are provided by both parastatal organisations and the private sector. Parastatals operate the following services: railway, air (Air Tanzania Corporation), shipping (Tanzania Coastal Shipping Line and TRC) and roads (Regional Transport Companies and Usafiri Dar es Salaam), while the private sector is becoming more involved in road, shipping and air charter services.

Performance during 1990/91 - 1992/93:

8.26 This has been a period of major changes aimed at making the sector render higher service levels in a more efficient manner. These include: the launching of the Integrated Roads Project (IRP) in 1991 with an objective to rehabilitate priority trunk and rural roads and restructuring of Tanzania Railways Corporation (TRC); and acknowledgement of policy and institutional arrangements as an integral part to project implementation as evidenced in IRP and the Railway Restructuring Programme. Moreover continued liberalisation of trade coupled with decontrol of freight charges has led to improved transport services and attracted private sector participation.

8.27 Despite the measures undertaken and the success achieved so far, transport services have not been able to meet the demand due to lack of adequate funding, co-ordination with the sector, clear policy and inefficient parastatal operations.

Objectives:

8.28 The objectives of the sector are:-

- (a) To render efficient domestic and international transport services effectively.
- (b) To minimize public expenditure and maximize both foreign and local revenue generation in the transport sector.
- (c) To minimize transport related environmental hazards.

Policies:

8.29 In order to ensure achievement of the objectives, the following policies will be pursued.

- (a) Limiting the government's role to policy formulation, monitoring and evaluation.
- (b) Streamlining and strengthening the sectoral institutional framework.
- (c) Rehabilitation and improving the condition of infrastructure and strengthening maintenance culture and funding.
- (d) Improving rural and urban travel and transport.
- (e) Reducing sectoral dependency on government funding and promoting the development and involvement of the private sector.
- (f) Enhance sectoral foreign exchange earnings.
- (g) Enhancing transport safety and sound environment.

Strategies:

8.30 A number of strategies have been identified to implement the above policies. These include the following:

8.31 In order to *limit the government role to policy formulation, monitoring and evaluation*:-

- (a) Activities which can be self sustaining will be given more autonomy.
- (b) Existing legislation will be reviewed to remove barriers of entry into the industry.

8.32 Furthermore, the envisaged *streamlining and strengthening of sectoral institutional framework* will be achieved by:-

- (a) Creation of one ministry responsible for transport infrastructure and operating equipment.
- (b) Developing sectoral capacity to plan and enhance intermodal co-ordination.

8.33 *Rehabilitation and improvement of the condition of infrastructure and strengthening of maintenance culture and funding* will be achieved by:-

- (a) Formulating and implementing infrastructure and equipment rehabilitation programmes.
- (b) Putting in place maintenance systems.
- (c) Establishing special funds for maintenance of infrastructure eg. railway fund, road fund etc.
- (d) Studying the feasibility of contracting out railway track maintenance.

8.34 To *improve rural and urban travel and transport* the following strategies will be carried out:

- (a) Co-ordination of the requisite travel and transport interventions.
- (b) Promotion of appropriate means of transport eg. the intermediate means of transport (IMTs).
- (c) Construction and maintenance of tracks/paths through self help will be encouraged and expertise and advice will be provided.
- (d) Rationalising traffic management.
- (e) Improve urban-road design such that they cater for further expansions and pedestrian paths.

8.35 With the goal of *reducing sector dependence on government funding* the following strategies will be implemented:

- (a) Continue divesting potentially loss making transport parastatals or activities.
- (b) Continue with the restructuring and strengthening of viable parastatals to operate on a commercial basis.
- (c) Embark on gradual elimination of subsidies and carry out a study to identify other sources of revenue.
- (d) Encourage the participation of the private sector through review of existing legislation, liberalisation of tariff policy and marketing access and improved availability of inputs.
- (e) Study the convenience of allowing major clients of railway transport to procure rolling stock and lease it to railways on an operational agreement.

8.36 To *increase sectoral foreign exchange earnings*, the sector will:-

- (a) Improve and expand transit traffic services by encouraging modal interchange operations (i.e. marine, surface and air transport).
- (b) Pursue single tariff setting for corridor multi modal operations.
- (c) Encourage corridor approach to investment/rehabilitation of infrastructure.

8.37 Finally, in order to *enhance transport safety and a sound environment*, the following will be undertaken:

- (a) Reviewing and updating national legislation on transport operational and safety requirements in line with international conventions and agreements.
- (b) Strengthening survey and inspection of transport operating equipment.
- (c) Ensuring conformity of infrastructural design standards to environmental protection requirements.

Priority areas:

8.38 Priority areas for the RPFB period will include:-

- (a) Rehabilitation of priority trunk and rural roads.
- (b) Rehabilitation of the railway system.
- (c) Rehabilitation of aerodromes together with the provision of navigational aids.
- (d) Improvement of the rural travel and transport.
- (e) Measures to improve operations within the various modes of transport.

Performance Indicators

8.39 Total road network is 80,000 km out of which 10,460 km are for trunk roads and 69,540 km are regional roads. Under the IRP it is envisaged to improve the road network through rehabilitation and upgrading from the present 15% and 10% to 60% and 30% of trunk and regional roads respectively in good condition by mid-1996.

D. Construction*Introduction*

8.40 The Ministry of Works has responsibility for the construction sector through direct involvement in construction activities of roads, aerodromes, Government buildings and management of Government stores and supplies. The Ministry is also responsible for promoting the development of private sector construction capacity. The Capital Development Authority is also under the Ministry of Works and is responsible for overseeing the transfer to the new capital and provision of infrastructure in Dodoma.

Performance during 1990/91 - 1992/93:

8.41 A number of achievements were recorded during this period. These include:-

- (a) Formulation and adoption of the National Construction Industry Development Strategy (NCIDS).
- (b) An upsurge in the supply of construction works due to the launching of the Integrated Roads Project (IRP) and improved supply of building materials.
- (c) Participation of local contractors in civil works as a deliberate efforts to develop local construction capacity. The gap continued to be filled by foreign contractors.
- (d) Training of local contractors so as to improve their capability in contractual work particularly on road works.
- (e) A shift of government role in construction sector from that of direct involvement through force account to contract management.
- (f) Strengthening of the industry's back up facilities. These include the materials laboratories and the establishment of the Plant and Equipment Hiring Company (PEHCOL).

8.42 Despite the achievements, predominance of foreign contractors and consultants particularly in civil works, high import dependence factor, high construction cost and time overruns, and cases of poor workmanship continued to jeopardize the performance of the sector. The constraints to which these features have been attributed include:-

- (a) Inadequate capacity of local contracting and consulting companies particularly for civil works.
- (b) Unfavourable capital structure of most local contracting firms coupled with limited credit from banks.
- (c) Inappropriate contract packaging; which were too large to be undertaken by local contractors.

- (d) Use of inappropriate technology, i.e. capital intensive where labour intensive is technically feasible and more cost effective.
- (e) Inefficient back-up facilities particularly on quality control services and availability of equipments.
- (f) Inadequate availability of construction materials.
- (g) Shortage of skilled manpower and inadequate training facilities.

Objectives:

8.43 The main objectives will be:

- (a) To develop a self-sustaining construction industry that is capable of meeting the diverse needs for construction, rehabilitation and maintenance of all building and civil works efficiently and effectively.
- (b) To oversee the transfer of the government administrative seat from Dar es Salaam to Dodoma.

Policies:

8.44 In order to achieve the above objectives the following policies will be pursued:-

- (a) Promoting the development of private sector contractors and consultants.
- (b) Improving efficiency of contractors/consultants.
- (c) Encouraging private sector participation in providing back-up facilities.
- (d) Promoting the use of appropriate technologies.
- (e) Promoting the construction of the new capital.
- (f) Enhancing human resource development.

Strategies:

8.45 The following strategies are to be implemented in order to achieve the respective policies:-

8.46 In order to *promote the development of local contractors and consultants* the following will be done:-

- (a) Continue offering contractor/consultant courses.
- (b) Continue paying advance payment to contractors.
- (c) Encourage joint ventures between local and foreign contractors/ consultants.
- (d) Accord priority in contract award to local contractors /consultants and those with joint venture arrangements.
- (e) Ensure appropriate contract packages to facilitate local contractors and consultants participation.

8.47 To *improve efficiency of contractors and consultants*, the following will be done:-

- (a) Establishing and putting into effect a reward and sanctioning system for all contractual performance.
- (b) Conducting training courses in the management of construction works.
- (c) Registration of all firms and professionals involved.

8.48 In order to *encourage private sector participation in provision of back up facilities* the following will be done:-

- (a) Sale of PEHCOL shares.
- (b) Identification and removal of barriers to back up facilities in order to attract private participation.
- (c) Initiating restructuring measures towards a commercially oriented stores and supplies function.
- (d) Re-organising the Government Transport Agency (GTA) and workshops to be commercially oriented undertakings.

8.49 To *promote the use of appropriate technologies*:

- (a) Contractors and consultants will be trained in both labour and capital intensive methods.
- (b) Research and development will be accorded due priority.

8.50 *Promoting the construction of the new capital* will be done through:-

- (a) Encouraging the private sector to invest in Dodoma; particularly in estate development (residential and commercial buildings)
- (b) Provide the necessary infrastructure such as surveyed plots, roads, water supply, and sewerage systems.
- (c) Co-ordinate development activities by ministries and private investors in Dodoma.

8.51 To *enhance human resource development*, existing training institutions will be strengthened and sector staff accorded training.

Priority areas:

8.52 Priority is to be accorded to:-

- (a) Contractor development; particularly civil works contractors.
- (b) Enhancing human resource development.
- (c) Provision of back-up facilities particularly those which are not viable for private investors.

Performance Indicators

8.53 The number of private contractors is expected to increase by 2.7% per year. However, no increase is envisaged for number of consultants as a result of deliberate policy of the government to attach top priority to the training of local contractors under the IRP. Reorganisation of the Government Transport Agency will be carried out after studies have been undertaken in 1993/94 on some of the ministry's activities.

E. Water

Introduction

8.54 The provision of adequate water supplies is one of the basic prerequisites for improving the quality of life, as well as being one of the important inputs for productive activities, such as agriculture and industry.

8.55 The Ministry of Water, Energy and Minerals is the principal Government institution responsible for the implementation of the Water Policy. This task involves the formulation of strategies, implementation of large projects, training and allocation of manpower, research and donor coordination. It is however the responsibility of the Regions and Districts to implement smaller projects. The role of donors and NGOs is also of paramount importance in this sector and accounts for 60% of the total capital investment in the sector.

8.56 The management of the urban water supplies is entrusted to the National Urban Water Authority (NUWA). For the time being NUWA only operates in the city of Dar es Salaam, pending the full establishment of its capacity to operate other supplies.

Performance during 1990/91 - 1992/93:-

8.57 During the period under review the Department was able to encourage significant levels of community participation in all projects. Most of the water supply schemes are community managed through water committees and water funds. The objective of the approach is to ensure sustainability of all rural water supplies. Also various institutions have taken interest and active roles in the development of the sector.

Towards the end of 1991 a comprehensive Water Policy was prepared and its implementation endorsed by Cabinet.

- 8.58 Despite these achievements, the sector continued to be constrained by many problems including:-
- (a) Inadequate transport facilities coupled with an inefficient communication system within the sector
 - (b) Weak capacities due to shortages of adequate manpower to manage water and sanitation programmes.
 - (c) Insufficient cost recovery and cost sharing mechanisms for the urban and rural water supplies respectively.
 - (d) Inadequate participation of beneficiaries in water supply management.
 - (e) Poor coordination of donor activities.
 - (f) Use of inappropriate technologies.

Objectives:

- 8.59 The major objectives of the sector are:
- (a) To provide adequate, clean and safe water by year 2002, to the whole population for health improvement and socio-economic development.
 - (b) To identify and develop water resources.
 - (c) To improve efficiency in the development and management of water supplies.
 - (d) To ensure that the development of the sector is environmentally, socially and financially sustainable.

Policies:

- 8.60 To ensure the above objectives are realized the following policies have been articulated:-
- (a) Promote community participation, including cost sharing in the rural water supply sub-sector activities.
 - (b) Greater emphasis on maintenance and rehabilitation rather than on new investment.
 - (c) Promote use of appropriate technologies.
 - (d) Encourage privatization.
 - (e) Develop human resources including capacity building.
 - (f) Development of sources of water for urban and rural areas.
 - (g) Improve efficiency in the sector.
 - (h) Improve the environmental sustainability of water supplies.

Strategies:

8.61 The strategies for the sector, currently in use and to be continued during the RPFB, are indicated under each major policy objectives as follows:-

- 8.62 *The promotion of community participation* will entail:
- (a) Developing various approaches to involve communities in the management of water supplies.
 - (b) Ensuring women's participation in decision making.
 - (c) Training of communities in minor preventive and maintenance measures at the rural level.
 - (d) Continued training in health education in collaboration with the health sector to ensure household hygiene.
- 8.63 *Greater emphasis on maintenance and rehabilitation rather than new investment* will involve:
- (a) According priority to rehabilitation, operation and maintenance of schemes in resource allocation.
 - (b) Use of simple technology for rehabilitating schemes.
 - (c) Purchase of spare parts and equipment for repairs.

8.64 *In order to promote use of appropriate technology* the sector will:

- (a) Use least cost technology in its operations, like shallow wells. However for areas where this choice is not feasible higher cost technologies will continue to be used.
- (b) Emphasis on local manufacture of standardized and sustainable equipment.
- (c) Promote wide use of other technologies such as rain harvesting and solar and wind power as a source of energy.

8.65 *To encourage privatisation* the sector will:-

- (a) Undertake studies on privatisation of some of the sector activities, particularly the management of water supplies.
- (b) Review the role of the central workshop with an objective of securing joint ventures in repair of pumps and production of spare parts.
- (c) Involve the private sector in the importation of water chemicals and equipments.

8.66 *Development of human resources including capacity building* will be achieved through:

- (a) Assessing the manpower requirements and reviewing the existing training programmes including in-service training for staff, community training and strengthening the Water Resource Institute.
- (b) Strengthening capacities at all levels by training, adequate financing, increase of incentives and availability of working equipment.

8.67 *Development of water sources for urban and rural areas* will call for:

- (a) Continuation of studies on potential water sources, including Lakes Nyasa and Victoria, the Nile River Basin, other river and ground water sources.
- (b) Review of the existing water master plans with a view of identifying and developing more water sources for urban and rural water supplies.
- (c) The establishment of a water resources data base for use in project identification, control and monitoring of water use.

8.68 *Improving efficiency in the sector* will involve:

- (a) Establishing an efficient and effective tariff, billing and revenue collection system.
- (b) In rural areas, mechanisms for cost sharing will be developed.
- (c) Strengthening of National Urban Water Authority (NUWA) to improve their managerial capacity.
- (d) Enforcement of water regulations and laws.

8.69 *In improving the environmental sustainability of water supplies* the strategies to be used will include:

- (a) Sensitizing communities on the importance of protecting, guarding and managing water sources.
- (b) The Water Law Department will continue issuing appropriate water rights and monitoring the use of water from those sources.
- (c) Appropriate measures for control and monitoring water pollution will be undertaken.

Priorities:

8.70 The following areas will receive priority in terms of funding:

- (a) Rehabilitation of dilapidated schemes and full maintenance of existing facilities through community participation arrangements.
- (b) New projects which contribute directly towards increasing production in industries and institutions.
- (c) Drought stricken areas and those which have been adversely affected by disasters such as floods.
- (d) Low cost technologies which attract community participation.
- (e) Strengthening of the National Urban Water Authority.

F. Energy

Introduction

8.71 Tanzania's energy demand and supply situation is characteristic of most developing countries: woodfuel and other forms of biomass account for the highest proportion of energy sources (92%), while electricity and petroleum products account for 0.8% and 7.2% respectively. Although Tanzania is dependent on imports of fuel, there is potential to substitute these with domestic sources such as hydropower, coal, natural gas, solar, wind and biomass.

8.72 The Energy Department in the Ministry of Water, Energy and Minerals oversees the development of the energy sector and has four Divisions: Renewable Energies; Petroleum and Gas; Electricity; and Energy Development. The generation, transmission and distribution of electricity is the responsibility of a parastatal, the Tanzania Electricity Supply Company (TANESCO) and the Tanzania Petroleum Development Corporation is responsible for the distribution of petroleum products.

Performance during 1990/91 - 1992/93:

8.73 The supply of petroleum products and gas for domestic and industrial consumption was satisfactory throughout the period. Petroleum exploration continued, but has yet to bear fruit. The national grid was extended to industrial and agro-industrial centres, and the availability and reliability of supply was improved by rehabilitating and expanding the system. There are encouraging results from the campaign on information dissemination regarding the application of appropriate technology of making charcoal, improved charcoal stoves, bio-gas plants and use of coal by households. The Energy Policy was launched in April 1992 and is being implemented.

8.74 Poor transport and communication logistics affected the distribution of petroleum products, particularly in the Lake Zone. The unsatisfactory supply of electricity was mainly caused by frequent breakdown of generating plants, lack of spares and foreign exchange as well as the fall in the water-level at Mtera Dam as a result of drought. The rationing of power had a serious impact on the productive sectors during this period.

Objectives:

- 8.75 The objectives of the energy sector as outlined in the National Energy Policy include:-
- To satisfy energy demand of all sectors of the economy, particularly the productive sectors;
 - To develop domestic sources of energy to be substituted for imported petroleum products;
 - To ensure that the existing and expanded supply of energy is environmentally sustainable.

Policies:

- 8.76 Policies to achieve the above objectives will include:-
- Improvement of the availability, reliability and security of energy supply;
 - Development of domestic sources to minimize the dependence on imported fuels;
 - Promotion and dissemination of affordable energy technologies;
 - Improvement of efficiency in power generation, petroleum products refining, distribution and storage;
 - Promotion of rural electrification and decentralized energy systems;
 - Promotion of energy development that is environmentally sustainable.

Strategies:

- 8.77 The following strategies will be applied in implementing the above policies.
- 8.78 The *improvement of the availability, reliability and the security of energy supply* will require:-
- The rehabilitation of existing systems including generators, transmission and storage facilities.
 - Expansion of power generation and distribution capacity.
- 8.79 In order to *develop domestic sources to minimize dependence on imported fuels* it will be necessary to:
- Introduce appropriate regulations and incentive packages for private sector participation.
 - Undertake further exploration studies to identify sources of oil and gas.
 - Exploit the existing alternate sources of energy particularly, gas deposits, coal, hydro-power, biomass and solar.
 - Develop local capacity through training.
 - Undertake research and development that emphasise the use of locally available materials and energy sources.
 - Strengthen energy information systems and data bank as well as dissemination of information to prospective investors.
- 8.80 The *improvement of efficiency in power generation, petroleum products refining, distribution and storage* will entail:
- The rehabilitation of existing infrastructure.
 - Strengthening of maintenance capabilities by training.
 - Availability of materials and equipment.
 - Acquisition of new and sustainable technology.
 - Embarking on industrial energy audits.
 - Adopting appropriate electricity pricing and full cost recovery on petroleum products.
- 8.81 *Promotion and dissemination of affordable technologies* will be brought about by:
- Wide dissemination of more efficient woodfuel use technologies.
 - Training communities and local authorities as well as encouraging people's participation, particularly women.
 - Encouraging NGOs to promote efficient energy technologies.
 - Demonstrating efficient methods of using locally available agricultural residues and coal for cooking in households and institutions.
- 8.82 *Promotion of energy development that is environmentally sustainable* will require:
- Research into the environmental impact of all energy related developments, including the need for health and safety regulations.
 - Substitution of alternative sources for wood fuel, like coal and biomass.
 - Encouraging and supporting the design, production and use of more efficient conversion and utilisation of wood energy technologies.
 - In collaboration with the Forestry Division, encourage continued afforestation and reforestation programmes involving both small and large scale users.
 - Instituting by-laws and regulations for the protection of hydro-power sources and lastly establish an environment data bank.
- 8.83 *Promotion of rural electrification and decentralized energy systems* will entail:
- Promoting feasibility studies, establishing a data bank and dissemination of information to the private sector.
 - Strengthening of maintenance capabilities for managing and handling installations.
 - Encouraging community and private sector participation in energy projects.

Priority Areas:

8.84 The main emphasis will be on:-

- (a) Rehabilitation of existing energy infrastructure eg. power plants, transmission, oil refinery and storage system.
- (b) Development of new systems for power generation.
- (c) Exploration of oil and gas along the coast.
- (d) Development of Songo Songo and Mnazi Bay gas deposits.
- (e) Strengthening of procurement, transportation, storage and distribution of petroleum products.
- (f) Research and development on the use of locally available materials and renewable energy sources.
- (g) Promotion and dissemination of information on appropriate technologies, particularly the efficient utilisation of firewood and charcoal.
- (h) Strengthening of energy information system and data bank.

Performance Indicators

8.85 Generation of electricity will increase by 16.4% from 1,736.8 million kwh in 1992 to 2,026.0 million in 1995/96. This will entail an increase in distribution lines of 11 and 33 KV from 2910 km in 1992/93 to 3591 km in 1995/96. Similarly, transmission lines of 66,132 and 220 kv will be increased to 3591 from the present 2910 during the same period.

8.86 Import of crude oil expected not change from the present quantity of 640,000 metric tonnes. However, imported refined oil will increase by 5% from 400,000 to 420,000 metric tonnes, lubricant by 10% from 9,500 to 10,450 metric tonnes and bitumen by 5% from 10,000 to 11,000 metric tonnes.

8.87 Oil exploration is expected to be concentrated on increasing seismic surveys from 45,000 line-km in 1992/93 to 46,000 line km, and development of oil wells from 31 to 32 during the same period.

Table 8.1: Performance indicators in the Energy Sector

Performance Indicator	Benchmarks 1992/93	Targets 1995/96
<u>Solar:</u>		
Photovoltaic (electricity) units	50	300
Thermal (heating) units	23	150
Funded project proposals	0	3
<u>Biomass</u>		
Stoves: improved technology diffusion through number of workshops	10	160
Installation of biogas system units countrywide	600	1500
Industrial application of biogas (power generation) units	1	3
Construction and operation of efficient charcoal production kilns (countrywide) (units)	20	50
Funded project proposals	1	5
<u>Wind and Microhydro:</u>		
Installed windmills countrywide (units)	50	100
Establishment of microhydro countrywide (units)	0	10
<u>Animal Power:</u>		
Utilisation in rural areas (districts)	6	48
Training centres established	1	4

<u>Institutional Strengthening</u>		
Training (manpower)	10	40
No of collaborating institutions	10	30
Radio Programmes	0	4
Customer/client requests/services	1 weekly	7 weekly
Database development and programme design	20% established	100%
<u>Energy Conservation awareness</u>		
Energy audits (industries)	50	100
Publications	5	30
Seminars	5	15
Zonal Renewable Energy Demonstration Centres established	0	4

G. Lands and Urban Development

Introduction

8.88 Land is the basic natural resource on which all socio-economic development takes place. As a resource, land is a key factor of production in agriculture, animal husbandry, agro-forestry, mining, etc. On the other hand, land provides space for infrastructure development, e.g. railways, roads, water supply networks and buildings.

8.89 Tanzania has experienced a rapid urbanisation accompanied by the growth of primarily urban based industry and services. This growth has been the most important motivation of the migration of the rural population to urban centres where income opportunities are bright.

8.90 The Ministry of Lands, Housing and Urban Development is responsible for overseeing land development in rural and urban areas, including the mapping, surveying, zoning and allocation of land for social and productive uses. The Department of Urban Development is responsible for the preparation of urban master plans and land use plans, as well as monitoring the implementation of these plans. Housing development is described in the Social Services Chapter.

8.91 Although Tanzania is endowed with a large area of land, shortages of land exist in some areas, particularly in the urban centres. Economic growth and urbanisation have increased the need for surveying and allocation of land. The Ministry of Lands, Housing and Urban Development has been unable to provide these services due to lack of funds, resulting in inadequate planning for rural and urban development. Lack of proper land use planning has also resulted in the degradation of land where the human and livestock populations exceed carrying capacities.

Performance during 1990/91 - 1992/93:

8.92 A draft National Land Policy was prepared, based on a review of problem areas and on the Presidential Enquiry into Land Matters. A draft Urban Development Policy was also prepared, as well as Standards for Planning and Space for Urban Areas.

8.93 Due to financial constraints, the Ministry was unable to meet the demand for surveying of plots. However, in the Lands sector, aerial photography was completed for 5 Regions, township maps for 13 towns and topographic maps for N.E. Tanzania. A total nearly 20,000 residential plots, 948 farms and 682 villages were surveyed, over 80% of the rehabilitation of the Surveys and Mapping Building was completed and work on the Ardhi Institute was started. In the Urban Development sector, 5 Master Plans were completed, 8 were started, 165 Village Land Use Plans were completed, surveys were completed for Sites and Services, maps were completed for the Southern Zone Regional Physical Plan and 6 District Land Use Plans were completed.

8.94 The major constraints in the sector include lack of funds, transport, technical equipment, qualified manpower, capacity for storage and retrieval of information.

Objectives

8.95 Government objectives for the sector are:

- (a) To ensure the availability of land for social and economic development.
- (b) To provide the necessary services for the development of land in rural and urban areas.
- (c) To ensure the optimal allocation and use of land based on appropriate economic, technical and environmental criteria.

Policies

8.96 The following policies have been developed to achieve the above objectives:

- (a) Provide an appropriate policy and legislation framework for the optimal development of the sector.
- (b) Increasing revenues to enable expansion of services.
- (c) Improving the efficiency of services.
- (d) Encouraging private sector involvement in the sector.
- (e) Improving the quality and quantity of skilled manpower.
- (f) Ensuring that all land development is environmentally sustainable.

Strategies

8.97 The above policies will be implemented through the strategies described below.

8.98 *Providing the appropriate policies and legislation* will involve:

- (a) Finalisation of the National Land Policy and Urban Development Policy.
- (b) Finalisation of the Planning and Space Standards, as well as other guidelines for urban development.
- (c) Regular review and updating of relevant legislation.

8.99 *Increasing revenues to enable expansion of services* will be achieved through:

- (a) Introducing cost recovery where appropriate to offset costs.
- (b) Increasing revenues by commercialisation of services rendered by the Ardhi Institute through charging for their services.
- (c) Improving revenue collection.

8.100 *Improving efficiency* will necessitate:

- (a) Improving the storage and retrieval of information by introducing mechanised and computer systems.
- (b) Rehabilitation of infrastructure.
- (c) Land allocation procedures will be streamlined.
- (d) Use of regional staff in the preparation of village land use plans.

8.101 *Increasing private sector participation* will involve:

- (a) Using agents for the sale of maps, etc.
- (b) Private surveyors will be used for plot and farm surveys.
- (c) The Ministry will become more involved in coordinating and supervising private surveyors rather than undertaking surveys itself.

8.102 To *improve the quality and quantity of skilled manpower* the following will be undertaken:

- (a) Emphasis will be placed on quality rather than quantity improvements, particularly at higher levels of training.
- (b) The upgrading of the Ardhi Institute will be completed.
- (c) The status of the Ardhi Institute will be improved through its affiliation with the University of Dar es Salaam and upgrading the Advanced Diploma Certificates to BSc Degrees.

8.103 *Ensuring environmental sustainability of land development* will require:

- (a) Incorporating conservation measures into land use plans.
- (b) Ensuring that permits, licenses, claims for land development are issued in line with land use and environmental policies. This will entail consultation with the relevant authorities.
- (c) Reducing land use conflicts by introduction of buffer zones; e.g. where agriculture conflicts with forest or grazing land.

Priorities

8.104 The following areas have been identified as priorities for the 1993/94-1995/96 period:

- (a) Completion of ongoing projects
- (b) Projects to encourage private sector participation.
- (c) Sites and Services Programme
- (d) Squatter Upgrading Programme
- (e) Preparation and Review of Master Plans
- (f) Village Land Use Planning.

H. Tourism

Introduction

8.105 Tanzania is endowed with all the key attractions necessary for development of a successful tourist industry. These natural attractions and the vast size of the country provide tremendous opportunities for developing and promoting different tourist activities ranging from game viewing safaris and beach holiday activities, to mountain climbing, sight seeing, game hunting and photographic safaris. These activities provide potential for substantial foreign exchange earnings. The contribution of the sector to GDP is 1.4% on average. This rate is very low compared to Tanzania's natural resource endowment, due to lack of publicity and basic social and economic infrastructure.

8.106 Until recently tourist facilities and services were provided mainly by the Tanzania Tourist Corporation through its 13 subsidiary companies, including hotels and tour operators. The tourist sector suffered during the period of economic decline, with the deterioration of infrastructure and communications. Liberalisation policies have resulted in rising tourist numbers and increased incomes, due to improvements in facilities and private sector participation in the sector. However the huge potential of this sector remains to be realised.

Performance during 1990/91 - 1992/93:

8.107 For the past three years the tourist industry recorded an average increase of tourists by 22% per year. Hotel capacity rose by 20% as a result of private sector participation which increased by an average of 20% from 1990 to 1991.

8.108 General deterioration of supportive infrastructure, particularly those related to internal air transport, roads, railways as well as communication facilities contributed to the unreliability of services. High tariffs on hotel accommodation, food and beverages coupled with low quality services resulted in the loss of potential earnings from the sector. In addition, there was inadequate marketing and promotion of Tanzania's tourist facilities, lack of tourism statistics as well as shortage of trained and motivated manpower.

Objectives:

8.109 The vast tourist potential of this country has not been developed adequately to enable it to play a bigger role in the economy. Therefore, the main objectives are:

- (a) To increase the contribution of tourism to GDP, incomes and employment and stimulate the development of related sectors.
- (b) To increase foreign exchange earnings.

Policies:

8.110 To attain the above objectives the following policies have been defined in the Tourism Policy:-

- (a) Strengthening the various institutions involved in the sector, as well as improving coordination between them.
- (b) Promotion of private sector investment in infrastructure and provision of services.
- (c) Improvement and promotion of publicity abroad.
- (d) Improvement of the quality and efficiency of tourism infrastructure and services.
- (e) Strengthen manpower training to improve quality of services.

Strategies:

8.111 Strategies for implementing the above policies are outlined below:

8.112 *Strengthening tourist institutions* will involve:

- (a) Improving coordination within Government institutions and the private sector through regular meetings of the Tourism Facilitation Committee.

8.113 *Promotion of private sector involvement* through:

- (a) Defining the role of the private sector in the development of the sector.
- (b) All relevant laws and regulations will be reviewed and amended to reduce obstacles to private sector involvement. New legislation will also be introduced to promote the development of the sector.
- (c) The Tourist Corporation will enter into joint venture projects for the rehabilitation and management of tourist facilities.
- (d) Tourist agent businesses will be monitored to ensure good conduct.
- (e) The Investment Promotion Centre will provide incentives and assistance to private sector investors.

8.114 To *improve and promote publicity abroad* by:

- (a) A Tourist Marketing Board has been established to promote and coordinate all marketing and promotion activities.
- (b) Opening and re-opening of tourism offices locally and abroad to be financed through the Tourism Development Fund.
- (c) A comprehensive tourism marketing strategy will be prepared.

8.115 To *improve the quality and efficiency of tourism facilities and services* the following will be done:

- (a) Further rehabilitation of hotels and tourist facilities.
- (b) Classification of hotels and lodges.
- (c) The possibility of enabling private accommodation to be used as tourist facilities will be considered.
- (d) Data will be collected on tourism to improve planning for the sector.
- (e) Research will be undertaken to identify new areas for tourism, e.g. eco-tourism.
- (f) Prices will be monitored and rates revised so as to encourage the local population to make use of tourist facilities in the low seasons.

8.116 *Improvement of Manpower* will be carried out by training personnel engaged in tourist operations, especially hotels, general services, travel agencies, administration, rescue work and catering. Efforts will be made to equip the Hotel and Tourism Institute in Dar es Salaam with trained and competent tutors, teaching aids and equipment.

Priority Areas:

8.117 The major priority areas include:

- (a) Rehabilitation and construction of supportive infrastructure, ie. hotels and tourist roads.
- (b) Training of personnel and improvement of the training institute.
- (c) Opening and re-opening of tourism offices.
- (d) Review of tourism laws and regulations.

Performance Indicators

8.118 Tourist service will be improved to attract many tourists, whose number is expected to increase at an average of 12.5% per annum from 230,000 in 1992 to 327,000 in 1995. Tourism will become one of the main export earners, and increasing its income from US \$140.1 to \$280.0 million during the same period. With increased private sector participation, it is expected that the capacity of tourist facilities will increase to better the present 584 hotels 208, tour operators, 55 travel agents, 73 hunting safaris, 10 mountain climbing, 11 air charters, 33 car line, 3 boat safaris, 15 tented camps and 2 hot air balloons safaris.

I. Trade

Introduction

8.119 The trade sector is composed of Government trading organisations under the Board of Internal Trade, National Trading Corporations and Regional Trading Companies. Since the introduction of economic reforms and decline in the monopoly position of the state trading companies, the private sector has become increasingly involved in internal and export trade.

Performance during 1990/91 - 1992/93:

8.120 In general the sector has continued to perform well since the launching of the Economic Recovery Programme in 1986/87. Its share of GDP increased from 11.0% in 1986 to 12.7% in 1990. However imports have increased more than exports.

8.121 The sector has been adversely affected by various constraints including the uncondusive international economic situation and also the low industrial production, lack of foreign exchange, skilled personnel in public trading institutions, poor transport infrastructure and inadequate capital structure of the regional trading companies.

Objectives:

8.122 The main objectives of the trade sector are;

- (a) To encourage increases in exports to reduce the trade deficit.
- (b) To enable imports of inputs for domestic production activities.
- (c) To improve efficiency in the sector.

Policies:

8.123 The policies to achieve the above objectives will be:-

- (a) Creation of an enabling environment conducive to exporters.
- (b) Strengthening trade promotion.
- (c) Restructuring of the sector to improve efficiency and reduce losses.

Strategies:

8.124 A number of strategies will be adopted in implementing those policies:-

8.125 To *create an enabling environment conducive to exporters* the following set of strategies will be employed:

- (a) Establishment of the market based foreign exchange system;
- (b) Improving incentive schemes to exporters through retention scheme, establishment of manufacturing bond scheme and tax holidays;
- (c) Continue with trade liberalisation by reviewing tariff and tax regimes.

8.126 *Strengthening trade promotion* will include provision of adequate offices and facilities, training of manpower and establishing trade centres or trade liaison offices abroad.

8.127 *Improving efficiency in trade* will entail parastatal reform, restructuring of parastatals and joint venture with the private sector, local and foreign.

Priority areas:

8.128 Priority will be accorded to:-

- (a) Parastatal reform
- (b) Trade promotion
- (c) Training

CHAPTER 9: SOCIAL SERVICE SECTORS

A. Overview of Social Service Sectors

9.1 *Social Service Sectors* address Government objectives of improving the welfare of all Tanzanians and human resource development. As the Government withdraws from directly productive activities it will be able to provide greater resources to the social services sector. At the same time the Government recognises that it cannot meet all costs of providing the necessary services. Therefore greater emphasis will be placed on community involvement in the provision and management of infrastructure, as well as the introduction of cost sharing arrangements. Communities will also be encouraged to take greater responsibility for their own welfare, for example, preventive rather than curative health care.

B. Education

Introduction

9.2 Education is necessary and important for the socio-economic development of this country. A deliberate policy of investing in education, pursued since independence, has a bearing on the level of development of this country. The investment on education has resulted in acquiring general knowledge essential for peoples' life, direct effect on skills and labour productivity and earnings, as well as general improvement in standard of living. There are two ministries responsible for education matters. The Ministry of Education and Culture (MEC) is responsible for primary and secondary education, teacher training and adult education. The Ministry of Higher Education, Science and Technology, which was created in 1990, is responsible for university-level and technical education. Primary schools are administered by local government. Government is increasingly seeking private and community support for education, through cost-sharing and the creation of community and private institutions.

Performance during 1990/91 - 1992/93:

9.3 Historically, Tanzania has given priority to the expansion of primary education, and provision of secondary schooling was very low. Since the 1970s, however, primary enrolment and overall literacy rates have fallen, reflecting the decline in resources available. Although lack of resources continued to be a serious problem, enrolment at all levels of education, from pre-primary, primary, secondary, higher education as well as adult education recorded an increase during the period 1990/91 - 1992/93. Some success has also been achieved in efforts to improve the quality of education. The private sector, NGOs and local communities together have taken the leading role in the development of secondary education. The Open University of Tanzania was established in March 1993 to expand educational opportunities, and new consultancy services were established by the universities (the Bureau of Industrial Cooperation at UDSM, and the Bureau of Agricultural Consultancy and Services at SUA).

9.4 However the quality of education is yet to improve to a desirable level because the supply side of classrooms, qualified teachers and education materials continued to remain unsatisfactory. Pre-primary centres are still very few and only a small proportion of the eligible population is enrolled at these centres. Likewise there has been a decline in the enrolment rate for those eligible for primary education and hence pushing the illiteracy rate up to between 20% and 30% from 10% existing in 1984. Enrolment capacity of secondary education also continued to be low. The transition rate of 15% from primary to secondary level is still far from satisfactory especially when considering the greater importance the society attaches to secondary education.

9.5 Other constraints include absence of a clear policy on pre-school education; insufficient funding of education activities; overloading and over-crowding of the school curriculum, poor organisation and management of the education sector including monopolistic policies and inadequate incentives to teaching staff.

Objectives

9.6 For the next three years of the RPFB the Government will focus at realising the following objectives for the education sector:

- (a) To improve the quality of education provided at all levels.
- (b) To increase student enrolment and transition rate.
- (c) To expand the education resource base, so as to facilitate adequate provision of key inputs.
- (d) To enhance accessibility and equitable distribution of education opportunities across gender.

Policies

9.7 Achieving the above objectives will require the following policies:

- (a) Investment in human resource development.
- (b) Raising and maintaining education quality standards for all levels.
- (c) Improving efficiency of public expenditure by providing available scarce resources to priority areas.
- (d) Encouraging broader private sector and community involvement in the development and management of education.
- (e) Decentralisation of education management and administration.

Strategies

9.8 *Investment in human resource development* will entail:

- (a) Upgrading of teacher qualification by training.
- (b) Provision of adequate teaching and learning materials both physical and human resources.

9.9 *To raise and maintain education quality standards for all levels* will require:

- (a) Periodic review and streamlining of the curricular packages to reduce crowding and overloading.
- (b) Strict adherence to class size standards.
- (c) Promoting some existing institutions into higher learning institutions.

9.10 *To improve efficiency of public expenditure by providing available scarce resources to priority areas*, the government will:

- (a) Phase out boarding schools except for a few which will be retained for specific reasons.
- (b) Encourage day schools and colleges.
- (c) Strengthen correspondence education services.
- (d) Consolidate existing schools and colleges, to enable full utilization of their installed capacities.
- (e) Promote research and consultancy activities.

9.11 *In order to encourage broader private sector and community involvement in the development and management of education*, the following strategies will be adopted:

- (a) Liberalising the provision of education at all levels.
- (b) Encourage competition in the opening of schools by the private sector and NGOs.
- (c) Stepping up implementation of the cost sharing strategy and further perfection of the modalities.
- (d) Promoting the formation of education trust funds at district level to spearhead education development.

9.12 *Decentralisation of education management and administration*, is to entail the following:

- (a) Regional and district education officers, will be given more powers to make decisions on operational matters in their respective geographical areas.
- (b) At primary and secondary school level, school boards will be strengthened and given more responsibilities.
- (c) Local Education Authorities will be established.
- (d) Technical education institutions will prepare their own guidelines and regulations on how to implement policy on resource generation.

Priority Areas

9.13 The following are the priority areas of the sector:

- (a) Remuneration and incentive packages for education staff.
- (b) Provision of instruction materials as well as class room facilities in schools and colleges.
- (c) Construction and rehabilitation of education infrastructure.
- (d) Education management and supervision.
- (e) Training of education managers.
- (f) Operationalize Open University teaching;
- (g) Undertake research activities.

Performance Indicators

9.14 Average share of the education sector during 1992/93 - 1995/96 is 12.6% of total Government Expenditure as against the actual demand of 20%. However, it is expected that enrolment will be 2,076,300 at pre-primary level, and 5,110,900 at primary level. There will be a rise in the transition rate from primary VII to form I from 15% to 25% and that of form IV to form V from 19% to 30%. The number of teachers will increase from 31,739 (1992) to 37,754 and that of diploma teachers to 22,163.

C. Health

Introduction

9.15 Standards of health in Tanzania have risen significantly since Independence, as reflected in life expectancy, child mortality rates and so forth. However, there is still far to go, and, since Tanzania's economic decline in the 1970s, the health care system has had to struggle to bridge the gap between the health needs of a growing population and declining levels of public resources.

9.16 The main government agency responsible for overseeing the development of the health sector is the Ministry of Health, but local government also plays a major role in the implementation of health programmes. Non-government organisations have long played an important role in the sector, and the Ministry of Health seeks to coordinate and cooperate with them, as well as seeking collaboration with traditional medicine. Other sectors such as education, agriculture, water, to name a few, also have an important influence on health.

Performance during 1990/91-1992/93

9.17 During this period the Ministry was able to complete a Nutritional Policy and to introduce a new method for preventing the spread of malaria, through the spraying of insecticide and use of impregnated mosquito nets. Community participation was encouraged in the prevention of communicable diseases. There was also a relative increase in supply of drugs due to improvements in management of Central Medical Stores and policy changes, under which agents other than the Central Stores were permitted to import drugs. Inter-sectoral collaboration on Primary Health Care was improved through the Primary Health Care Steering Committee.

9.18 As in all other sectors, the lack of funds was a major constraint, which led to shortages of drugs and falling standards in Government hospitals. Delays in the award of contracts slowed down the rehabilitation of hospitals. Another major constraint is the weak structure of the Ministry itself including the lack of integration between programmes and sections within the Ministry. The lack of a Health Education Policy means that most sections are responsible for their own educational programmes.

Objectives

9.19 Government's major objectives for the health sector are:

- (a) To provide health services to all Tanzanians, especially those at risk.
- (b) To provide health services within 7 distance from the population.
- (c) To make health services more responsive to the needs of the population.
- (d) To incorporate traditional medicine into the health care system.

Policies

9.20 The policies outlined below will guide the achievement of the above objectives:

- (a) Improve the quality of health services with the emphasis on primary health care.
- (b) Shift the emphasis on health services from curative to preventive.
- (c) Encourage the participation of communities, NGOs and the private sector.
- (d) Introduce measures to increase local resources for the sector.
- (e) Improve the efficiency of the health sector.
- (f) Undertake research and monitor the use of traditional medicine.

Strategies

9.21 *In improving the quality of health services, with the emphasis on Primary Health Care:*

- (a) Primary Health Care will remain the major strategy for providing the most effective service to the greatest number of people, particularly those at risk.
- (b) Rehabilitation and maintenance of existing infrastructure and replacement of equipment facilities will be emphasised.
- (c) The quality of manpower will be raised through strengthening health training institutions and programmes.
- (d) A manpower study will be undertaken to determine appropriate manpower requirements.
- (e) Research activities will be strengthened by involving other institutions.

9.22 *Shifting the emphasis on health services from curative to preventive will involve:*

- (a) Educating the population on the benefits of improved nutrition and sanitation, prevention of the spread of communicable diseases, family planning, etc.
- (b) A gradual shift of resources from curative to preventive services.

9.23 *Increasing participation of communities, NGOs and the private sector will be carried out through:*

- (a) Continued efforts to encourage greater community participation in the development and management of health care services. This will ensure that these services are more likely to meet community needs.
- (b) Provision of guidelines and follow up to Regions, Districts, NGOs and the private sector for their involvement in the health sector.

9.24 *Introducing measures to increase local resources for the sector will entail:*

- (a) Finalising studies to determine the most appropriate form of cost sharing during 1993.
- (b) Continued community participation construction and management of health posts.

- (c) Increased local contributions to ensure the long term sustainability of projects once donor funds have been withdrawn.

9.25 *Improving the efficiency of the health sector* will require the following measures:

- (a) Undertaking a comprehensive situation analysis covering issues such as utilisation of health services, total manpower, existing facilities and equipment.
- (b) Review the structure of the Ministry to improve integration of services and avoid duplication.
- (c) Continued efforts to improve inter-sectoral collaboration.
- (d) Make further improvements through the essential drugs programme in the procurement and distribution of drugs so that they are available at all health facilities.

9.26 To *undertake research and monitor the use of traditional medicine* the following will be done:

- (a) Through research, identify the benefits of traditional medicine, so that they can be incorporated into the health services. This research will be undertaken in collaboration with the University of Dar es Salaam and other relevant institutions.
- (b) The Traditional Medicine Unit in the Ministry will be strengthened to improve its capability in monitoring traditional practitioners and promoting research.

Priority Areas

9.27 As funds are limited, several priority areas have been identified to provide the most effective services, with particular emphasis on those at risk. These include:

- (a) Primary Health Care: providing basic services at the village level;
- (b) Preventive services, particularly through Mother and Child Health, family planning.
- (c) Essential drugs programme.
- (d) Malaria control programme.
- (e) AIDS control programme.
- (f) Research on communicable diseases, traditional medicine, people's habits and customs towards improving health status.

D. Housing

Introduction

9.28 Responsibility for the development of housing sector policy comes under the Ministry of Lands, Housing and Urban Development, in cooperation with other relevant institutions. Publicly owned housing is managed mainly by the National Housing Corporation, which has since 1990 absorbed the activities of the Registrar of Buildings. The Tanzania Housing Bank, a parastatal, is the main financial institution providing mortgages, but the majority of housing finance is from informal sources. Local authorities, particularly urban ones also have a significant role, although their functions in this area have not been defined clearly enough.

9.29 The 1981 National Housing Development Policy acknowledged that nearly all housing in rural areas and more than 90% of housing in urban was constructed with little or no intervention from the public sector and sought to encourage this trend. More recently the Government has embarked on a policy of selling public housing to sitting tenants.

Performance during 1990/91 – 1992/93

9.30 It is difficult to assess performance during this period because of the lack of an implementation strategy for the housing policy. However, the land delivery system continued to be an obstacle. A national construction industry strategy was endorsed by Government in 1991. Government has made efforts to upgrade squatter settlements, but the magnitude of investment in such programmes has been insignificant: it is estimated that squatter settlements now account for 60% of urban houses and accommodate 85% of the urban population. A housing policy review has been initiated by the Ministry.

9.31 Constraints include lack of financial resources, shortages of building materials, inadequacies in land delivery and land servicing, lack of strategies to implement the Housing Policy and definition of responsibilities for housing and human settlement policy.

Objectives

9.32 The overall policy objective for this sector is to ensure that all Tanzanians have access to adequate shelter. This objective has not changed, but there has been a reappraisal of Government's role, which is now seen as facilitation rather than direct involvement in the provision of housing.

Policies

9.33 Policies to achieve the overall objective are:

- (a) to increase the efficiency and effectiveness of public involvement in the sector;
- (b) to improve the land servicing and delivery system;
- (c) to encourage private sector participation in housing development and provision;

Strategies

9.34 The efficiency and effectiveness of public involvement in the sector will be improved by:

- (a) ensuring that institutions providing public housing operate on the basis of market forces and, in particular, avoid dependence on the Government budget;
- (b) charging economic rents;
- (c) selective and progressive sales of existing housing (partly as a means of financing further construction);
- (d) ensuring the participation of Local Authorities as principal actors in the planning and implementation of housing development programmes;
- (e) seeking partnership between public and private sectors where appropriate.

9.35 The land servicing and delivery system will be improved by:

- (a) reviewing and streamlining responsibilities;
- (b) provision of basic infrastructure financed by affordable user charges;

9.36 Private sector participation in housing development and provision will be encouraged by:

- (a) improvements to the land delivery system;
- (b) review of regulatory laws like the Rent Restriction Act;
- (c) encouragement of housing cooperatives;
- (d) review of housing finance arrangements, especially with a view to making available other lending avenues, including community-based systems such as savings and loan associations.

Priority areas

9.37 The following areas will receive priority:

- (a) completion of the review of the Housing Policy;
- (b) construction of houses in urban areas.

E. Information and Broadcasting

Introduction

9.38 The Government dominated the media in Tanzania until relatively recently, but there is now much private sector activity in this field. The main Government agency is the Ministry of Information and Broadcasting, which oversees Radio Tanzania, the Tanzania News Agency (SIHHATA) and the *Daily News* paper.

Performance during 1990/91 – 1992/93

9.39 With the liberalization of trade, information and news dissemination activities increased, particularly with the participation of the private sector. This involved an increase of local newspapers from 19 before liberalization to 54 papers or a 184% increase. A project to establish regional information services has been initiated and to date 4 offices have been established. In addition the broadcasting service, especially the reception of radio to the nation, was improved and coverage stands at 61%.

9.40 However the sector is constrained by a number of problems which include insufficient funds, shortage of skilled manpower, poor infrastructure at the School of Journalism and insufficient as well as obsolete transmitting radio equipment.

Objectives

9.41 Government has three main objectives for the sector, as follows:

- (a) To inform, entertain and educate the public on current events and development issues.
- (b) To reach a wider audience through expansion in mass communication.
- (c) To raise efficiency and effectiveness in the broadcasting services, information collection, analysis and dissemination in the country.

Policies

9.42 To achieve the above objectives the following policies will be implemented:

- (a) Strengthen the information and broadcasting sector.
- (b) Promote human resource development.
- (c) Encourage private sector participation in information collection and dissemination.
- (d) Increase efficiency of the public radio and provide television services.

Strategies

9.43 In order to strengthen the information and broadcasting sector:

- (a) Rehabilitation of old buildings and replacement of equipment will be given priority. New communication facilities will also be procured for both new and existing radio stations.
- (b) The programme to establish regional news centres will be continued and competent staff will be put in place.
- (c) The collection and dissemination of information and news in rural areas will be strengthened to increase news coverage.
- (d) Research on news media, radio and television audience will be undertaken.
- (e) News gathering and distribution will be computerized to ease production, reference and dissemination.

9.44 In promoting Human Resources Development:

- (a) The Tanzania School of Journalism will be strengthened to enable a higher intake.
- (b) In-service training will concentrate on providing expertise on news gathering and dissemination.
- (c) Since television will be introduced in the near future, suitable training programmes will be introduced.

9.45 So as to encourage private sector participation:

- (a) Procedures for registration of newspapers will be streamlined.
- (b) Importation of TV sets at affordable prices to encourage an increase in the viewing audience.
- (c) All policies and procedures will be streamlined to attract the private sector to participate in radio, television and information dissemination through newspapers.

9.46 To increase efficiency of public radio and provide television services:

- (a) The radio system will be overhauled and solid state transmitters introduced.
- (b) Preparation of the Information and Broadcasting Policy will be finalised and implemented.

Priority areas**9.47 Priorities are:**

- (a) Rehabilitation of the existing broadcasting infrastructure to improve reception and cope with the growing demand for broadcasting services.
- (b) Computerization of news gathering, management and distribution.
- (c) Construction and provision of equipment for the television centre in Dar es Salaam.
- (d) Strengthening of all information departments including completion of staff houses, Film Production Unit and rehabilitation of the Tanzania School of Journalism.

F. Labour, Youth and Social Welfare**Introduction**

9.48 The Ministry of Labour, Youth and Social Welfare is responsible for these related areas, involving the welfare of those in employment, of youth generally and of the particularly needy, such as orphans and destitutes.

Performance during 1990/91 - 1992/93

9.49 A number of labour laws have been revised to match recent social economic reforms. Studies to determine potential occupational workers' health hazards were carried out and advice rendered. A survey on the informal sector and labour force was also completed. In addition, a more notable achievement was made in the area of employment promotion and vocational training: both the enrolment capacity and actual enrolment into vocational training witnessed a substantial expansion.

9.50 Youth activities for the past three years have been encouraging and it is estimated that 600 youth economic groups have been established. Soft loans to the tune of about Tshs. 30 million have been granted to youth groups and the first draft of the Youth Development Policy has been finalised.

9.51 The performance of social welfare was generally satisfactory particularly on vocational training, orphans' resettlement and nutritional education.

9.52 Despite these achievements, performance continued to be adversely affected by inadequate funding and equipments, shortage of qualified and committed manpower as well as poor institutional framework. Achievements in youth and social welfare work took place against a background of increasing problems of drug abuse, drug addiction, stowaways, early pregnancies, AIDS, crimes and youth unemployment.

Objectives

9.53 The Government's objectives for labour are:

- (a) To improve labour productivity in all sectors.
- (b) To encourage private investments and employment creation in the informal sector.

- (c) To improve industrial relations and efficiency in handling disputes.
- (d) To improve workers' participation.
- (e) To improve workers' social security.

9.54 The Government's objectives for youth development are:

- (a) To encourage the youth to be self employed.
- (b) Reduce crime and delinquency among the youth

9.55 The major objectives for social welfare development are:

- (a) To ensure effective welfare conditions to the vulnerable groups of the society.
- (b) To invest in human resource development with emphasis on behavioural rehabilitation.

Policies

9.56 In order to achieve the objectives for labour development, the following policies will be adopted:

- (a) Creating an enabling environment for private sector participation in the informal sector.
- (b) Promoting institutional support to the informal sector.
- (c) Improving labour relations and institutional framework.
- (d) Strengthening administrative services, workers' social security and working conditions in all sectors.
- (e) Ensuring adequate supply of labour force for the informal sector.
- (f) Strengthening occupational health services.

9.57 To achieve the objectives for youth development, the following policies will be pursued:

- (a) Increase employment opportunities for the youth.
- (b) Increase awareness on youth development aspect.
- (c) Sensitize and train the youth on their role in national building and family planning.

9.58 To achieve the objectives for social welfare, the following policies will be pursued:

- (a) Ensure equal access to employment opportunities for the disabled.
- (b) Enhance care for the elderly, severely handicapped and orphans.
- (c) Promote care for the vulnerable, expectant mothers and children.
- (d) Enhance counselling and guidance for the young and the morbid.
- (e) Promote efficiency in social work.

Strategies

9.59 To *create an enabling environment for private sector participation in the informal sector* the following measures will be undertaken:

- (a) Improve technical and supportive services as well as provide management skills to the private sector.
- (b) Review regulations, laws and procedures to attract the private sector and NGOs.
- (c) Establish business extension and advisory services to the private sector as well as the national employment coordinating council.

9.60 In order to *promote institutional support to the informal sector* the government will:

- (a) Provide technical support, soft loans and a special credit to small scale informal activities.
- (b) Encourage people in the informal sector to form cooperatives.
- (c) Collaborate with local governments to streamline procedures for allocating work premises for the informal sector activities.
- (d) Strengthen and integrate the activities of labour and youth divisions.
- (e) Conduct a comprehensive study on the problems of youth unemployment.
- (f) Stabilize the employment status of those engaged in the informal sector.

9.61 To *improve labour relations' institutional framework* efforts will be directed to:

- (a) Making employers honour contractual agreements and directives.
- (b) Enforcing working and financial regulations.
- (c) Advising respective workers' organisation and management on workers participation.

9.62 *Strengthening administrative services, worker's social security and working conditions in all sectors* will be carried out through:

- (a) Providing training and consultancy services to workers and management in work places.
- (b) Training workers on the trends of government reforms.
- (c) Encouraging workers' participation in decision making.
- (d) Establishing employees' performance standards.
- (e) Disseminating information on labour market and modern production techniques.
- (f) Carrying out research to improve productivity.
- (g) Improving workers' incentive packages.
- (h) Increase worker's terminal benefits by increasing the rate of interest payable to members from social security arrangements.

9.63 To *ensure adequate supply of labour force for the informal sector*; measures will be taken to:

- (a) Provide a range of training opportunities suitable to the informal sector.
- (b) Ensure maximum utilization of existing capacity in the training institutions.
- (c) Conduct short term training programmes.
- (d) Strengthen vocational training institutions and motivate workers.

9.64 To *strengthen occupational health services*; the following measures will be undertaken:

- (a) Review and prepare industrial safety and health regulations.
- (b) Undertake regular industrial and work place inspections.
- (c) Provide guidance and advice on occupational health.
- (d) Improve workers' regular health check-ups.

9.65 In order to *increase employment opportunities for the youth* emphasis will be on:

- (a) Promotion of youth economic groups through training on technical and managerial skills.
- (b) Organising and animating young people to form economic groups;
- (c) Establishment of youth revolving fund for provision of soft loans.
- (d) Research on youth development affairs and unemployment problems.

9.66 *Increasing awareness on youth development aspects* will entail:

- (a) Strengthening youth participation in national building activities.
- (b) Undertaking sensitization campaigns and inculcating among the youth the sense of nationalism and commitment to serve their nation.
- (c) Establishment of youth camps.
- (d) Training the youth in order to educate them on the adverse effects of AIDS, drug abuse and addiction, crime, early pregnancies and alcoholism.

9.67 To ensure *equal access to employment opportunities for the disabled* training programmes will be prepared and implemented.

9.68 Enhancing care for the *elderly, severely handicapped and orphans* will require:

- (a) The implementation of community based care system
- (b) Fostering care and adoption of orphans.
- (c) Resettlement of the disabled.
- (d) Provision of seed money and/or working tools.
- (e) Provision of physical technical aids, shelter, food and clothing

9.69 To *promote care for the vulnerable expectant mothers and children*, the following strategies will be applied:

- (a) Training and reorientating social welfare personnel and child care attendants at all levels.
- (b) Carrying out research and survey on existing monitoring mechanisms for children and expectant mothers.
- (c) Development of community organised child care system.

9.70 *Enhancing counselling and guidance for the young and the morbid* will be done through:

- (a) Promoting guidance centres for the young offenders, alcoholics, drug abusers and street children.
- (b) Counselling and guidance of AIDS patients prostitutes and families in collaboration with NGO's.
- (c) Conducting seminars on AIDS to risk groups.

9.71 In order to *promote efficiency in social work* pre-service and in-service training will be provided.

Priority areas

9.72 Priority will be accorded to the following aspects of labour development:

- (a) Rehabilitation and construction of training infrastructure.
- (b) Conduct study and research on labour market.
- (c) Promotion of industrial harmony and dispute settlement.
- (d) Strengthening administrative services and training.

9.73 Priorities for youth development will be:

- (a) Rehabilitation of vocational training centres.
- (b) Training and research.
- (c) Sensitization campaigns.

9.74 Priority social welfare areas will be the following:

- (a) Care, rehabilitation and resettlement of the vulnerable.
- (b) Care for the vulnerable expectant mothers and children.
- (c) Counselling and guidance of AIDS patients.

Performance indicators

9.75 About 5,400 youths from different Youth Economic Groups are expected to be trained on project management, while 30,000 trainees are earmarked for training in vocational training centres and in plant for different skills.

G. Community Development, Women and Children

Introduction

9.76 The Ministry of Community Development, Women Affairs and Children was established in 1990, with the mandate of mobilising, educating, sensitising and supporting communities in their self-help development endeavours. The Ministry is also responsible for coordinating efforts to improve the status of women and children.

Performance during 1990/91, 1992/93

9.77 A satisfactory performance was attained in training of women, family life education, child survival, dissemination of information on simple and appropriate technologies as well as health through sanitation and water programme (HESAWA). Credit schemes for women income generating activities were established.

9.78 Despite satisfactory performance, a number of constraints were experienced. These include; funding, failure of identifying the most appropriate technology to the rural communities, inadequate manpower and lack of adequate working tools and equipments.

Objectives

9.79 Government's objectives for community development, women and children will be:

- (a) To build community problem solving capacities.
- (b) To impart appropriate technological skills to communities.
- (c) To reduce work load to communities especially women.
- (d) To raise social and economic status of women and children.

9.80 A specific objective for the Ministry will be to coordinate and supervise implementation of policies and the utilisation of resources by the various bodies concerned.

Policies

9.81 Policies to achieve the above objectives are:

- (a) Promoting development and dissemination of appropriate technologies.
- (b) Ensuring proper coordination of multi-sectoral activities.
- (c) Promoting community participation in socio-economic activities.
- (d) Strengthening human resources development.
- (e) Ensuring sustainability of community oriented projects.

Strategies

9.82 *Promotion of development and dissemination of appropriate technologies* will entail:

- (a) Undertaking research and disseminating results on traditional and applied technologies.
- (b) Training of communities on effective skills and techniques which will improve their skills.
- (c) Sensitizing the community of appropriate technologies that would help to improve community well being.

9.83 To ensure proper coordination of multi-sectoral activities, communities will be mobilized on health education, environmental sanitation, water supply etc in collaboration with relevant sectors

9.84 *Promoting community participation in social economic activities* will require:

- (a) Training communities in leadership and management skills.
- (b) Using appropriate communication channels in disseminating information on programmes to target groups.
- (c) Promoting the role of communities particularly women in the decision making process at all levels.
- (d) Providing training opportunities to women so as to create awareness on their rights.

9.85 In order to strengthen human resources development efforts will be made to increase training opportunities to community development staff

9.86 To ensure sustainability of community oriented projects emphasis will be on:

- (a) Mobilization of own resources and encourage savings.
- (b) Rationalizing credit support to women.
- (c) Involving communities in planning, implementation, monitoring and evaluation of projects.
- (d) Introducing cost sharing arrangements.

Priority Areas

9.87 Priority areas will be:

- (a) Identification and dissemination of appropriate technology.
- (b) Community and manpower training.
- (c) Provision of working tools and equipment.

CHAPTER 10: ADMINISTRATION

A. Overview

10.1 One of the key roles of any government is to maintain law and order as part of improving the welfare of the population, but also to provide the necessary stability to stimulate economic growth. This will be one of the highest priorities during the first RPFB period. International relations will also be strengthened as part of encouraging foreign investment and promoting good relations with the rest of the world.

10.2 Another major objective is the restructuring of Government to reduce costs and to improve the efficiency of those activities that remain under Government management. The RPFB process itself is one of the measures being introduced to improve the planning and budgeting system, while the Civil Service Reform programme will aim to increase the efficiency of the civil service. The Civil Service Department will also assist all line ministries to undertake functional reviews to determine the most appropriate structures and incentive systems.

B. Civil Service

Introduction

10.3 The Civil Service Department under the President's Office was established in 1989 with the main responsibilities of formulating and supervising implementation of administrative and personnel policies; reviewing and administering Government policies and regulations; ensuring the recruitment and training of civil servants; advising and coordinating the activities of the Institute of Development Management (IDM - Mzumbe), the Civil Service Training Centre and Tabora Secretarial College, and to oversee the overall efficiency of the Civil Service and administrative and management practices.

Performance during 1990/91-1992/93

10.4 A better system of controlling employment in the Civil Service as well as determining manning levels was instituted. Furthermore, reviews of the Civil Service regulations of 1970 in line with the new Civil Service Act No. 16 of 1989 and the government Standing Orders of 1972 have been carried out. The good performance was achieved through the review of schemes of service for various cadres in government ministries. Various staff circulars were also issued.

10.5 The most outstanding constraints for the civil service are: inadequate funding, lack of facilities, tools; motivation, incentive, qualified staff and poor infrastructure.

Objectives

10.6 The principal objective is to improve the efficiency in the Civil Service.

Policies:

10.7 The main policies to achieve the objective outlined above include:

- (a) Improve management capabilities in the civil service.
- (b) Enhance work morale and ethics in the civil service.
- (c) Retrench manpower to enable enhanced remuneration packages in the civil service.
- (d) Improve human resource development and gender equity in the civil service.
- (e) Improve inter-sectoral coordination for improved civil service management.

Strategies

10.8 *To improve management capability in the civil service* emphasis will be placed on conducting Management Audit Services. Alongside with that, printing and publication of staff lists will be effected together with strengthening of government structures and functions. This will be achieved through the provision of advisory services in areas of organisation, systems, procedures and work methods, human resource utilisation and personnel record keeping to improve efficiency and reduce costs.

10.9 *Enhance work morale and ethics in the Civil Service* this will entail the review of schemes of service, standing orders and staff circulars particularly the incentive schemes and remuneration structure in conjunction with current economic situation.

10.10 *Retrenchment of manpower*: to be able to revise and effectively institute the remuneration structures, the Civil Service Department will undertake a gradual retrenchment of its manpower, as described in more detail in Part I of this Document.

10.11 *Improve human resource development and gender equity*: for improved efficiency and high level integrity among the civil servants, various coordinated training programmes will be formulated and implemented. Efforts will also be made to establish equity, fairness and impartiality in the Civil Service pertaining to recruitment, appointment and promotions.

10.12 *Improve inter-sectoral co-ordination*: the Civil Service Department will assist Ministries to review their functions and structures and ensure that inter sectoral linkages are strengthened and duplication of activities is minimised.

Priority areas:

10.13 The priority areas in terms of resource allocation are:

- (a) Rehabilitation of infrastructure and facilities.
- (b) Expansion of physical facilities.
- (c) Improvement of manpower skills.
- (d) Research and development in human resources

C. Home Affairs*Introduction*

10.14 The Ministry of Home Affairs is responsible for maintaining law and order through the Police Force, Fire and Rescue Department, Prisons Department, as well as being responsible for immigration control and custody of refugees through the Immigration Department and Refugees Unit.

Performance during 1990/91 - 1992/93

10.15 Generally the performance in maintenance of law and order was satisfactory during this period, as evidenced by the existence of peace and tranquillity in the country.

10.16 However there were a number of constraints which hampered the attainment of higher performance level. These include inadequate human, financial and material resources.

Objectives

10.17 The principal objectives of the Ministry of Home Affairs are maintenance of law and order, and the protection of property from fire and other natural hazards.

Policies

10.18 The following policies will be pursued to achieve the above objectives:

- (a) Increase the numbers of sufficiently trained and equipped manpower.
- (b) Improve the welfare of staff.
- (c) Improve prisoners' welfare and accommodation.
- (d) Encourage people's participation and mass education.

Strategies

10.19 *In order to have sufficiently trained and equipped manpower* the focus will be on:

- (a) Construction, maintenance and rehabilitation of colleges.
- (b) Recruitment of new staff and training of staff professional levels.
- (c) Maintenance and provision of transport, working tools and equipment.

10.20 To *improve staff welfare* efforts will be directed on:

- (a) The construction, maintenance and rehabilitation of houses and their sanitation facilities.
- (b) Prompt disbursement of statutory payments and incentives.
- (c) Provision of social and economic infrastructure.

10.21 *Improvement of prisoners' welfare and accommodation* will entail the construction and rehabilitation of prisons as well as provision of vocational training and employment schemes. A parole system will be established to allow prisoners with good conduct back into the community with adequate monitoring of their behaviour.

10.22 *Encouragement of people's participation and mass education* will require:

- (a) Raising people's awareness and consciousness of crime prevention and fire safety measures.
- (b) Promotion of volunteer defence groups (Sungusungu).
- (c) Establishment of Volunteer Fire Fighter Brigades.

Priority areas:

10.23 The following areas will receive priority:

- (a) Acquire working tools and equipment.
- (b) Staff professional training.
- (c) Construction and rehabilitation of staff houses.
- (d) Rehabilitation of stations and offices.

D. Justice

Introduction

10.24 The role of the Justice Department is to dispense justice to the general public and in so doing establish peace and stability in the country. The Department of Justice consists of 5 sections: Director of Public Prosecutions, the Administrator General, Chief Parliamentary Draftsman, Civil and International Department, and Directorate of Administration and Personnel.

Performance during 1990/91 - 1992/93

10.25 Dispensing of justice and rendering legal service to the general public was satisfactory. Concerted efforts were made to deliver services close to the public by opening up of seven registration district offices, translation legal policy and compilation of a glossary of Swahili legal terms was completed. Following trade liberalisation, a number of bankruptcy and company liquidation are being undertaken by the official receiver.

10.26 Despite these achievements, dispensing of justice was constrained by insufficient funding which resulted in lack of working tools, accommodation and various incentives.

Objectives:

10.27 The main objectives are to dispense justice and render legal services to the general public.

Policies

10.28 The focus will be on the following policies:

- (a) Taking justice closer to people
- (b) Render counselling to individuals and institutions.
- (c) Extension of civil registration.
- (d) Human resource development

Strategies

10.29 To *take justice close to the people* will call for:

- (a) Opening 12 zonal offices and increase recruitment of lawyers.
- (b) Speeding up the prosecution and/or litigation of criminal and civil cases before all courts of law.
- (c) Enhancing the knowledge of the workers' by giving them training relevant to their disciplines.
- (d) Improving public awareness through radio, brochures, seminars, etc.

10.30 *Render counselling to individuals and institutions* by delivering legal advice in criminal/civil and other matters to the government and other state investigating organs and individuals.

10.31 The *extension of civil registration* programme will entail:

- (a) Involving health and other related institutions
- (b) Expansion of civil registration activities in the remaining districts.
- (c) Embarking on information dissemination through radio, brochures, placards, seminars and meetings.
- (d) Registration of births and deaths, marriages, divorce, adoptions, bankruptcy, trusteeship and administration of deceased estates.

10.32 *Human resource development* will be carried out through:

- (a) Recruitment of district coordinators.
- (b) Re-training of health and local government personnel in the operating districts.
- (c) Embark on a multi-purpose staff accommodation scheme.
- (d) Provision of modern working equipments.
- (e) Improving library facilities.

Priority areas:

10.33 The following areas will be accorded priority:

- (a) Information dissemination;
- (b) Civil registration activities.

- (c) Recruitment of coordinators;
- (d) Re-training of health and local government personnel in the operating districts.

E. Defence and National Service

Introduction

10.34 The central roles of the Ministry of Defence and National Service are:

- (a) To defend the territorial integrity of the United Republic against foreign invasions or incursions so as to peace and security within the country.
- (b) Maintenance of law and order by preventing foreign interference.
- (c) Training of youth from all walks of life to create national identity and to impart basic civilian and military technology.
- (d) To acquire appropriate technology from other parts of the world.

Performance 1990/91 - 1992/93

10.35 A number of officers and men have been returned to barracks to instil discipline and improve the management of Defence Force property. Construction of several houses and dormitories has been completed and 10% of the vehicles required have been purchased. An independent communication network is being established to improve communications within the Force. The two parastatals under the Ministry continued work on the rehabilitation of the Mzingo factory and research and development of automotive technology.

10.36 The constraints faced by the Ministry are those of lack of funds, foreign exchange, equipment and adequately trained manpower.

Objectives

10.37 The objectives for the Ministry include:

- (a) To develop a small, highly trained and efficient force.
- (b) To acquire appropriate technology.
- (c) To train youths to be better citizens and create a national identity.

Policies

10.38 The above objectives will be achieved through the following policies:

- (a) Improving efficiency of the Ministry of Defence, the Tanzania People's Defence Forces (TPDF) and Jeshi la Kujenga Taifa (JKT).
- (b) Improving the welfare of the Officers and Men in the Forces.
- (c) To provide proper training to all ranks.
- (d) Promoting research and development.

Strategies

10.39 *Improving efficiency and enabling the Forces to be more self sufficient* will involve:

- (a) To accommodate all officers and men in cantonments.
- (b) Increasing agricultural production in the National Service.
- (c) To rehabilitate plant, craft and equipment where possible.
- (d) To acquire new equipment as appropriate.
- (e) To restructure the Ministry, TPDF and JKT, to be able to build capacity.

10.40 *Improving the welfare of officers and men* will be achieved through:

- (a) Construction of quarters, dormitories.
- (b) Improvement in the supply of utility services, e.g. electricity, water, sewerage, and health services.
- (c) Provision of rations as prescribed in official rates.
- (d) Rehabilitation of training schools and colleges through allocation of qualified instructors.

10.41 *Promoting Research and Development* will involve equipping Mzingu and Nyumbu with necessary facilities to allow for new innovations and technology transfers.

Priorities

10.42 The priorities for the first RPFB will be:

- (a) Construction and rehabilitation of housing and offices.
- (b) Purchase of vehicles.
- (c) Continuation of the Communication Project.
- (d) Repair and rehabilitation of existing equipment.

F. Economic and Financial Management

Introduction

10.43 The Government recognises the importance of its economic and financial management. The well-being of the entire economy depends on the quality of policy analysis and of Government's management of economic and financial affairs. The two core agencies are the Ministry of Finance and the Planning Commission. Vital inputs for planning are provided by the Bureau of Statistics, which comes under the supervision of the Planning Commission.

10.44 The Ministry of Finance is responsible for revenue collection and expenditure management. It is also concerned with the efficient *allocation* of resources and to anticipate the *macroeconomic implications* of public expenditures. The Planning Commission has particular responsibilities for the Development Budget and for broader development policy and national development planning.

10.45 There is close collaboration between the two institutions so as to ensure consistency between short-term fiscal management and long term economic strategy, and to recognise the links between development and recurrent expenditures. This Rolling Plan and Forward Budget is again a joint exercise that demonstrates this collaboration.

Performance during 1990/91 - 1992/93

10.46 Considerable efforts were made to develop and strengthen economic and financial management, including:

- (a) Implementation of the Economic Recovery Programme (ERP) II, and the formulation of guidelines for the Rolling Plan and Forward Budget (RPFB).
- (b) Preparation and monitoring the implementation of the macroeconomic Policy Framework Papers (PFP), and a follow up on the current economic, financial and social reforms;
- (c) A review of the needed national capacity of experts and technical assistance (NATCAP) for various sectors of the economy;
- (d) Reforms on price management arrangements through the abolition of the Price Regulation Act of 1973 - and therefore the Price Commission - and enacting a new legislation on "Restrictive Business Practices"

- (e) Preparation of policy papers to improve the performance of the external sector on such issues as:
 - (i) Foreign Aid Policy and Strategy;
 - (ii) Planning Management and Co-ordination Mechanism of the External Sector;
 - (iii) Tanzania Export Development and Promotion Strategy;
 - (iv) Continued participation in regional and international co-operation through such fora as SADC, PTA, ECA, bilateral and multilateral consultation meetings, as well as facilitating the implementation of Technical Co-operation Among Developing Countries (TCDC);
 - (v) Preparation of the Population Policy;
 - (vi) Follow-up on the implementation of Annual Development Plans;
 - (vii) Promotion of foreign and local investment opportunities existing in the country through the Investment Promotion Centre (IPC).
- (f) The Budget Management Development Programme in the Ministry of Finance.

10.47 Both agencies were constrained by the shortages of manpower and resources that have become typical within Government.

Objectives

10.48 The Government's objectives for economic and financial management are:

- (a) To improve the management of the national economy, so as to ensure and enhance sustainable national economic growth and development;
- (b) To improve guidance, coordination and supervision of the planning process and implementation of the socio-economic plans;
- (c) To ensure proper and efficient management of and accounting for public resources;
- (d) Improve budget management at the institutional level.

Policies

10.49 The following are the policies to be pursued:

- (a) Improving efficiency in management and the planning process at all levels by improving management systems and procedures where this is appropriate;
- (b) Capacity building and staff development;
- (c) Strengthening data collection, management and dissemination;
- (d) Improving planning in human resource development.

Strategies

10.50 To *improve efficiency in economic management and the planning process at all levels* will call for

- (a) Formulation of effective social and economic policy measures and strategies in the short, medium and long-term;
- (b) Forecasting and providing an in-depth analysis of macro-economic variables through the use of macroeconomic models;
- (c) Rationalizing and synchronizing sectoral priorities;
- (d) Coordinating and monitoring the implementation of economic planning and management;
- (e) Strengthening the national capacity for planning management and coordination of the external sector;
- (f) Facilitating the implementation of the Investment Promotion Act and making constant reviews;
- (g) Strengthening expenditure planning and control;
- (h) Improve Government's accounting system and information flows.

10.51 Capacity building will involve:

- (a) Developing and implementing training programmes.
- (b) Attaching staff to relevant research institutions both within and outside the country.
- (c) Increasing staff motivations through provision of adequate remunerations, housing, transport, decent and adequate office accommodation etc.

10.52 Strengthening data collection, management and dissemination will be carried out through:

- (a) Carrying out survey and research activities.
- (b) Developing planning and management manuals.
- (c) Procurement of modern data processing equipment.
- (d) Establishing a computer network amongst planning institutions.

10.53 Improving the planning in human resource development will require:

- (a) Undertaking timely manpower surveys.
- (b) Reviewing the national manpower position.
- (c) Carrying out labour force surveys.
- (d) Integrating population issues in all development plans.

Priority areas**10.54 Priority** will be accorded to:

- (a) Consolidation of the RPFB process
- (b) Project Screening
- (c) Finalisation of the Planning Manual
- (d) Publication of the Budget handbook
- (e) Training programmes
- (f) Research activities
- (g) Staff motivation

G. Foreign Affairs**Introduction**

10.55 The Ministry of Foreign Affairs and International Co-operation is responsible for creating a favourable condition for Tanzania to maintain relationship and economic co-operation with neighbouring countries and the international community, promoting economic development through its involvement in constructive dialogue with donor countries, regional/international organs involved in socio-economic development and NGOs, promotion at Foreign missions of this country's export and investment opportunities advising the Government on various international trends on socio-economic issues.

Performance 1990/91 - 1992/93

10.56 The international relations situation continued to improve during the period; efforts were made to improve relations with South Africa and South Korea. Tanzania was represented at various international conferences and meetings relating to issues of security, development and cooperation.

10.57 Despite these successes, a number of embassies were constrained by lack of funds and qualified personnel.

Objectives

10.58 The objectives of the Ministry of Foreign Affairs are:

- (a) To maintain good relations and promote economic cooperation with neighbouring countries and the rest of the world.
- (b) To promote human rights throughout the world.
- (c) To seek world peace.

Policies

10.59 The main policies to achieve the above objectives are:

- (a) To strengthen diplomatic and consular services so as to encourage foreign investment in Tanzania
- (b) Assist in the Investment Promotion Centre activities through dissemination of information on investment opportunities in the country as well as abroad.

Strategies

10.60 Strengthening of diplomatic and consular services will require:

- (a) Maintenance of minimal representation in foreign countries.
- (b) Effective training inside and outside the country for foreign service personnel in internal relations and cooperation.
- (c) To enter into multilateral and bilateral treaties for economic development purposes.

10.61 In order to create a conducive environment for economic and social development, emphasis will be placed on:

- (a) Participation in international negotiations and conferences for the promotion of peace and economic development.
- (b) Increasing interdependence at regional level, e.g. SADC, PTA.

10.62 So as to assist in investment promotion activities the following will be carried out:

- (a) Increase facilitation of trade attache activities.
- (b) Bilateral exchange visits aimed at increasing trade promotion and investment incentives.
- (c) Dissemination of information on investment opportunities existing in the country.
- (d) Collaboration with and assistance to the Investment Promotion Centre.

Priorities

10.63 The following areas will receive priority:

- (a) Strengthening of the centre for foreign relations.
- (b) Contributions to international organisations.
- (c) Improving the management of Diplomatic Missions abroad.
- (d) Representing Tanzania in international donor negotiations and conferences.
- (e) Participating in joint commissions.
- (f) Construction of new offices abroad.

Performance indicators

10.64 The total number of embassies, high commissions and consulates is expected to decline from the present 30 to 20 by 1995/96 as a result of the Government's efforts to cut down its expenditure. However, cost on these missions is expected to increase at an average of 4.4% per year. This is mainly as a result of expected works on rehabilitating some embassy buildings and constructing two new ones. The trend is shown in the following table.

	1992/93	1993/94	1994/95	1995/96
1. Number of Embassies/High commissions/consulates (units)	30	26	20	20
2. Average cost of office and Resident (own and Rented) in Tsh. million.	53.7	53.7	59.1	65.0

CHAPTER 11: CROSS SECTORAL ISSUES

A. Overview of Cross-Sectoral Issues

11.1 This Chapter groups a number of issues and activities which do not fit neatly into one of the categories already covered. However, funding for these areas is channelled through a number of sector ministries and have been grouped under the relevant vote in the Forward Budget.

11.2 There is some duplication and overlap between the services provided by the line ministries responsible for cross-sectoral issues. Reviews will be undertaken and necessary modifications made in the responsibilities in order to avoid such duplication and improve intersectoral collaboration.

B. Environment

Introduction

11.3 There is increasing international awareness of the need to pay attention to environmental aspects of development. This concern is very relevant to Tanzania, with its fragile natural resource base, a growing population and problems of urbanisation and industrial development. Environmental issues which affect all sectors are coordinated by the Division of Environment in the Ministry of Tourism, Natural Resources and Environment. A National Environmental Management Council (NEMC) was established in 1986 as a Government advisory body on environmental issues.

Performance during 1990/91 - 1992/93

11.4 Environmental trends are long-term in nature and often difficult to measure. During the past three years, several achievements have been made in development appropriate institutional arrangements for addressing environmental issues. These include the completion of the draft national conservation strategy and environmental protection laws, embarking on formulation of national environmental policy which is in its final stage, and undertaking of environmental protection and conservation measures.

11.5 Institutional capacity building activities, progressed at a very slow rate due to lack of funds. Constraints faced by the environmental programme range from institutional weaknesses, arising from inadequate manpower, absence of enabling environment, limited public awareness and the lack of vital environmental information.

Objectives

11.6 The following objectives have been formulated:

- (a) To protect and conserve the marine coastal environment.
- (b) To conserve natural resources and oversee the management of industrial wastes.
- (c) To raise public awareness in environmental management.
- (d) To create a consolidated holistic approach in environmental conservation and sustainable development.

Policies

11.7 The above objectives will be achieved through the following policies:

- (a) Prevent and control marine coastal water pollution and resource degradation.
- (b) Conserve vegetation cover in drainage basin systems.
- (c) Prevent and control water pollution within drainage systems and water sources.
- (d) Prevent and control land degradation and desertification.
- (e) Promote industrial waste minimization.
- (f) Enhance and promote holistic approach for public awareness, sensitization and participation.

Strategies

11.8 In order to *promote and control the marine coastal water pollution and resource degradation*, emphasis will be on:

- (a) Rehabilitation of coastal areas particularly beach erosion.
- (b) Strengthening institutions dealing with coastal zone and marine environmental management.
- (c) Monitoring of coastal zone land use.
- (d) Instituting appropriate legal provision for coastal zone development control.
- (e) Developing ways for sewerage and solid waste treatment/disposal facilities along the coast.

11.9 *Conservation and monitoring of vegetation cover within drainage basin systems* will be undertaken through:

- (a) Preparation and implementation of integrated land development.
- (b) Water quality monitoring and risk assessment in critical areas.
- (c) Combating deforestation and controlling ground fires, especially in catchment areas.
- (d) Assessing the nature of environmental problems with respect to important irrigation schemes in the country.

11.10 Government will seek to *prevent and control water pollution within drainage basin systems and water sources* by promoting the role of local government, i.e. by instituting and enforcing by-laws on river streams and reservoir reservations.

11.11 *Prevention and control of land degradation and desertification* will be done through:

- (a) Educating and creating public awareness of the adverse effects of deforestation and pollutants built up in water sources.
- (b) Taking measures to preserve and improve the quality of land in collaboration with the relevant institutions.
- (c) Land use planning to ensure sustainable development of agriculture and use of natural resources.
- (d) Introduction of soil and water conservation measures.

11.12 In order to *promote industrial waste minimization* the following measures will be undertaken:

- (a) Reviewing and updating prevailing discharge standards and pollution control guidelines for the industrial sector.
- (b) Strengthening institutional capacity for undertaking industrial waste management programmes.
- (c) Promoting private sector participation in industrial waste abatement and management.
- (d) Dissemination of information on environmental and health safety aspects of industrial waste.
- (e) Assessing requirements for industrial waste treatment facilities in industrial estates.
- (f) Formulation of environmental guidelines for industrial siting and location.
- (g) In collaboration with the industrial sector, identify compatible industries for which wastes from one industry could be used as raw material for another.
- (h) Promoting industrial waste minimization through appropriate taxes, (e.g. polluter pays principle), etc.

11.13 To enhance and promote holistic approach for public awareness, sensitization and participation, the following will be carried out:

- (a) Promotion of intersectoral linkage.
- (b) Promotion of the integration of environmental concerns with development plans at all levels.
- (c) Enhancement of capacity building.
- (d) At the sectoral level, environmental funds to facilitate effective environmental protection will be established.
- (e) Completion and implementation of environment policy.

Priority areas

11.14 Government's environmental priorities for 1993/94—1995/96 will be:

- (a) Completion of the national environmental policy and the national conservation strategy.
- (b) Enhance capacity building through training, purchase of equipment and facilities.
- (c) Enhance public education and awareness campaigns.
- (d) Promote conservation and protection of land and water sources.

Performance indicators

11.15 A number of activities will be undertaken with the objective of ensuring good water quality by establishing "Quality Standards", inventorizing all polluted water bodies in Mainland Tanzania and imposing pollution control on industrial, urban and agricultural activities. The environmental policy being prepared, calls for among other things, initiation of Polluter Pays Principle law which will play a great role in checking pollution trend. Besides, construction of 1 km. concrete sea wall along the coast line, rehabilitation of the existing one, as well as part of the implementation of the Dar es Salaam Beach Management Master Plan will be carried. In monitoring desertification, the affected areas are identified and baseline data taken. To accompany reports prepared. It is estimated that, towards 1995/96, know the rate of desertification, and the extend of the problem, from resource development, it is estimated that by 1995/96, the National environment Management Council will have added about 30 more technical officers and 10 supporting staff to its list of 12 and 30 respectively.

C. Science and Technology

Introduction

11.16 The level of development in any country is determined, to large extent, by their advancement in science and technology. Thus, the Ministry of Higher Education, Science and Technology is responsible for coordinating national policy on science and technology. This is an issue of growing importance, given the pace of international technological development.

Performance during 1990/91 – 1992/93

11.17 During the period under review the following achievements were made in Science and Technology:

- (a) Reviewing of the 1985 science and technology policy, while the current policy is also under review to streamline with the current technological and economic development.
- (b) Establishment of a centre for Development and Transfer of Technology and stocktaking on existing technologies in the country, covering Iringa as a pilot region.
- (c) Awarding research grants and the Tanzania Award for Scientific and Technological achievement to individual scientists and institutions.

- (d) Sensitizing the general public on the importance of science and technology.
- (e) Establishment of a National Information System Centre for Technology.
- (f) Assessing the effects of radiations at work places applying ionizing radiation sources.

11.18 The major constraints that have adversely affected the performance are: insufficient manpower, brain drain, un conducive working environment, inadequate financing and poor management as well as coordination of science and technology activities.

Objectives

11.19 The Government's main objectives for Science and Technology are:

- (a) To enhance the application of science and technology to socio-economic development.
- (b) To rationalize use of science and technology.
- (c) To generate science and technology knowledge.
- (d) To establish an appropriate legal framework for importation of relevant technology.

Policies

11.20 The policies to achieve the objectives are:

- (a) Strengthening research activities in Science and Technology.
- (b) Improving the application of Science and Technology.
- (c) Promoting environmentally sound technology.
- (d) Strengthening intersectoral linkages.
- (e) Promoting local inventions and innovations.
- (f) Developing appropriate technologies for women.

Strategies

11.21 *Strengthening of Research activities in Science and Technology* will call for:

- (a) Preparation and implementation of research policy and training.
- (b) Establishment of a Science and Technology fund.

11.22 *Improving the application of Science and Technology* will involve:

- (a) Drawing up an implementation strategy on Science and Technology.
- (b) Stock taking on technologies available and needs.
- (c) Disseminating proven technologies to targeted groups.
- (d) Assessing the development needs of various local technologies.
- (e) Establishing of Science and Technology demonstration units e.g Biogas Plants.
- (f) Sensitizing the general public on Science and Technology.

11.23 *Promoting environmentally sound technologies* will include:

- (a) Transferring of environmentally sound imported Technology.
- (b) Operationalising the centre for science and technology.

11.24 *Strengthening of intersectoral linkages* will be achieved by formulating inter-sectoral committees of Science and Technology to improve efficiency.

11.25 *Promoting local invention and innovation* will include:

- (a) Provision of incentives and motivations to Scientists and Technologists.
- (b) Increasing private participation.
- (c) Awarding ownership property rights.

11.26 *Promotion of appropriate technologies for women* will include:

- (a) Involvement of women in the promotion and utilization of Science and Technology.
- (b) Sensitizing women to use appropriate technology.
- (c) Establishment of a unit for "Women in Science and Technology".

Priority areas

11.27 The priority areas are in the construction of staff houses, offices, and purchasing facilities for science and technology.

D. Cooperatives

Introduction

11.28 Responsibility for Government support to cooperatives is assigned to the Ministry of Agriculture, Livestock and Cooperatives, but cooperative activities are not confined to agriculture.

Performance during 1990/91 - 1992/93

11.29 During the period under review there were very few achievements in the cooperative sector. These were:

- (a) Review of Cooperative Societies Act 1982 followed by an Enactment of 1991 Cooperative Societies Act.
- (b) Drawing up of "Cooperative Reform Programme".

11.30 The cooperative sector faced a number of constraints. These include: lack of clear policy, capital deficiency, lack of management autonomy and inability to service debts.

Objectives

11.31 The main objectives of cooperatives are:

- (a) To improve the economic situation of members.
- (b) To contribute to the national economy through self reliance and democratic control of economic activities.
- (c) To increase members' and national capital resources by encouraging thrift, prevention of usury and the rational use of credits.

Policies

11.32 The Government policies outlined below are geared towards achieving the above objectives:

- (a) Ensure strong and manageable cooperative movement.
- (b) Promote the role of women and youths in cooperatives.

Strategies

11.33 To ensure strong and manageable cooperative movements emphasis will be on:

- (a) Continuation of cooperative reform programme.
- (b) Registration of economically viable cooperatives.

- (c) Diversification of cooperative activities.
- (d) Provision of cooperative education to members and non-members.

11.34 In order to promote the role of women and youth in cooperative movements efforts will be made to encourage and mobilize them to form cooperative movements.

Priority areas

11.35 Priorities will be:

- (a) Implementing the cooperative reform programmes.
- (b) Provision of cooperative education to members and non-members.

E. Regional and Local Government

Introduction

11.36 In order to facilitate well the management of the country, Tanzania is administratively divided into regions, which are sub-divided into districts and the latter into wards and then villages. Within these units of administrative set up there are two types of administration, namely The Central Government and the Local Governments. The roles of each administrative machinery in the units are clearly defined. All matters pertaining to production, economic infrastructure and social services in the districts, are the responsibility of Local Governments. Administration and maintenance of law and order are the responsibilities of the Central Government.

11.37 The office of the Prime Minister and First Vice President has the role of co-ordinating all issues pertaining to Regional Administration and Local Governments. Thus, this office is responsible for overseeing the development of the rural area which accounts for 78% of the population and where most of the socio-economic activities take place, e.g. agriculture.

Performance during 1990/91-1992/93:

11.38 While there has been a general agreement that the rural peasant is key to future development of the nation and for the most part adequate democratic structures are in place at the grassroots, rural development process has not progressed to the point that increased better housing, and education, improved nutrition and establishing of small scale industries have not been fully attained. Historical socio-cultural beliefs, attitudes, values and practices have in some cases imposed barriers to adoption of more participatory, democratic, productive and futuristically oriented ways of doing things. Often those who have the responsibility for helping the rural to develop have not performed well, because they themselves do not have the skills, ability and tools to render such services. Coupled with this the local Governments have not been fully able to contribute their share to development.

Objectives:

11.39 Regional Administration and Local Government will focus on completing the following objectives:

- (a) To enhance law and order for socio-economic development
- (b) To strengthen Local Government Institutions
- (c) To help the local authorities improve the standards for the provision of social and economic services
- (d) To enhance groups income capacity through the promotion of income generation activities

Policies:

11.40 In order to achieve the above objectives the following policies will be adopted:

- (a) Ensure that Local Authorities formulate by-laws and enforce them.
- (b) Decentralize further the decision-making process and the implementation of projects at regional and district levels.
- (c) Improve the Local Government revenue base.
- (d) Encourage people in implementing development projects on self-help basis.

Strategies:

11.41 To ensure that Local Authorities formulate by-laws and enforce them;

- (a) The legal unit in the Local Governments Services Commission will be strengthened.
- (b) More mandate will be given to Local Authorities to enforce by laws.

11.42 In decentralizing further the decision making process and the implementations of projects at Regional and District Levels:-

- (a) Projects originating from villages will be accorded priority.
- (b) Projects with direct impact on the people e.g. provision of social services and infrastructural will be given their due weight.
- (c) Relevant institutions from the village, ward and district levels will be used effectively to initiate and monitor the implementation of projects.

11.43 In order to encourage people implement development projects on self-help basis;

- (a) The self-reliance fund will be strengthened.
- (b) Projects implemented on self-help basis will be given Government support.
- (c) The Government will make sure that projects started by people are completed.
- (d) Encourage people with viable projects implement them effectively by guiding them to get credits/loans.

11.44 In order to improve the Local Government revenue base.

- (a) Properties will be valued and property tax imposed.
- (b) Other sources of revenue will be explored and be handed over to local Governments.
- (c) Prepare new financial memorandum.

Priority Areas:

11.45 Priority areas will be:

- (a) Implementation of project in the social service sector.
- (b) Implementation of projects in improving infrastructure.
- (c) Improving the revenue base for Local Governments.

PART III: THE FORWARD BUDGET

CHAPTER 12: OVERVIEW OF THE FORWARD BUDGET

A. Introduction to the Forward Budget

Role and Purpose of the Forward Budget

12.1 The Forward Budget has been introduced in order to get away from very short term, *ad hoc* resource management and allow some real *planning* of public expenditures. The Forward Budget is thus primarily a planning tool: it provides ministries/departments and regions with an advance indication of resources available and should enable them to use those resources more effectively.

12.2 1993/94 marks the first year of the Forward Budget system. Ministries/Regions were provided with advance Guidelines indicating the expected level of funds available for each sector and vote, and were requested (a) to provide forward estimates for 1994/95 and 1995/96 alongside the more detailed annual estimates for 1993/94 and (b) to apply priorities so as to keep their expenditure proposals within the ceilings indicated.

12.3 Inevitably, an innovation such as this will take time to become fully effective. There were some delays in issuing the Guidelines, and many submissions were very late, so that review and analysis of forward budget proposals could not be as thorough as was desired. Most ministries and regions submitted annual and forward estimates that considerably exceeded their ceilings. It was not possible to coordinate the analysis of recurrent and development expenditures as much as had been intended, although, for the first time, agencies were required to combine recurrent and development budget proposals in a single document. This first Forward Budget exercise thus provides a basis for improved expenditure planning, but the procedures will need to be refined and consolidated in preparing the 1994/95—1996/97 RPFB and in subsequent years.

Status of the Forward Budget

12.4 The Forward Budget shows expenditure projections for 1993/94 and the two following years. The figures shown for 1993/94 are actual allocations (as shown in more detail in the 1993/94 Estimates books). Figures for 1994/95 and 1995/96 are not *appropriations* but indicative figures; they are based on assessment of national policies and priorities and are, in effect, the Budget Guideline figures for those years. Better planning should be possible by making these guidelines available at the same time as the annual budget is presented.

12.5 The Forward Budget figures for most agencies are well below the amounts requested. The essence of the exercise is to adapt expenditures to the resources available and thus tackle the chronic under-funding and over-extension of Government activities that has persisted since at least the late 1970s. There needs to be a change of perspective, replacing the tradition of incremental budgeting with a realistic analysis of what can be achieved by concentrating on priorities. Responsibility for better resource use has to be accepted by all agencies, instead of relying on the Ministry of Finance and Planning Commission to cut back unrealistic bids. It will take time for the new approach to take hold, but the Government intends to ensure that the Forward Budget projections are taken seriously as a basis for planning and budgeting by sector agencies.

12.6 Preparation of RPFB2 (1994/95—1996/97) will involve adding an extra year, to keep a continuing three-year horizon, and will also be an opportunity to review the overall framework in the light of changed circumstances and revised data; some consequent adjustments to ministerial allocations may also be made.

Prices and the Real Value of Resources

12.7 The figures in the Forward Budget are presented in current prices. It is important to note the effect of price increases in reducing the real value of future expenditures. Inflation for the RPFB period is expected to average about 9 percent; in other words, a typical agency would need an increase of at least 9 percent in its budget each year, simply in order to maintain a constant level of services. In practice, many agencies will be faced with real cuts in their level of funding. Tables 12.3a and 13.1b show the effects of inflation on overall expenditure trends, and on the real resources available to each sector.

Format and Presentation

12.8 Part I of the RPFB has explained the economic outlook and the reasoning behind the overall expenditure and revenue targets that have been adopted. Part II has explained sector policies and priorities and indicated the broad sectoral trends in public expenditure that are sought. Here, in Part III, the aim is:

- (a) to provide more detail on the calculation and the breakdown of budget aggregates; and
- (b) to summarise the Forward Budget Vote by Vote. An important aspect of doing this is that the Recurrent and Development Expenditures for each Ministry/Department are shown together. The biggest weakness in the presentation is probably the difficulty in capturing all the aid funds that benefit Tanzania; this is something the Government is working on, in conjunction with the aid agencies in order to strengthen the planning and budgeting system further.

12.9 The chapters in Part III of the RPFB follow the logic of the resource allocation process, starting with the assessment of overall resources available and moving on to the allocation of resources between various competing claims. Thus:

The present chapter explains the availability of resources and claims on resources at the aggregate level; it elaborates on the Budget Frame presented earlier (in Chapter 5).
Chapter 13 analyses the planned allocation of resources under the RPFB; allocations by sector, between Ministries, Regions and Local Governments.

B. Resources Availability*Overview*

12.10 Estimates of total revenue and the target for total expenditure/budget deficit are related to the GDP forecasts presented in Part I of this document. Table 12.1 summarises the aggregate resource position and uses, while Tables 12.2 and 12.3 give more details of domestic and external revenue projections.

Table 12.1: Resources and Uses

Million Tsh	1992/93 App.Est.	1992/93 Rev.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
Domestic Revenue	214602	164238	235593	263688	289660
Grants	110239	72917	133962	127033	105820
subtotal	325846	237155	369553	390721	395480
Total Expenditure (excl. amort.)	317031	278800	384831	403164	407995
Adjustment to cash	-	11543	-	-	-
Overall Deficit (incl. adjust.)*	8815	-5188	-18278	-12443	-12515
Financed by:					
External Loans (net)	3710	15167	51770	30555	22424
Domestic Borrowing (net)	-5105	38021	-36492	-18112	-9999
Bank	10000	33126	-39392	-21153	-12357
Non-bank	-4895	4895	2900	3043	2358

* For the RPFB period (1993/94 - 1995/96) the Overall deficit is on cheques issued basis.

Domestic Revenue

12.11 Details of domestic revenue performance and targets are shown in Table 12.2. Original estimates as well as revised estimates for 1992/93 are presented. The figures for 1993/94 correspond to those presented in the annual budget estimates. However, the figures for 1994/95 and 1995/96 are targets; they represent the level of revenue that the Government intends to achieve, based on a an assessment of the appropriate relationship between Government revenues and GDP.

12.12 Revenues in 1992/93 have fallen significantly short of what was anticipated, and the Government intends to take active revenue measures to ensure the revenue targets for the next three years are reached.

Table 12.2: Domestic Revenue

Million Tsh	1992/93 App.Est.	1992/93 Rev.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
Tax Revenues:					
Import Duty	28422	16533	21789		
Excise Duty (Imports)	6691	2371	3125		
Excise Duty (Local)	32169	18415	22130		
Sales Tax (Imports)	29911	13637	17971		
Sales Tax (Local)	39163	30184	36274		
Income Tax	41270	41306	49640		
Other Taxes	18957	22329	26836		
Total	196583	144775	177765	244459	268538
Non-Tax Revenues:					
Parastatal Dividends	10711	9038	12725		
The Treasury	2293	5033	6048		
Ministries & Regions	3695	5058	6078		
Appropriation-in-aid	325	334	561		
Additional measures	—	—	32414		
Total	19024	19463	57826	49229	21122
Total Domestic Revenue	215607	164238	235591	263688	289660

External Funds

12.13 Major assumptions on this element are discussed in part I (5.3). In view of the problems in capturing comprehensive and accurate figures, external resources are not fully incorporated in the budget process. In tackling these problems, the Government has instituted measures that will improve recording of aid inflows, especially the D-Fund element to projects.

Table 12.3: External Loans and Grants

Million Tsh	1992/93 Rev.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
Loans:				
Project	3604	26436	20315	15808
Balance-of-Payments	44709	66153	48109	36559
Total	48313	92589	68424	52367
Grants:				
Project	43591	84600	75279	64844
Balance-of-Payments	29326	49362	51754	40976
Total	72917	133962	127033	105820
Total External Revenue and Financing	121230	226551	195457	158187

C. Claims on Resources

Overview

12.14 As explained in chapter 5 (part B), expenditure allocations on normal government operations will have to be restrained. This is necessitated by the fact that resources, both domestic and external are not expected to increase substantially. Moreover, demands on non-discretionary claims (debt service) and other obligations require sizable amounts every year.

Special Expenditures

12.15 Table 12.4 shows the projections for special expenditures for the RPFB period. The salary adjustment element for 1994/95 and 1995/96 includes Tsh. 10,000.0 million living allowance.

Table 12.4: Special Expenditures

Million Tsh	1992/93 Rev.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
Contractual Obligations	500	625	780	980
Negotiated Compensation	300	500	500	500
Crop Authority Overdraft	2180	3620	2000	2000
Fin. Assist to Parastatals	13105	12000	15000	13000
Parastatal Rehabilitation	390	1000	1300	1200
Management of SGR	3757	1293	2800	2600
Salary Adjustment	12000	10000	22000	22000
Retrenchment Cost		8827	6827	-
Contingencies	1582	5000	7000	8827
Exchange Equalisation	780	850	920	865
Fertiliser Subsidy	4592	9900	6200	5900
Other	10	2000	2000	2000
Total Special Expenditure	27186	46824	67327	59972

Overall Use of Resources

12.16 Table 12.5 summarises overall use of resources. As ministries/regions are given some discretion to rectify recurrent/development expenditure imbalances, the balance between recurrent and development expenditures is expected to shift. Further, improvements on expenditure classification and as more external inflows are brought into the budget is bound to have the same effect.

Table 12.5: Use of Resources

Million Tsh	1992/93 App.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
Recurrent Expenditure:				
CFS	68165	83343	79180	80127
Ministries	109676	111264	122732	141104
Special Expenditure	47149	46624	67327	59977
Regions	46158	51596	56159	60635
o.w. Local Government	33203	37867	40438	44468
Total Recurrent Expenditure	251543	292827	325398	341838
Development Expenditure:				
Ministries	86398	133643	107229	90856
Regions	12912	12280	11365	9796
o.w. Local Government	72450	2085	2773	2491
Total Development Expenditure	102062	136923	118594	100652
TOTAL EXPENDITURE	353605	428750	443992	441490
Expenditure as % of GDP:	38.3	45.5	42.3	38.8
Debt Service	7.4	7.7	6.6	6.0
Recurrent	23.9	24.4	25.2	24.7
Development	7.0	13.4	10.5	8.1

Note: The above table is also presented in constant price terms (showing the effect of inflation on expenditures during the RPFB period) in table 12.5a below. Inflation is projected at 10 percent (1994/95) and 7 percent (1995/1996).

Table 12.5a: Use of Resources, constant 1993/94 prices

Million Tsh	1993/94 Est.	1994/95 FB	1995/96 FB
Recurrent Expenditure:			
CFS	83343	71978	67906
Ministries	111264	108715	108622
Special Expenditure	46624	53766	50953
Regions	51596	51054	51287
o.w. Local Government	37867	36780	37781
Total Recurrent Expenditure	292827	285513	278768
Development Expenditure:			
Ministries	133643	107781	87835
Regions	12280	10332	8323
o.w. Local Government	2085	2521	2116
Total Development Expenditure	136923	118113	96158
TOTAL EXPENDITURE	428750	403625	374926

CHAPTER 13: RESOURCE ALLOCATION**A. Sectoral Allocations***Overview*

13.1 Based on an overall projected resource framework for the RPFB period, as presented in the budget frame, allocation of resources to the broad sectors is done so as to reflect both macro and sectoral reforms underway. Thus, allocation of funds to development and recurrent activities is linked to policies and priorities stated in parts I and II of this document.

13.2 While table 13a shows allocation of resources to the four broad sectors, ministerial and regional allocations are based on a redefinition of sectors directly related to the institutional set-up of the country. This redefinition of sectors has been necessitated by the need to conveniently group budget votes into a practical system that would easily facilitate translation of policy into resource allocation. Thus, tables 13.1a, 13.1b and 13.2 show sectoral allocations based on the institutional set-up. Wherever relevant, regional expenditures are included in the sectoral aggregations; this is especially important in some key sectors such as education and health, where the analysis of central government expenditures in isolation would give a distorted picture.

Sectoral Priorities

13.3 After allocations are made to the sectors as explained above, whereby sectoral shares reflect the priorities and the role of the Government explained in parts I and II of the RPFB, allocations to the Budget votes within the respective sectors reflects the stated sectoral policies, strategies and priorities.

Table 13a: Sector Allocation (Traditional Sectors)

Million Tsh	1992/93 App.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
Social Services	81883	109126	110907	119247
Economic Services	51279	90332	91366	87366
Administration	77954	76994	77363	79702
Productive Sectors	18856	26676	22363	19926
Total Expenditure (excl. debt service and special expenditure)	229952	303127	302199	306541

Table 13b: Sector Allocation Shares (Traditional Sectors)

Percent	1992/93 App.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
Social Services	35.6	36.0	36.7	38.9
Economic Services	22.3	29.8	30.3	28.5
Administration	33.9	25.4	25.6	26.0
Productive Sectors	8.2	8.8	7.4	6.5
Total	100.0	100.0	100.0	100.0

Table 13.1a: Sector Allocation (Institutional Set-up)

SECTOR Million Tsh	1992/93 App Est.	1993/94 Est.	1994/95 FB	1995/96 FB
GENERAL ADMINISTRATION	32379	27913	28121	26646
Recurrent	24838	20439	21839	21881
Development	7541	7473	6282	4765
LAW AND ORDER, DEFENCE	46956	48955	52990	55398
Recurrent	41826	43447	47817	51166
Development	5134	5507	5173	4032
AGRICULTURE	20195	24463	20361	18289
Recurrent	7278	7074	6319	6927
Development	12917	17389	14042	11362
INDUSTRY AND TRADE	3314	2193	2143	1759
Recurrent	1161	1224	1404	1393
Development	2153	969	739	367
SOCIAL SERVICES & HUMAN RESOUR.	82679	107467	112411	116143
Recurrent	67056	79132	86175	93558
Development	15623	28336	26236	22585
Education	37632	44221	48704	51563
Recurrent	34053	38988	43161	46204
Development	3579	5233	5543	5359
Health	27328	39803	41462	42516
Recurrent	22359	25227	27790	30421
Development	4969	14576	13672	12095
Other	16449	23444	22245	22064
Recurrent	9375	14917	15224	16933
Development	7075	8527	7021	5131
INFRASTRUCTURE	80890	90365	92878	87045
Recurrent	14048	14362	15797	17336
Development	55426	75694	77081	69709
Works	29088	34609	42826	41121
Recurrent	4951	5671	6393	6597
Development	24137	28938	36433	34523
Communication	19973	22461	20453	19206
Recurrent	2523	2758	3086	3812
Development	17450	19703	17368	15394
Other	19201	32985	295599	26719
Recurrent	6574	5932	6319	6927
Development	12628	27053	23280	19792
INFORMATION	1625	1770	1478	1466
Recurrent	1106	1215	1109	1100
Development	518	556	370	367
TOTAL SECTORS	229952	303127	302199	306547
DEBT SERVICE	76504	79013	74466	74971
SPECIAL EXPENDITURE	47149	46624	67327	59972
TOTAL	353605	428750	443992	441490

Table 13.1b: Sector Allocation (Institutional Set-up)
Constant 1993/94 prices

SECTOR Million Tsh.	1993/94 Est.	1994/95 FB	1995/96 FB
GENERAL ADMINISTRATION	27913	25564	23639
Recurrent	20439	19854	18591
Development	7473	5711	5048
LAW AND ORDER, DEFENCE	48955	48173	46897
Recurrent	43447	43470	43472
Development	5507	4703	3425
AGRICULTURE	24463	18510	15539
Recurrent	7074	57744	5885
Development	17389	12765	9653
INDUSTRY AND TRADE	2193	1948	1495
Recurrent	1224	1277	1183
Development	969	672	311
SOCIAL SERVICES & HUMAN RESOUR.	107467	102192	98677
Recurrent	79132	78341	79489
Development	28336	23851	19189
Education	44221	44276	43808
Recurrent	38988	39237	39256
Development	5233	5039	4553
Health	39803	37693	36122
Recurrent	25227	25263	25846
Development	14576	12430	10276
Other	23444	20223	18746
Recurrent	14917	13840	14387
Development	8527	6383	4360
INFRASTRUCTURE	90365	84435	73955
Recurrent	14362	14361	14729
Development	75694	70074	59226
Works	34609	389933	34937
Recurrent	5671	5812	5605
Development	28938	33121	29332
Communication	22461	18594	16317
Recurrent	2758	2805	3239
Development	19703	15789	13079
Other	32985	26908	22701
Recurrent	5932	5744	5885
Development	27053	21164	16816
INFORMATION	1770	1344	1246
Recurrent	1215	1008	934
Development	556	336	311
TOTAL SECTORS	503127	282166	260448
DEBT SERVICE	79013	67696	63697
SPECIAL EXPENDITURE	46624	53766	50953
TOTAL	428750	403629	375098

Table 13.2: Sector Allocation (Percentage Shares)

SECTOR Percentage Shares	1992/93 App.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
GENERAL ADMINISTRATION	9.2	6.5	6.3	6.0
Recurrent	7.0	4.8	4.9	5.0
Development	2.1	1.7	1.4	1.1
LAW AND ORDER, DEFENCE	13.3	11.4	11.9	12.5
Recurrent	11.8	10.1	10.8	11.6
Development	1.4	1.3	1.2	0.9
AGRICULTURE	5.7	5.7	4.6	4.1
Recurrent	3.0	1.7	1.4	1.6
Development	3.7	4.1	3.2	2.6
INDUSTRY AND TRADE	0.9	0.5	0.5	0.4
Recurrent	0.3	0.3	0.3	0.3
Development	0.6	0.2	0.2	0.1
SOCIAL SERVICES & HUMAN RESOUR.	23.4	25.1	25.3	26.3
Recurrent	19.0	18.5	19.4	21.2
Development	4.4	6.6	5.9	5.1
Education	10.6	10.3	11.0	11.7
Recurrent	9.6	9.1	9.7	10.5
Development	1.0	1.2	1.2	1.2
Health	7.7	9.3	9.3	9.6
Recurrent	6.3	8.9	6.3	6.9
Development	1.4	3.4	3.1	2.7
Other	4.7	5.5	5.0	5.0
Recurrent	2.7	33.5	3.4	3.8
Development	2.0	2.0	1.6	1.2
INFRASTRUCTURE	22.9	21.0	20.9	19.7
Recurrent	4.0	2.4	3.6	3.9
Development	18.7	17.7	17.4	15.8
Works	8.2	8.1	9.6	9.3
Recurrent	1.4	1.3	1.4	1.5
Development	6.8	6.8	8.2	7.8
Communication	5.6	5.2	4.6	4.4
Recurrent	0.7	0.6	0.7	0.9
Development	4.9	4.6	3.9	3.5
Other	5.4	7.7	6.7	6.1
Recurrent	1.9	1.4	1.4	1.6
Development	3.6	6.3	5.2	4.5
INFORMATION	0.4	0.4	0.3	0.3
Recurrent	0.3	0.3	0.2	0.2
Development	0.1	0.1	0.1	0.1
TOTAL SECTORS	65.1	70.7	69.9	69.4
DEBT SERVICE	21.6	18.4	16.8	17.0
SPECIAL EXPENDITURE	13.3	10.9	13.3	13.6
TOTAL	100%	100%	100%	100%

B. Ministerial and Regional Allocations

Overview

13.4 This Section shows allocations by vote, for both ministries and regions. The reallocations among ministries is in line with changing priorities, policies and strategies, as described in Part II. Table 13.3 shows total allocations for each ministerial vote, while table 13.4 shows allocations to the regional votes. Special expenditures are included in ministerial allocations where appropriate. Sectoral allocations by ministries, regions and Local Government are shown in table 13.5.

Regional Allocations

13.5 Regional allocations are based on a number of factors, taking into consideration their respective relative weights in order to reduce regional socio-economic imbalances, tap potentialities and foster development. Thus, among factors, whose combination determines a region's budget allocation are the following: area, population, administrative set-up (number of districts, wards, villages etc.) socio-economic infrastructure (education and health services, roads, water etc.), volume of development activities etc. Wherever it has been practical, allocations to the regions are detailed to show allocations to the Local Government. Thus, while the annual budget figures are more detailed, only aggregates are shown for the forward budget.

Table 13.3: Ministerial Allocation

VOTE Million Tsh.	1992/93 App. Est.	1993/94 Est.	1994/95 PB	1995/96 PB
GENERAL ADMINISTRATION				
20 State House	208.0	237.3	295.6	293.2
30 President's Office & Cabinet Sec.	2934.0	2399.6	2536.4	2374.4
Recurrent	2848.2	2239.6	2401.9	2272.4
Development - Local	85.8	160.0	134.5	102.0
Foreign	-	-	-	-
31 Second Vice-President's Office	115.8	79.3	83.8	79.6
Recurrent	80.5	65.3	71.8	70.6
Development - Local	35.3	14.2	11.9	9.1
Foreign	-	-	-	-
32 President's Office - Civil Service	943.7	1308.7	1297.3	1198.1
Recurrent	868.6	820.5	886.9	886.9
Development - Local	75.1	56.3	410.4	311.2
Foreign	-	432.0	-	-
33 Com'tee for Enforcement of Leadership Code	23.0	0.0	0.0	0.0
Recurrent	23.0	0.0	0.0	0.0
34 Foreign Affairs	6419.0	5027.7	5030.8	4613.4
Recurrent	6312.0	4977.7	4988.6	4581.3
Special Expenditure	-	500.0	0.0	0.0
Development - Local	107.0	50.0	42.0	31.9
Foreign	-	-	-	-
35 Permanent Commission of Enquiry	94.8	88.1	110.9	95.2
Recurrent	94.8	88.1	110.9	95.2
36 Civil Service Commission	54.8	54.8	73.9	59.2
Recurrent	54.8	54.8	73.9	59.2
37 Office of the PM and First VP	6638.9	6527.2	5639.9	4711.1
Recurrent	3637.2	2984.5	2956.2	2675.6
Special Expenditure	-	350.0	-	-
Development - Local	432.1	337.7	2683.7	2035.5
Foreign	2569.6	2855.0	-	-
42 Office of the Speaker	761.3	1180.4	943.7	931.4
Recurrent	745.7	1156.7	923.8	916.3
Special Expenditure	-	388.0	0.0	0.0
Development - Local	15.6	23.7	19.9	15.1
Foreign	-	-	-	-
45 Exchequer and Audit Department	205.4	186.3	221.7	219.9
Recurrent	205.4	186.3	221.7	219.9
50 Finance	-	43023.8	-	-
Recurrent	5945.9	4695.8	4403.8	5424.3
Special Expenditure	-	38906.7	-	-
Development - Local	450.0	337.0	1194.7	906.2
Foreign	1414.9	1084.3	-	-
56 Price Commission	15.3	0.0	0.0	0.0
Recurrent	15.3	0.0	0.0	0.0
58 SCOPO	34.0	0.0	0.0	0.0
Recurrent	34.0	0.0	0.0	0.0
63 Local Gov. Service Commission	146.7	134.7	147.8	145.6
Recurrent	146.7	134.7	147.8	145.6
66 President's Office - Planning Com.	1911.6	1606.5	1511.3	1362.7
Recurrent	571.7	618.8	681.1	733.0
Development - Local	554.1	415.9	830.2	629.7
Foreign	785.8	571.8	-	-
TOTAL ADMINISTRATION ETC.				
Recurrent	28316.9	24597.8	24062.4	22439.9
Special Expenditure	21786.1	18260.0	18735.0	18399.2
Development - Local	1760.5	1394.7	5327.4	4040.7
Foreign	4770.3	4943.1	-	-

Table 13.3 (Contd.)

VOTE Million Tsh.	1992/93 App.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
DEFENCE				
38 Defence	18379.6	18951.0	20419.1	21765.5
Recurrent	18371.8	18944.9	20413.4	21761.0
Development - Local	7.8	6.1	5.7	4.5
Foreign	-	-	-	-
39 National Service	1346.8	2889.6	3107.7	3301.3
Recurrent	1279.8	2846.6	3067.3	3269.8
Development - Local	67.0	43.0	40.4	31.5
Foreign	-	-	-	-
57 Defence and National Service	1709.7	3801.0	3651.8	3033.1
Recurrent	519.7	601.0	647.6	690.4
Development - Local	3190.0	3200.0	3006.2	2342.8
Foreign	-	-	-	-
TOTAL DEFENCE	25436.1	25641.7	27180.6	28099.9
Recurrent	22171.3	22392.6	24128.3	25721.2
Development - Local	3264.8	3249.1	3052.3	2378.7
Foreign	-	-	-	-
LAW AND ORDER				
40 Judiciary	1897.5	2162.1	2426.8	2598.4
Recurrent	1858.5	2131.6	2398.3	2576.1
Development - Local	39.0	30.4	28.6	22.3
Foreign	-	-	-	-
41 Justice Department	322.6	390.5	437.2	466.3
Recurrent	307.6	378.8	426.2	457.8
Development - Local	15.0	11.7	11.0	8.6
Foreign	-	-	-	-
51 Home Affairs	19231.0	20649.9	22821.1	23899.6
Recurrent	17419.0	18433.9	20739.6	22277.6
Development - Local	1812.0	2216.0	2081.5	1622.1
Foreign	-	-	-	-
59 Law Reform Commission	21.6	18.4	20.7	22.2
Recurrent	21.6	18.4	20.7	22.2
69 Industrial Court of Tanzania	47.6	92.1	103.7	111.3
Recurrent	47.6	92.1	103.7	111.3
TOTAL LAW AND ORDER	21520.3	23312.9	25809.4	27097.9
Recurrent	19654.3	21054.8	23688.4	25444.9
Development - Local	1866.0	2258.2	2121.1	1653.0
Foreign	-	-	-	-
AGRICULTURE, LIVESTOCK ETC.				
43 Agriculture, Livestock Development	13627.1	19124.6	14878.5	13473.1
Recurrent	5749.8	6884.7	4994.8	5475.6
Special Expenditure	-	1293.0	-	-
Development - Local	1756.0	1156.9	9883.8	7997.5
Foreign	6121.3	11082.9	-	-
69 Tourism, Natural Resource and Env.	1498.8	4546.6	3768.2	3338.7
Recurrent	1198.1	1129.1	1008.6	1105.7
Development - Local	300.7	171.7	2759.7	2233.0
Foreign	3199.3	3245.8	-	-
TOTAL AGRICULTURE, LIVESTOCK ETC.	18325.3	23671.2	18646.8	16811.7
Recurrent	6948.0	8013.9	6003.3	6581.3
Special Expenditure	-	1293.0	-	-
Development - Local	2056.7	1328.7	12643.5	10230.5
Foreign	9320.6	14328.7	-	-

Table 13.3 (Contd.)

VOTE Million Tsh	1992/93 App Est.	1993/94 (1) Est.	1994/95 FB	1995/96 FB
INDUSTRY, TRADE ETC.				
44 Industries and Trade	3062.1	3408.4	1831.3	1461.0
Recurrent	942.9	4476.7	1120.7	1111.6
Special Expenditure	-	3500.0	-	-
Development - Local	959.4	876.6	710.6	352.4
Foreign	1160.1	55.1	-	-
55 Investment Promotion Centre	140.5	159.4	172.5	160.9
Recurrent	115.8	132.4	151.9	150.7
Development - Local	24.7	27.0	20.6	10.2
Foreign	-	-	-	-
TOTAL INDUSTRY AND TRADE	3202.9	5567.7	2003.8	1624.9
Recurrent	1058.7	4609.0	1272.6	1262.3
Special Expenditure	-	3500.0	-	-
Development - Local	984.1	903.6	731.1	362.6
Foreign	1160.1	55.1	-	-
SOCIAL SERVICES & HUMAN RESOURCE				
22 Pensions	1270.0	4092.9	4414.4	3513.2
46 Education	11913.9	14919.0	16285.8	16906.3
Recurrent	8717.5	10116.5	11198	11988.6
Development - Local	681.0	702.3	5086.9	4917.7
Foreign	2515.4	4100.2	-	-
67 Teachers' Service Commission	138.1	148.6	163.6	175.2
Recurrent	138.1	148.6	163.6	175.2
68 Science, Technology and Higher Ed.	8804.9	10684.8	10390.1	12535.0
Recurrent	7265.9	8542.8	8542.5	11435.4
Development - Local	634.6	466.3	1847.6	1099.6
Foreign	904.4	1675.8	-	-
52 Health	11603.4	23422.1	23376.2	23331.8
Recurrent	9404.5	11961.5	12625.9	13821.3
Special Expenditure	-	500.0	-	-
Development - Local	1000.0	747.0	10750.4	9510.1
Foreign	1198.9	10713.6	-	-
53 Community Dev. Women's Affairs	2547.3	1722.1	1543.3	1280.2
Recurrent	753.0	824.8	808.7	707.7
Development - Local	109.1	83.9	734.6	572.5
Foreign	1685.2	813.5	-	-
65 Labour and Youth Development	3922.5	5652.7	4810.5	3879.7
Recurrent	1270.4	1390.4	1364.3	1194.0
Special Expenditure	-	30.0	-	-
Development - Local	254.5	187.5	3446.2	2685.7
Foreign	2397.6	4074.9	-	-
TOTAL SOCIAL SERVICES & HUMAN RESOUR	40200.1	60642.2	60983.9	61621.0
Recurrent	28819.4	37077.5	39117.4	42835.4
Special Expenditure	2679.2	530.0	-	-
Development - Local	8701.5	2187.3	21865.7	18785.6
Foreign	-	21378.0	-	-

Table 13.3 (Contd.)

VOTE Million Tsh.	1992/93 App.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
INFORMATION				
54 Radio Tanzania	717.8	772.4	679.8	674.2
Recurrent	590.8	670.9	612.3	607.3
Development - Local	127.0	101.5	67.5	67.0
Foreign	-	-	-	-
64 Information and Broadcasting	906.8	997.9	798.3	791.8
Recurrent	515.5	543.9	496.3	492.3
Development - Local	391.3	454.0	302.0	299.6
Foreign	-	-	-	-
TOTAL INFORMATION	1624.6	1770.3	1478.1	1466.2
Recurrent	1106.3	1214.8	1108.6	1099.6
Development - Local	518.3	555.5	369.5	366.6
Foreign	-	-	-	-
INFRASTRUCTURE				
47 Works *	26655.2	31443.6	39044.1	37390.2
Recurrent	3537.4	4130.1	4655.6	4804.6
Development - Local	5862.0	4574.0	34388.5	32585.6
Foreign	17255.8	22739.6	-	-
48 Lands, Housing and Urban Dev.	4300.29	3653.8	3350.8	3113.5
Recurrent	1265.9	1009.7	1075.5	1179.0
Development - Local	294.0	181.6	2275.3	1924.4
Foreign	2740.3	2462.5	-	-
49 Water, Energy and Minerals	9988.1	22738.7	19841.3	17219.0
Recurrent	2283.3	1337.6	1424.8	1561.9
Development - Local	1935.5	1386.8	18416.5	15657.1
Foreign	5770.1	20014.4	-	-
62 Communication and Transport	19973.0	22461.2	20453.3	19205.6
Recurrent	2523.4	2758.3	3085.5	3811.8
Development - Local	3000.0	2295.0	17367.7	15393.8
Foreign	14449.6	17407.9	-	-
TOTAL INFRASTRUCTURE	60917.3	80297.2	82689.5	76928.2
Recurrent	9610.0	9235.6	10241.4	11357.4
Development - Local	11091.5	8437.3	72448.1	65570.9
Foreign	40215.8	62624.3	-	-
TOTAL MINISTERIAL EXPENDITURE	199543.3	245501.3	242854.6	236089.7
Recurrent	111154.1	121858.1	124295.9	132701.2
Development - Local	24221.1	20314.0	118558.7	103388.5
Foreign	64168.3	103329.2	-	-
TOTAL SPECIAL EXPENDITURE	87149.0	46624.0	67327.0	59972.0

* includes Road Fund

Table 13.4: Regional Allocations

VOTE Million Tsh	1992/93 App.Est.	1993/94 Est.	1994/95 FB	1995/96 FB
REGIONS				
70 Arusha				
Recurrent				
Region	915.9	971.2	1016.0	1107.4
Local Government	2214.9	2372.0	2618.2	2817.7
Development	636.7	922.8	645.6	549.0
Region - Local		261.9	-	-
Foreign		660.9	-	-
Local Government		141.6	188.4	169.2
71 Coast				
Recurrent				
Region	633.0	733.0	766.8	835.7
Local Government	993.7	1198.4	1322.8	1423.6
Development	206.5	305.7	213.9	181.4
Region - Local		228.9	-	-
Foreign		76.8	-	-
Local Government		83.6	115.2	99.9
72 Dodoma				
Recurrent				
Region	622.4	670.9	701.8	764.9
Local Government	1877.4	2084.1	2260.6	2432.9
Development	274.8	487.0	340.7	289.7
Region - Local		213.0	-	-
Foreign		274.0	-	-
Local Government		88.9	118.9	106.2
73 Iringa				
Recurrent				
Region	681.6	704.1	736.6	802.8
Local Government	1784.0	2046.5	2258.9	2431.0
Development	891.1	2091.8	1463.4	1244.4
Region - Local		189.9	-	-
Foreign		1901.9	-	-
Local Government		82.7	110.0	98.8
74 Kilimanjaro				
Recurrent				
Region	549.4	603.4	631.2	687.9
Local Government	1043.6	1434.3	1583.1	1703.8
Development	786.7	683.1	477.9	406.3
Region - Local		179.6	-	-
Foreign		503.4	-	-
Local Government		92.5	123.0	110.5
75 Kilimanjaro				
Recurrent				
Region	835.6	829.4	867.6	945.6
Local Government	2440.3	2743.9	3028.7	3259.5
Development	219.3	216.0	151.4	128.5
Region - Local		216.0	-	-
Foreign		-	-	-
Local Government		90.2	120.0	107.8
76 Lindi				
Recurrent				
Region	518.1	547.7	573.0	624.5
Local Government	930.0	1092.6	1205.9	1297.8
Development	454.9	626.8	438.5	372.9
Region - Local		216.8	-	-
Foreign		410.0	-	-
Local Government		125.7	167.2	150.2

Table 13.4 (Contd.)

VOTE: Million Tsh.	1992/93 App Est	1993/94 Est.	1994/95 F-B	1995/96 F-B
77 Mara				
Recurrent				
Region	866.5	870.0	938.4	1022.7
Local Government	1679.5	1880.2	2075.3	2233.5
Development	376.0	404.0	282.6	240.5
Region - Local		197.5	-	-
Foreign		206.5	-	-
Local Government				
78 Mbeya				
Recurrent				
Region	567.8	563.1	589.1	642.1
Local Government	2256.1	2466.9	2722.9	2930.4
Development	375.0	375.4	262.6	223.5
Region - Local		257.0	-	-
Foreign		118.4	-	-
Local Government		98.4	-	-
79 Morogoro				
Recurrent				
Region	824.8	815.0	852.6	929.2
Local Government	1778.7	2043.1	2255.1	2427.0
Development	400.0	428.9	300.0	255.1
Region - Local		189.6	-	-
Foreign		239.3	-	-
Local Government		101.6	135.1	121.4
80 Mtwara				
Recurrent				
Region	570.0	689.1	720.8	785.6
Local Government	1260.1	1424.0	1571.8	1691.6
Development	239.8	735.2	514.3	437.3
Region - Local		190.7	-	-
Foreign		544.5	-	-
Local Government		66.5	88.9	79.5
81 Mwanza				
Recurrent				
Region	905.6	907.8	949.7	1035.1
Local Government	2441.7	2670.3	2947.4	3172.0
Development	1000.0	559.0	391.1	322.6
Region - Local		252.1	-	-
Foreign		306.9	-	-
Local Government		115.9	180.8	162.4
82 Ruvuma				
Recurrent				
Region	589.7	602.3	630.0	686.7
Local Government	1422.8	1588.7	1750.3	1883.6
Development	335.0	226.3	158.3	134.6
Region - Local		201.4	-	-
Foreign		24.9	-	-
Local Government		101.0	134.3	120.7
83 Shinyanga				
Recurrent				
Region	784.1	853.1	892.4	972.7
Local Government	1823.3	2115.5	2335.0	2513.0
Development	250.0	279.1	195.2	166.0
Region - Local		279.1	-	-
Foreign		-	149.0	133.8
Local Government		112.0	-	-

Table 13.4 (Contd.)

VOTE Million Tsh.	1992/93 App.Est.	1993/94 Est.	1994/95 Est.	1995/96 Est.
84 Singida				
Recurrent				
Region	539.8	561.3	587.1	639.9
Local Government	1152.3	1315.9	1452.5	1567.1
Development	317.0	291.7	204.1	173.5
Region - Local		212.1	-	-
Foreign		79.6	-	-
Local Government		604.7	137.9	123.9
85 Tabora				
Recurrent				
Region	670.0	694.0	726.7	792.0
Local Government	1383.3	1601.1	1767.3	1901.9
Development	200.0	238.3	166.7	141.8
Region - Local		238.3	-	-
Foreign		-	-	-
Local Government		77.5	103.1	92.6
86 Tanga				
Recurrent				
Region	874.4	907.6	949.4	1334.8
Local Government	1893.6	2111.3	2330.4	2508.0
Development	547.0	293.8	205.5	174.8
Region - Local		205.0	-	-
Foreign		88.8	-	-
Local Government		139.0	184.9	166.1
87 Kagera				
Recurrent				
Region	488.4	571.4	597.8	651.3
Local Government	1756.6	2118.5	2338.4	2516.6
Development	497.0	225.0	157.4	133.8
Region - Local		225.0	-	-
Foreign		310.0	-	-
Local Government		111.8	148.7	133.8
88 Dar es Salaam				
Recurrent				
Region	163.2	113.2	118.4	129.1
City Council	1918.9	2370.8	2616.8	2816.3
Development	4097.0	1266.8	886.3	753.6
Region - Local		356.5	-	-
Foreign		910.3	-	-
City Council		168.6	224.3	201.5
89 Rukwa				
Recurrent				
Region	478.4	493.8	516.5	563.0
Local Government	1047.8	1227.9	1355.3	1458.6
Development	955.0	1312.8	918.5	781.0
Region - Local	955.0	262.8	-	-
Foreign		1050.0	-	-
Local Government		95.1	126.5	113.6
TOTAL REGIONAL SUPPLY	59125.0	63876.3	-	-
Recurrent	46218.2	51596.0	56,159.0	60635.3
Region	12089.5	13728.8	14362.2	15653.2
Local Government	33134.7	37867.1	41796.9	44,982.1
Development	12906.8	12280.4	-	-
Region - Local		4573.3	8591.3	7305.6
Foreign		3707.1	-	-
Local Government		2085.0	2773.4	2491.5

**Table 13.5: Sectoral Allocation by Ministries, Regions and Local Governments
(excluding debt service and special expenditure)**

SECTOR Million Tsh	1993/94 Est	1994/95 Est	1995/96 Est
SOCIAL SERVICES & HUMAN RESOUR.	107467.5	112441.3	116143.2
Education	44221.2	48703.5	51862.6
Ministries	35067.7	35500.4	36430.2
Regions	678.2	835.9	755.8
District Councils	24076.2	26692.0	28259.9
Urban Councils	1449.0	5276.5	5586.1
Health	49802.8	41462.3	43516.2
Ministries	22922.1	23464.9	24061.2
Regions	8992.1	9311.5	9548.2
District Councils	6262.0	6952.6	7129.3
Urban Councils	1926.6	2793.4	2864.4
Community Development	12758.7	11455.3	9529.5
Ministries	11437.8	10269.3	8542.9
Regions	1245.4	1118.2	930.2
District Councils	49.0	53.0	44.1
Urban Councils	16.5	14.8	13.3
Science and Technology	10684.8	10790.2	12534.9
Ministries	10684.8	10790.2	12534.9
INFRASTRUCTURE	90365.1	92878.4	87045.4
Roads	34608.8	42826.2	41120.6
Ministries	31443.6	39853.2	38266.0
Regions	1559.1	1707.1	1636.1
District Councils	1073.7	1551.9	1490.1
Urban Councils	532.3	776.0	745.1
Land and Accommodation	5468.6	4861.5	4388.5
Ministries	3653.8	3248.1	2932.1
Regions	1515.6	1347.4	1216.3
District Councils	200.1	177.9	160.6
Urban Councils	99.1	88.1	79.5
Water	27826.6	24737.5	22130.7
Ministries	22738.7	20214.5	18247.7
Regions	3680.6	3272.0	2953.7
District Councils	1320.1	1173.6	1059.4
Urban Councils	87.1	77.5	64.9
Communication	22461.2	20453.3	19205.6
Ministries	22461.2	20453.3	19205.6
ADMINISTRATION	27912.9	28120.9	26645.9
Ministries	33359.8	23533.9	22299.5
Regions	4196.5	4227.7	4006.0
District Councils	271.8	273.8	259.4
Urban Councils	84.8	85.5	81.0
AGRIC. & NATURAL RESOURCES	24463.4	20360.9	18289.3
Ministries	22378.2	18625.4	16730.4
Regions	1863.6	1551.1	1393.3
District Councils	185.0	154.0	138.3
Urban Councils	36.5	30.1	27.5
INDUSTRIES AND TRADE	2192.8	2143.3	1759.3
Ministries	2067.7	2021.0	1659.0
Regions	119.0	116.3	95.4
District Councils	0.0	0.0	0.0
Urban Councils	6.1	5.9	4.9
LAW AND ORDER, DEFENCE	48954.6	52990.0	55197.7
Ministries	48954.6	52990.0	55197.7
INFORMATION	1770.3	1478.1	1466.1
Ministries	1770.3	1478.1	1466.1
TOTAL SECTORS	303126.6	310382.9	306546.8



