



UNITED REPUBLIC OF TANZANIA  
PRESIDENT'S OFFICE, PLANNING COMMISSION

# THE TANZANIA FIVE YEAR DEVELOPMENT PLAN 2011/2012-2015/16

*UNLEASHING TANZANIA'S LATENT GROWTH POTENTIALS*



JUNE, 2011

**THE TANZANIA FIVE YEAR DEVELOPMENT PLAN**  
**2011/2012-2015/2016**

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**JUNE 2011**

## FOREWORD

It is indeed my great pleasure to present to you this National Five Year Development Plan (2011/12-2015/16) to implement the Tanzania Development Vision 2025. This Plan is the first in a series of three Five Year Development Plans, which aim at transforming Tanzania into a middle-income country by 2025. This is envisaged to happen through the targeting of strategic priority interventions to move Tanzania to a higher growth trajectory coupled with a shift from an agriculture-based to an industry-based economy. Furthermore, this growth momentum will have to be duly monitored in order to make sure its benefits are broadly shared and reflected in improved quality of life for the majority of Tanzanians. Employment creation, particularly for the youth, is also a critical cross-cutting target of this Plan. The overall theme of this Plan is to unleash Tanzania's growth potentials.



From independence up until the early 1980s, Tanzania used to have long-term and five year plans as a roadmap to realise national aspirations. However, repeated global economic crises and limited capacity to manage such shocks made the country rely on short-term plans of one to three years duration to guide the economy. Unfortunately, pursuit of long term aspirations and targets were, by and large, compromised. Therefore, and by this initiative, Tanzania is reverting back to the practice of defining a roadmap toward its development aspirations, with specific indicators of progress to facilitate monitoring and evaluation. This Five Year Plan also implies transiting from a needs-based planning framework to opportunity-based planning. In the former, the nation's ambition to develop is solely limited to available resources, while in the case of the latter, resources are merely a means to realise the country's aspirations. This new planning framework is even more important at this moment in history given Tanzania's determination to be proactive in shaping East African Cooperation and other regional integration initiatives. The new planning paradigm is also necessary to the extent that it enables Tanzania to catch emerging opportunities in the global economy.

I commend all stakeholders for the invaluable contributions leading to the finalisation of the Plan. Specifically, I applaud the role played by Cabinet, Parliament, Ministries, Departments and Agencies, as well as Regions and Local Government Authorities, Development Partners, Public Enterprises, Political parties, Civic organisations and individual citizens. Deserving praise is also the staff of the

President's Office Planning Commission for organising and steering the Plan preparation process from start to finish in record time.

Five core priorities have been targeted under the Plan's strategy to unleash Tanzania's latent growth potentials. They include: (i) Infrastructure, and in particular large investments in energy, transport infrastructure (port, railway, roads, air transport), water and sanitation and ICT; (ii) Agriculture, focusing on the transformation of agriculture for food self-sufficiency and export, development of irrigation particularly in selected agricultural corridors, and high value crops including horticulture, floriculture, spices, vineyards etc.; (iii) Industrial development specifically targeting industries that use locally produced raw materials such as textiles, fertiliser, cement, coal, iron and steel, as well as development of special economic zones, using public-private partnerships; (iv) Human capital and skills development, with an emphasis on science, technology and innovation; and (v) Tourism, trade and financial services.

Under this Plan the country has targeted a GDP growth rate of 8% on average for the next five years, which can be assimilated to the country's "take-off period". The efficient implementation of the Plan will enable the country to target growth rates of about 10% on average from 2016 to 2025. To this end, the Plan identifies and hence emphasizes on the creation of prerequisite conditions for the success of its implementation, which include promoting macroeconomic stability, ensuring environmental sustainability, a conducive business environment, good political and economic governance, aggressive investment promotion and proper land use planning and property rights management.

Implementation of the Plan, and eventually reaching the target of becoming a middle-income country by 2025, can only be reached through relentless efforts from all the people of Tanzania. This is why I urge my fellow citizens, together and individually, to rally behind this Plan with the highest level of commitment and zeal in order to radically transform our beautiful country, Tanzania, into a new competitive player on the regional and global stage.

**GOD BLESS TANZANIA**



**Jakaya Mrisho Kikwete**

**President of the United Republic of Tanzania**

**7<sup>th</sup> June, 2011**

## INTRODUCTORY REMARKS

This is an important milestone for Tanzania that a formal Five Year Development Plan (FYDP) is being unveiled. Spanning from 2011/12 to 2015/16, the Plan is the formal implementation tool of the country's development agenda, articulated in the Tanzania Development Vision 2025, in particular taking Tanzania to middle income country status and eradicating poverty.

The preparation of the FYDP has taken into account overall national development goals and policy objectives; sectoral initiatives, the National Strategy for Growth and Reduction of Poverty II, the key benchmarks of the Long Term Perspective Plan (2011/12-2025/26) (LTPP), as well as findings of the Review of Vision 2025. A broad-based consultative approach with key stakeholders was undertaken to gauge the national and sectoral challenges, niches and to decide on priority interventions that will address the critical constraints towards the envisaged development path.

A dynamic private sector is expected to be at the forefront of the growth paradigm outlined in the Plan, with an efficient, well functioning and effective public sector providing the enabling environment. In this respect, the Plan indicates key functions and strategies for the public sector to implement in order to render the growth momentum possible. The Plan highlights provision of 'value for money' public expenditure through effective delivery of public services. Therefore, the Plan will act as the future performance benchmark of the government and the economy at large.

The Plan provides insights into responses of Tanzania to the increasing challenges of development; and outlines what it will take to succeed, and the expected outcomes in delivering sustainable development. The Plan is premised on the principles of accountability, equality, credibility, integrity and effective resource utilization.

The planning efforts capitalize on the idea that 'business as usual' attitude will not surmount these challenges. To put these principles in practice, the Plan has singled out key priority areas and identified strategic interventions that will accelerate economic growth, create employment, and spur industrialization efforts. These core priority areas are infrastructure; agriculture; industry; human resource development; and tourism, trade and financial services. The main tools of strategic intervention in these core areas comprise of Special Economic Zones (SEZs), Public-Private Partnerships (PPPs), institutional reforms, improving business environment, environment management

and adaptation to climate change, enhancing the skill base and adapting technological innovation in all fields.

In order to fulfil the activities outlined in the priority areas, the Plan identifies a range of strategic activities, the responsible organs and the cost of implementation amounting approximately to TShs. 43.7 trillion over the next five years; an average of TShs. 8.7 trillion per annum exclusive of recurrent budget, of which TShs. 2.7 trillion will have to be mobilized annually by the Government. The Government component represents a significant share of its annual development budget which averaged about TShs. 1 trillion per annum over the past three years. It is pertinent that domestic resource mobilization is heightened. Correspondingly, the Plan proposes alternatives and quite innovative sources of development finance, in addition to the conventional financing sources.

Effective implementation of this plan will unleash Tanzania's growth potential, propel the economy for 'take-off' and help the country achieve its noble development goals outlined in Vision 2025. This requires visionary leadership; organised concerted efforts; and having the will, determination, confidence and discipline to shape the destiny of our beautiful country.



**Dr. Philip Isdor Mpango**  
**Executive Secretary**

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## ACRONYMS

|          |  |
|----------|--|
| AIDS     | Acquired Immunodeficiency Syndrome                         |
| ANC      | Ante-Natal Care  |
| AR- Geo  | Africa Rift Valley Geothermal Development Facility         |
| ASF      | African Swine Fever  |
| ATI      | African Trade Insurance Agency                             |
| ATM      | Aids, Tuberculosis and Malaria                             |
| BEST     | Business Environment Strengthening in Tanzania             |
| BoT      | Bank of Tanzania   |
| BRIC     | Brasil, Russia, India and China                            |
| BSC      | Budget Scrutinization Committee                            |
| CAG      | Controller and Auditor General                             |
| CARMATEC | Centre for Agricultural Mechanisation and Rural Technology |
| CBDs     | Commercial Business Districts                              |
| CBFM     | Community Based Forest Management                          |
| CBPP     | Contagious Bovine Pleuropneumonia                          |
| CDTI     | Community Development Training Institutes                  |
| CGE      | Computable General Equilibrium                             |
| CHRAGG   | Commission for Human Rights and Good Governance            |
| COMESA   | Common Market for Eastern and Southern Africa              |
| COSTECH  | Commission for Science and Technology                      |
| CPI      | Consumer Price Index                                       |
| CTT      | Currency Transaction Tax                                   |
| DPAIR    | Development Plan Annual Implementation Report              |
| DSM      | Dar es Salaam  |
| DUDF     | Dar es Salaam Urban Development Fund                       |
| EAC      | East African Community                                     |
| EEZ      | Exclusive Economic Zone                                    |
| EPA      | Economic Partnership Agreement                             |
| EPI      | Expanded Programme for Immunisation                        |
| EPZ      | Export Processing Zone                                     |
| ERP      | Economic Recovery Programme                                |
| ESRF     | Economic and Social Research Foundation                    |
| FDC      | Folk Development Colleges                                  |
| FDI      | Foreign Direct Investment                                  |
| FFS      | Farmers Field Schools                                      |
| FMD      | Foot and Mouth Disease                                     |
| FTA      | Free Trade Area  |
| FTT      | Financial Transaction Tax                                  |
| FY       | Financial Year   |
| FYDP     | Five Year Development Plan                                 |
| FYER     | Five Year Evaluation Report                                |
| GDP      | Gross Domestic Product                                     |
| GFI      | Global Financial Integrity                                 |
| HBS      | Household Budget Survey                                    |
| HIV      | Human Immunodeficiency Virus                               |
| HIPC     | Heavily Indebted Poor Countries                            |
| ICT      | Information, Communication Technology                      |
| IFC      | International Finance Cooperation                          |
| IGC      | International Growth Centre                                |
| ILFS     | Integrated Labour Force Survey                             |
| IMF      | International Monetary Fund                                |

|         |   |
|---------|---|
| ITIR    | Input Tracking and Implementation Reports                       |
| ITNs    | Insecticides-Treated Nets                                       |
| LGA     | Local Government Authority                                      |
| LGRP    | Local Government Reforms Programme                              |
| LITS    | Livestock Identification and Traceability System                |
| LLG     | Lower-levels of Local Governments                               |
| LTPP    | Long Term Perspective Plan                                      |
| M&E     | Monitoring and Evaluation                                       |
| MACMOD  | Macro-economic Model  |
| MAF     | MDG Acceleration Framework                                      |
| MDAs    | Ministries, Departments and Agencies                            |
| MDGs    | Millennium Development Goal                                     |
| MIC     | Middle-Income Country   |
| MIGA    | Multilateral Investment Guarantee Agency                        |
| MITER   | Mid-Term Evaluation Report                                      |
| MKUKUTA | Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania         |
| MLDF    | Ministry of Livestock Development and Fisheries                 |
| MMS     | MKUKUTA Monitoring System                                       |
| MoF     | Ministry of Finance   |
| MTEF    | Medium Term Expenditure Framework                               |
| MUHAS   | Muhimbili University of Health and Allied Sciences              |
| MW      | Mega Watt   |
| NARCO   | National Ranching Company                                       |
| NAWAPO  | National Water Policy   |
| ND      | Newcastle Disease   |
| NESP    | National Economic Survival Programme                            |
| NGOs    | Non-Governmental Organisations                                  |
| NIDA    | National Identity Authority                                     |
| NIS     | National Identification System                                  |
| NM-AIST | Nelson Mandela African Institute of Technology                  |
| NPES    | National Poverty Eradication Strategy                           |
| NSAs    | Non-State Actors  |
| NSGRP   | National Strategy for Growth and Reduction of Poverty (MKUKUTA) |
| OECD    | Organization for Economic Cooperation and Development           |
| PAP     | Priority Action Plan  |
| PBMR    | Planning, Budgeting, Monitoring and Reporting                   |
| PCCB    | Prevention and Combating of Corruption Bureau                   |
| PEP     | Post Exposure Prophylaxis                                       |
| PHDR    | Poverty and Human Development Report                            |
| PIDA    | Programme for Infrastructure Development in Africa              |
| POPC    | President's Office Planning Commission                          |
| PO-PSM  | President's Office - Public Service Management                  |
| PMTCT   | Prevention of Mother to Child Transmission of HIV               |
| PPP     | Public Private Partnership                                      |
| PPP     | Purchasing Power Parity   |
| PRS     | Poverty Reduction Strategy                                      |
| PSCs    | Parliamentary Sectoral Committees                               |
| R&D     | Research and Development  |
| REC     | Regional Economic Communities                                   |
| REPOA   | Research on Poverty Alleviation                                 |
| RSs     | Regional Secretariats   |
| RWSSP   | Rural Water Supply and Sanitation Program                       |

|          |   |
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| SACCOs   | Savings and Credit Cooperative Societies          |
| SADC     | Southern Africa Development Community             |
| SAGCOT   | Southern Agricultural Growth Corridor of Tanzania |
| SAM      | Social Accounting Matrix                          |
| SBAS     | Strategic Budget Allocation System                |
| SEZ      | Special Economic Zone                             |
| SIDP     | Sustainable Industrial Development Programme      |
| SITC     | Standard Industrial Trade Classification          |
| SME      | Small and Medium Enterprises                      |
| SMRMP    | Sustainable Mineral Resource Management Project   |
| SP       | Sector Plans                                      |
| SSC      | South-South Cooperation                           |
| STI      | Sexually Transmitted Infections                   |
| SUA      | Sokoine University of Agriculture                 |
| SWAP     | Sector Wide Approach to Planning                  |
| SWFs     | Sovereign Wealth Funds                            |
| TAA      | Tanzania Aviation Authority                       |
| TAEC     | Tanzania Atomic Energy Commission                 |
| TaESA    | Tanzania Employment Services Agency               |
| TANESCO  | Tanzania Electric Supply Company Limited          |
| TAZARA   | Tanzania Zambia Railway Authority                 |
| TCAA     | Tanzania Civil Aviation Authority                 |
| TDHS     | Tanzania Demographic and Health Survey            |
| TDV      | Tanzania Development Vision (2025)                |
| TIC      | Tanzania Investment Centre                        |
| THMIS    | Tanzania HIV/AIDS and Malaria Indicator Survey    |
| TORs     | Terms of Reference                                |
| TPA      | Tanzania Port Authority                           |
| TRA      | Tanzania Revenue Authority                        |
| TRL      | Tanzania Railway Limited                          |
| TSED     | Tanzania Socio-Economic Database                  |
| TShs     | Tanzania Shillings                                |
| TTCL     | Tanzania Telecommunications Company Limited       |
| UK       | United Kingdom                                    |
| URT      | United Republic of Tanzania                       |
| USD/US\$ | United States Dollar                              |
| VAT      | Value Added Tax                                   |
| VCT      | Voluntary Testing and Counselling                 |
| VETA     | Vocational Education and Training                 |
| WARCs    | Ward Agricultural Resource Centres                |
| WDI      | World Development Indicators                      |
| WRS      | Warehouse Receipt System                          |
| WSDP     | Water Sector Development Plan                     |
| WSSP     | Water Supply and Sanitation Program               |

# CHAPTER ONE: INTRODUCTION

## 1.1. Background

### 1.1.1. The Tanzania Development Agenda

The thrust of the Tanzania development agenda since independence has been on economic growth and poverty reduction; the prime objective being to ensure that the majority of Tanzanians enjoy the benefits of development. In an effort to spearhead the pace of achieving this thrust, Tanzania Mainland had a tradition of formulating and implementing long term and medium term development plans since attainment of independence. The first was a three year Development Plan adopted between 1961 and 1964, with the primary objective of fighting against illiteracy, poverty and poor health.

In 1964, based on the experience of the three year Plan, and aiming to entrench people-centred development on a wider and longer term basis, a Long Term Perspective Plan was adopted (for the period from 1964 to 1980). This Plan was to be executed through three consecutive Five Year Development Plans in order to ensure continuity and coherence; starting with the 1964-1969 Plan. This was to be revised in 1967 when the Arusha Declaration was adopted. The Arusha Declaration coherently articulated the ideological and developmental vision for the country and informed the subsequent Plans. The Second Plan ran from 1969 to 1974. The Third Plan, from 1975 to 1980, was generally not implemented, due to the economic crisis of unprecedented depth and intensity experienced during the mid 1970s (drought, oil- and food-price shocks).

In 1981 the Government prepared the second Long Term Perspective Plan (LTTP) (1981-2000) to be executed in four successive Five Year Development Plans. However, rather than putting in place a medium term development plan framework for the implementation of the Long Term Perspective Plan (1981-2000) as was envisaged, the Government resorted to a short-term National Economic Survival Programme (NESP) (1981/82) as an emergency programme, aimed basically at addressing commodity shortages in the economy. As the crisis intensified due to further oil price shocks, the consequences of the war with Idi Amin of Uganda and prolonged adverse weather conditions, the Government abandoned altogether the envisaged five year medium-term plans to implement the

1981-2000 LTPP. Instead, it opted to implement three consecutive three-year economic stabilisation programmes running from 1982/83 to 1991/92. The first one was the Structural Adjustment Programme (SAP: 1982-1985), to stabilise the crisis; followed by two Economic Recovery Programmes (ERP I: 1986-1989; and ERP II: 1989-1992) with support from development partners. In general, the paradigm shift to short-term “needs-based” programmes led to a diversion from the well-articulated and coherent medium term Plans, commensurate with the implementation of the long-term national development agenda. Instead, the planning process became ad-hoc, frequently interrupted in order to revert to crisis management, thus losing focus on strategic investments targeting long-term growth.

### **1.1.2. The Vision 2025**

The 1982/1992 decade of implementing economic stabilisation and recovery programmes did not produce satisfactory socio-economic results due to the absence of a guiding development philosophy, hence the need for a new planning framework; the national Vision. The preparation of the Tanzania Development Vision (TDV) 2025 started in 1994 and the Government finally launched the Vision in 1999. The gist of Vision 2025 is that, by 2025, Tanzania should have gone through an unprecedented economic transformation and development to achieve middle-income status; characterised by high levels of industrialisation, competitiveness, quality livelihood, rule of law; and having in place an educated and pro-learning society. Specifically, the Tanzania Development Vision 2025 outlined the country’s social, economic and political aspirations for the first quarter of the 21<sup>st</sup> century; with an underlying drive to reaching the middle-income country (MIC) status, with a per capita income of USD 3,000 (in nominal terms) by 2025.

Vision 2025 was designed to be implemented through a series of five year development plans. However, at the time the Vision 2025 was adopted, Tanzania embarked on far-reaching policy and institutional reforms, under the auspice of HIPC for it to qualify for the debt relief initiative. In view of this, and with the help of the development partners, short and medium term Poverty Reduction Strategies (PRS) were adopted as a safety net for the poor, which in the absence of Five Year Development Plans, became the framework to implement the Vision. First came the three year PRS (2000-2003), followed by the first five year National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA, 2005-2010). MKUKUTA, though designed as an implementation

strategy with broader outcomes, it fell short in terms of prioritisation of development issues and laying out specific strategic interventions to realize the objectives of Vision 2025.

### **1.1.3. Review of Vision 2025**

More than ten years have elapsed since Vision 2025 was launched. In the absence of a formal framework for monitoring and evaluating its implementation, efforts to evaluate the progress and achievements have been thwarted, making it difficult to ascertain the outcome on the country's development. In order to have a comprehensive assessment, in 2009 and 2010, the Government commissioned independent studies to critically review the implementation of Vision 2025. The broad objectives of the reviews were to (a) make an assessment of the progress made in implementing TDV 2025 goals; (b) identify new challenges to be considered in planning for the remaining 15 years; and (c) recommend the best options to pursue. The review outlined the expected progress and challenges of implementation in five key areas: social and economic progress, political development, institutional dimensions, technological dimensions and environmental sustainability. The review revealed the following:

- i. Though there has been relatively high economic growth, low inflation and drastic improvement in the management of the macro-economy over the past two decades, this growth has remained below the trajectory necessary to meet Vision 2025 goals and poverty reduction has remained elusive, especially for the rural poor, which constitute the majority of Tanzanians;
- ii. The Government has mainly depended on narrow sources of development financing, namely tax revenues (largely made up of wage taxes, import trade taxes) and foreign aid, but relied much less on other potential alternative sources of such financing, including infrastructure bonds, Wealth/State Funds, credit lines, and remittances from the Tanzanian Diaspora as well as minerals, tourism and services. FDIs and PPPs were for the most part not aggressively pursued and continue to be limited by inadequate supportive policies and infrastructure as well as human capital and skills gaps;
- iii. Although for most of the period inflation has remained low (staying at single digit levels), the impact of weather vagaries on agricultural production, coupled with persistent rises in global fuel and food prices, have led to a rise in inflation and cost of production;

- iv. The country has promising opportunities from its rich natural resources, advantageous geographical location and its active participation in regional and global economic integration schemes;
- v. Efforts taken to transform the country's supply structure to enable Tanzania to realise the benefits of globalisation continue to be hampered by the existence of a weak supportive infrastructure (power and transport especially), and the country's inability to strategically engage in global trade;
- vi. Despite the existence of numerous power generation sources, the country's electricity production has remained largely reliant on hydropower, rendering it vulnerable to the vagaries of weather;
- vii. Poor transport infrastructure and transport facilities have also prevented the country from optimally exploiting its geographical comparative advantage as a regional trade gateway and transport logistical hub;
- viii. The fall of Tanzania's state-owned industrial sector in the late nineties was followed by a rather slow-growing private sector led industrialisation, which faced high global competition and high costs of doing business domestically. As a result, the growth in job creation has not matched the needs of the national economy and its people;
- ix. Agricultural development, considered for many years to be the backbone of the Tanzanian economy, has not lived up to the expectations of the rural, agricultural-dependent households still using ancestral techniques, depending on increasingly unpredictable weather conditions, with limited access to credit and extension services, etc;
- x. The country has not yet been able to turn its strategic geographical location within the great lakes region into a competitive advantage for its people and industries; and
- xi. Skill gaps and a wanting education quality, especially at tertiary level, has made it difficult for both the private sector and the Government to acquire the talents needed to sustain a globally competitive private sector and effective public service provision.

## **1.2. Rationale for Reverting to Systematic Planning**

On the basis of these findings it was concluded that unless the country takes deliberate efforts to organise and use its resources strategically, attainment of the Vision aspirations is at risk. In view of this, a coherent framework for coordinating the activities of various players as well as targeting the use of resources towards strategic areas for socio-economic development was recommended. The Government thus embarked on revisiting the socio-economic planning framework so as to underpin the prioritisation of actions and resource allocation commensurate with realising the Vision goals. Given these factors, the need for resorting to a planning horizon, both in the medium and the long term, became imperative.

### **1.2.1. The 15 Year Roadmap**

The challenges revealed in the aforementioned review indicate that Tanzania is off-track in achieving its aspirations as enshrined in Vision 2025. To be able to achieve the target of becoming a middle-income country by year 2025, Tanzania needs to have a comprehensive roadmap to guide thinking and actions in tandem with a paradigm shift away from a planning mindset where the magnitude of the country's ambition to develop is a function of available resources to one where the resources are merely a means to reach the country's development aspirations. The latter requires thinking out of the box, beyond the resource constraints dilemma, and away from aid dependence. It demands innovative thinking from policy makers and private sector alike, compelling them to harness previously overlooked sources of growth finance and investment opportunities, to develop new, more effective policy options and to engage in bolder socio-economic reform initiatives aimed at transforming agriculture, manufacturing, infrastructure development, and most importantly, education.

Such a planning approach, for example, emphasizes the use of development corridors and/or Special Economic Zones (SEZs), where the impact of projects' synergies and complementarities are fully realised. Inherently, the approach calls for a long term planning perspective which coherently rallies the national efforts to implement Vision 2025, with external support and resources complementing these national efforts.



The review of the Vision also revealed that Tanzania will have to compete in order to benefit from the unfolding opportunities presented by increasingly integrating regional and global markets. The objective in this regard is to take full advantage of its geographical location to serve as a gateway to neighbouring land-locked countries, trade and host labour-intensive industries migrating from Asia and substitute for regional imports of manufactures. Tanzania will also benefit from its natural resource endowments such as industrial minerals; fertile land; tourist attraction sites; and energy sources such as coal, hydro potentials, natural gas, geothermal, solar and wind. Deliberate and sustained efforts will be made to exploit these resources, which are potentially capable of driving the country's economic growth to the desired levels. Also, exploitation of mineral resources on a larger scale will require drastic changes in policies governing the sector in order to attract massive and long-term investments while securing the Government's share of the benefits accruing from the sector.

### **1.2.2. The Implementation Framework**

In order to attain the long term aspirations of Vision 2025, it is necessary to prioritise a few key interventions in an orderly sequence so that they complement each other to enable effective and optimal resource utilisation. This requires a medium term planning framework to put into operation the long term perspective plan. Each five year plan will have a theme to underpin the thrust and priority interventions. Specifically, the five year plans will address the following implementation bottlenecks revealed by the review of Vision 2025:

- i. Misalignment, and in most cases failure to articulate a manageable number of operational priorities led to a thin spread of resources towards a wide range of activities, with little impact and a dampening effectiveness in implementation;
- ii. In the absence of guiding plans, long term priorities and opportunities were sometimes sacrificed in favour of short-term operational needs;
- iii. Identification of projects was done in isolation rather than in a comprehensive and complementary manner, thus losing a well articulated implementation sequencing for completeness and harnessing of synergies;
- iv. Lack of a clear financing strategy, resulting into high financial unpredictability, overdependence on donations, and under-funding;
- v. Weak institutional framework for the implementation of national plans; and

- vi. Weak monitoring and evaluation framework to check consistency and coherence.

### **1.3. Goal and Objectives of the FYDP I (2011/12- 2015/16)**

This is the first Five Year Development Plan (2011/12- 2015/16), or FYDP I, meant to implement Vision 2025 in view of the new paradigm. Two more medium term plans are envisaged: the Second (2015/16-2020/21), or FYDP II; and the Third (2020/21-2025/26), or FYDP III. These series of plans will chart-out the growth path, which is dynamically consistent with the realisation of the status of a semi-industrialised country, which is capable of withstanding competition in the domestic, regional, and global markets while unleashing hope to its citizenry.

The overall goal of FYDP I is to unleash the country's resource potentials in order to fast-track the provision of the basic conditions for broad-based and pro-poor growth. The targeted average GDP growth rate for the FYDP I period is 8 percent per annum (equivalent to a 5 percent per capita growth target), building up from a 7 percent growth in 2010, and thereafter consistently maintaining growth rates of at least 10 percent per annum from 2016 until 2025. The targeted growth has been calculated by taking into account Tanzania's growth record over the past fifteen years, and experiences of countries that managed to reach middle-income status in the last 30 years.

### **1.4. Unleashing Growth**

In order to generate this growth momentum, five crucial elements will be needed: (i) large investments in energy and transport infrastructure, (ii) strategic investments to expand the cotton textile industry; high value crops (horticulture, floriculture, vineyards); targeting maize and rice cultivation under SAGCOT for food self-sufficiency and exports; fertiliser production tapping the large natural gas and phosphate deposits; development of Special Economic Zones (SEZs) to foster manufacturing growth; increase the number of cement factories as well as the development of coal and steel industries, (iii) enhancing skills development, (iv) drastically improving the business environment, and (v) institutional reforms for an effective implementation, monitoring and evaluation of the Plan.

This will also require sustaining the following sectoral transitions: agriculture to increase its average annual growth rate from 4.4 percent to 6 percent, manufacturing from 8 percent to 12.1

percent, industry from 8.6 percent to 9.4 percent and services from 7.5 percent to 7.8 percent. However, it will also be important to closely monitor the developments in terms of income inequality to ensure that growth is broad-based. The country will have to create a strong competitive base and to efficiently use its comparative advantages (geographical location, rich natural resources, macro-economic stability, peace and political stability) so as to enhance growth even further in the future.

### **1.5. Salient Features of FYDP I**

The first FYDP streamlines the various national development initiatives into a unified and coherent framework in order to guide implementation and provide the Government with ample and formal ways of reflecting the national development process. In particular, FYDP I distinguishes itself from other policy initiatives in the following four major areas:

- i. A shift from needs-based planning, which is based on available resources, to embrace opportunity-based planning, which requires thinking beyond the resource constraints;
- ii. A shift from sector-based prioritisation to intervention prioritisation, with strong emphasis on implementation effectiveness, with detailed actionable programmes and activities for carrying out the strategies;
- iii. Strong emphasis on growth, while grandfathering gains in social service delivery, and at the same time gradually focusing on human resources in terms of skills development for dynamic labour markets;
- iv. Scaling-up the role and participation of the private sector in economic growth, by improving the business climate to efficiently use the factors of production, investing in people and infrastructure development, and sustaining achievements in socio-economic progress.

### **1.6. Process of Preparing FYDP I**

The process of developing both the Long Term Perspective Plan (LTPP) and FYDP I was informed by a number of processes, frameworks and initiatives already in place. These included the Tanzania Development Vision 2025, the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA II, 2010/11-2015/16), Sector Strategic Plans, Medium Term Expenditure Frameworks (MTEFs), reform programmes, Priority Action Programs (PAPs) of Ministries, Departments and Agencies (MDAs), the Millennium Development Goals, including the Gleneagles

scenario, the MDG Acceleration Framework (MAF), and other national and international frameworks/initiatives which Tanzania has ratified. Thus, FYDP I reflects priorities already agreed in these processes with modifications to enhance focus on the realisation of the TDV 2025 targets. The draft Medium Term Public Investment Plan (MPIP), prepared under the aegis of the Ministry of Finance, formed the backbone of the Plan's strategic direction. It also benefited from findings from the review of Vision 2025 in terms of progress of implementation and achievability; the President's Inaugural Speech to the 10<sup>th</sup> Parliament; and a number of other Government policy directives.

### **1.7. Layout of the Document**

This document is presented in five chapters. The first chapter provides a detailed introduction, elaborating on the motivation, objectives and expectations for preparing both the LTTP and the FYDP I. The overview of the economy and strategic direction are dealt with in the second chapter. The third chapter is the core of the FYDP I, presenting the envisaged strategic interventions with the related activities and costing. It is followed by chapter four which explores various approaches to secure the financing required to sustainably and successfully implement the Plan. Chapter five presents both the implementation and the monitoring and evaluation framework.

# **CHAPTER TWO: OVERVIEW OF SOCIO-ECONOMIC PERFORMANCE**

## **2.1. Introduction**

Although over the past 15 years Tanzania has recorded impressive growth, little has been achieved in poverty reduction. Therefore, heightening economic growth and including a broader segment of the society in the process are paramount. To achieve this, attracting investments, particularly in areas where the poor are more involved, is crucial. Sustaining macro-economic stability is also an important aspect of economic management. This encompasses sustained, predictable and stable prices, credible financial intermediation, a stable balance of payments position, as well as prudent fiscal and monetary policies.

## **2.2. Economic Reforms**

The successful implementation of FYDP I will, at a minimum, depend on the stability of the macro-economic environment; reasonably high rates of growth and employment creation; and stepped-up private sector investments. It is therefore prudent that concerted efforts are taken to scale up gains from past reforms. Tanzania is one of the fastest reforming economies, having stayed the course since the mid-1980s when the country was ushered to address the socio-economic misalignments of the mid to late 1970s. The 1990s and beyond saw a period of consolidation and deepening of the reforms and reform-oriented policies. Major reforms included liberalisation of key markets and large scale privatisation of parastatals.

Economy-wide reforms were mainly intended to improve efficiency and effectiveness by promoting and strengthening good governance, scaling-down direct Government participation in economic ventures, creating a business environment conducive to attracting both local and foreign investments and scaling-up private sector participation. Important areas of economic reforms and reform-oriented policies have included banking and financial services, markets, telecommunications, insurance, energy, etc. The impact of all these reforms is seen in improved economic performance in terms of macro-economic stability and accelerated economic growth.

Apart from economic reforms, there have been a number of reforms in other areas, such as: local government, the legal system, education, health as well as political. Although their track record is satisfactory, the pace of implementation in some areas has been slow, leading to a loss of opportunities. Further reforms are envisaged to address supply-side constraints, promote value addition and empowerment.

Over the last decade a number of policies and initiatives have been made in order to further improve the investment climate, promote growth and improve livelihoods. Such policies include the institutional framework for conducive investments like the Mining Policy (2009), the Public-Private Partnerships (2009), as well as the establishment of the Tanzania Investment Centre (TIC), Special Economic Zones (SEZs), and the Export Processing Zones (EPZs).

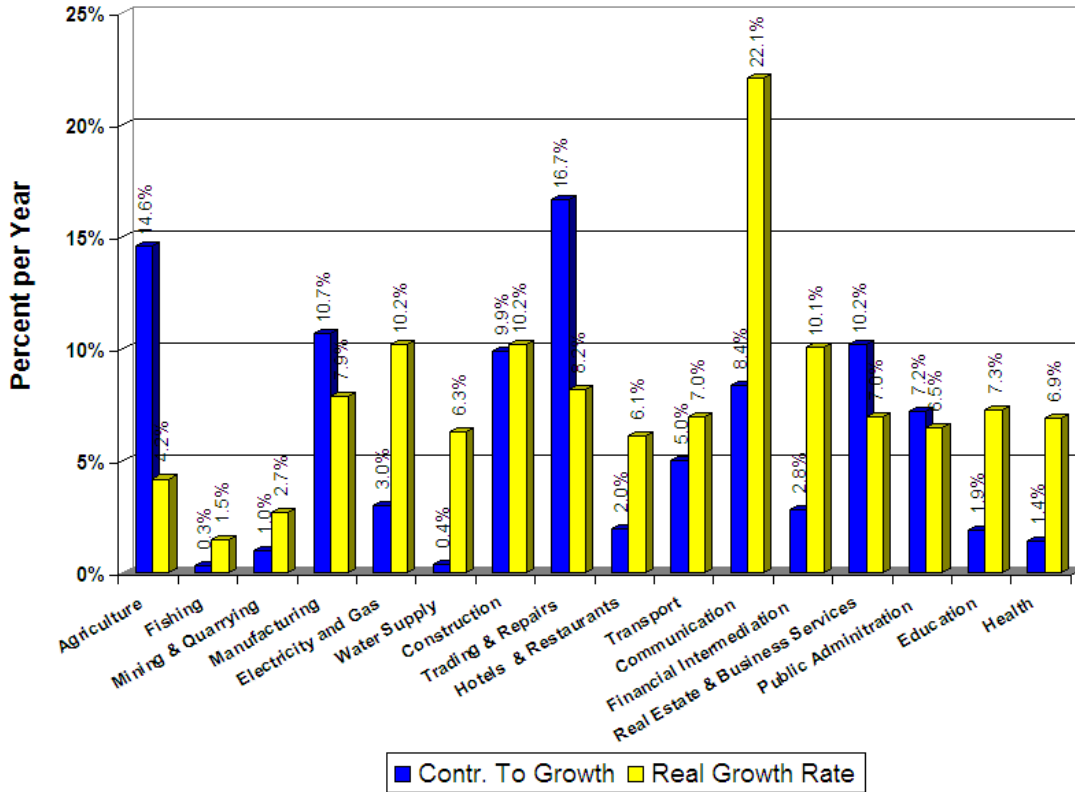
Despite the positive results from these reforms, some shortcomings, experienced especially in recent years, have to be addressed so as to optimise the resulting benefits. Most of the weaknesses relate to the slow pace of transforming some of the privatised corporations and businesses, the lack of clarity on the strategic position of these corporations, whether private or public ownership, in creating jobs and empowering Tanzanians economically. One area where reforms are missing is in building strong institutions and institutional frameworks to effectively implement Government policies, strategies, and plans.

## **2.3. Socio-economic Overview**

### **2.3.1. Macro-economic Performance**

Tanzania's real GDP recorded an average growth rate of about 7 percent over the 2001-2010 period. Growth slowed down in 2009 to 6.0 percent, largely due to the sharp deceleration of the global economy. However, it bounced back to 7 percent in 2010. As shown in Figure 2.1, the sectors that recorded growth rates of more than 10 percent in 2010 were 'Communications' (22.1 percent), followed by 'Construction, Electricity and Gas' (10.2 percent) and 'Financial Intermediation' (10.1 percent). In 2010, the sectors with the largest contribution to GDP growth were 'Trading and Repairs', 'Agriculture', 'Manufacturing' and 'Real Estates and Business Services'.

**Figure 2.1: Real GDP Growth and Contribution by Activity (2010)**



Source: URT 2011, Macro-economic Policy Framework for the Five Year Development Plan/Budget 2011/12-2015/16

The relatively high growth rate that was enjoyed over the last ten years was mainly due to economic and financial reforms and prudent monetary and fiscal policies; all of which promoted domestic and foreign investment. This impressive growth did not, however, have a significant impact on poverty reduction. For example, poverty, measured by the Headcount Index, declined only marginally from 35.7 in 2001 to 33.6 in 2007, even though GDP growth averaged 7.1 percent over this period. This shows that growth has not been broad-based and pro-poor. However, existing evidence suggests that the poor have increased their access to publicly provided social services such as education and health; indicating that some benefits of growth have been re-distributed in favour of the poor. The challenge ahead is to ensure that the economy continues to register impressive growth and to make sure that such growth is also pro-poor, either inherently or through growth and re-distribution.

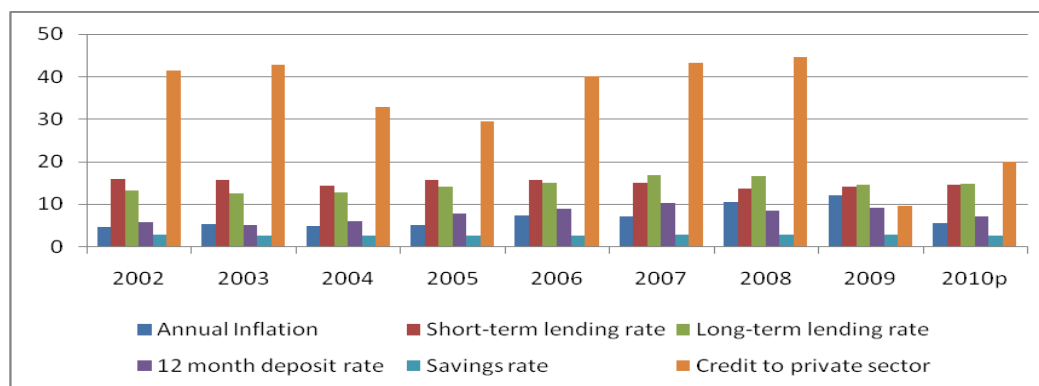
## ***Inflation***

Between 2002 and 2010, annual inflation averaged 7 percent. For 2008 and 2009, the inflation reached 10.3 and 12.1 percent, respectively. These spikes of high inflation were due to the global food and energy crises and the droughts in neighbouring countries. If the years 2008 and 2009 are excluded from the period, the average annual inflation from 2002 to 2010 was 5.6 percent. Prudent monetary and fiscal policy pursued during this period explains the achievement in containing inflation. Food constitutes 47.8 percent of the CPI basket, which shows that food prices are very significant in the determination of the inflation trend. The vagaries of weather and energy supply also have a bearing on inflation. Given the fact that global demand for fossil fuel is expanding continuously, it is likely that inflationary pressures due to energy costs will continue to be felt. Additionally, domestic supply bottlenecks, particularly due to poor infrastructure, contribute to such inflationary pressures.

## ***Financial Intermediation***

Efficiency, effectiveness and probity of the financial system are important for growth and stability. One of the indicators of the efficiency of the banking system is the interest rate spread (i.e. the difference between the deposit rate and lending rate). A large interest rate spread highlights, among others, the inefficiency of the banking sector. As shown in Figure 2.2, credit to the private sector has been growing at an average rate of 33.8 percent per annum from 2002 to 2010, declining to 9.60 percent in 2009 before picking up to 20 percent in 2010.

**Figure 2.2: Trend in Interest Rates, Inflation and Credit to the Private Sector (%)**



Source: URT 2011, Macro-economic Policy Framework for the Five Year Development Plan/Budget 2011/12-2015/16

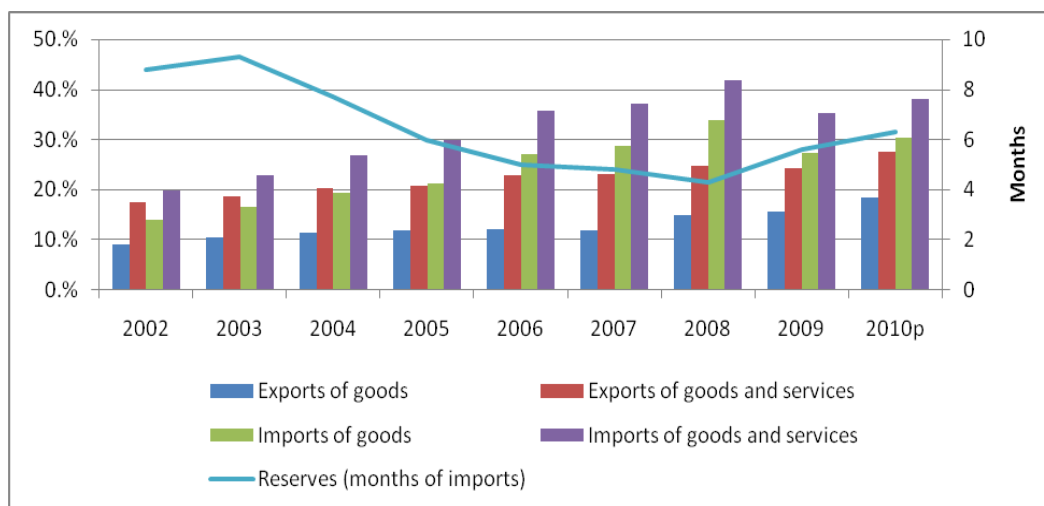


The banking sector continued to be financially sound. The ratio of core capital to total risk-weighted assets by December 2010 was 18.8 percent, compared to the minimum requirement of 10 percent. The ratio of non-performing loans to total loans was 6.7 percent, which is within the acceptable range. In spite of the soundness of the banking system and the financial sector as a whole, the Government will remain vigilant, particularly given the lessons from the 2008/09 global financial crisis. The first lesson is the importance of strengthening financial regulations and practices. The second is forging a closer regional and international collaboration in coordinating the regulation and oversight of cross-border financial institutions. The third lesson is establishing a national financial crisis management plan.

### *Balance of Payments Position*

Average import cover was 6.4 months for the 2002-2010 period. In 2010, the balance of payments' position recorded a surplus that was largely due to an increase in exports of non-traditional goods, especially gold and manufactured goods. However, the current account has been in perpetual deficit, due to the fact that imports of goods and services outstripped corresponding exports throughout the 2002-2010 period, as shown in Figure 2.3. The Tanzanian Shilling (TShs.) continued to lose value against major trading currencies, indicating that the supply of foreign exchange falls short of demand.

**Figure 2.3: Key Elements of the Balance of Payments (% of GDP)**



Source: URT 2011, Macro-economic Policy Framework for the Five Year Development Plan/Budget 2011/12-2015/16.

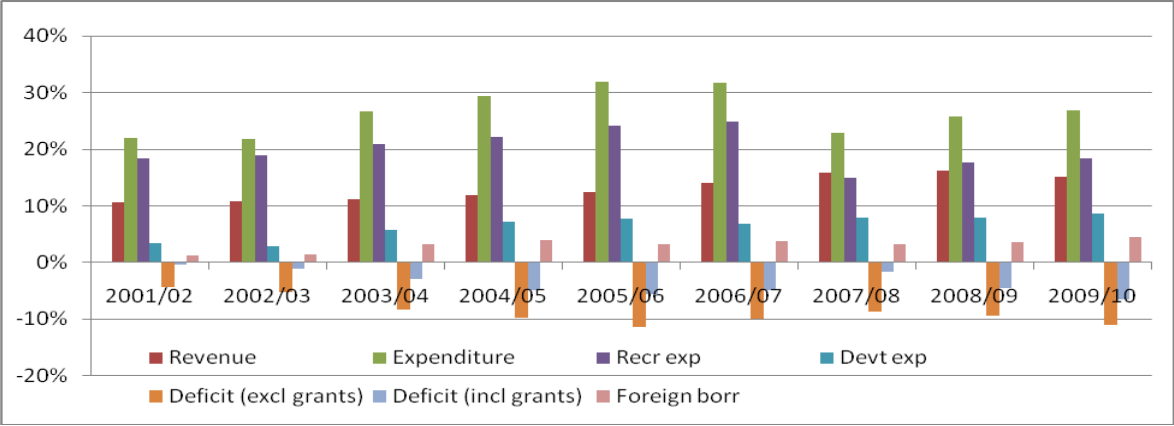
More benefits can be realised in the external sector by increasing exports of processed goods, rather than primary goods. This is true with regard to agricultural goods as well as mineral exports. Further, to maximise the benefits from the export of minerals, policy and regulations will be changed in order to encourage mining companies to deposit their export proceeds in domestic banks rather than offshore.

**Fiscal Position**

The overall objective of the Government in the fiscal sphere is to enhance domestic resource mobilisation and improve the quality, monitorability and efficiency of spending. Despite several measures to improve domestic revenue, the ratio over GDP has been low. The average domestic revenue to GDP ratio from 2001/02 to 2009/10 was 12.2 percent. This rate is quite low and has necessitated reliance on budgetary support from Development Partners (DPs). Starting from a low base of 11.8 percent in 2004/05, the ratio improved to 15 percent by 2009/10. Even though the situation is improving, the objective is to expand the tax base, particularly by including the informal sector in the formal economy. Other measures include reducing tax exemptions, particularly discretionary exemptions, and maximising the rents collected by the Government from the exploitation of natural resources such as minerals and forest products.

Figure 2.4 summarises the Government budgetary operations between 2001/02 and 2009/10.

**Figure 2.4: Government Budgetary Operations (Ratio to GDP)**



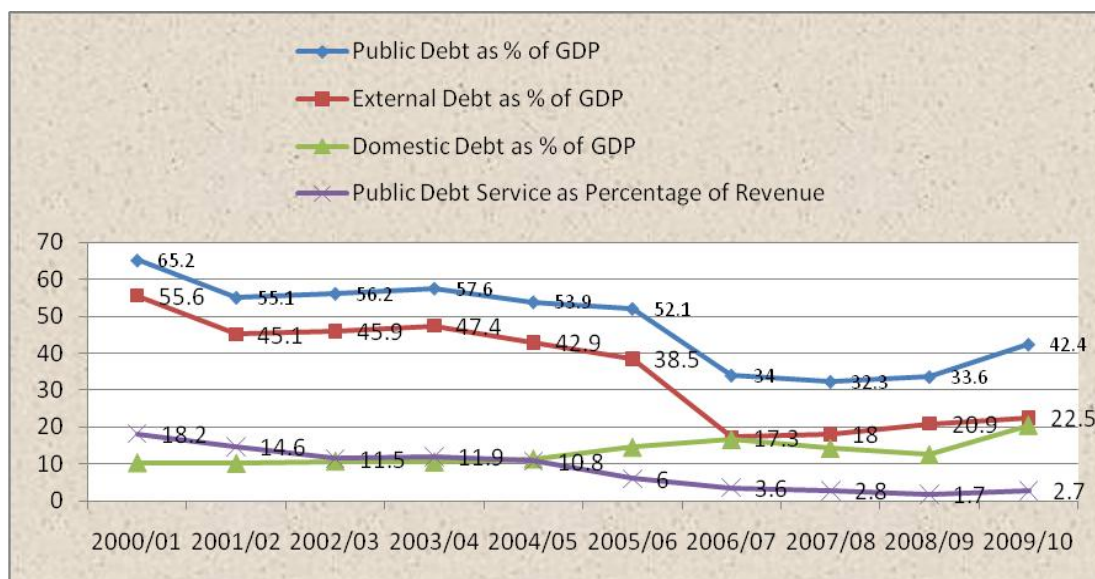
Source: URT2011, Macro-economic Policy Framework for the Five Year Development Plan/Budget 2011/12-2015/16

On the expenditure side, containing Government expenditure will contribute towards ensuring that macro-economic stability is maintained. This will require enhancing expenditure control and accountability as well as ensuring value for money. One important area of expenditure is wages and salaries. Consolidation of most of the fringe benefits such as housing, transport and allowances into salaries and wages will be fundamental in creating an appropriate incentive structure. Sitting and travelling allowances currently create a perverse incentive's structure, and hence will need to be rationalised or removed.

### Public Debt

The public debt situation improved between 2000/01 and 2009/10 as indicated in Figure 2.5. In particular, between 2000 and 2007, most key debt indicators, such as public debt to GDP ratio, external debt to GDP ratio, and public debt service as a percentage of revenue, improved. Although the public debt to GDP ratio declined between 2000/01 and 2009/2010, domestic debt to GDP ratio has been gradually increasing. An increase in the domestic public debt may crowd out private borrowing and distort the financial market.

**Figure 2.5: Public Debt Trends**



Source: URT 2011: Macro-economic Policy Framework for the Five Year Development Plan/Budget 2011-2015/16

### 2.3.2. Productivity and Growth

#### Agriculture

*Crops:* Although in recent years the share of agriculture in GDP has showed a declining trend, it remains the single highest ranking employer in the country. Currently, agriculture contributes about 25.3 percent of the GDP but absorbs 74 percent of the labour force. From 2002 to 2010, annual agricultural growth averaged 4.2 percent, which is below the national average of about 6.7 percent over the same period. For any growth to be inclusive and pro-poor, it must involve substantial growth of agricultural productivity and allow most of the rural population to benefit from such growth through selling the increased produce on domestic and export markets.

This asymmetry is both a problem and an opportunity. It is a problem in that 74 percent of the labour force only represents a 25.3 percent stake in the national economy, which is an explanation for the low productivity due to the existence of surplus labour. On the other hand, this is an opportunity as it provides room for the surplus labour force to be employed in alternative economic activities without undermining agricultural productivity. Besides, the scope for expanding agricultural production in Tanzania is tremendous. Tanzania has a total of 44 million hectares of arable land, of which only 23 percent is currently in use. Of the 29 million hectares suitable for irrigation, only one percent is currently under irrigation. This means that a significant share of agricultural land, which remains hostage to the whims of nature, could be developed to become more productive and more reliable.

Moreover, the value of agricultural products is not optimal, with most of the produce exchanged being either unprocessed or semi-processed, limiting value addition. Yet agricultural exports, even at this level and form of exchange, are vital to the economy, accounting for about 20 percent of total annual merchandise export earnings.

In general, Tanzania's agricultural sector faces a plethora of challenges, among which are the following:

- i. Overdependence on rain-fed production;
- ii. Poor availability of infrastructure to support production and distribution;

- iii. Inadequate provision (in terms of numbers, skills and facilities) for extension services;
- iv. Erratic use of scientific farming technologies with over 70 percent of farming activities relying on the traditional hand hoe;
- v. Lack or inappropriate agricultural financing mechanisms;
- vi. Low and erratic farm gate prices;
- vii. High cost and poor logistical arrangements for inputs supply, which always translate into untimely input supplies;
- viii. Limited investment in R&D, leading to a small proportion of smallholder farmers using improved crop varieties and livestock breeds;
- ix. Minimal participation in the agricultural value addition chain;
- x. Non-availability of publicly owned land parcels for agricultural development investment promotion;
- xi. Poor land use planning, leading to competing use and encroachments of human settlements and urbanisation over arable agricultural land; and
- xii. Growing adverse effects of climate change.

**Livestock:** With 4.6 percent, livestock ranks second within the agricultural sector in terms of its contribution to GDP, followed by forestry (and hunting) with a GDP contribution of about 2.3 percent. Although there has been no other formal livestock census conducted since 1984, livestock population has been increasing over the years. The estimated 2010 official statistical data reveals that, there are 19.2 million cattle; 13.7 million goats and 3.6 million sheep. Other livestock kept in the country include 1.8 million pigs, and 58.1 million chickens, out of which, 23 million are ‘improved’ chickens, and 35 million are indigenous poultry. Out of the 23 million ‘improved’ chickens, 7 million are layers and 16 million are broilers. These estimates are based on sample censuses conducted in 1994/95, 1998/99 and 2002/03, as well as on the extrapolation of the 2002/03 District Integrated Agricultural Survey.

Despite the huge livestock population in the country, the sector’s contribution to the economy is very little. This is partly explained by the presence of diseases such as Foot and Mouth Disease (FMD), Contagious Bovine Pleuropneumonia (CBPP), African Swine Fever (ASF), Newcastle Disease (ND) and other transmittable animal diseases, which act as barriers to the export of animals

and other products. The sector is also facing a problem of non-compliance to new market demands like the Livestock Identification and Traceability System (LITS) and Animal Welfare.

Production of pork, lamb/mutton and beef for the last ten years has been increasing at an average rate of 1 percent per annum, despite outbreaks of diseases. Beef production in Financial Year (FY) 2009/10 increased by 8.3 percent compared to the 2.8 percent achieved in the preceding year. During the same period, lamb and mutton production increased from 2.3 percent to 4.5 percent. However, pork production in 2009/10 declined to 6.1 percent from 7.5 percent recorded in FY 2008/09. Construction of modern abattoirs by the MLDF in Dodoma, Ruvu and the recruitment of veterinary officers has positively contributed to the increased production of meat, significantly supported by a growing urban population where higher income earners tend to eat more meat.

*(a) Milk Sub Sector*

In Tanzania milk production is mainly from cattle. Dairy goats are also gaining popularity as a source of milk, particularly for the poor, and their milk is normally consumed at household level. Out of 19.1 million cattle found in Tanzania, 605,000 are dairy cattle. The rest are indigenous, raised for the dual purpose of milk and meat production. Today, only a small proportion (about 10 percent) of the marketable surplus of milk produced annually is filtering through into the urban markets and processing plants. Remote and poorly developed infrastructure constitutes the biggest obstacles to collection and marketing of milk.

*(b) Hides and Skins*

In 2009/2010, a total of 739,315 pieces of cattle hides, 1.9 million of goat skins and 176,400 pieces of sheep skins worth TShs. 8.19 billion were exported, compared to 982,668 pieces of cattle hides, 2.7 million of goat skins and 769,936 pieces of sheep skins worth TShs. 12.8 billion which were exported in 2008/2009. The drop in production and revenue collection was due to the global financial crises. In 2006/2007, a total of 1.7 million pieces of cattle hides, 1.05 million pieces of goat skins and 925,530 pieces of sheep skins worth TShs. 16.2 billion were exported.

Although the livestock sector is showing an encouraging upward trend in production, productivity per head has remained low. Major challenges include:

- Seasonal shortage and poor quality of pastures;
- Unproductive range and grazing lands;
- Inadequate supply of water for livestock;
- Limited availability of high quality livestock feedings;
- Inadequate knowledge on feeds supplementation;
- High incidence of livestock diseases and pests;
- Limited animal breeding services (including AI service);
- Poor genetic potential of the local stocks;
- Inadequate provision of animal health and livestock extension services;

Following a commodity value chain approach, the production and productivity of livestock in the country can be improved through strategic interventions aimed at improving the genetic potential of the existing stock; increasing supply of improved stock; commercialising the livestock industry; increasing the processing capacities of livestock products and improving the marketing efficiency for livestock and livestock products.

**Forestry:** Forests and woodlands are among the most important natural resources the country is endowed with. They are estimated to cover about 33.5 million hectares, or about 38 percent of total land area. Part of this, 13.5 million ha, are gazetted as national forest reserves, of which 1.6 million ha are managed as catchments forests and 90,000 ha, 150,000 ha and 120,000 ha are managed by the Government, private industrial and small-scale woodlots, and medium-sized plantations owned by smallholders, respectively. Others are managed as local authority forest reserves. The remaining are, unfortunately, unreserved, being managed under villages or left as general land. There are 600 national forest reserves and 200 local authority forest reserves. A total of 2.1 million ha are currently under community based forest management (CBFM) and 4.2 million ha are gazetted as village forest reserves.

In addition, the country has enormous potentials in beekeeping, with an estimated potential production of about 138,000 tons of honey and 9,200 tons of beeswax per annum. Nevertheless, only 4,860 tons and 324 tons of honey and beeswax respectively are produced annually, or roughly

3.5 percent of potential. Moreover, forestry and woodlands are essential for hosting wildlife, and are hence contributing immensely to tourism development.

In spite of the efforts directed towards conserving and developing natural and cultural resources, as well as promoting tourism development, a number of challenges prevail;

- i. Rapidly depleting natural and cultural resources, due to unsustainable management, utilization and trafficking of these resources;
- ii. Inadequate human and financial resources to manage and develop natural and cultural resources;
- iii. Inadequate stakeholders involvement in natural and cultural resources management;
- iv. Inadequate facilities and infrastructure for effective management;
- v. Low revenue collection, mainly due to stiff competition, illegal harvesting and mere aversion;
- vi. Increasing conflicts over usage of forests and woodlands;
- vii. Fragmented administration set up for natural and cultural resources;
- viii. Growing pollution of natural resource bases;
- ix. Growing land erosion due to poor land-use planning and management; and
- x. Global climate change.

The Government is keen to address the challenges in the management of the country's natural and cultural resources. Concerted efforts will be taken to enhance conservation, protection and management of this natural heritage.

## **Manufacturing**

The historical development of the manufacturing sector in Tanzania displays a picture of temporal disparities, characterised by early years of growth (1970s to mid-1980s), stagnation (1990s) and growth again after the year 2000. In general, Tanzania's manufacturing is still small and spread-out, with no specific industrialisation pattern. Up to 2006, it contributed only to about 8.5 percent of GDP, before rising to 9.9 percent in 2008. Its performance in recent years has experienced impressive trends; fast annual growth rates, exports and capacity utilisation. The contribution of manufactured exports to total exports increased from 6.9 percent (2003) to 24.6 percent (2008). Its



share of employment is estimated at one third of non-agricultural private employment (industry and services). Although the sector is currently small, it has the potential to create better-paying jobs relative to those in agriculture.

Most impressive development trends have occurred in consumer goods, food, beverages, edible oils, textiles and garments, and metals. In some sub-activities there have been virtual declines, in particular wood, paper, furniture and machinery. Manufacturing exports have generally remained of low knowledge and technology intensity, hence of low value. This is a real challenge as the country seeks to attain its development agenda. According to the Sustainable Industrial Development Programme (SIDP), the manufacturing sector is envisioned to contribute about 23 percent of GDP by 2025, with annual exports increasing to USD 5.2 billion.

An array of constraints inhibits industrial development in Tanzania. Fundamentally, these include high cost of doing business, limited access to financial capital, overdependence on imported technologies, poor availability and quality of physical infrastructure (energy, water and transportation), and cumbersome processes, leading to the prominence of the informal sector, a drop in global doing business rankings, and sometimes low linkages with the rest of the economy resulting into low levels of value addition and low skills.

Despite the constraints mentioned above, a wide range of opportunities exist for the Tanzanian manufacturing sector. Such opportunities include: (i) the strategic geographical location of the country, providing easy access to overseas markets and markets of land-locked neighbouring countries (like Burundi, Congo, Malawi, Rwanda, Uganda, and Zambia), (ii) the creation of Special Economic Zone (SEZ) and Export Processing Zone (EPZ) schemes, which will boost the sector's development and investments, and (iii) the fact that the country is an active member of the East African Community (EAC) and Southern Africa Development Community (SADC), which ensures an easy access to regional markets.

## **Mining**

Tanzania is poised to be one of the mining giants of Africa, owing to its mineral resources endowment. The reforms undertaken in the first half of the 1990s, particularly on trade and

investment, enabled the sector to exhibit high growth rates, making the country one of the major mineral producers on the continent. This development can be mainly explained by high gold production, from less than a ton in 1998 to around 40 tons in 2010, making Tanzania the third largest gold producer in Africa.

With all these impressive developments, the mining sub-sector contributes only minimally to economic development. The sector's contribution, to both GDP and Government revenue, remained small, at about 3 and 1.5 percents respectively over the 2000-2008 period. Nevertheless, its share of total exports is substantial, accounting for up to 48 percent of merchandise exports and 24 percent of total exports.

The sector's performance could be enhanced through improved management. In light of this, the Government has been implementing the five year Sustainable Mineral Resource Management Project (SMRMP) (running up to 2013/14), which is designed to strengthen Government capacity to manage the sector by fostering good governance, accountability and transparency. Other challenges which will be addressed systematically include weak linkages with the rest of the economy, low local participation (both in production and provision of related services), minimal value addition and the negative soil and environmental impacts of pollutants.

### **2.3.3. Supporting Infrastructure**

#### **Water Supply**

Water has been a lynchpin of human livelihood and development. It is crucial therefore that the water resource is used diligently. Tanzania is a country with a rich endowment of water, particularly water for production, having permanent water bodies (such as lakes, dams and rivers). Apart from minimal use in hydro-power generation and irrigation, a lot of water runs through to the sea, unutilised, mainly due to a lack of means and strategies to tap it. Rain water is also minimally used, for the same reasons. Consequently, declining availability and reliability of water is increasingly evidenced, and all urban centres and production entities are increasingly facing acute water shortages, posing a clear threat for livelihood and production. Recently, conflicts over land between farmers and pastoralists have been on the increase throughout the country. Deliberate

efforts will therefore be taken to enhance the management and restoration of the water sources in order to sustain the desired pattern of growth and development. This will entail integrated planning, development and river basin management in support of food security and poverty reduction, environmental safeguards and rainwater harvesting, and articulation for increased and sustained production capacities.

## **Land**

Land space is of significant importance for any development to take place. Thus, issues of access and rights to use land for development purposes are critical in addressing and orienting towards an effective implementation of FYDP I.

Land requires massive investment to ensure equitable and fair ownership and subsequently a productive utilisation. While it is often held that Tanzania has a large amount of land available for future investments, such as in the agricultural and human settlement development programmes, this does not match the actual situation in the country. The fact that there are many areas with unutilised land in Tanzania does not imply that the same is easily accessible and could be availed for development investments. Despite the development of few high potential areas, many of the areas with less potential require major infrastructural investment if they are to become commercially viable and competitive. Also, many areas of high agricultural potential, especially around wetlands, are important for biodiversity preservation purposes.

Although all land is owned by the Government, in trust of the Head of State, the largest portion is under customary law and controlled by villagers. An investor seeking to acquire land for development (e.g. for commercial agricultural production) would thus invariably be compelled to deal directly (and reach an agreement) with village governments as well as individual villagers who would eventually be displaced. The fact that village land is usually unplanned, without any titles issued to individual farmers with traditional usufruct rights, investors have to negotiate for compensation and then undergo rigorous processes of obtaining title deeds.

The problem of unplanned and non-titled land is very present in the country: in 2010, the proportion of land which was surveyed and titled or designated for particular uses was estimated to

be about 10% of Tanzania's total land surface, including game parks, forest reserves and other gazetted areas. One of the consequences of this situation is that there are frequent land disputes among rural communities, Government agencies, investors and individuals. Such disputes not only constitute a hindrance to peace and harmony, but they also deter investors by increasing the risk and cost of doing business.

One last challenge that the sector faces is inadequate land administration system. Currently, most of the storage and retrieval of information on land titles and transactions is done manually. Information pertaining to any particular parcel of land is not integrated. A parcel's land use planning, survey, title, transaction and land rent payment information is kept in separate files in the custody of different departments and units of the Ministry of Lands and Human Settlement. Furthermore, some of this information is kept by Local Government Authorities (LGAs) and is not readily shared with the Ministry. Files and their contents are frequently misplaced. As a result, processing of land-related transactions is inefficient, resulting in increased costs to individuals, institutions and companies seeking land administration services

### **Roads Transport**

Tanzania has the lowest road density in the East Africa region (only 103 m/km<sup>2</sup>), and only 7.4 m/km<sup>2</sup> are paved roads. Available statistics reveal that only 28 percent of the rural population is living within 2 km of an all-weather road.

Trunk roads, which are of strategic importance in the general economic growth performance of the economy as well as in fostering market linkages with neighbouring land-locked countries and the rest of the continent, have approximately a total length of 12,786 km. Of this, only 40.4 percent is paved.

The main challenges in roads transport include: inadequate integration of the road network and the markets and productive areas; unplanned urbanisation and traffic congestion in urban areas; insufficient funds for construction and maintenance of roads; poor storm water drainage, especially in urban areas; institutional weaknesses in management of district and feeder roads; inadequate

capacity and capability of the local construction industry; unstable road network due to a high percentage of unpaved roads which are highly vulnerable to rain.

The opportunities available and currently untapped include the EAC Road Master Plan – i.e. a regional road network at the regional economic communities’ (REC) level – for which financing can easily be found through the DPs; existence of a Public-Private Partnership (PPP) legal and institutional framework; Government commitment to allocate 1 percent of GDP to research and development (R&D), part of which can be directed towards research on low-volume road seals; and existence of labour-based technology.

### **Railway Transport**

Over the past decade, the performance of the railways has declined substantially as evidenced in Table 2.1. The decline is explained by a dilapidated infrastructure, due to inadequate investment in maintenance and rehabilitation of railways; old locomotives and wagons; and outdated permanent ways leading to high maintenance costs. As a result, Tanzania railways have been out-performed in trade by other regional corridors such as the North Corridor (Mombasa to Kampala), the Maputo Corridor, and the corridors running through South Africa. Nevertheless, efficient operation of the railway system is a prerequisite to exploiting the strategic geographical location that Tanzania possesses in servicing landlocked States.

**Table 2.1 Average Performances of Tanzania Railways, 1988 – 2009 (‘000 Tonnes/Passengers)**

| Company |               | 1998 – 2007 | 2008    | 2009   | Growth Rate (%) |
|---------|---------------|-------------|---------|--------|-----------------|
| TAZARA  | Cargo Freight | 517.0       | 525     | 333    | -37%            |
|         | Passengers    | 1,043.0     | 1,200   | 923    | -23%            |
| TRL     | Cargo Freight | 1,122.1     | 429     | 237    | -45%            |
|         | Passengers    | 603.5       | 392     | 285    | -27%            |
| TOTAL   | Cargo Freight | 1,639.1     | 225,225 | 78,921 | -65%            |
|         | Passengers    | 1,649.5     | 1,592   | 1,208  | -24%            |

Source: Economic Survey, 2009

The existing opportunities, which the sub-sector can take advantage of, include the growing economies of the land-locked countries as well as the growing domestic economy and the potential

for increasing productivity in the country's main sectors (agriculture, mining etc). Other opportunities include existing funding instruments for regional projects from multi-lateral financial institutions, such as the International Finance Cooperation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank, the African Development Bank, Non-Concessional loans, etc.; untapped financing instruments, e.g. SINO-Africa Cooperation and Sovereign Wealth Funds; and the present PPP legal and institutional frameworks.

### **Marine transport**

Tanzania has, over time immemorial, stood the test of time as a crucial national and international trade gateway, with the country's ports playing a pivotal role. In total, the combined traffic handled at the three major seaports has been increasing at an average rate of 8 percent per annum over the 2003-2009 period, as indicated in Table 2.2.

**Table 2.2: TPA Port Throughput, 2003 – 2009 ('000, deadweight)**

| <b>Ports/Year</b> | <b>2003</b>  | <b>2004</b>  | <b>2005</b>    | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  |
|-------------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|
| Dar Es Salaam     | 5,346        | 4,179        | 4,307          | 6,320        | 5,703        | 2,316        | 4,946        |
| Tanga             | 259          | 162          | 289            | 519          | 542          | 178          | 359          |
| Mtwara            | 141          | 169          | 60.5           | 153          | 112          | 82           | 95           |
| <b>Total</b>      | <b>5,746</b> | <b>4,510</b> | <b>4,656.5</b> | <b>6,992</b> | <b>6,357</b> | <b>2,576</b> | <b>5,400</b> |

Source: TPA

Forecasts indicate tremendous growth in demand for port services in Tanzania, resulting from high growth of trade, both domestically and from neighbouring countries. With such domestic growth and the global expansion of economic activities, port development is inevitable.

The major challenge facing the sector is inadequate exploitation of potentials for water transport in order to meet domestic, regional and international requirements and complement the other modes of transport. This is a result of low capacity in port infrastructure, ineffective operational systems, and inefficiency of the railway systems to haul cargo from the ports. The other challenge, resulting from the foregoing, is stiff competition from other ports in the region.

One visible opportunity is the potential of serving as a regional logistical hub for the growing economies of the land-locked countries. Others include potential outputs from agriculture and

mining to be shipped to regional and international markets; and existence of PPP legal and institutional frameworks.

### Air Transport

Air transport plays an important role in the economy, particularly for the tourism sector and horticulture. However, the basic airport infrastructure and facilities (e.g. runways, aprons taxiways, buildings and fire tenders) for most of the airports in Tanzania are generally in poor condition. Despite this, there was a slight increase in the number of domestic and international passengers from 961,985 in 2005 to 1,087,329 in 2008, which then declined to 988,637 in 2009 (Table 2.3). The average increase over the period was 6.4 percent. Cargo transported by air declined from 30,108 tonnes in 2008 to 27,279 tonnes in 2009. This performance does not correspond to the available potential, given Tanzania's strategic geographical location.

**Table 2.3. The Number of Domestic and International Passengers 2005-2009**

| Air companies            | 2005           | 2006             | 2007             | 2008             | 2009           |
|--------------------------|----------------|------------------|------------------|------------------|----------------|
| Air Tanzania Company Ltd | 267,329        | 245,513          | 294,920          | 207,305          | 60,018         |
| Precision Air            | 334,630        | 334,630          | 466,475          | 530,116          | 583,398        |
| Coastal Travel           | 118,828        | 118,828          | 162,727          | 138,508          | 141,995        |
| Regional Air Services    | 38,512         | 37,583           | 32,682           | 49,632           | 31,749         |
| Air Excel                | 19,950         | 19,950           | 19,930           | 20,749           | 16,573         |
| Flight Link              | -              | 370              | 603              | 973              | 1,889          |
| Zan Air                  | 54,806         | 57,156           | 61,256           | 66,709           | 68,886         |
| Other Companies          | 125,925        | 697,208          | 80,831           | 73,346           | 84,129         |
| <b>Total</b>             | <b>961,985</b> | <b>1,011,265</b> | <b>1,074,424</b> | <b>1,087,329</b> | <b>988,637</b> |

Source: Tanzania Civil Aviation Authority (TCAA)

The main challenge is to have improved and sustained air transport facilities and services including carriers and airport services to meet the domestic and international air transport needs. The growing tourism, horticulture and fishing industries are some of the opportunities the sector can exploit.

### Energy

Energy is a prerequisite for proper functioning of nearly all sectors in the economy. It is an essential service whose availability and quality determines success or failure of development

endeavours. As such, the importance of energy as a sector in the national economy cannot be over-emphasised. Despite the crucial importance of energy for the economy, the electricity supply in the country is not yet consistent with the stalwartly determination made in the national energy policy. The problem of intermittent power supply, low voltage, frequent rationing, and outages are among the constraints to the production of goods and services in the country.

The main source of energy in Tanzania is biomass (fuel-wood and charcoal) which accounts for about 85.5 percent of total energy consumption. More than 80 percent of energy derived from biomass is consumed in rural areas. Approximately 10 percent of total energy consumption is supplied from commercial sources (petroleum, hydropower, natural gas and coal) while electricity accounts for 6 percent of total energy consumption. So far few alternative energy resources, such as mini-hydro, wind, coal, solar and geothermal, have been commercially exploited, despite their potential availability in the country. Power generation has been growing at an annual rate of 6 percent, and contributed on average around 1.8 percent of GDP per annum for the period between 2000 and 2009. Table 2.4 shows the trends in selected indicators of the energy sector.

**Table 2.4. Trends in Selected Indicators of Electrification in Tanzania (2000 – 2009)**

|   | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Peak demand (MW)                        | 430     | 465     | 475     | 506     | 509     | 552     | 603     | 653     | 694     | 755     |
| Installed capacity (MW)                 | 785     | 885     | 885     | 885     | 861     | 953     | 958     | 1,226   | 905     | 1,051   |
| Generation (GWh)                        | 2,539   | 2,797   | 2,912   | 3,207   | 3,390   | 3,665   | 3,588   | 4,212   | 4,422   | 3,824   |
| Of which hydro                          | 2,148   | 2,605   | 2,722   | 2,551   | 2,013   | 1,781   | 1,439   | 2,524   | 2,649   | 2,242   |
| Of which thermo                         | 391     | 192     | 190     | 656     | 1,376   | 1,884   | 2,149   | 1,688   | 1,773   | 1,592   |
| Imports (Uganda)                        | 27      | 28      | 34      | 41      | 46      | 50      | 61      | 60      | 52      | 41      |
| Cumulative losses as % of generation    | 21      | 17      | 19      | 26      | 29      | 30      | 26      | 24      | 25      | 26      |
| Number of customers                     | 415,692 | 457,032 | 476,895 | 539,076 | 563,423 | 605,246 | 654,180 | 686,000 | 725,000 | 750,000 |
| Electrification rate per population (%) | 6.0     | 6.4     | 6.5     | 7.1     | 8       | 8.2     | 10      | 10.6    | 12      | 14      |

Source: REPOA (2010)

The table indicates that significant progress has been made in terms of the electrification rate and installed capacity. However, TANESCO indicates that the overall estimates of suppressed demand for electric power for 2009 was 769MW while average production reached 697MW, which is



below the demand by 10.3 percent. Installed capacity is forecasted to increase from 1,100MW in 2010 to 2,780MW in 2015. On the other hand, demand is projected to increase from 907MW in 2010 to 2,250MW in 2015. The forecasts show that Tanzania would have a surplus supply of electricity in 2015, if the programmes are implemented according to the Plan.

Challenges facing the energy sector are many, including shortage of generation and reserve margins; high levels of system losses; poor quality of supply, with voltage fluctuations outside rated values and power outages due to aged infrastructure and poor service delivery; high liquid fuel prices in the world markets; inefficiency of TANESCO due to company's hidden costs; underpricing; revenue collection and distribution losses; sub-optimal operation and over-dependency on the hydro source, which is prone to suffer from the vagaries of weather; untimely implementation of the Power System Master Plan; and institutional weaknesses due to incomplete reforms in the power sector.

Opportunities for this sector include the potential to develop alternative sources of energy and diversify energy sources; develop the potential of hydro-power; readily available internal and regional markets; and the potential of Tanzania emerging as a power exporter for the East Africa Power Pool.

### **Science, Technology and Innovation**

Development of science, technology and innovation capabilities are critical in bolstering the country's competitiveness. The goals and targets discussed in Vision 2025 that are especially relevant to competitiveness are: promotion of science and technology; education; and promotion of Information and Communication Technologies (ICTs). It is widely accepted that productivity growth is driven by adoption of technology. ICT will play a crucial role in the transformation process from a resource-based to a skills- and technology-based economy in order to transform the country's production structure.

The current ICT systems are still inadequate to meet domestic and international business demand. The networks in the urban areas are not adequately equipped, while there are places with no communication network in rural areas. In the current information age, rapid access to data and

other new information technologies is essential to national socio-economic development. The main challenge therefore is to establish and use modern ICT by availing communication networks to the public to meet the domestic demand as well as the regional and international requirements.

There are a number of basic ICT infrastructures such as the fibre-optic backbone, albeit, limited and fragmented. The first fibre-optic backbone is run by the Tanzania Telecommunications Company Limited (TTCL), which provides voice and data communication services to businesses and residential customers. However, connections are currently limited to urban areas and a few semi-urban communities only. The rural areas are served by small capacity transmission links, with some areas still being served by analogue systems. Other fibre-optic cables are owned by TAZARA (along the TAZARA railway line), TRL (along the central railway line), and TANESCO (along its transmission lines).

Currently, Tanzania has insufficient numbers of skilled and experienced experts in ICT and in other professions that rely on ICT. The education and training system of Tanzania has started to orient itself towards facilitating learning that will ensure availability of the human resource base that can guarantee such a technology base. This has been implemented through realigning educational and vocational training to meet the needs of the labour markets. Other initiatives include strengthening the national capability to develop research programmes and projects in the ICT field to nurture the emerging culture of innovation and entrepreneurship and provide an enabling environment to foster the growth and sophistication of the ICT industry to support economic development.

The sector is faced with the following challenges: heavy investment required for ICT infrastructure, given the size of the country; unstable power supply; lack of a critical mass of skilled human resources to meet the growing demand for ICT; and inadequate funding for R&D. Opportunities in this sector include the existence of ICT incubator programmes and the establishment of ICT village hubs; growing demand for ICT; existence of a PPP policy, and a legal and institutional framework; and the establishment of centres of excellence.

### **2.3.4. Human Capital Development and Social Services**

#### **Education and Skills:**

The quality of human capital remains the most important asset to propel sustainable development in today's world. Human capital is the stock of skills, competences, knowledge and personality attributes which enhances the efficiency of labour. Human capital development has proven to be a key ingredient in the overall socio-economic development of nations and is one of the key considerations for investors when selecting potential investment locations.

Tanzania envisages being a nation whose people are ingrained with a development mindset and competitive skills. The skilled labour force is critical in order to effectively utilise and mobilise domestic resources for assuring the provision of people's basic needs and economic growth. Tanzania Development Vision 2025 aims at achieving a strong competitive economy through creativity, innovativeness and a high level of quality skills in order to respond to development challenges and adapt to the changing market and technological conditions in the regional and global economy.

Tanzania's human capital development has not been adequate to meet the growing development challenges and to enable the search for solutions to the development problems the country faces. In particular, education has neither been geared towards integrating individuals into the competitive markets, both at local and international levels, nor has it been geared towards innovatively engaging Tanzanians in entrepreneurship and self-employment activities.

The estimated gap in highly-skilled workers required for Tanzania to realise the MIC status is enormous. Calculations done by a POPC-IGC led-team, using Tanzania's 2007 Integrated Labour Force Survey, show that in the education sector alone more than 900,000 qualified teachers have to be employed, from the current level of 238,000. In the health sector, the current level of 110,000 professionals will have to be quadrupled to 476,000 by 2025. A comparison with Middle-Income Countries (MICs) for other broad sectors is shown in Table 2.5, and a detailed skill gap analysis can be found in Annex 3.

**Table 2.5: Tanzania Selected Skills Levels and Target MIC Status, 2025**

| Skill level* | Occupation Category                     | Tanzania (% of working pop.)* | Model MIC Average (% of working pop.) |
|--------------|---|-------------------------------|---------------------------------------|
| High         | Legislators, Managers, Senior Officials | 0.2                           | 2.72                                  |
|              | Professionals                           | 0.7                           | 4.66                                  |
|              | Technicians and associates              | 1.8                           | 4.73                                  |
| Medium       | Clerks                                  | 0.4                           | 4.55                                  |
|              | Service workers; market sellers         | 9.1                           | 11.77                                 |
|              | Crafts and related trade workers        | 4.1                           | 17.35                                 |
|              | Skilled agric & fishery workers         | n.a.                          | 0.42                                  |
| Low          | Plant & machine operators               | 1.3                           | 5.66                                  |
|              | Agric & elementary occupations          | 83.7                          | 48.83                                 |

\* ILFS 2006/07; Source: POPC - IGC Study, 2011

Based on this comparison, Tanzania aims, by 2015, to have 26,000 physical scientists; 88,000 architects and engineers; 22,000 life scientists; 64,000 medical, dental and veterinary scientists; as well as 30,000 economics related professionals; 63,000 accountants and financial sector professionals; 320,000 teachers and 130,000 managerial workers. In order to meet this demand for skilled labour by 2015/16, at least 80,000 skilled graduates must be graduating from higher educational institutes every year starting from 2011. This means more than doubling the university intake on an immediate basis from the current intake of around 40,000. This calls for enormous additional investments in the higher education infrastructure.

Skill training through Vocational Educational Training Institutes (VETA) is equally important. Currently 116,000 people are enrolled in different VETA programmes. Following on the skill-gap data, approximately 635,000 VETA-qualified workers will be required by 2015. In order to satisfy this demand, more than doubling of the current VETA facilities is required urgently.

The challenges facing the sector include the following:

- Low enrolment into science, engineering and technological subjects relative to other disciplines;
- Inadequate use of ICT and other modern technology in training institutions;
- Changing structure of labour markets and changes in technology in all sectors;

- Inadequate skills, competence, creativity, and competitiveness in the labour markets;
- Inadequate learning and teaching facilities at all levels of education;
- Inadequate number of teachers and instructors in training institutions;
- Inadequate number of technical colleges in the country.

There are a number of opportunities which can be exploited to develop the sector. These include:

- Existence of specialised institutions and schools for science and technology, and the possibility of forging new PPP arrangements in order to establish and manage those learning institutions;
- Operationalisation of the East Africa Common Market which provides free movement of labour, particularly for the skilled one.

## **Health**

Progress in health has been made, as measured through the evolution of life expectancy. Indeed, life expectancy has increased from an average of 51 years in 2002 to 54 years in 2008 and to 59 years in 2010<sup>1</sup>, mainly due to declines in adult and child mortality. The three main causes of death among adults are malaria, HIV/AIDS and tuberculosis, and the main causes among children below five years are malaria, pneumonia and anaemia.

There has been an improvement in the infant and under-five mortality rate, largely due to the coverage of child immunisation, vitamin A supplementation, and gains in malaria control through improved diagnosis and treatment of malaria, as well as prevention through increased use of insecticide treated nets. In 2007/08, malaria prevalence amongst children (6-59 months of age) ranged between 5 percent and 30 percent. The percentage of households owning at least one bed net increased from 56.3 percent in 2007/08 to 74.7 percent in 2009/10. Likewise, the percentage of households owning at least one Insecticide Treated Net (ITN) increased from 39.2 percent in 2007/08 to 63.4 percent in 2009/10.

HIV and AIDS continue to be a national challenge. According to the Tanzania HIV/AIDS and Malaria Indicator Survey (THMIS) (2007-2008), the national prevalence amongst the sexually

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<sup>1</sup> Male life expectancy increased from 51 in 2002 to 56.8 in 2010, whilst female life expectancy increased from 52 years to 59.3 years in the same period.

active population (between 15 and 49 years of age) is 5.7 percent. The data also indicated that more women (6.6 percent) are infected than men (4.6 percent). Drug addiction also constitutes a national challenge, as drug use has been increasing among youth in Tanzania, mostly among people under the age of 30. The impact of addiction can be far reaching, as the likelihood of cardiovascular diseases, strokes, cancer, HIV/AIDS, hepatitis, and lung diseases can all be affected by drug abuse.

Tanzania has continued to record progress in health outcomes, but some challenges still remain. The maternal mortality ratio has declined from 578 per 100,000 live births in 2004/05 to 454 per 100,000 live births in 2009/10. More than 50% of women aged 19 are either pregnant or are already mothers, increasing their vulnerability to sexual and reproductive health complications. However, the benchmark for lower middle-income countries is 260 per 100,000 live births, which shows that Tanzania's achievement is not satisfactory.

Similarly, improvements have also been recorded in child health. The infant mortality rate declined from 68 per 1,000 live births in 2004/05 to 51 per 1,000 live births in 2009/10. The under-five mortality rate also declined from 112 per 1,000 live births in 2004/05 to 81 child deaths per 1,000 live births in 2009/10. The percentage of under-five children who were stunted declined from 38 percent in 1999 to 16.5 percent in 2009. The proportion of children facing wasting and/or severe malnutrition was 3.7 percent in 2004/05 compared to 3.8 percent in 2009/10. The number of health facilities offering PMTCT services increased from 5 in 2004 to 3,626 by December 2009, equivalent to 78.6 percent of all ANC facilities in the country.

Achievements in the health sector are a result of interventions defined in the National Health Policy (2007), the Health Sector Strategic Plan III (2009-2015), the Primary Health Services Development Programme (2007-2017), the Human Resource for Health Strategic Plan (2008-2013), the National Road Map Strategic Plan to Accelerate Reduction of Maternal, Newborn and Child Deaths in Tanzania (2008-2015) (also known as 'One Plan'), and the ongoing disease-specific programmes (ATM, EPI, and others).

Despite the progress made, the health sector in Tanzania faces the following challenges:

- i. Insufficient mechanisms and methods for care and rehabilitative treatment services at all levels;

- ii. Insufficient resources to facilitate the construction and rehabilitation of health facilities at all levels;
- iii. Inadequate housing and low incentives for public health workers;
- iv. Inadequate health personnel (medical doctors, nurses and paramedical graduates, laboratory technicians);
- v. Inadequate health tools and equipments at all levels;
- vi. Inadequate pharmaceuticals and drugs for curative and preventive measures;
- vii. Inadequate health information systems to facilitate efficient health planning and programmes;
- viii. Inadequate resources/finances to improve the health systems and services;
- ix. Inadequate disease prevention and control.

### **Land, Housing and Human Settlement**

Along with land tenure and development in rural areas, the issue of provision of decent shelters (especially in urban areas) has been one of the preoccupations of the development policy in Tanzania. Since it is projected that half of Tanzania's population will have moved to urban centres in the next 20 years (IGC-POPC, (2011)), policies are needed to start preparing for these dynamics. This may require enhancing activities of the National Housing Corporation and more housing loans will have to be made available to meet the ever-growing housing needs. In the case of rural areas, as far back as 1962, the Government had established Rural Construction and Training Units which had two major functions, namely (i) to technically complement the construction of community schools and health-related buildings, and (ii) to impart technical skills to the local population while working with them in implementing their projects. Skills acquired in the process of implementing communal projects helped local people to build improved houses. In order to promote and sustain this self-help spirit amongst rural communities, these units require being re-introduced.

The major urban areas, namely Dar es Salaam, Mwanza, Tanga, Arusha and Mbeya continue to experience rapid population growth, as do dozens of smaller towns and townships. For over three decades, the urban population has been growing faster than the Government's capacity to provide infrastructure and services necessary to maintain a decent living environment for most of the urban dwellers. As a result, over 70 percent of urban dwellers live in unplanned settlements with

inadequate road, transport, housing, water, sewerage and sanitation, electricity and other services, and the unemployment rate is high, especially among the youth. In addition, for the larger cities such as Dar es Salaam, traffic congestion has become so severe that it significantly reduces productivity in the country's economic hub (especially when combined with inadequate services). It is estimated that the economic cost of congestion in Dar es Salaam already amounts to hundreds of billions of shillings annually, and it is increasing. This rapid urbanisation in Tanzania will, if not dealt with efficiently, continue to result in rapidly expanding unplanned settlements, encroaching hazard-prone lands such as steep slopes, flood plains, river valleys, and dumpsites. Likewise, it will further worsen congestions in the Commercial Business Districts (CBDs) of most urban centres. This is why FYDP I will also focus on the development of satellite cities, including Kigamboni, Luguruni, Kawe, etc.

The FYDP I recognises that decent human settlements guarantee public health, safety, and a comfortable living environment, which are crucial for generating a healthy workforce that will foster economic growth and subsequently poverty reduction. In 2009, land use plans were prepared in 146 villages in 26 districts compared to 125 villages in 15 districts in 2008. In addition, the National Land Use Framework Plan of 2009-2029 was prepared. These efforts will be furthered over the implementation phase of the FYDP I.

### **Water and Sanitation**

Provision of safe water and good quality sanitation facilities is of primary importance to ensure the well-being of the people. At present the share of population with access to safe drinking water stands at 57.8 % and 86 % in rural and urban areas respectively. Based on the World Bank WDI data, Tanzania lags behind many of its African counterparts with regard to its performance in the provision of safe water services. Particularly, in parts of the Central Region, women and children still commute long distances everyday to fetch water. Around 11 percent of the rural population has no access to sanitation facilities, compared to 1.5 percent in the urban areas, but the quality of the available sanitation facilities is questionable, especially in rural areas. A survey commissioned by the World Bank in 2008 found that 70 percent of rural households used a traditional pit latrine with no slab and that 83 percent had no access to hand washing facilities at their latrine.



The Water Supply and Sanitation Program (WSSP) was adopted for the 2006-2025 period. Under the WSSP, the Rural Water Supply and Sanitation Program Phase I (RWSSPP I) was completed in 2010 and has entered its second phase. RWSSPP II (2011-2014) targets to include construction of rural water supplies, helping communities set sanitation targets, and train suppliers to expand businesses to respond to consumer sanitation needs. It will engage rural heads of households to improve and better manage their latrine facilities. RWSSPP II will be part of the FYDP I strategy to tackle issues related to rural water and sanitation.

During the last decade, the Government of Tanzania also embarked on a major water sector reform through approving a forward-looking national water policy (NAWAP0-2002) that promotes an integrated approach to water resource management and advocates for efficient provision of water supply and sanitation services. Knowing the need to significantly increase investments in water supply and resources infrastructure, in 2006 the Government adopted a sector-wide approach to planning (SWAP) through the water sector development programme (WSDP) that is guided by the national water sector development strategy. The water development programme (2006-2025) is aimed at strengthening the integrated water resource management and at improving the access to water supply and sanitation.

The expected surge in population in the future and the associated large migration to urban centres will further strain already limited water-sanitation facilities. Hence, as part of the urban sector planning, more emphasis will be made on developing sewerage facilities and provision of improved access to safe drinking water through sound policies and strengthened institutional arrangements. Participation of NGOs working in the water and sanitation issues will be welcomed to further solve specific problems related to urban settlements.

### **Environment and Climate Change**

Preservation of the rich ecological base of Tanzania and mitigating and adapting to the impact of climate change are of prime importance in ensuring sustainable growth. Over the past decade there has been considerable degradation of air, soil and water resources especially in urban centers. Tanzania is already experiencing a gradual increase in extreme weather conditions with higher incidences and more prolonged periods of flooding and drought as a consequence of climate

change. The costs from draught is expected to as high as 2 percent of GDP by 2030 and owing to rising sea level a loss of 274 km<sup>2</sup> of land is forecasted. These impacts have the most adverse effects on the poor who are least capable to mitigate the risks. Environmental concerns need to be mainstreamed in all future policy measures and henceforth they will be given utmost priority in FYDP along with climate-wise economic development policies.

Government has currently a set of environmental laws in place including the Environmental Management Act passed in 2005. Other key environmental policy documents are the National Environmental Action Plan (NEAP) the National Environmental Policy (NEP) (both from 1997), the National Conservation Strategy, the National Biodiversity Strategy and Action Plan (1999), and a National Action Plan to combat Desertification (NAP). But, there is a need to reevaluate these policies and laws in terms of their efficiency in averting negative environmental impacts in terms of implementation of developmental projects and the ease of their implementation. Awareness and training in conducting environmental impact assessment as well as evaluating the risks of climate change will have to be accorded highest priority in all implementing agencies. There is also a need to put in place a national framework for climate change that will guide measures to be taken in mitigating and adapting risks of climate change.

There are considerable sources of environment and climate change finance available for developing countries on a global scale, which could be harnessed to finance most of Tanzania's environmental initiatives and response strategies to climate change. This, however, has been ineffective in the absence of an effective national climate change institutional framework. Such an institutional framework to coordinate Tanzania's efforts to seek global partnerships to environment and climate change finance will be given priority in the FYDP. Such an institutional framework will help in building resilience to climatic and environmental variability and ensure sustainable and inclusive growth.

### **2.3.5. Good Governance and the Rule of Law**

#### **Legal Reforms**

Good governance and rule of law are critical areas in the process of creating wealth, sharing benefits and ensuring Tanzanians are empowered with the capacity to make their leaders and public

servants accountable. The aspiration embodied in Vision 2025 is to have good governance permeate the national socio-economic structure, thereby ensuring a culture of accountability, rewarding good performance and effectively curbing corruption and other vices in society.

Tanzania has managed to introduce new institutions and legislations aimed at improving good governance and the culture of rule of law, political tolerance, and freedom of speech under a multiparty system. These include the establishment of the Prevention of Crime and Corruption Bureau (PCCB), the Commission for Human Rights and Good Governance (CHRAGG), the Office of the Registrar of Political Parties, reinforcing the powers of the Controller and Auditor General (CAG) and the President's Office – Public Service Management (PO-PSM), enhancing the participation of opposition Members of Parliament in key parliamentary committees overseeing governance issues, and new laws governing aspects such as the Election Expenses Act.

The Government of Tanzania is also implementing the Local Government Reforms Programme (LGRP). The reforms, which also include the Decentralisation-by-Devolution (or D-by-D) policy, are long-term undertakings. This policy was introduced to help deliver improved governance and service provision within the socio-economic and institutional context of Tanzania. The D-by-D policy was part of the significant changes occurring in the country, following the move to (i) political pluralism, (ii) a multi-party democracy, (iii) economic liberalisation, and (iv) the adoption of various tenets of new public service management. Decentralisation-by-Devolution was chosen as a means of bringing the decision making process related to the provision of services closer to the people, to make the Government and service delivery more responsive, efficient and effective.

### **Doing Business and Competitiveness**

Despite the notable achievements, the state of public finance management, administration and service delivery; the business environment; and the policy, legal and regulatory framework still call for deeper and concerted efforts in reforming and implementing measures. The challenge ahead for Tanzania is to mobilise public efforts and opinion towards zero tolerance to corruption, improved and strengthened leadership and governance systems.

Recent economic reforms have placed improvements in the business environment at the centre. A dynamic and well functioning business environment is the lynchpin of a strong and efficient economy. A favourable business environment attracts private investments across sectors and hence creates positive multiplier effects in the economy. Therefore, encouraging a positive business environment is a sound way to fast-track economic growth and employment creation. The Doing Business Survey conducted by the World Bank looks at certain specific aspects of the business environment for a number of countries around the world; the performance of Tanzania in the ‘ease of doing business’ indicator has been dismal in recent years, with its rank dropping from 124 in 2008 to 126 in 2009 and to 131 in 2010.

The Government has been keen on promoting high levels of investment and business growth by both local and international entrepreneurs. To this end, it has implemented a plethora of reforms that are critical for sound private sector development in areas such as infrastructure, access to finance, macro-economic stability, legal and institutional framework, taxation, skills development, education and labour market efficiency. The Business Environment Strengthening in Tanzania (BEST), launched in 2003 and now entering its second phase, has been the Government’s flagship programme towards creating a better business and investment environment.

Reforms to improve the business environment will concentrate on relaxing complex Government regulations and expenses associated with starting a business, getting construction permits, registration of property, obtaining financial credit, cross-border trading and closing a business. Special Economic Zones (SEZs) will be employed as an efficient instrument to improve the ease of doing business in targeted regions, with the overall target of improving the global rank of Tanzania in the ‘Doing Business Index’ to below 100 over the next five years.

### **National Identification System**

The idea behind the provision of a National ID card in the East and Central African countries is not new. It was first introduced at the Inter-State Intelligence Committee meeting of the Heads of State of Kenya, Uganda, Zambia and Tanzania in 1968. Its implementation was however been delayed in Tanzania, and this is why the Government recently decided to fast-track its implementation and therefore formed the National Identity Authority (NIDA). The National ID is of vital importance in

enhancing national security, identifying illegal migrants, fighting terrorism, combating crime, enabling economic empowerment programmes for nationals, improving access to formal services, facilitating identification and fostering business transactions, facilitating tracking of potential tax payers and the targeting of social interventions. The National Identification System (NIS) is also important in enabling peoples' movements in the context of regional integration. It is of crucial importance, therefore, that the operationalisation of the National Identity programme is accorded the highest priority over the next five years.

### **Gender Mainstreaming**

Gender inequality is still a major challenge to socio-economic and political development in Tanzania. Women constitute over 50 percent of the country's population. About 90 percent of women living in rural areas engage in agriculture and livestock keeping for their livelihood and economic prosperity, and are hence vulnerable to poverty. Many studies have shown that gender inequality is one of the underlying causes of poverty, as most women do not have equal rights to assets (including land) and have limited access to finance and education. Sustainable social and economic development cannot be realised without ensuring gender equality, which is why it has been given special emphasis in the Plan.

### **Political and National Cohesion**

One of the greatest distinguishing attributes of Tanzanians, as a People and Nation, have been the maintenance of political and social cohesion and, therefore, the sustenance of peace and tranquillity leading to political stability, which has characterized the country since its independence in 1961. The country successfully transited to a multi-party political system in 1992, after more than thirty years of a one-party system of government. As the Nation gears itself to celebrate half a century of independence, it is also an occasion to mark 20 years of smooth multi-party politics. All Tanzanians cherish these attributes with pride.

Built over a compact social fabric, which recognises the equality of all men and women, broader and more equitable access to primary means of production is critical in sustaining social tranquillity and political stability. These attributes will be enhanced throughout the period of implementing the FYDP I. Thus, despite differences of opinions and diverse political orientations and religions,

cohesion for the attainment of the common objective of development is paramount. FYDP I is another testimony of forging a common socio-economic contract as Tanzanians move forward to realise the Nation's Development Agenda.

### **2.3.6. Tourism, Trade and Financial Services**

In addition to the economic services (electricity, transport, communication and water) already discussed in the previous sections of the Plan, there are other key economic services, particularly tourism, trade and financial services. They present yet another strategic opportunity for Tanzania's pursuit of Vision 2025 objectives, as they will help to develop the country's markets (nationally and internationally), they will generate foreign exchange and increase public revenues, and will facilitate economic development and foster economic growth. During the 2011/12-2015/16 period, priority shall be accorded to these sectors in order to enhance their contribution to the improvement of the operational business environment, economic growth and employment.

#### **Tourism**

Tourism continues to play a significant role in Tanzania's economic development, through its employment creation and foreign exchange revenue generation. The sector has recorded favourable growth rates, averaging 5 percent over the period from 2006 to 2010. In 2011, tourism and travel is expected to account for about 13 percent of GDP, and represented about 25 percent of foreign exchange earnings (second only to gold exports), and more than half of export earnings from services in 2010.

The country is endowed with natural and cultural tourist attractions spread across all regions. These resources include wildlife (comprised of 15 National Parks, Ngorongoro Conservation Area, 33 Game Reserves and 43 Game Controlled Areas), the Kilimanjaro and a range of mountains (Meru to Udzungwa), great lakes, and one of the longest coastlines in Africa (with beaches and marine sites that are excellent for diving and snorkelling). Furthermore, Tanzania is blessed with cultural heritage attractions, which include: pre-historical sites (with dinosaurs and hominid remains, stone tools, rock paintings, etc.), historic buildings and towns, sacred and spiritual sites, ruins, graves, areas demonstrating natural processes such as caves, meteorite and shifting sands and places with evidence of slave route remains.

Still, there is room for improvement. There has been an up-market trend in the tourism sector over the last few decades, with tourists now demanding better quality products and looking for more specialized versions, quieter resorts, family-oriented holidays or niche market-targeted destination hotels. Besides, the exploitation of the resources must be carefully planned; the illegal harvesting and unsustainable utilization of natural resources products will be curbed; and the effects of climate change will be closely monitored in order to ensure the sustainability in the sector and the maximisation of the benefits derived in the medium- and long-term. Finally, the country will work at reorganizing the currently fragmented natural and cultural heritage resources administration (Central Government and Local Government) in order to respond efficiently to the increased international competition in the sector.

Further development and diversification of the Tourism sector is of course a great opportunity for the country, being one of the sectors with the highest multiplier effects in the economy, as it draws services and other inputs from the transport, agriculture, accommodation, water, electricity, financial services, and culture sectors among others. In promoting touristic services, the market dynamism towards further growth will be enhanced, along with increased tax revenues to fund the Plan. Hence, the overriding objective will be to maximise the economy's capacity to retain revenues generated in the sector, by prioritising and integrating it with the requisite support services.

## **Trade**

Trade, through development of the domestic market and the integration to regional and international markets, will foster socio-economic development by enabling the country to sell the expected increase in production in key productive sectors (especially with the expected development of agro-processing).

The large infrastructural investments will also enable the country to increase domestic trade, by utilizing the series of productive resources it is endowed with more efficiently (in order to transform them into revenue-generating tradable goods), and by fostering the development of a large number of SMEs, which play a crucial role in generating employment and income to Tanzanians, in tandem with decreasing transportation costs.

Even though international trade declined following the liberalization of the economy, Tanzania's export performance, measured as a share of GDP, has recovered, and is now estimated at over 23 percent. As exports are a key engine for economic growth, increasing the country's competitiveness and efficient use of its strategic location will therefore be crucial in the next five years.

Tanzania's openness to trade has improved substantially since market liberalism, and additional progress can still be made, by for instance improving the country's regional and international integration. International and regional economic groupings and trade arrangements are a means to enhancing economic growth and social development. Tanzania is a member of the World Trade Organisation (WTO) and two regional economic groupings, namely the East African Community (EAC) and the Southern Africa Development Community (SADC). Moreover, Tanzania derives economic and trade opportunities from a series of bilateral and multilateral trade arrangements. To a great extent, however, these opportunities have not translated into an actual increase in trade performance. For example, Tanzania's share of the EAC's regional market stands at 28 percent only and at less than 5 percent of SADC's market. At the international level, Tanzania's share of the global market is a mere 0.022 percent. Benefitting from these opportunities will require concerted national efforts and strategic interventions.

In the context of trade, the country faces a series of challenges: a low capacity to produce and compete, due to high production and transport costs; the changing pattern of preference and demand in the world markets in favour of manufactured goods, and thus the need to diversify the trade basket (specifically by increasing the share of manufactured goods and services in its export basket and identify new markets to supplement traditional ones); and transforming the comparative advantage of its geographical location into regained growth in trade and economic development, through increased integration. The FYDP I prioritises strategic interventions for trade development in order to increase the country's capacity to effectively participate and benefit fully from regional and international markets.



## **Financial Services**

Empirical evidence points to a close link between financial sector development and economic growth, making financial development a significant precondition to economic growth. Low levels of financial sector development, reflected by low levels of financial intermediation, inhibit the banking system's ability to positively contribute to economic growth.

Following extensive reforms in the financial sector, Tanzania has seen a very rapid increase in the number of financial service providers, particularly banks, insurance companies, bureaux de change, stock brokers, and investment advisors. Besides, the number of financial products in the market has increased. Financial sector assets have expanded rapidly, led by growth in private credit, thereby enhancing financial intermediation and increasingly supporting economic growth.

Nevertheless, access to finance is still relatively limited in Tanzania, even if it has been expanding rapidly. Only one in six Tanzanians had access to financial services from a formal institution in 2009, which compares poorly with the country's peers. Some micro- and household-businesses utilize imperfect and costly informal financing, and such means are inadequate to undertake larger investments. Small and Medium Enterprises (SMEs) and agricultural investors appear to have the weakest access, although it is expanding through private commercial and semi-formal channels.

The banking system remains relatively small. In rural communities, only one in twelve has a bank account. While efficiency is generally low (due partly to a low usage of ICTs), profitability remains high, mainly due to wide interest rate margins following insufficient competition. These persist as smaller banks have been unable to compete effectively with the larger banks that are able to mobilise deposits at very low costs. Despite rapid asset growth in recent years, private credit and deposit mobilization levels still lag behind countries in the region. The ratio of private credit to GDP rose from 5 percent to 16 percent of GDP between 2003 and 2009, but remains below the regional average of 28 percent. Similarly, domestic deposits increased from 15 percent to 25 percent of GDP in the same period, compared to the regional average of 44 percent.

Capital markets, which are important for increasing access to medium- and long-term funding and providing suitable placements for institutional investors, are still at a very nascent stage with only

fifteen securities listed at the Dar es Salaam Stock Exchange (DSE), which is itself afflicted by low liquidity. Developing the capital market and accelerating the financial sector reforms are vital avenues for integrating Tanzania into the global financial system and attracting international capital. A more comprehensive development agenda will be considered for the stock market, at the core of which are measures for the promotion of public confidence, provision of informational efficiency, price discovery and risk sharing, provision of liquidity, cultivating synergy among regional stock markets, and global integration.

Another challenge will be to improve the access to financial services for all Tanzanians. This will entail improving and developing the current financial institutions that are used nationally. The main ones are the local and regional development banks, the insurance companies, the capital market, and the pension schemes. The quasi-banking institutions to be developed further include the Savings and Credit Cooperative Societies (SACCOs), microfinance institutions, and informal financial services such as the Rotating Savings and Credit Associations (ROSCAs).

Tanzania will take the opportunity of using the next phase of financial sector reforms to put more emphasis on corporate governance issues, including enhancing transparency and accountability, improved information and disclosures requirements, investor education, better accounting and auditing standards that meet international requirement. Restructuring and reforming the pension system, promoting long term financing by banks, developing capital markets and strengthening corporate governance in financial institutions, will also be some of the aims of the next financial sector reforms. Also, institutions that support financial sector reforms, such as land and company registries, credit reference bureaux, and commercial courts will be strengthened. The Bank of Tanzania will continue to improve the conduct of monetary policy operations through strengthening liquidity management and forecasting and further deepening the financial markets.

## CHAPTER THREE: STRATEGIC INTERVENTIONS

### 3.1. Introduction

The previous chapter presented the socio-economic situation analysis, highlighting the country's socio-economic status, the challenges to be addressed and the possible holding grounds of the way forward. This chapter presents future issues and strategic directions. It also outlines goals, targets, and intervention areas in which the strategic directions are grounded. Further details on the intervention areas, which include costing and lead implementers, are presented in Annex A1. In charting out the strategic interventions needed to unleash the country's latent growth potentials, it is important to identify the existing strategic opportunities that can be seized to catalyse its growth process, on one hand, and the key binding constraints that are currently impeding Tanzania's growth, on the other. These are outlined below.

#### 3.1.1. Strategic Opportunities

Tanzania has immense resources for development. It is the largest country in East Africa, with a total area of 956,000 km<sup>2</sup>, making it the 31<sup>st</sup> largest country in the world. Tanzania is home to about 43 million people, of which 1.2 million live on the isles of Zanzibar. There are 44 million hectares of arable land, across varying climatic zones, of which only 24 percent is being utilised. Many parts of the country have good rains, but there are also other vast water resources in rivers, lakes and underground which can be used for irrigation. There are ample topographic opportunities for building dams to capture rain water in seasonal rivers and use it for agriculture and livestock. Although about 29.4 million hectares of land is suitable for irrigation, only 330,000 hectares are under irrigation. The inland water area covers 62,000 km<sup>2</sup> while the Exclusive Economic Zone (EEZ) is up to 200 nautical miles covering an area of 223,000 km<sup>2</sup>.

Power generation resources are also abundant, including natural gas with 45 billion m<sup>3</sup> of proven reserves, 1,200 million tons of coal reserves, uranium, geothermal, hydropower potential (4.7 GW), wind, solar, and other renewable resources. Tanzania is also endowed with phosphate deposits that can, in combination with natural gas, provide the basis for the production of fertilisers, as well as high quality limestone for cement production. Other minerals include gold, diamonds, tanzanite,

ruby, nickel, tin, soda ash and iron ore. Tanzania is currently the third largest gold producing country in Africa and stands to rise in rank following discoveries of new deposits in the southern part of the country.

Tanzania has a stock of 19.2 million cattle, 13.7 million goats and 13.6 million sheep. The country is also situated at a strategic geographic location, with 6 landlocked countries around it (Uganda, Rwanda, Burundi, Eastern DRC, Zambia and Malawi), including a 1,424 km coastline with natural and potential harbours (Dar es Salaam, Tanga, Bagamoyo, Lindi, Mtwara) as well as inland lake ports (Musoma, Mwanza, Bukoba, Kigoma, Kasanga, Itungi). The great lakes region also offers a huge and growing regional market.

Tanzania also boasts of 15 world famous national parks including Ngorongoro Conservation Area, Serengeti, Mt. Kilimanjaro; 33 game reserves, 43 game controlled areas and abundance of cultural heritage tourist attractions. There are also 35.3 million hectares of forest and woodlands as well as 13.5 million hectares of national forest reserves and local government forest reserves.

### 3.1.2. Binding Constraints

Based on the situational analyses provided in the previous chapter and based on research analyses conducted through several informative studies<sup>2</sup>, the Plan prioritises to remove the following crucial constraints to Tanzania's accelerated economic growth and development:

- Lack of reliable and adequate supply of **electricity**;
- Poor quality of infrastructure: especially **transport network**, and in particular **rural feeder roads, railways and sea ports**;
- Inadequate supply of **skilled labour**;
- Limited access to secure **land rights**;
- Implications of climate change amidst scarce **irrigation** facilities;
- Limited **domestic value addition** of primary products;
- Lack of access to **finance**, especially for SMEs and in the agriculture sector.

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<sup>2</sup> Tanzania Growth Diagnostic: Tanzania-USA Partnership for Growth (2011), and Mbelle, A.V.Y et al. (2010), Analytical Study on the Drivers of Growth and Implications for Growth Strategy for Mainland Tanzania.

### **3.2. Future Issues and Strategic Directions**

In order to foster a sustainable economic development process, it remains important that Tanzania continues to promote the building of a diversified economy with a variety of sectors contributing significantly to this process. However, limited resources mean that these have to be allocated strategically, area by area and from time to time, with a view to ensuring that highest returns and positive spill-overs are attained. As such, initial stages of the renewed efforts to unleash Tanzania's growth potential require making some hard choices on how, where and when available resources should be allocated. After careful consideration of the binding constraints and the opportunities at hand, strategic interventions in five priority areas have been identified as having the potential to put the country on a rapid, inclusive and sustainable growth trajectory in the coming five years. This should also position the country on a sure path to realising the development aspirations outlined in the Tanzania Development Vision 2025 over the next one and a half decades. These five areas have been earmarked based on their potential to: address the current binding constraints on the country's economic growth; make the most of the existing strategic opportunities; and creating opportunities for as well as empowering the private sector to engage productively and profitably in the production and distribution of goods and services nationwide. The remainder of the chapter presents the goals, strategic interventions and targets of the four underlying prerequisites and the five core priority areas that will help unleashing Tanzania's growth potential.

### **3.3. Underlying Prerequisites**

Ultimately, the success of the interventions that will be undertaken as outlined above hinges on the extent to which the environment in which they are undertaken is conducive and facilitative. Key prerequisites to this enabling environment include sustained macro-economic stability and growth, ensuring environmental sustainability, promote availability and accessibility of land for productive and settlement purposes, and enhancing the prevailing efforts to institute good governance underpinned by the rule of law.

#### **3.3.1. Sustaining Macro-economic Stability**

The plan focuses on improving macro-economic fundamentals including food supply, inflation, GDP growth, and money supply, all of which will reinforce peace and harmony. Furthermore, good

governance will be emphasised in all sectors in order to speed-up and sustain the economy at large. The Plan will focus on:

***a. Inclusive growth***

High economic growth rates experienced in recent years have not been accompanied by a corresponding fall in poverty. Among the priority interventions, this Plan focuses on how the growth process should be made more pro-poor, by addressing supply constraints in key sectors with higher multiplier effects in creating employment, mainly by engineering productivity growth, especially in agriculture, manufacture and in SMEs.

***b. Employment creation***

Employment is the main link between growth and reduction of income poverty<sup>3</sup>. Approximately 700,000 Tanzanians join the labour market each year, out of which the public only absorbs about 40,000 to 50,000. The overall unemployment rate is estimated at about 14.9 percent and is more pronounced amongst the youth; 60% of the unemployed are aged between 15 and 35 years. In addition, there is significant underemployment in both farm and non-farm activities. Also, seasonal unemployment is a characteristic of the rural areas, with slacks during the dry season, and labour shortages during the planting and weeding season.

In view of the magnitude of unemployment among the youth, the plan proposes a number of interventions to address this problem. These include: (i) support and facilitate youth development projects and programmes, by introducing enterprise mentorship programmes, business opportunities support services, and expanding skills-related training in the revived national service programme, (ii) promote the formation of youth cooperatives and joint-ventures, (iii) support community-based financing schemes (SACCOs, community banks) and improve access to finance by setting up special funds that can be accessed by youth entrepreneurs, (iv) mainstream employment creation as an outcome of all key interventions proposed under the Plan, (v) introduce labour intensive technology and work programmes in rural areas, and (vi) increase enrolment in vocational education training institutions and the capacity of the Small Scale Industries

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<sup>3</sup> Between 2001 and 2007, for example, as revealed by the 2007 Household Budget Surveys, poverty declined marginally from 36 percent in 2001 to 34 percent in 2007.

Development Organization to train more youth in various practical-oriented productive activities, thereby upgrading their skills. The sub-sectors with a high potential for employment creation include small and medium enterprises, livestock keeping, production of fruits and vegetables, fishing and aquaculture, carpentry, music and art, the food and beverage industry and construction.

Employment generation strategies have therefore been included in this FYDP I in order to address unemployment and poverty challenges in the country. Among the priority interventions are the commercialisation and agro-processing of agricultural products.

Overall, the key macro-economic interventions that will be critical for attainment of macro-economic stability include prioritisation of public expenditure in favour of the growth drivers (especially energy, transport infrastructure, technology, human and skills development and agriculture); ensuring food security; promoting value addition in key production activities; expanding the revenue base (tax and non-tax); utilising PPP arrangements; as well as ensuring debt sustainability.

In view of the performance and challenges on the macro-economic fundamentals identified in the previous chapter, the table below displays the macro-economic goals, interventions, targets and key outputs to be reached by 2015/16.

### Strategic Interventions and Key Indicators for Macro-economic Performance

| Goal   | Macro-economic Intervention   | Key Output/Target by 2015/16   |
|--|---|--|
| Sustain High Economic Growth                         | <ul style="list-style-type: none"> <li>Organise public expenditure in favour of drivers of growth (infrastructure, skills, technology and innovation, agriculture)</li> <li>Make further improvements in the investment climate</li> </ul>  | <ul style="list-style-type: none"> <li>Average annual GDP growth of 8% (This will result from a build up from 7% in 2010 to rates consistently above 10% from 2016 to 2025)</li> </ul> |
| Maintain Price Stability                             | <ul style="list-style-type: none"> <li>Pursue prudent monetary and fiscal policy</li> <li>Establish a strategic oil reserve</li> </ul>  | <ul style="list-style-type: none"> <li>Annual Inflation rate not exceeding 5%</li> <li>Capacities for monetary and fiscal policies enhanced</li> </ul>                                 |
| Strengthen Balance of Payment Position               | <ul style="list-style-type: none"> <li>Scale-up value addition on primary export goods, particularly in agriculture and minerals</li> <li>Ensure export proceedings, including those from minerals, are handled through banks operating in the country, rather than foreign or off-shore banks</li> </ul> | <ul style="list-style-type: none"> <li>Maintain import cover of at least five months</li> <li>Decrease trade deficit from the current 15.8% to 12% by 2015/16</li> </ul>               |
| Pursue prudent fiscal policy and secure financing of | <ul style="list-style-type: none"> <li>Reduce tax exemptions, particularly discretionary ones</li> <li>Formalise the informal sector</li> </ul>   | <ul style="list-style-type: none"> <li>Budget deficit (excluding grant) restricted to 10% of GDP</li> <li>Increase revenue to GDP ratio to 19%</li> </ul>                              |

| <b>Goal</b>  | <b>Macro-economic Intervention</b>  | <b>Key Output/Target by 2015/16</b>  |
|--|---|--|
| the Medium Term Plan.  | <ul style="list-style-type: none"> <li>• Improve tax revenue collection</li> <li>• Enhance expenditure control and accountability</li> <li>• Improve the capacities of government auditing and budgeting units</li> </ul>   | <ul style="list-style-type: none"> <li>• Government external borrowing restricted to 6% of GDP and domestic borrowing to 1% of GDP</li> <li>• Overall government expenditure not to exceed 28% of GDP</li> <li>• Oversight and regulations strengthened</li> <li>• Expenditure control and accountability enhanced</li> <li>• Reduce tax exemptions to 1% of domestic revenue</li> </ul> |
| Maintain public debt at a sustainable level  | <ul style="list-style-type: none"> <li>• Strict annual deficit control</li> </ul>   | <ul style="list-style-type: none"> <li>• Reinforced debt management and monitoring</li> </ul>  |
| Ensure durable employment creation, especially for the youth, women and in rural areas | <ul style="list-style-type: none"> <li>• Empower youth for sustainable and decent self-employment</li> <li>• Mainstream youth employment across all potential fast growing and employment creating sectors</li> <li>• Promote meaningful youth involvement and participation to enhance good governance and values' acceptance</li> </ul> | <ul style="list-style-type: none"> <li>• Significantly reduce youth and women unemployment especially in rural areas</li> <li>• Enhanced employment through SMEs and non-farm activities</li> </ul>  |

### 3.3.2. Environment and Climate Change

Considering the envisaged rapid expansion of industries, urbanization and the possible execution of large infrastructural projects over the next five years, there is a need to address associated environmental issues. Tanzania's rich ecological resources need to be preserved and utilized at a sustainable manner. Moreover, climate change is projected to affect Tanzania's economy drastically. High temperature, decrease in rainfall, changing weather patterns and various other extreme climatic conditions will affect the productivity, soil quality, energy supply and affect livelihood especially of marginalized and deprived sections of the society. Tanzania being a signatory to the Kyoto protocol and a participant in the Copenhagen Accord will need to take a more proactive role in climate change programs during implementation of the Plan. Hence, urgent actions to meet challenges posed by climate change through both mitigation and adaptation measures and formulation of necessary financing frameworks will be accorded top priority.

#### **Operational Objectives:**

- Environmental impact monitoring of large-scale industrial and infrastructural projects.
- Creation of a coherent National Climate Change Strategy.



- Creation of institutional framework to identify, mobilize and monitor global climate finance through earmarked funding for adaptation and mitigation activities.
- Enhance awareness among all stakeholders about climate change and create ownership of climate change initiatives within government.
- Synchronization of existing climate change initiatives through creation of adequate institutional framework.

### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal  | Strategic Intervention   | Key Output/Target for 2015  |
|---|--|---|
| Formulation of a coherent National Climate Change Strategy                        | <ul style="list-style-type: none"> <li>• DoE at VPO take lead role in formulating the national climate change strategy covering adaptation and mitigation.</li> <li>• Institutional framework to identify, mobilize and monitor global climate finance created.</li> <li>• Training programs for selected number of individuals from all concerned ministries on climate change impacts and mitigation and adaptation measures.</li> </ul> | <ul style="list-style-type: none"> <li>• National Climate Change Policy formulated.</li> <li>• Targeted number of government policy makers trained in climate change issues in all selected government ministries.</li> </ul>                       |
| Strengthening enforcement of environmental management in development initiatives. | <ul style="list-style-type: none"> <li>• Institutional framework to synchronize existing climate change initiatives in Tanzania will be created.</li> <li>• Applied research on climate change impacts, costs, mitigation and adaptation.</li> <li>• Environmental impact monitoring of all large scale infrastructural and industrial projects.</li> <li>• Enforce strict environmental laws in all economic sectors.</li> </ul>          | <ul style="list-style-type: none"> <li>• Institutional framework to identify, mobilize and monitor global climate finance created.</li> <li>• Environmental impact of all large scale infrastructural and industrial projects monitored.</li> </ul> |

### 3.3.3. Governance and Rule of Law

#### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal                                   | Strategic Intervention  | Key Output/Target for 2015  |
|--|---|---|
| To mobilise public efforts and opinion | <ul style="list-style-type: none"> <li>• Strengthen legal and institutional framework for democracy, rule of law</li> </ul> | <ul style="list-style-type: none"> <li>• The global rank of Tanzania in the World Bank Doing Business survey</li> </ul> |

| Goal  | Strategic Intervention   | Key Output/Target for 2015  |
|---|--|---|
| <p>towards zero tolerance to corruption, improved and strengthened leadership and governance systems.</p> <p>Enhancement of human rights and administrative justice</p> | <p>and good governance</p> <ul style="list-style-type: none"> <li>• Sustainably curbing corruption at all levels</li> <li>• Strengthening good governance by enhancing transparency, accountability and ethical behaviour of Government staff and enhancing public awareness and partnerships in the prevention and combating of corruption</li> <li>• Enhancing operational capacity of governance institutions</li> <li>• Strengthening mechanism for accountability and sanctions on implementation, enforcement and compliance to legislative, policy, regulatory and operation rules</li> <li>• Fully installed and operationalised National ID system by 2015</li> <li>• Ensure broad participation and promote gender equality</li> </ul> | <p>decreased to below 100</p> <ul style="list-style-type: none"> <li>• Tanzania's percentile rank in the <i>Rule of Law and Control of Corruption</i> indicators (both in the World Governance Indicator) increased from their current level of 40 and 40.5 respectively to 60</li> <li>• 40% of the population having an ID card (i.e. 19.3 Million Tanzanians), by June 2016</li> </ul> |

**Total Cost: TShs. 1,546,877 Million**

### 3.3.4. Land, Housing and Human Settlement

The process of surveying, parcelling and titling of land is lagging far behind the demand for acquisition of land for both settlement and commercial purposes. In the current environment it is difficult for stakeholders to acquire land as a commercially viable asset that can for instance be used as loan-collateral. There is also a strong need to improve urban settlement planning and rural housing (through the re-establishment of Rural Construction and Training Units that were common in the 1960s).

#### Operational Objective

- Promote an equitable distribution of and access to land;
- Ensure land is put into its most productive use to guarantee rapid national socio-economic development;
- Development of national land use plan in accordance with development priorities.

#### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| <b>Goal</b>  | <b>Strategic Intervention</b>   | <b>Key Output/Target for 2015</b>  |
|--|---|--|
| Increasing the productivity and efficient use of land<br><br>Promote an equitable distribution of and access to land | <ul style="list-style-type: none"> <li>• <b>Increase coverage and allocation of land that has been planned and surveyed</b></li> <li>• Institute and put into operation a land bank authority</li> <li>• Implementation of land use plan (framework)</li> <li>• Promote redevelopment schemes and establish new urban sectors</li> <li>• Promoting affordable housing and research on low cost housing</li> </ul> | <ul style="list-style-type: none"> <li>• Proportion of households with land certificates (e.g. certificates of title and customary right of occupancy) increased from 5% in 2009 to 10% by 2015/16</li> <li>• Proportion of planned land increased from 10 percent currently to 20 percent by 2015/16</li> </ul> |

**Total Cost: TShs. 142,645 Million**

### **3.4. Core Priorities**

#### **3.4.1. Infrastructure**

The development and maintenance of essential economic infrastructure is an important ingredient for sustained economic growth. The strategic interventions in this area are categorised into the ones that deal with hard and soft infrastructure. Interventions in the hard infrastructure focus on: (i) energy, (ii) developing a transport sector that is capable of, among other things, ensuring the availability of reliable transport infrastructure facilities at reasonable costs and promoting Tanzania as the transport and logistical hub for East and Central African countries, and (iii) water and sanitation. On the other hand, the soft infrastructure mainly focuses on ICT.

##### **3.4.1.1. Hard Infrastructure**

###### **(a) Energy**

A reliable, affordable and adequate energy supply is a growth booster, by its obvious forward and backward linkages to all other sectors. It is an important factor for enhancing production efficiency in all productive sectors, such as in agriculture, through agro-processing and irrigation (powering irrigation pumps etc.). The national grid supplies only about 12 percent of urban and 2.5 percent of rural households. Moreover, the supply has been erratic. The ageing infrastructure and the decreasing efficiency in the institutional management of power generation in the country translated into repeated power cuts and increasing prices of electricity, which have a negative impact on all sectors, but especially on the industrial sector.

Inadequate and unreliable electricity supply is the most commonly cited infrastructure challenge for Tanzanian firms. In 2006, 88 percent of Tanzanian firms considered inadequate electricity to be a major constraint to their operations, the highest percentage of any SSA country. In order to be able to solve the supply shortages, it is crucial to work on new sources of energy production, and on the transmission lines inside the country. The proposed interventions also target the development of alternative sources of cleaner and renewable energy sources, including natural gas, solar, and wind.

The Plan also calls for additional emphasis on scaling-up rural electrification to cover district headquarters, townships, villages, and commercial centres. Rural electrification is the key to improving growth, economic development, and enhanced living standards. Also, primary importance will be given to the development of off-farm economic activities (including agro-processing industries and other income generating activities). The rural electrification programme will need to target schools and other educational institutions, health facilities, water supply, green energy, information communication technology facilities and community centres.

The importance of the resource, the investments required and the time needed to set up new power plants make it imperative to address the question of energy supplies at the onset of this development plan.

### **Operational Objective**

- Explore the possibility of utilising other potential sources of energy – e.g. geothermal, solar, wind, gas, coal, etc;
- Enhance Tanzania’s regional trade share by connecting to at least 50 percent of grids of its riparian countries;
- Improve the institutional management of power generation, transmission and supply; and
- Expand coverage of rural electrification.

### **Summary:**

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| <b>Goal</b>                                 | <b>Strategic Intervention</b>  | <b>Key Output/Target for 2015</b>   |
|---|--|---|
| Develop a reliable, economically accessible | <ul style="list-style-type: none"> <li>• <b>Increase electricity generation to 2,780 MW by 2015</b></li> </ul> | <ul style="list-style-type: none"> <li>• Increased current electricity generation capacity to 2,780 MW</li> </ul> |

| <b>Goal</b>   | <b>Strategic Intervention</b>   | <b>Key Output/Target for 2015</b>  |
|---|---|--|
| and appropriately priced energy supply to facilitate the development of other activities in the economy while ensuring environmental sustainability | <ul style="list-style-type: none"> <li>• Upgrade and construct new transmission and distribution lines to cope with increased power generation</li> <li>• Improve power supply/transmission to rural areas (ongoing and new projects)</li> <li>• Enhance the Natural Gas Development Projects</li> <li>• Fast-track the Bio-Fuels Development Projects</li> </ul> | <p>in order to enhance power availability and reliability</p> <ul style="list-style-type: none"> <li>• Tanzania's regional trade share enhanced, by connecting to at least 50 percent of grids of its riparian countries</li> <li>• Other potential of energy – e.g. geothermal, solar, wind, coal, increasingly used</li> </ul> |

**Total Cost: TShs. 14,619,211 Million**

### **(b) Port**

Tanzania is served by sea and lake ports. Of all the sea ports, Dar es Salaam (DSM) port is the busiest, handling about 75% of Tanzania's total international trade. The growing demand on the DSM port has increased congestion and waiting times, which poses a great risk as some companies have been observed to divert their traffic to the port of Mombasa.

### **Operational Objectives**

- Expand the cargo volume handling capacities of DSM port and other ports to position the country as the regional transportation hub and international trade gateway;
- Enhance the use of improved technology in order to keep pace with technological advances;
- Scale-up private investment in the provision of marine transport infrastructures and services;
- Revisit the port operational system with a view to synchronise it with other cargo handling institutions for facilitating management of the entire logistic chain; and
- Ensure safety and security of vessels navigating in Tanzania's waters.

### **Summary:**

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| <b>Goal</b>  | <b>Strategic Intervention</b>  | <b>Key Output/Target for 2015</b>   |
|--|--|---|
| Improve quality, efficiency and reliability of water | <ul style="list-style-type: none"> <li>• <b>Expand the cargo volume handling capacities of Tanzania's sea ports and lake ports by 2015/16 (especially</b></li> </ul> | <ul style="list-style-type: none"> <li>• Cargo volume handling improved from 7.13 million tons to 9.87 million tons.</li> </ul> |

| Goal   | Strategic Intervention  | Key Output/Target for 2015  |
|--|---|---|
| transport services and integrate it with other transport networks through multi-skill training, modernisation of ports, increased automation and computerisation, and through upgraded management processes and procedures | <p><b>through large investments in the DSM port)</b></p> <ul style="list-style-type: none"> <li>Enhance the use of improved technology in water transport facilities</li> <li>Encourage private investment in the provision of marine transport services</li> <li>Revisit the port operational system and synchronisation with other cargo handling institutions</li> </ul> | <ul style="list-style-type: none"> <li>Decrease total time for container dwell at import from 12.5 days to 7 days</li> <li>Ship turn around time reduced from 4.4 days to 2.0 days</li> </ul> |

**Total Cost: TShs. 995,400 Million**

### (c) Railways

Railways remain the most affordable way of transporting inland cargo from ports to the country's hinterland and to neighbouring land-locked countries. Unfortunately, the unsatisfactory performance of Tanzania's railways has forced companies to rely on the relatively more expensive road transportation to move their goods, including heavy and bulk goods. This is also likely to shorten the lifespan of the expensively constructed tarmac roads.

#### Operational Objectives

- Rehabilitate/reconstruct the existing railway networks;
- Develop railway corridors to link strategic economic areas (e.g. agriculture and mining);
- Enhance understanding of the existing socio-economic potential available along the railway corridors and encourage local and foreign investment to fully utilise this potential.

#### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal  | Strategic Intervention  | Key Output/Target for 2015   |
|---|---|--|
| Creation of competitive and reliable railway system to enable exploitation and/or transportation of bulky natural resources and evacuation of | <ul style="list-style-type: none"> <li><b>Rehabilitation of the existing railway lines (starting with the central railway line)</b></li> <li>Upgrading and constructing strategic line(s) enabling Tanzania to become a transport hub</li> <li>Construct new railway lines to connect strategic economic areas</li> <li>Addressing traffic congestion in urban</li> </ul> | <ul style="list-style-type: none"> <li>The central railway line rehabilitated and fully operational</li> <li>Locomotives, engines, plants and equipments all in working order</li> <li>Detailed design, secured investment and initial construction of the new Isaka-Kigali railway line with the standard gauge</li> <li>Feasibility studies and detail design</li> </ul> |

| Goal   | Strategic Intervention | Key Output/Target for 2015   |
|--|------------------------|--|
| products, especially where long distance transport is involved | areas                  | of the Musoma-Arusha and Mtwara-Songea-Liganga railway lines carried out <ul style="list-style-type: none"> <li>• Feasibility and detailed design for the Urban Commuter Railway system finalised</li> </ul> |

**Total Cost: TShs. 2,097,359 Million**

#### (d) Road Transport

Despite the Government's efforts to improving its road network, extending this network to rural areas where the majority of Tanzania's poor are living and carrying out substantive economic activities, has been a challenge. As noted earlier, only 24 percent of Tanzania's rural population lives within two kilometres of an all-weather road. This makes the flow of goods and services to and from the rural areas difficult and expensive. In urban areas, traffic congestion has become a chronic and costly transport impediment as the investment in urban roads has not been in line with the increase in population.

#### Operational objective

Construct a wide network of well maintained and all-weather roads, through sustainable expansion and rehabilitation initiatives, in order to ensure an uninhibited movement of people and goods in the country, with emphasis on strategic economic areas.

#### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal  | Strategic Intervention  | Key Output/Target for 2015   |
|---|---|--|
| To facilitate the road transport corridor development through construction, rehabilitation and maintenance, so as to optimise the flow of goods and services to strategic | <ul style="list-style-type: none"> <li>• <b>Direct investment in trunk, regional and district roads leading to areas with highest economic potential (e.g. agriculture, mining, tourism)</b></li> <li>• Direct investment in roads with greater advantage for regional integration</li> <li>• Addressing traffic congestion in urban areas</li> </ul> | <ul style="list-style-type: none"> <li>• Construction and rehabilitation of 5,204.7 km of ongoing and new roads to bitumen standard on the main roads transport corridors as per Schedule 1</li> <li>• Addressing traffic congestion in Dar es Salaam and other major urban centres</li> <li>• Effective systems for financing and management of district and feeder roads put in place</li> </ul> |

| Goal          | Strategic Intervention | Key Output/Target for 2015  |
|---------------|------------------------|---|
| sectors/areas |                        | <ul style="list-style-type: none"> <li>Local governments and communities actively involved in investment initiatives and in improving feeder roads</li> </ul> |

**Total Cost: TShs. 7,106,765 Million**

#### (e) Airports/Air transport

Tanzania has three main international airports located in Dar es Salaam, Kilimanjaro, and Zanzibar. The majority of them are operating beyond their cargo and passenger freight handling capacities.

#### Operational Objectives

Expanding Tanzania's air cargo and passenger freight handling capacities in view of strategically making the country become the regional and international trade gateway.

#### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention  | Key Output/Target for 2015  |
|--|---|---|
| Promote a high quality, competitiveness and integrated national, regional, and international air transport network in order to enjoy the benefit of economies of scale | <ul style="list-style-type: none"> <li>Expand Tanzania's air cargo and passenger freight handling capacities in view of strategically making the country become the regional and international trade gateway</li> </ul> | <ul style="list-style-type: none"> <li>Expanding Tanzania's air cargo from 22,461 tonnes to 35,500 tonnes</li> <li>Annual passenger freight handling capacities increased from 2.95 million to 3.43 million people</li> <li>Revival of the National Flag Carrier</li> </ul> |

**Total Cost: TShs. 1,094,423 Million**

#### (f) Water and Sanitation

Water is one of the country's most important natural resources. Tanzania is not only endowed with some of the world's largest lakes, it is also covered with a myriad of rivers and basins. The efficient management of water reserves and its quality is crucial in enhancing growth and productivity,



enabling and sustaining human development and finally for addressing environmental and related sustainability concerns.

Many of the country's sectors rely on water as a major input of production, but two sectors stand out as being particularly reliant on water: the agriculture and the energy sectors. As discussed in Chapter 2, only about 1 percent of the 29 million hectares available for cultivation in the country are irrigated. Increasing water supply to those fields through irrigation would positively impact the growth rate of the sector and the productivity in crop production as a whole. Also, around 59 percent of the country's electricity is produced by hydro-energy, making it by far the first source of energy production. A close monitoring of the dams and plants and the water flow reaching those facilities will be crucial in order to stabilise the electricity supply in the coming years.

Access to safe water and sanitation positively affects the health of the population, which in turn is a crucial indicator of human development and a key ingredient to rapid sustained development. The current access to water and sanitation facilities in the country is low in absolute terms (as only 50 percent of the population has access to sanitation facilities, and only 57.8 percent and 86 percent of the population in rural and urban areas had access to safe water), but also in relative terms with statistics from the WDI showing Tanzania lagging behind all the EACs in both indicators in 2008. Whilst the main challenge remains improving the access to both sanitation facilities and water sources in the rural areas, rapid urbanisation also has to be taken into account: in 1995, 90 percent of the urban population had access to an improved water source, whilst this figure had dropped to 80 percent in 2008 (WDI, 2010).

It is also important to ensure that future generations will enjoy a guaranteed access to this resource. Conservation of water is also a crucial aspect of the environmental sustainability the country is targeting (through its impact on reducing climate change effects).

### **Operational objectives**

- Expanding irrigation land;
- Ensure reliable water supply to key production sectors and services (agriculture and industry);

- Stabilisation of hydro power generation;
- Ensure reliable water sources for domestic use as one of the indirect production factors towards economic development.

### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention   | Key output/targets for 2015   |
|--|--|---|
| To ensure adequacy and reliability of water supply to key production sources | <ul style="list-style-type: none"> <li>• Strengthen water resources management to cater for social-economic activities (irrigation, hydropower generation, industrial, domestic use and for ecosystem)</li> <li>• Scale-up rural water supply services</li> <li>• Scale-up water supply services in Dar es Salaam</li> <li>• Scale-up water supply services in district and small towns</li> <li>• Scale-up water supply services in regional centres</li> <li>• Improve sanitation facilities in urban and rural areas</li> <li>• Improving water pollution control and monitoring</li> </ul> | <ul style="list-style-type: none"> <li>• Water resources availability for both productive use and environmental sustainability assured by 2015</li> <li>• Proportion of population in rural settlements provided with water supply services increased from 57.8 percent in 2010 to 65 percent by 2015</li> <li>• Proportion of population in district and small towns provided with water supply services increased from 53 percent in 2010 to 57 percent by 2015</li> <li>• Proportion of urban population in regional centres provided water supply services increased from 86 percent in 2010 to 95 percent by 2015</li> <li>• Proportion of population in Dar es Salaam provided with water supply services increased from 55 percent in 2010 to 75 percent by 2015.</li> </ul> <p><b>Specific Targets</b></p> <ul style="list-style-type: none"> <li>• Basin – level integrated water resources management plans prepared in all basins</li> <li>• Rehabilitate 45 dams and build 3 major new dams</li> <li>• Increase number of monitoring stations regularly producing reliable data from 83 to 438</li> <li>• Institute participatory climate change adaptation measures at catchment/water user association level</li> <li>• National sanitation campaign and school WASH</li> </ul> |

**Total Cost: TShs. 2,326,256 Million**

### 3.4.1.2. Soft Infrastructure

#### Science, Technology and Innovation

Science, Technology and Innovation (STI) positively affect economic growth via raising the productivity of labour and other factors of production, increasing efficiency, and lowering transaction costs (OECD, 2003<sup>4</sup>). Therefore, establishing a well functioning STI infrastructure and particularly harnessing information communication technology (ICT) will be necessary to foster efficient and high yielding production processes.

#### Operational Objectives

- Enhance Tanzania’s ICT backbone infrastructural capacity for efficient services and regional connectivity to provide 40 percent of the communication services of the land-locked countries by 2015;
- Develop a reliable state of the art ICT infrastructure of adequate capacity, high speed and country-wide coverage that will be commensurate with grassroots needs and compliant with regional and international standards;
- Establish a state of the art STI infrastructure to support the generation and use of new technologies in the productive sectors by setting up modern R&D facilities at strategic institutions such as the completion and strengthening of Nelson Mandela African Institute of Technology (NM-AIST), establishing a biotechnology centre at Sokoine University of Agriculture (SUA), and introducing one food irradiator through the Tanzania Atomic Energy Commission (TAEC) that will reduce post-harvest losses and increase food safety in the country.

#### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention   | Key Output/Target for 2015   |
|--|--|--|
| Enhance use of ICT by availing communication | • <b>Enhance Tanzania’s ICT backbone infrastructural capacity for efficient services; and regional connectivity</b> to | • Complete the National ICT Infrastructure Backbone Project and scale up the broadband |

<sup>4</sup>Organisation for Economic Cooperation and Development (OECD), 2003, ICT and Economic Growth: Evidence from OECD Countries Industries and Firms.

| Goal  | Strategic Intervention   | Key Output/Target for 2015   |
|---|--|--|
| networks to public to meet domestic demand as well as regional and international businesses | <p>provide communication services to the land-locked countries</p> <ul style="list-style-type: none"> <li>• <b>Develop a state of the art ICT infrastructure of adequate capacity, high speed and country-wide coverage</b> that will be commensurate with grassroots needs and compliant with regional and international standards</li> <li>• Ensure effective coordination and harmonisation of ICT initiatives</li> <li>• Establish a national addressing system and postal codes to ensure physical accessibility of citizen, businesses etc.</li> <li>• Create a critical mass of ICT skilled labour force and support specialised ICT institutions</li> <li>• Introduce the use of new technologies in productive sectors</li> <li>• Translate research into products</li> <li>• Strengthen STI infrastructure to enhance its role in the productive sector</li> </ul> | <p>access connectivity</p> <ul style="list-style-type: none"> <li>• Tanzania’s ICT backbone infrastructural capacity for efficient services and regional connectivity to provide 40 percent of the communication services of the land-locked countries enhanced by 2015</li> <li>• At least 50 MSc and PhD research outputs linked with the productive sector produced by the NM-AIST</li> <li>• A well-functioning Biotechnology Centre at SUA, addressing problems related to crop, livestock and fisheries production</li> <li>• One food irradiator established at a strategic location in Tanzania</li> </ul> |

**Total Cost: TShs. 1,606,450 Million**

### 3.4.2. Agriculture

#### Crops

The agricultural sector employs about 74 percent of the country’s labour force. It is also the activity in which the majority of the nation’s poor are engaged in. Therefore, any intervention(s) that can (i) facilitate increased productivity in the sector, (ii) add value to its products, (iii) reorient its activities from being largely subsistence-based as they currently are towards commercially viable ventures, (iv) create an enabling environment for agriculture (access to land, taxation reform, change of mindset in favour of agriculture), and (v) incentivise the middle class to major in agriculture will have a significant impact on the net worth of a significant proportion of the populace.

Increased productivity in the sector will also make it possible to increase food production and hence achieve food security. It should also facilitate price stability through the reduction of food inflation. Moreover, the agricultural sector has backward and forward linkages with other sectors of the economy such as the industrial sector, the transport sector, the tourism sector and the trade sector in general. The development of the agricultural sector should therefore catalyse the development of these other sectors too. Besides, two agro-development approaches will be given

special emphasis during the plan implementation: (i) the agriculture corridor development approach, with participation of Government, international partners and domestic and international firms, exemplified by the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), and (ii) the promotion of specific crops for specialisation in each region, which will promote enclave development of agro-processing industries attached to each crop in these regions and will help to target delivery of crop-specific inputs and supportive infrastructure to these regions.

Below are all the goals, strategic interventions and targets of the agricultural sector in the broad sense, which comprises of crops, fisheries, forestry, bee-keeping and livestock.

### Operational Objectives

Enhancing agricultural transformation is a critical goal for the realisation of Vision 2025. In the context of the current state of the sector, agricultural transformation should, at minimum, include:

- Expand and improve irrigation infrastructure;
- Ease availability and enhance utilisation of modern agricultural inputs and mechanisation;
- Improve and strengthen availability of scientific production methodologies through research, training, and provision of extension services;
- Improve market access;
- Promote agro-processing and value addition activities;
- Climate-compatible agriculture.

### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention  | Key Output/Target for 2015   |
|--|---|--|
| Modernisation, commercialisation, productivity enhancement and climatic resilience | <ul style="list-style-type: none"> <li>• <b>Strategic national food reserve management (by targeting the production of maize, rice, cassava, banana, sorghum and sugarcane)</b></li> <li>• Technology and Innovation</li> <li>• Promote contract farming and Farmers' Associations</li> </ul> | <ul style="list-style-type: none"> <li>• Average agricultural annual growth of at least 6 percent;</li> <li>• Increase food self-sufficiency for cereals and legumes from 104 percent currently to 120 percent by 2015;</li> </ul> |
| Expansion of irrigation agriculture  | <ul style="list-style-type: none"> <li>• <b>Development of Irrigation Infrastructures</b></li> </ul>  | <ul style="list-style-type: none"> <li>• Expand irrigation areas from 330,000 hectares at present to 1,000,000 hectares by 2015/16</li> </ul>  |
| Diversification of crop production and   | <ul style="list-style-type: none"> <li>• Capacity building for irrigation development</li> </ul>  | <ul style="list-style-type: none"> <li>• Increase agricultural labour productivity from TShs.</li> </ul>   |

| Goal   | Strategic Intervention  | Key Output/Target for 2015  |
|--|---|---|
| value enhancement<br><br>Intensify supply of agro-industrial feed-stocks | <ul style="list-style-type: none"> <li>• Undertake irrigation research</li> <li>• Assessment of potential water catchments</li> <li>• Strengthening the management of integrated catchments</li> <li>• Integrated soil fertility management</li> <li>• Agricultural land use planning</li> <li>• Expand Animal Traction Technology</li> <li>• Enhance mechanical power</li> <li>• Strengthen Ward Agricultural Resource Centres (WARCs).</li> <li>• Strengthen Farmers Field Schools (FFSs), Junior Farm Field and Life Schools, and Farmers Groups</li> <li>• Strengthen farmer organisations/associations and provide marketing information</li> <li>• Facilitate equipment leasing for farmers and agro-processors</li> <li>• Strengthen agricultural financing</li> <li>• Enhance capacity of research institutions, training institutions and farmers training centres</li> <li>• Build capacity of Pest Control Centres and veterinary laboratories</li> <li>• Develop human resources capacity</li> <li>• Improve Communication System</li> <li>• Promote cultivation of high-value crops including spices, cashew nuts, macadamia nuts, floriculture, pulses, fruits, vegetables, grapes and production of essential and edible oils</li> <li>• Intensify production of agro-industrial crops (cotton, tea, coffee, sesame, sisal, sugarcane, tobacco, coconut, sunflower, palms and oil seeds)</li> <li>• Promote business models that provide opportunities for small scale producers towards aggregation of produce and develop backward and forward linkages</li> </ul> | <p>212,671 (in constant 2001) currently to TShs. 345,724 by 2015/16;</p> <ul style="list-style-type: none"> <li>• Increased production of high-value crops;</li> <li>• Increase value addition for local agricultural producers from the current 30 percent to 50 percent by 2015/16</li> <li>• Increase average annual agricultural foreign exchange earnings from currently US\$ 700 million to 1,500 million by 2015/16</li> </ul> |

**Total Cost: TShs. 2,230,654 Million**

### **Fisheries**

#### **Summary:**

Below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal                              | Strategic Intervention  | Key Output/Target for 2015   |
|-----------------------------------|---|--|
| Modernisation, commercialisation, | <ul style="list-style-type: none"> <li>• Improve fisheries resource management</li> </ul> | <ul style="list-style-type: none"> <li>• Improved overall fisheries sector growth from the current 4.5% per</li> </ul> |

| <b>Goal</b>                  | <b>Strategic Intervention</b>   | <b>Key Output/Target for 2015</b>   |
|------------------------------|---|---|
| and productivity enhancement | <ul style="list-style-type: none"> <li>• Improve resources utilisation and marketing</li> <li>• Enhance aquaculture development</li> <li>• Strengthen research training and extension</li> <li>• Review the legal and institutional framework</li> <li>• Incorporate cross-cutting and cross-sectoral issues</li> </ul> | <ul style="list-style-type: none"> <li>• annum to at least 7% per annum</li> <li>• Increased overall fisheries contribution to the GDP from the current 1.2% per annum to 5% per annum</li> <li>• Increased annual Government revenue collection from the current TShs. 6.58 billion to TShs. 12 billion</li> <li>• Increased fisheries production from the current 350,300 metric tonnes to about 450,000 metric tonnes</li> <li>• Increased fisheries exports from the current 51,426 tonnes worth USD 174 million to 62,850 tonnes worth USD 215 million</li> <li>• Increased employment for full time fishers from the current 170,038 to 200,000</li> <li>• Increased fisheries related employment from the current 4,000,000 to 4,200,000</li> <li>• Involvement of national fishing fleet in the EEZ fishery</li> <li>• Increased fisheries establishments from the present 24 to 50</li> <li>• Increased seaweed production from the current 8,000 tonnes to 12,000 tonnes (dry weight)</li> <li>• Increased aquaculture fish production from the current 1,200 tonnes to 10,000 tonnes</li> <li>• Increased centres of fish seed production from the current 8 centres to 20 centres</li> <li>• Incidences of illegal/illicit fishing activities reduced by 80%</li> </ul> |

**Total Cost: TShs. 326,180 million**

### Forestry

#### **Summary:**

Below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| <b>Goal</b>  | <b>Strategic Intervention</b>  | <b>Key Output/Target for 2015</b>  |
|--|--|--|
| Modernisation, commercialisation, and productivity enhancement | <ul style="list-style-type: none"> <li>• Increase Production and Productivity of agro-forestry (including soft and hard timber, medicinal plants)</li> <li>• Sustainable management of forest resources</li> </ul> | <ul style="list-style-type: none"> <li>• Growth of hunting and forestry sector increased from 1.6% in 2009 to 5.9% by 2015</li> <li>• Increased number of villages (from 2,328 to 2,500) and villagers participating in forest management</li> </ul> |

| Goal | Strategic Intervention   | Key Output/Target for 2015   |
|------|--|--|
|      | <ul style="list-style-type: none"> <li>• Development of forest resources database</li> <li>• Sustainable management of forest and bee resources</li> <li>• Sustainable management of coastal forest resources</li> <li>• REDD initiatives and development</li> </ul> | <p>and forum of collaboration</p> <ul style="list-style-type: none"> <li>• 50 % of the forest industries using appropriate technologies</li> <li>• 5% reduced degradation and loss of forest biodiversity</li> <li>• Area of forest resources and biodiversity under effective management increased by 10%</li> <li>• Comprehensive REDD baseline information and future projection available, regularly updated and applied in forest management</li> <li>• Timely provision of forest resource assessment reports, including forest stocks and maps</li> <li>• Diversified and improved quality and quantity of bee products by 10%</li> </ul> |

**Total Cost: TShs. 71,563 Million**

### Livestock

#### Summary:

Below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention  | Key Output/Target for 2015  |
|--|---|---|
| Modernisation, commercialisation, and productivity enhancement | <ul style="list-style-type: none"> <li>• Livestock resource development</li> <li>• Improve livestock production and productivity (dairy and beef cattle, goat and sheep, pork, poultry and birds)</li> <li>• Provide livestock support services delivery and empowerment</li> <li>• Ensure availability of livestock feeds</li> <li>• Control animal diseases and provide veterinary public health</li> <li>• Enhance marketing of livestock and livestock products</li> <li>• Review legal and institutional framework</li> <li>• Include cross-cutting and cross-sectoral issues</li> </ul> | <ul style="list-style-type: none"> <li>• Overall livestock sector growth improved from 2.7% per annum in 2010 to 5 % per annum by 2016</li> <li>• Overall livestock contribution to the GDP increased from 4.7% equivalent to US\$ 789 million (TShs. 947 billion) in 2008 to 7% worth US\$ 1.27 billion (TShs. 1,440.30 billion)</li> <li>• Calf mortality in the traditional sector decreased from the current 30-45% due to TBD to less than 10%</li> <li>• Mortality among free-range chicken will be reduced from current level of more than 60% to less than 30%</li> <li>• The traditional cattle herd increased by 3.5% per annum to 21.5 million, 10% of which will be improved beef breeds or Tanzania Shorthorn Zebu finished in commercialised feedlots</li> <li>• Cattle off-take from the traditional smallholder sector improved from 8-10% to 12-15% leading to meat production increasing from 422,230MT to 809,000MT</li> <li>• Commercial ranching in NARCO and</li> </ul> |



| Goal | Strategic Intervention | Key Output/Target for 2015  |
|------|------------------------|---|
|      |                        | privatised satellite ranches increased from the present 83,160 cattle to 127,000 cattle with an off-take rate of 22-23% supplying about 10,000 steers equivalent to 1500 MT of beef p.a. <ul style="list-style-type: none"> <li>• Number of improved dairy cattle increased from 605,000 kept by about 150,000 farm households through annual insemination of about 100,000 doses to about 985,000 cattle kept by about 300,000 farmers</li> <li>• Milk production growth increased from current 5-6% per annum to 7% per annum reaching 2.25 billion litres;</li> <li>• Egg production increased by 10% per annum from 2.8 billion to 4.7 billion</li> <li>• Production of hides and skins increased by 12% per annum from 5 million pieces worth TShs. 21 billion in 2008 to 9.8 million pieces worth about TShs. 40 billion</li> </ul> |

**Total Cost: TShs. 1,333,179 Million**

### 3.4.3. Industry

#### Manufacturing

The underpinning goal over the next five year of implementing FYDP I is to enhance transformation of the country's production and export structure commensurate with obtaining demand patterns in the domestic, regional and global markets. Since the 1970s the global trade patterns have increasingly become a domain of trade in manufactured goods and services. In view of this, emphasis will be in building a formidable foundation for self propelling industrialisation and export-led growth.

Improved infrastructure, especially the provision of a reliable and sufficient supply of electricity and an improved transportation system, will dramatically reduce the cost of production and therefore enable the sector to follow a higher growth path. Also, the development of the sector will work hand in hand with the development of agriculture, for three main reasons. First, interventions in the agro-processing industries will generate a new demand for agricultural goods which will foster growth in both the agricultural and the manufacturing sectors, whilst creating final products with a higher added value. Second, increased productivity in the agricultural sector will lead to a

shift in employment from the latter to the other sectors of the economy. Third, Tanzania needs to build-up its industrial base, particularly in basic industries (fertilisers, cement, steel, textiles, sugar, paper and petro-chemicals) utilising locally available raw materials (coal, iron, natural gas, soda ash, limestone, phosphates, wood, cotton). Therefore, the emphasis in the manufacturing sector will be on (i) improving the business environment, especially for labour intensive SMEs (which are most likely to absorb the excess labour supply), (ii) setting up SEZs and EPZs in urban and rural areas, in order to spread the manufacturing economic activity across the country, and (iii) promoting PPPs. Hence, manufacturing will play a key role in the transformation of the economy towards an industrialised middle-income country.

### Operational objectives:

- Increase the share of manufacturing in GDP;
- Develop value addition, especially in the agriculture and natural resource sector;
- Promote rural industrialisation through resource-based and/or agriculture led strategies;
- Promote export of manufactured products.

### Summary:

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention  | Key Output/Target for 2015  |
|--|---|---|
| Enhance transformation of the country's production and export structure commensurate with obtaining demand patterns in the domestic, regional and global markets | <ul style="list-style-type: none"> <li>• <b>Developing anchor activities for self sustaining industrialisation (basic industries-metal and engineering, tyres, chemical &amp; fertilizers, cement, construction and building materials, automation industries)</b></li> <li>• <b>Promoting development of SEZ and EPZ to fast-track provision of a conducive environment for investment (Bagamoyo, Kigoma, Mtwara, KMTC Kilimanjaro, Tanga)</b></li> <li>• <b>Fast-tracking investment and technology development (to enable large scale fertiliser production using the large natural gas and phosphate deposits)</b></li> <li>• <b>Developing agro-industries for value addition (textiles and garments,</b></li> </ul> | <ul style="list-style-type: none"> <li>• Average annual sector growth of 11 percent</li> <li>• Manufacturing sector GDP contribution increased to 12.9 percent by 2015/16</li> <li>• Manufacturing share in total county's export accounting for 19.1 percent by 2015/16</li> <li>• Total manufacturing employment growing from 120,000 people presently to over 221,000 people by 2015/16</li> </ul> |

| Goal | Strategic Intervention  | Key Output/Target for 2015 |
|------|---|----------------------------|
|      | <p>essential and edible oils, starch, sugar, cereal flours, sisal fibres, instant coffee, tea bags)</p> <ul style="list-style-type: none"> <li>• Promote industries to facilitate mineral beneficiation and high value addition (precious metals &amp; gemstones grading, cutting, polishing, lapidary and jewellery)</li> <li>• Improving the business environment</li> <li>• Fostering local participation in industrialisation</li> <li>• Improving market access</li> </ul> |                            |

**Total Cost: TShs. 1,513,880 Million**

### **Mining**

The mining industry has a crucial role to play in the country's industrialisation, for two main reasons. First, an increased growth path in the sector will provide high levels of revenue to the Government, which can then be used in order to promote the interventions mentioned in the other sectors. Second, investments in the sector will provide larger amounts of inputs to the energy power plants (especially coal), thereby solving the supply shortage issue.

This is why the operational objectives, goals, strategic interventions and targets spelt out below are aimed at securing Government revenues and increasing the sector's growth and countrywide participation.

### **Operational objectives**

- Increased local participation;
- Beneficiation and value addition;
- Maximisation of mineral tax revenue to finance economic transformation.

### **Summary:**

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention  | Key Output/Target for 2015  |
|--|---|---|
| To enhance mining sector contribution in the economy | <ul style="list-style-type: none"> <li>• To strengthen the Tanzania Geological Survey in performing its main functions of: (i) conducting geological mapping and identifying mineral-rich areas, (ii) carrying out mineral exploration, and (iii) monitoring geo-hazards</li> <li>• Strengthening State Mining Corporation to oversee Government free carried interests and purchased shares in mines</li> <li>• Partnering with the private sector to develop mines</li> </ul> | <ul style="list-style-type: none"> <li>• Attain average annual growth rate of 5%</li> <li>• Mineral sector share to GDP accounting for 3.7% by 2015/16</li> <li>• At least 10% of produced basic minerals are processed locally for beneficiation and value addition</li> <li>• Employment in large-scale mining increased from 14,000 in 2010 to 18,000 in 2015</li> </ul> |

**Total Cost: TShs. 1,383,014 Million**

### 3.4.4. Human Capital Development and Social Services

Human resource development encompasses the broad set of issues associated with diverse aspects of human development like the skill level, education, health and nutritional level. The main determinant of the quality of human capital is its education and skill level. A study led by POPC found that the overall skill level picture of Tanzania is rather bleak, with only 3 percent of the Tanzanian working population being classified as high-skilled, while the majority of the working population (84 percent) is low skilled. The comparable percentages for the benchmark middle-income country stood at 12 percent and 55 percent respectively (the difference in both cases represent the medium skill population). This calls for an enhanced public and private investment in training infrastructure to facilitate the development of an efficient, qualified and dynamic human capital that responds adequately to domestic and global labour and market demands. Increased investment in higher educational facilities and vocational education facilities will be undertaken during the next five years to supply this much needed skill base to fuel future economic growth.

In addition, efforts will be made to (i) adequately utilise the country's existing skill base by enhancing employment creation, (ii) rehabilitate and retool the existing Folk Development Colleges (FDCs) as well as the Community Development Training Institutes (CDTIs) to cater for training of unskilled labour, upgrading of semi-skilled labour, mainly for youth who drop out of school (for reasons such as early pregnancy and poverty) and other marginalised groups, as well as middle level community development workers. Finally, for the public sector, the role of the President's

Office-Public Service Management will be enhanced in order to provide public institutions with high-skilled workers.

Other aspects of human capital development, such as the nutritional level and the access to health, will also be addressed through specific sectoral interventions in the next five years. Particularly, the challenge raised by the HIV epidemic, the increasing drug abuse and the decline of moral values in the Tanzanian population has great implications on the productivity of the work force. Targeted approaches will be undertaken to minimise the impact of HIV infection on the working population, along with maternal, child and infant mortality.

### **Education and Skills Development**

Concerning education, the focus will be on improving the quality of education at each level, whilst facilitating access to the people most in need. Concerning skill development, there will be a re-orientation of the human capital development towards achieving the development goals in the key productive sectors (agriculture, mining, and manufacturing) and economic infrastructure (energy, ICT, transport and tourism).

#### **Operational Objectives:**

- Create a conducive environment for teaching and learning;
- Train adequate number of teachers and instructors;
- Increase enrolment and retention at every education level;
- Develop the skills necessary to implement the interventions in the priority sectors.

#### **Summary:**

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| <b>Goal</b>   | <b>Strategic Intervention</b>   | <b>Key Output/Target for 2015</b>   |
|---|---|---|
| Re-orient human capital development towards achieving the development goals in the key productive sectors | <ul style="list-style-type: none"> <li>• <b>Improve accessibility and equity at all levels of education</b></li> <li>• <b>Improve quality at all levels of education</b></li> <li>• <b>Increase student enrolment in science and engineering, education, agriculture and health profession</b></li> </ul> | <ul style="list-style-type: none"> <li>• Tertiary enrolment rate increased from 1.5% to 4% (marginally above the EAC average enrolment rate, which is 3.2%)</li> <li>• 133,000 diploma and grade A teachers trained in 34 colleges</li> <li>• MUHAS Campus at Mloganzila</li> </ul> |

| <b>Goal</b>   | <b>Strategic Intervention</b>  | <b>Key Output/Target for 2015</b>   |
|---|--|---|
| (agriculture, mining, and manufacturing) and economic infrastructure (energy, ICT, and transport) | <ul style="list-style-type: none"> <li>• Improve availability of skilled labour</li> <li>• Train diploma and grade A teachers in Teachers' colleges</li> <li>• Improve learning and teaching environment for Folk Development Centres/Colleges</li> <li>• Provision of scholarships for targeted skills (development of natural gas, uranium, iron and steel and petroleum)</li> <li>• Improve and increase the number of training centres and programmes as suggested in the strategic interventions and/or activities/projects of each of the core priority sectors<sup>5</sup></li> </ul> | <ul style="list-style-type: none"> <li>• constructed and Dodoma university completed</li> <li>• 5 higher learning institutions rehabilitated and expanded</li> <li>• To have 635,000 VETA- qualified workers by 2015</li> <li>• To increase the share of highly qualified working population from 2.7% to 4.3% by 2015</li> <li>• To increase the share of medium qualified working population from 13.6% to 17.8% by 2015</li> </ul> |

**Total Cost: TShs. 1,814,629 Million**

### Health

The FYDP will emphasise on interventions to address the challenges facing the health sector. This will imply: increasing accessibility to health services, based on equity and gender-balanced needs; improving the quality of health services; strengthening the management of the health system; and developing policies and regulations on human resources for health and social welfare coherent with Government policies.

### **Summary:**

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| <b>Goal</b>  | <b>Strategic Intervention</b>  | <b>Key Output/Target for 2015</b>   |
|--|--|---|
| Increase accessibility to health services, based on equity and gender-balanced needs | <ul style="list-style-type: none"> <li>• <b>Human Resources Development</b></li> <li>• District Health Services Improvement</li> <li>• Maternal, Newborn and Child Health</li> <li>• Malaria Curbing</li> <li>• HIV and Aids Monitoring</li> <li>• Tuberculosis and Leprosy Control</li> </ul> | <ul style="list-style-type: none"> <li>• To reduce the burden of Malaria by 80% by the end of 2015/16 from current levels</li> <li>• To increase and strengthen services for care and treatment of people living with HIV/AIDS to reach 800,000 by 2015/16</li> </ul> |
| Improve quality of health services   | <ul style="list-style-type: none"> <li>• Prevention of Non Communicable Diseases</li> <li>• Curb Nutrition Issues</li> </ul>   | <ul style="list-style-type: none"> <li>• To reduce prevalence and death rates associated with Tuberculosis by 50% by 2015/16</li> </ul>   |
| Strengthen management of the health system   | <ul style="list-style-type: none"> <li>• Research Traditional and Alternative Medicine Enhanced</li> <li>• Reduce Burden of Neglected Tropical</li> </ul>  | <ul style="list-style-type: none"> <li>• To reduce maternal mortality from 578 to 175 per 100,000 live births</li> </ul>  |

<sup>5</sup> Training centres and programmes, with their related costings, are to be found in Annex 1 in each of the priority sectors. Therefore, the costing for the 'Education and Skills Development' sub-section is mostly related to education, whilst all other costing is to be found in the sectoral interventions.

| <b>Goal</b>  | <b>Strategic Intervention</b>   | <b>Key Output/Target for 2015</b>  |
|--|---|--|
| Strengthen execution management of policies and regulations on health services.<br><br>Enhance human resource development for health and social welfare. | Diseases<br><ul style="list-style-type: none"> <li>• Improve Social Welfare</li> <li>• Develop health care financing</li> <li>• Setting up a Monitoring and Evaluation Framework</li> </ul> | and under-five mortality from 112 to 45 per 1,000 live births by 2017<br><ul style="list-style-type: none"> <li>• To increase percentage of women delivered by skilled attendant from 46% of 2004 till 80% by 2015/16</li> </ul> |

**Total Cost: TShs. 2,765,911 Million**

### **3.4.5. Tourism, Trade and Financial services**

#### **3.4.5.1 Tourism**

Reliable and cost effective transport services (roads, marine, airports, and railways) are an essential prerequisite for the growth of the tourism sector – tourists need to reach tourist attractions at affordable cost, safely, and expeditiously. This objective will benefit from the interventions discussed in Annex 1, including investment in the roads network, the rehabilitation of the TAZARA and Central Line infrastructure, and the development of Songwe and Kigoma Airports.

Tourist accommodation services will mostly be provided through private sector investment, with public investment targeted at providing the enabling infrastructure to attract private sector investments. The private sector will also be encouraged to establish training institutions for lower to middle cadre skills (including customer services).

The Government will collaborate with the private sector partners to provide the necessary training to bring the stock and quality of tourism management skills to the level commensurate with the expected expansion of the sector. Specifically, the Government will operationalise the Tanzania Tourism College and its other facilities to develop middle and higher level tourism management cadre. Operators in the sector will also be required to allocate sufficient budgets for the training of their employees, in tandem with other tax and non-tax incentives for such initiatives.

#### **Operational Objectives**

- Improve revenue collection system from natural/cultural resources and tourism operations;

- Strengthen management of natural/cultural resources and tourism operations;
- Enhance development of tourism products and facilities;
- To develop a pool of qualified labour force.

## Summary

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal  | Strategic Intervention   | Key Output/Target by 2015/16  |
|---|--|---|
| Improve tourism services and revenue generation by taking advantage of the country's untapped resources | <ul style="list-style-type: none"> <li>• Identify and improve tourist attraction sites and products</li> <li>• Enhance sustainable conservation and management of cultural sites</li> <li>• Institutional capacity development for wildlife</li> <li>• Development of Culture Infrastructure centres</li> <li>• Conservation, presentation and promotion of cultural heritage resources found in Tanzania</li> <li>• Community involvement and participation on cultural heritage conservation and promotion of training of staff</li> </ul> | <ul style="list-style-type: none"> <li>• Number of visitors increased by 40% from 671,886 to 940,640 by June 2016</li> <li>• Increased average length of stay of a tourist from 11 to 18 nights in the country-side and 3 to 7 nights in big cities</li> <li>• Doubling revenue collection from the current level of TShs. 49 billion by 2016</li> <li>• 1,100 students enrolled at Mweka College of African Wildlife Management and 1,000 in National Tourism Training Colleges</li> <li>• Increased number of tourists visiting cultural sites, and number of tourists visiting the Southern Circuit increased</li> <li>• Infrastructure (including roads, water access, museums, theme parks, information centres, cultural heritage sites) improved</li> <li>• Community awareness increased</li> </ul> |

**Total Cost: TShs. 185,818 Million**

### 3.4.5.2 Trade

Increasing Tanzania's benefits from its participation in regional and global trade is dependent on the country's ability to increase its production capacity, to increase the products' competitiveness (in terms of the cost of production and quality of products), to have accessible markets, to facilitate producers' access to market information, and to have an efficient financial service infrastructure to facilitate payment and settlement. These conditions are addressed throughout this Plan which aims at promoting the country's productive capacity and leveraging the geographical location to enhance competitiveness.



The interventions underscored through investments in electricity generation and distribution, transport infrastructure, ICT, trade facilitation, and elimination of non-tariff barriers should all favourably contribute to enhanced trading capacity.

Interventions shall be strategically sequenced to allow producers to build and consolidate capacities before entering more competitive markets. In this regard, priority shall initially be given to the development of domestic markets, followed by diversification to alternative regional markets (EAC, SADC), and finally to African and international markets. Domestic markets development shall also include promoting the Government’s position as a major consumer of local products.

### Summary

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal   | Strategic Intervention   | Key Output/Target by 2015/16  |
|--|--|---|
| Enhance International trade, economic cooperation and regional integration | <ul style="list-style-type: none"> <li>• Building research capacities in identifying opportunities and challenges within the Regional Economic Communities and create awareness</li> <li>• Develop adequate capacities for negotiations, monitoring and evaluating</li> <li>• Ensure that Tanzania’s mandatory contribution to the EAC and SADC are met in time.</li> <li>• Identify and implement strategic sectoral regional projects</li> <li>• SME Sector development and promotion</li> <li>• Building capacity of marketing actors</li> <li>• Implementation of Business Activities Registration Act (BARA)</li> <li>• Enhancing Capacity of trade and markets development support institutions</li> <li>• Enhance trade and business education</li> </ul> | <ul style="list-style-type: none"> <li>• Increase Tanzania World Market Share from current 0.022% to 0.1% by 2015/16,</li> <li>• Increase Tanzania market share in EAC from current 28% to 40% by 2015/16,</li> <li>• Increase Tanzania market share in SADC from current 5% to 10% by 2015/16</li> <li>• Increase contribution of trade to GDP from current 16% to 20% by 2015/16</li> <li>• Trade and marketing information systems established, and related legal framework reviewed and enforced</li> </ul> |

**Total Cost: TShs. 89,370 Million**

### 3.4.5.3 Financial Services

Financial services are the blood-stream through which resources flow to different sectors in the economy, and encompass both the financial and capital markets. There is a close link between the financial sector development and economic growth, whereby a deep financial and capital market facilitates resource mobilization, investment, and economic growth. The stability, depth and

breadth of the financial system determine the ease and cost at which both the public and private sector can raise capital for investment.

Specific efforts will be taken to promote a savings culture through new targeted savings products, and increased access to financial services, through the development of financial markets and micro-credit institutions such as Community Banks, SACCOS, Agriculture Banks and alike. Consistent with the need for the sector to provide the right input to the growth of other sectors, measures will be taken to promote lending to priority sectors and strengthen legislation to facilitate loan recovery.

On the domestic front, savings will be promoted through increased public awareness of market opportunities, promoting new savings instruments and a vibrant secondary market, providing strategic guidance on the investment practices of public guaranteed social security funds, and promoting more long-term development financing, including lease financing. Finally, specific financial institutions will be reinforced in order to (i) increase access to finance, and (ii) to enable appropriate financing for micro, small, and medium projects in the productive sectors.

## Summary

In view of the performance and challenges identified in the previous chapter, below is a summary of the goals, interventions, targets and key outputs to be reached by 2015/16:

| Goal  | Strategic Intervention  | Key Output/Target by 2015/16  |
|---|---|---|
| Strengthen Financial Intermediation and Financial Stability | <ul style="list-style-type: none"> <li>• Increase the efficiency of the banking sector</li> <li>• Strengthening of agricultural financing</li> <li>• Strengthening of manufacture financing</li> <li>• Develop and enhance microcredit schemes for soft and friendly Youth Loans</li> </ul> | <ul style="list-style-type: none"> <li>• Interest rate spread reduced</li> <li>• Attractive saving rate to bolster savings mobilisation achieved</li> <li>• Financial reforms developed and implemented</li> <li>• Ratio of private credit to GDP increased from 16 % to 28 % by 2015</li> <li>• Ratio of domestic deposits to GDP increased from 25 % to 35 % by 2015</li> </ul> |

**Total Cost: TShs. 455,665 Million**

### 3.5. Core Investments

As has been emphasized in the summary tables above, the core investments for the next five years are as follows:

1. Electricity generation to produce 2,780 MW;

2. Expansion of the capacity of the Dar es Salaam port;
3. Rehabilitation of the central railway line and beef-up of the rolling stock;
4. Construction of regional and district roads in the SAGCOT;
5. Country-wide coverage of the ICT backbone infrastructure;
6. Irrigation infrastructure in the SAGCOT;
7. Training students in science, engineering and education;
8. Development of SEZs, especially for electronic goods, farm machinery, and agro- and mineral-processing (integrated textile industry);
9. Large scale fertiliser production;
10. Coal and steel industry.

### **3.6. Summary of the Costs**

Table 3.2 summarises all the costs for all the sectors and sub-sectors, gives the division between the entities bearing the costs (for the sectors in which this decision has already been made), and the division of the total cost into five year tranches.

**Table 3.2: Summary of Financing Requirements for Priority Areas, 2011/2012 – 2015/16 (Millions of TShs.)**

| Sector                               | Total Cost (million TShs.) |                  |                  |                  |                  | 2011/12          | 2012/13           | 2013/14          | 2014/15          | 2015/16          |
|--------------------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
|                                      | Total                      | GOT.             | PPP              | DPs              | Others           |                  |                   |                  |                  |                  |
| <b>Agriculture</b>                   | <b>4,361,576</b>           | <b>1,594</b>     | <b>0</b>         | <b>13,131</b>    | <b>0</b>         | <b>922,685</b>   | <b>912,378</b>    | <b>875,589</b>   | <b>823,757</b>   | <b>827,164</b>   |
| Crops                                | 2,630,654                  | 0                | 0                | 0                | 0                | 457,733          | 497,292           | 528,106          | 555,278          | 592,240          |
| Forestry                             | 71,563                     | 1,594            | 0                | 13,131           | 0                | 29,859           | 8,580             | 10,607           | 11,323           | 11,196           |
| Fisheries                            | 326,180                    |                  |                  |                  |                  | 90,011           | 76,670            | 61,766           | 52,831           | 44,902           |
| Livestock                            | 1,333,179                  |                  |                  |                  |                  | 345,082          | 329,836           | 275,110          | 204,325          | 178,826          |
| <b>Manufacturing</b>                 | <b>1,513,880</b>           | <b>935,900</b>   | <b>190,800</b>   | <b>110,680</b>   | <b>150,000</b>   | <b>199,300</b>   | <b>180,410</b>    | <b>339,430</b>   | <b>519,620</b>   | <b>275,120</b>   |
| <b>Mining*</b>                       | <b>1,383,014</b>           | <b>111,840</b>   | <b>534,800</b>   | <b>0</b>         | <b>482,450</b>   | <b>207,856</b>   | <b>345,694</b>    | <b>345,614</b>   | <b>345,604</b>   | <b>138,247</b>   |
| <b>Transport</b>                     | <b>11,293,947</b>          | <b>4,664,217</b> | <b>402,300</b>   | <b>1,923,406</b> | <b>0</b>         | <b>2,283,026</b> | <b>2,759,728</b>  | <b>2,228,085</b> | <b>2,199,878</b> | <b>1,823,235</b> |
| Roads                                | 7,106,765                  | 4,664,217        | 402,300          | 1,923,406        | 0                | 1,781,924        | 2,137,284         | 1,568,408        | 993,777          | 625,373          |
| Railway                              | 2,097,359                  |                  |                  |                  |                  | 252,535          | 272,065           | 280,385          | 644,615          | 647,760          |
| Marine                               | 995,400                    |                  |                  |                  |                  | 119,212          | 129,124           | 157,262          | 237,984          | 351,818          |
| Airways                              | 1,094,423                  |                  |                  |                  |                  | 129,355          | 221,255           | 222,030          | 323,502          | 198,284          |
| <b>Water*</b>                        | <b>2,326,256</b>           | <b>911,725</b>   | <b>0</b>         | <b>1,414,531</b> | <b>0</b>         | <b>392,985</b>   | <b>540,090</b>    | <b>529,032</b>   | <b>457,898</b>   | <b>406,251</b>   |
| <b>Land</b>                          | <b>142,645</b>             | <b>29,950</b>    | <b>65,000</b>    | <b>27,000</b>    | <b>20,000</b>    | <b>42,139</b>    | <b>34,239</b>     | <b>23,139</b>    | <b>22,139</b>    | <b>20,989</b>    |
| <b>Energy*</b>                       | <b>14,619,211</b>          | <b>1,979,435</b> | <b>875,250</b>   | <b>0</b>         | <b>8,345,544</b> | <b>2,474,127</b> | <b>5,010,213</b>  | <b>3,914,558</b> | <b>1,926,846</b> | <b>1,293,467</b> |
| <b>ICT</b>                           | <b>1,606,450</b>           | <b>432,900</b>   | <b>207,000</b>   | <b>867,000</b>   | <b>0</b>         | <b>408,010</b>   | <b>453,010</b>    | <b>298,510</b>   | <b>176,510</b>   | <b>270,410</b>   |
| <b>Education*</b>                    | <b>1,814,629</b>           |                  |                  |                  |                  | <b>65,076</b>    | <b>354,546</b>    | <b>469,054</b>   | <b>484,101</b>   | <b>441,853</b>   |
| <b>Health</b>                        | <b>2,765,911</b>           |                  |                  |                  |                  | <b>933,033</b>   | <b>721,435</b>    | <b>449,005</b>   | <b>461,881</b>   | <b>200,557</b>   |
| <b>Governance*</b>                   | <b>1,546,877</b>           | <b>400,883</b>   | <b>353,940</b>   | <b>391,545</b>   | <b>0</b>         | <b>411,047</b>   | <b>387,405</b>    | <b>240,072</b>   | <b>185,310</b>   | <b>323,043</b>   |
| <b>Tour., Trade &amp; Fin. Serv.</b> | <b>1,130,853</b>           | <b>96,285</b>    | <b>89,060</b>    | <b>19,510</b>    | <b>150,000</b>   | <b>169,428</b>   | <b>210,464</b>    | <b>205,999</b>   | <b>364,322</b>   | <b>180,639</b>   |
| Tourism                              | 185,818                    | 16,185           | 89,000           | 14,300           | 0                | 18,250           | 53,696            | 43,968           | 36,918           | 32,985           |
| Trade                                | 89,370                     | 100              | 60               | 210              | 0                | 17,568           | 17,914            | 17,916           | 18,010           | 17,962           |
| Fin. Serv.                           | 855,665                    | 80,000           | 0                | 5,000            | 150,000          | 133,610          | 138,854           | 144,115          | 309,394          | 129,692          |
| <b>Employment</b>                    | <b>7,200</b>               |                  |                  |                  |                  | <b>1,710</b>     | <b>1,230</b>      | <b>1,400</b>     | <b>1,400</b>     | <b>1,460</b>     |
| <b>Total</b>                         | <b>43,656,784</b>          | <b>9,484,729</b> | <b>2,718,150</b> | <b>4,761,803</b> | <b>8,997,994</b> | <b>8,376,812</b> | <b>11,771,988</b> | <b>9,775,372</b> | <b>7,659,872</b> | <b>6,072,743</b> |

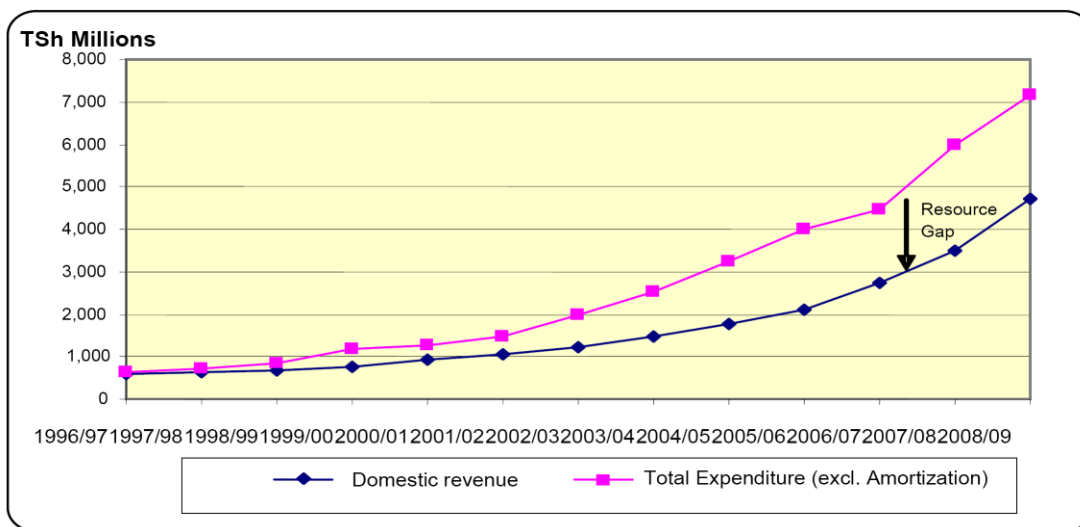
\* For those sectors/subsectors, no 5 year division could be found, so as to give an idea about the annual amounts, the total cost is divided as follows: 15% will be spent in the first year, 25% each year for the following 3 years, and 10% in the final year. NB: the division in financing between the Government, the PPPs, the DPs and other will be completed as the projects are carried out. The text in italic form in the table gives the projects that have already been allocated

# CHAPTER FOUR: SECURING THE FINANCING FOR THE FIVE YEAR DEVELOPMENT PLAN

## 4.1. Introduction

For any plan to be implemented effectively, mobilisation of financial resources is paramount. The Government has relied on two main sources of revenue to finance its recurrent and public investment expenditures: domestic tax revenue and foreign assistance, i.e. grants and concessional loans from both bilateral and multilateral sources. As evidenced in Figure 4.1 below, despite the increase in the overall budget, there is an alarming trend in the growing resource gap between revenue and expenditure, implying the expenditure has been growing at a faster rate than the available financial resources.

**Figure 4.1: Resource Gap 1996/97-2008/09**



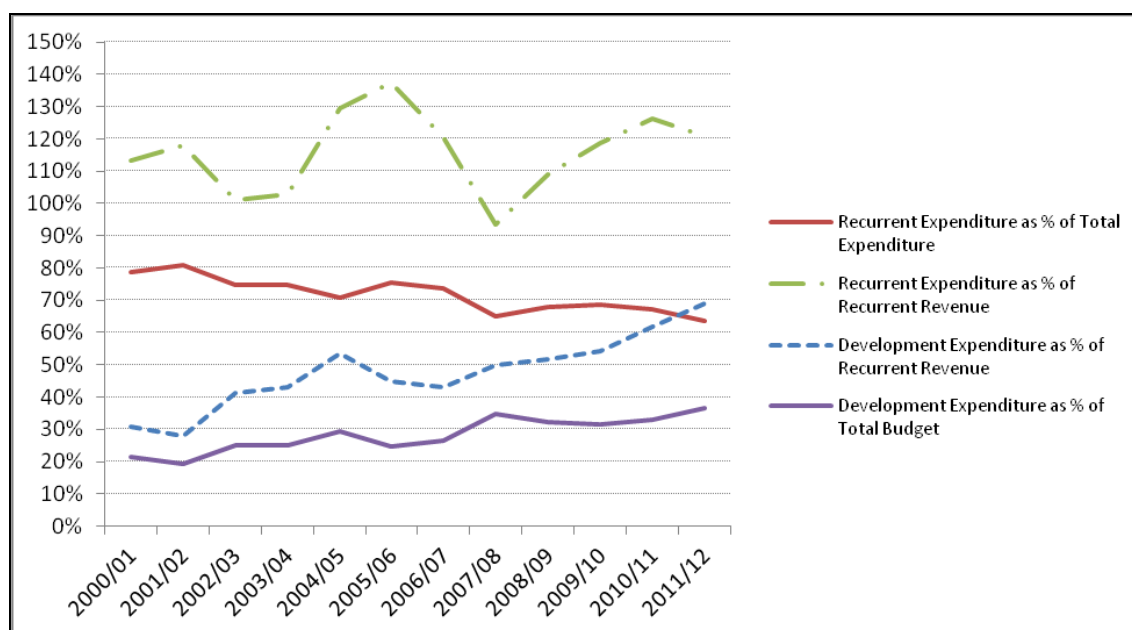
Source: Ministry of Finance, 2010

Further analysis of the budget envelop reveals that the growth of development expenditure has been slow as compared to the growth of recurrent expenditure, suggesting that little has been reinvested to augment domestic capacity to finance future expenditures and self-sustaining growth. Furthermore, it points out that the development expenditure has been dominated by foreign financing, constituting, on average, over 80 percent of total capital expenditure.

Experience over time has revealed that foreign financing inflows are normally unreliable and unpredictable. Over the period, actual official foreign financing inflows have averaged only 40 percent of pledges. Within this level of actual financing, excluding the intangible elements, the net financing has been much lower.

A particularly noteworthy feature of the budget is the unsustainable level of the recurrent budget, with recurrent expenditure exceeding recurrent revenue in ten of the eleven years to 2011/12. Figure 4.2 below shows the pattern of key budgetary parameters over the initial implementation period of the Tanzania Development Vision 2025 (2000/01 to 2011/12<sup>6</sup>). Although the share of recurrent expenditure in total expenditure has declined from 79% to 64% over the period, its financing is substantially dependent on non-recurrent sources, especially external grants and loans. Also, recurrent expenditure is non-discretionary (e.g. wages, debt service, and expenditures of a similar nature), this imposes inflexibility in the budget, making it more difficult to find fiscal space for increased investment spending and adequate provision for maintenance in relation to new infrastructure.

**Figure 4.2: Trends in Composition of the budget (2000/01 – 2011/12).**



Source: Ministry of Finance, IMF Reports, and POPC calculations.

<sup>6</sup> 2011/12 figures based on Government budget as presented to Parliament.

## **4.2. Effective Resource Mobilisation Strategy for FYDP I**

The promulgation of the first FYDP heralds a new era in the national efforts towards achieving the country's development objectives as enshrined in the Tanzania Development Vision 2025. As such, implementing the Plan will not only require a change in the way public and private sector investment is managed and prioritised, but also a significant increase in the level of resources devoted to this objective. It is essential, therefore, that more reliable and innovative sources to sustainably finance development are identified. Consequently, the Government will diligently seek to secure the financing for FYDP I through the promulgation of a dedicated strategy to mobilize the required financial resources as well as ensure the efficiency of its management. This will entail determining effective means to:

- Mobilise domestic, regional and international resource potentials and capacities; and leverage them for development; and
- Negotiate mutually beneficial strategic alliances to secure such financing.

The specifics of this resource mobilisation strategy are described below.

## **4.3. Financing Instruments**

The Plan will be funded by both innovative and traditional instruments of development finance. The resources generated by innovative sources will be earmarked almost exclusively for the financing of the Plan. A more robust profile will be required to continually identify the possible innovative and conventional financing instruments.

### **4.3.1. Innovative Instruments**

#### **i. Annual Expenditure Quota**

Over the last decade, total development expenditure has varied between 28% and 69%<sup>7</sup> of domestic revenue, averaging 48% for the whole period. Cognizant of the fact that there will always be some investment projects outside the FYDP, the Government shall henceforth allocate at least 35 percent of the projected annual domestic revenue to development. While this, in itself,

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<sup>7</sup> Currently development expenditure is almost fully dependent on external financing, as domestic revenue was sufficient enough to finance only part of recurrent expenditure.

does not put new resources on the table, it establishes a principal to ensure there is always a budgetary recurrent saving to be applied towards development financing.

## **ii. Infrastructure and Savings Bonds**

### ***a. Diaspora Bonds:***

There is a large number of Tanzanians living abroad who would like to channel their savings to their motherland's development effort. Though official statistics are not readily available, it is estimated, for example, that there are about 100,000 Tanzanians in the UK alone. By encouraging such Tanzanians to invest back home, and given a well formulated system, a significant amount of savings may be raised and be available for investment. Moreover, the Government could significantly increase revenue collection through taxes on domestic investments and businesses of such Tanzanians living abroad. The Government will create an environment conducive for this to happen, including the creation of special savings instruments for Tanzanians in the Diaspora, improvement in the banking processes, reduction in costs of money transfers to Tanzania, and facilitating the inflow of remittances. An innovative way of harnessing financial resources from the Diaspora is through 'Diaspora Bonds', which are financial instruments tailored to target members of the Diaspora.

### ***b. Domestic Bonds***

The Government will issue special bonds on the domestic market for infrastructure financing. Attention shall be put on harnessing the excess liquidity in the market, and spending the proceeds there from on imports of infrastructure goods and services. Specifically, special care shall be taken to link this with liquidity management operations of the Bank of Tanzania and the need for maintaining sustainable foreign reserves.

### ***c. Foreign Market Bonds***

The Government will issue commercial debt (Sovereign Bonds and others) on international capital markets to finance carefully selected infrastructure projects with a demonstrated potential of generating requisite foreign exchange for servicing the debt.



### **iii. Pension and Social Security Funds**

In addition to the key role of managing the savings of workers in the formal sector, Tanzania's pension funds are important players in the country's financial and capital markets. All of the existing funds are guaranteed by the Government, meaning that taxpayers carry contingent liability equivalent to the future liabilities of the guaranteed funds.

The Government, through the Social Security Regulatory Authority and the Bank of Tanzania, is developing investment guidelines for all such funds operating in the country, aimed generally at ensuring their stability and sustainability. As part of that, publicly guaranteed funds shall be required to hold a predetermined share of Government instruments, the proceeds from which shall be used to finance the Plan. To start with, the funds shall be required to place the prescribed share of all new investment into such securities, and adjust the composition of their total portfolio to the prescribed level over an agreed period of time.

### **iv. Strategic Partners' Grants and Donations**

Tanzanians will be called upon to volunteer and contribute to the financing of the Plan through denotation. National political leaders, religious and other civic leaders will be encouraged and involved in spreading the patriotic call for the nationals to contribute to their development. Tanzania's Development Partners and Friends shall equally be called upon to donate to Tanzania's development.

### **v. Government Guarantee**

#### ***a. Public institutions***

Many of the public institutions owning a number of the projects earmarked in the FYDP have strong enough balance sheets and cash flows to raise debt directly from the market. Nevertheless, and being publicly owned, lenders will usually require assurance that the Government – being the ultimate owner and sovereign authority – will not act to jeopardise the institution's ability to service the debt.

The Government will work with such public institutions and their potential lenders, and provide the requisite guarantees (where these are necessary) to ensure timely financing for the respective FYDP projects.

***b. Private Sector (PPPs)***

Guarantees will be provided to private sector investors through various instruments, including the World Bank managed Multilateral Investment Guarantee Agreement (MIGA), the African Trade Insurance Agency (ATI), the public-private partnership framework, and direct guarantees subject to applicable laws.

The Government recognises the fundamental role the private sector plays in economic development. Over the past two decades, the private sector has played a strategic role by increasingly financing construction and managing infrastructure assets in developing economies. PPP arrangements provide a better means of sharing benefits and risks associated with infrastructure projects between the public and private sectors. The FYDPI will strongly encourage the private sector to play a major role in development financing in order to reduce pressure on fiscal space of Government, hence allowing government resources to be channelled to more strategic public investments. The Government will, therefore, devise clear legal, regulatory, and pricing frameworks, to encourage increased private sector participation in development financing, construction, and management of infrastructural assets. The principles that underlie public-private partnerships (PPPs), such as affordability, cost effectiveness, value for money, transparency and risk management will be promoted. In addition to hard infrastructure projects, the PPP model will be expanded to include soft infrastructure including higher education and other human capital development interventions.

Additionally, the Government will strengthen the PPP unit in the Ministry of Finance. Experiences from other countries show that PPP units have been established and housed in the Treasury, largely because PPP activities deal with fiscal policy issues to guide private sector financing and operations.

## **vi. Sovereign Borrowing**

The Government will continue developing financial sector reforms, which will, among others, increase the capacity of the domestic financial market to absorb government financing instruments. Meanwhile, the Government will continue with the process of accessing the external sovereign debt markets as a source of infrastructure financing. The last few years have seen comparable countries (such as Gabon, Ghana, Mauritius, and Seychelles) successfully issue US-dollar denominated sovereign bonds on international markets with maturities of between 5 and 10 years, which is longer than Tanzania's domestic debt average maturity of 4.3 years. It is particularly noteworthy that the recent developments (following the financial developments) have increased international investors' interest in developing economies' debt assets. At the appropriate time, the Government will finalize necessary procedures in order to successfully enter as a first-time issuer in the international capital market.

## **vii. Regional Economic Arrangements and South-South Cooperation (SSC)**

Within the framework of regional economic integration in the East African Community and Southern African Development Community (SADC), member countries have forged effective financing mechanisms for the joint financing of economic infrastructures to link their economies. The Government will tap this source in respect of qualifying projects enlisted herein. At the same time, new strategic partnerships between Tanzania and emerging economies, especially the BRIC countries (as part of the South-South Cooperation initiative), are much needed development finance sources.

## **viii. Taxation on Financial Transactions**

According to the Economic Commission for Africa, Currency Transaction Tax (CTT) and Financial Transaction Tax (FTT) are new popular and innovative taxes to fund development finance. Both CTT and FTT, levy minor taxes on financial transactions especially on those conducted by private financial institutions. The Government will examine the feasibility of such a tax in Tanzania, with the revenue so generated channelled towards development expenditures.

## **ix. National Climate Fund**

Tanzania will explore the possibility of creating a National Climate Fund to better access and manage the global climate change finance. This will follow the successful implementation of similar funds in countries such as Brazil, China, and Indonesia. There is scope for enhanced earning by avoiding deforestation and trading the associated carbon credits. Also, reducing the carbon emission in Government construction projects and other public investments, and simultaneously marketing these carbon credits, will provide additional sources of funding. The introduction of an indirect ‘carbon tax’ based on the carbon content of the oil, coal and natural gas, could provide more finances for development expenditure.

## **x. The Debt to Health Initiative**

This initiative founded by the Global Fund to fight AIDS, tuberculosis and malaria, aims to channel resources of indebted countries from debt repayment towards health development. Tanzania will tap into the Debt to Health initiative, and initiatives of similar nature (like the International Finance Facility for Immunisation), to mobilise more resources to implement qualifying healthcare projects under FYDP I.

## **xi. Voluntary Based Initiatives**

There has been an increasing trend in the voluntary profit sharing initiatives (like the ‘ProjectRed’ and the ‘MASSIVEGOOD Initiative’) from large multi-lateral corporations to promote development projects in the developing world. Tanzania will strive to forge ties with these initiatives and further encourage these voluntary based initiatives.

## **xii. Sub-Sovereign Bonds**

According to the World Bank, an important potential source of financing, especially for infrastructure investments in Africa, is sub-sovereign bonds. It involves bonds issued by governmental bodies and local government institutions, possibly guaranteed by international development partners. Sub-sovereign bonds have been successfully implemented in countries

like Philippines, India and South-Africa. A Dar es Salaam Urban Development Fund (DUDF) will be developed as a sub-sovereign debt issuer in this manner.

### **xiii. Super Profit Tax on Minerals**

Revenue from the mineral resources will be one of the important sources of financing FYDP I. Currently, the revenues from the mining sector, especially gold, are relatively small. While annual gold exports have tripled in the last five years from US\$ 0.5 billion to US\$ 1.5 billion (7 percent of GDP) due to the rise in the price of gold, government revenues have remained at around US\$ 100 million a year (0.5 percent of GDP). Considering the increasing trend in mineral prices, it is vital to introduce a super-profit tax on the windfall earnings from the mineral sector. For instance, Australia implemented a super-profit tax on its mineral sector and is expected to earn \$9 billion each year from this venture. Also, improvements in mining tax administration will be one of the measures to be taken to generate further revenue.

### **4.3.2. Conventional/Traditional Sources**

Along with the innovative sources, all conventional means of development financing resource mobilisation, such as tax collection, non-tax revenue, foreign grants and concessional loans, credit and loan guarantee need to be strengthened to maximise revenue collection in order to finance the Plan. In view of this, more bold measures will have to be taken to strengthen the conventional financial resource mobilisation, particularly in the following areas:

#### **i. Tax Collection**

The average ratio of tax revenue to GDP has been around 12.2 percent over the period 2001/02 to 2009/10. This ratio has generally been increasing, reaching 16.3 percent in 2010/11. The low level of the tax revenue to GDP ratio suggests that there is a significant part of economic activities that operate in the informal sector. Hence, there is still scope for increasing tax collection, which must be fully used to bolster resources for funding FYDP I.

The first step in improving tax collection is to reduce tax exemptions to the minimum, particularly the discretionary ones. According to the IMF, tax exemptions are currently not well monitored and cost the government 3½ percent of GDP per year.

Secondly, more innovations will be employed to expand the tax net by bringing in the informal sector and taxing incomes that are not channelled through the payroll. As FYDP I is the first coordinated Plan to realise Tanzania’s aspiration to become a MIC by 2025, full utilisation of this potential to increase the tax to GDP ratio will be one of the main objectives. The target is to increase the current tax revenue as percentage of GDP from around 15 percent to 19 percent by 2015. Table 4.1 compares Tanzania’s tax revenue as share of GDP with respect to some other countries. Though Tanzania fared well in this account compared to other EAC countries, except for Kenya, there is still scope for further improvement when compared to countries like Vietnam and Malaysia.

**Table 4.1: Tax Revenue as Percentage of GDP in Selected Countries**

|                               | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|-------------------------------|---------|---------|---------|---------|
| <b>East African Countries</b> |         |         |         |         |
| Burundi                       | 13.7    | 13.8    | 13.9    | 14.3    |
| Tanzania                      | 11.3    | 13.0    | 14.7    | 15.3    |
| Uganda                        | -       | 11.9    | 12.6    | 12.6    |
| Kenya                         | 17.9    | 19.4    | 19.9    | 21.2    |
| Rwanda                        | 9.9     | 10.0    | 9.7     | 12.0    |
| <b>Other Countries</b>        |         |         |         |         |
| Vietnam                       | 24.3    | 23.5    | 24.8    | 22.3    |
| Malaysia                      | 21.5    | 21.8    | 21.6    | 23.3    |
| India                         | -       | 11.1    | 12.0    | 10.9    |
| Cameroon                      | -       | -       | 12.3    | 12.7    |

Source: Ministry of Finance, EAC Facts and Figures, IMF Staff Reports and Computations by the Authors

IMF estimated that the actual revenue collection on the basis of the existing tax structure fell short of potential by an estimated 6 percent of GDP in 2008, compared to a shortfall of 2 percent of GDP in Kenya. In comparison, Tanzania’s tax performance lags behind in nearly all categories. Corporate income tax collection, for example, is only half as good as in the rest of sub-Saharan Africa, while VAT compliance is substantially lower. The excise tax rates are also lower than in other EAC countries. This leaves room for improvement in these areas in order to increase the fiscal space in the implementation of the Plan.

Finally, the management of tax collection processes will be improved in order to ensure that the loopholes for tax evasion are minimised.

## **ii. Non-Tax Revenue**

A number of other possible areas have been identified to enhance domestic revenue collection. These include the following:

### ***a. Natural Resources and Tourist Charges***

Tanzania is richly endowed with natural resources that range from forestry and wildlife to mineral resources, from natural gas to fish, and from attractive mountains to a long and beautiful coastline blessed with abundant marine resources and exceptionally attractive beaches. If these natural resources are properly harnessed and taxed, no doubt the country would go a long way in becoming self-reliant in financing both recurrent and development expenditure. The Government will put in place mechanisms for maximising the collection of resource rents from these natural resources. Steps such as auctioning of hunting blocks or trophies and maximising both taxes and royalties from mineral resources will be put in place to ensure these natural resources become an important source of financing FYDP I. An innovative taxing mechanism, along with increased domestic participation in mineral extraction and processing, will be resorted to ensure enhancement of income from the country's vast mineral resources. The Government will review the rates of - and streamline the collection of - charges and fees for the exploitation of natural resources including wildlife, forestry, and marine resources. In addition to generating revenue, the aim is to ensure a sustainable harvesting of the resources.

### ***b. Road Fund***

The Road Fund was introduced through a fuel levy and has become one of the primary sources for financing road projects in the country. This Fund is legally established specifically for maintaining roads in the country. The legal provisions establishing the Fund constrain maximisation of opportunities available to use this quite significant and reliable source of revenue for more creative financing of the roads' physical infrastructure, for example through debentures. The Road Fund Act will be revisited to expand its use for additional recurrent and

development financing. The strategy will be to enhance the Fund to allow its use as collateral in borrowing from domestic financial institutions, with the loans being used to speed-up the construction of earmarked roads and to ensure timely maintenance of roads.

***c. Road License, Goods, Motor Vehicle License and Vehicle Inspection Fees***

These are other avenues that will be used to boost public revenue collections, to hasten provision of an effective national road network. The proposal is to extend the road license period beyond current annual exercise. These changes, together with the annual vehicle inspection fees for road worthiness, would be collected by vehicle insurance agencies, on behalf of TRA. Funds collected through these means can then be used as debentures to raise additional funds for improvement of the national road network.

***d. Domestic Borrowing***

The contribution of the domestic debt market to the fiscal expenditure is an important source of financing, in tandem with appropriate focus being placed on maintaining macro-economic stability and an enabling environment for private sector investment. Ongoing reforms in the financial sector, aiming at both deepening and widening the scope of financial and capital markets, should greatly benefit this objective. The Government has continued to borrow from the domestic market to finance budget deficits resulting from high recurrent expenditure outlays. This will be changed so that borrowed funds are used exclusively to finance capital outlays. During the tenure of this Plan, it is projected to raise the gross domestic saving as share of GDP from the current 10.6 percent to 14 percent by 2015/16. This will imply availability of more domestic resources at Government's disposal. However, the Government will utilise these resources specifically for investment purposes in order to avoid crowding out of commensurate private investment in the economy.

***e. Privatisation and Sale of Non-core Public Assets***

The budget is also financed through the sale of shares or privatisation proceeds of State-owned enterprises. It is prudent that proceeds from the sale of shares owned by the Government in public enterprises as well as part of its dividends/retention earnings be used to finance development projects.



#### ***f. Foreign Grants and Concessional Loans***

This financing window will continue to be an important source of financing national development priorities. Further, the Government will take advantage of emerging sources of bilateral financing in meeting the growing needs of infrastructure development. In view of the increased financing requirements, Tanzania will work with all multilateral financing institutions with a view to receiving their commensurate response by way of scaling-up their resource envelopes. Allocations to the financing of the Plan shall at least match the increase in the envelope. It will participate more actively in the AfDB Programme for Infrastructure Development in Africa (PIDA) and similar international initiatives organised by development partners.

The Government will also work with bilateral development partners to increase their contribution to the nation's development effort through FYDP I projects.

#### ***g. Bolstering Skills Development Financing***

In view of the fact that improved skills benefit all aspects of economic activity, the costs to up-scale skills should be shared evenly by all employers. The Skills Development Levy will be separated from VETA, and its base will be expanded to include all employers. The collection of the Levy resources will be made by sector-specific organisations which would, additionally, carry out regular skills and capacity gaps identification in respective sectors and suggest strategies to address them. The Tanzania Employment Services Agency (TaESA) will liaise with these sector-specific organs responsible for skills development with a view to assessing and identifying the scarcest skills needed by the market and support them accordingly. TaESA will also be the coordinator of the revamped Skills Development Levy.

#### ***h. User and Service Charges***

The Government will review the rates of - and streamline the collection of - charges for some of its services. Other areas that will be explored are finances from Executive Agencies and the whole issue of strengthening LGAs' revenue collection and administration.

#### **4.4. Institutionalisation of the Dynamic Resource Mobilisation Mechanism**

The mobilisation and management of these resources will require a dynamic operational mechanism to ensure availability and efficient utilisation. Through the existing institutional framework, a Resource Mobilisation Committee will be established whose key functions will include;

- (a) Making follow-ups to ensure actual resource inflows;
- (b) Spearheading M&E of FYDP I implementation.

Accurate estimations of the contributions from both traditional and innovative instruments mentioned above will be conducted by this committee. The specific operating procedures including governance, consultations, authorisation and disbursements will be finalised jointly by the POPC and the MoF.

#### **4.5. Guidelines for Expenditure Probity**

The implementation of the country's development agenda is currently trailing behind the set targets. In order to complement resource mobilisation strategies, both the conventional and innovative measures described in the previous sections will be developed by the Government in order to set aside a minimum threshold of 35 percent of the national budget to finance development expenditure each year.

##### **4.5.1. Intensifying Efforts to Rationalise and Contain Public Expenditure**

During the last decade, the ever-growing recurrent public expenditure translated into heavy taxation on a few taxpayers in formal businesses and employees. The concern is that some of the expenditure items do not maximise value for money, but are mostly on the fringes of the national development agenda. In order to control the government expenditure, several measures to improve public expenditure will be explored for possible implementation. These measures can be broadly classified into the following categories;

- i. Reduce and streamline current spending: For example, rather than pay travelling allowances, officials can be issued with imprests which must only cover essential costs. Further, the cadre of public officials who are given chauffeur driven cars could be

reduced in exchange for a better salary. These measures will save public money, motivate officials in a more equitable way and increase value for money. Also, gradual withdrawal of government subsidies to utility companies will considerably reduce government expenditure.

- ii. **Efficient Public Financial Management:** To exemplify, an avenue to save public funds is through the elimination of inefficiencies attached to infrastructure maintenance. Lack of timely proper maintenance of infrastructure will require additional rehabilitation expenses. The World Bank estimated that about USD 2.4 billion per year of capital spending on rehabilitation of Africa's roads could have been avoided with timely preventive maintenance. This, along with inefficiencies attached to distribution losses, under-collection of revenue from public utilities and overstaffing, costs huge amounts to the Government. These inefficiencies will be checked immediately.
- iii. Public financial management can be further improved by increased financial transparency. Clarifying the role and responsibilities of government and public financial management institutions and enhancing civil society participation in the budgetary process are certain ways of achieving this end.

#### **4.5.2. Ensuring Adequate Provision for Recurrent Cost Implication of Public Investment**

All major public investment programmes have implications for increased operational and maintenance expenditure<sup>8</sup>. Therefore, in order to make sure that the enhanced stock of infrastructure and other capital investments are adequately maintained and utilised, the Government, in its annual budget, will have to provide adequate allocations of recurrent budget so as to avoid a deterioration of this capacity due to a lack of maintenance. Such neglect in the 1970s and 1980s had led to serious deterioration of roads and water systems, which have cost the nation substantial resources to rebuild.

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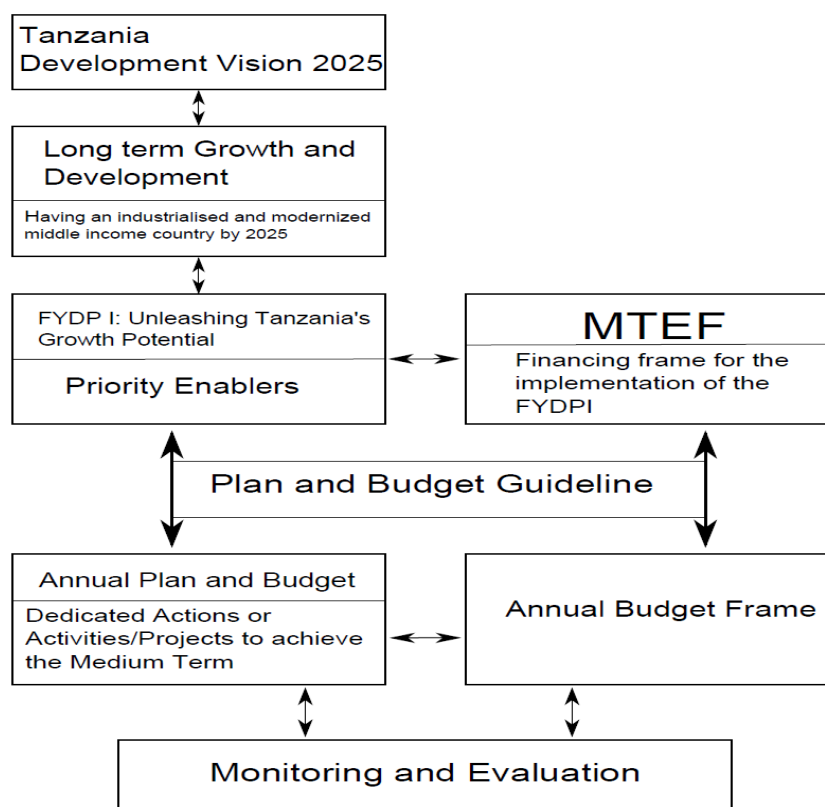
<sup>8</sup> As a rule of thumb, USD 1 of infrastructure investment generates USD 0.33 for maintenance and upkeep.

## CHAPTER FIVE: IMPLEMENTATION FRAMEWORK

### 5.1. Introduction

From the onset of the economic reforms in the early 1980s, the annual planning and budgeting processes have been guided by variants of three year medium term plans, namely the Rolling Plan and Forward Budget, the Medium Term Expenditure Framework, and the Plan and Budget Guidelines. As such, the reinstatement of five year development planning necessitates some re-alignment of the annual planning and budget processes to ensure that they are informed by and support the implementation of the FYDPs. The FYDPs will be implemented through approved annual plans with clearly stated programmes and projects. Figure 5.1 depicts the implementation framework of the FYDP.

*Figure 5.1: Tanzania's Plan Implementation Framework*



This chapter motivates and charts-out an implementation framework for the FYDPs, outlining the activities pertaining to each of the four key overlapping processes that underpin the development,

approval and implementation of the annual plans. These four processes are plan preparation, budget preparation and approval, coordination of plan and budget execution, and finally monitoring and evaluation. The following sections describe each of these processes.

## **5.2. Implementation Arrangements**

### **5.2.1. Annual Plan Preparation and Approval**

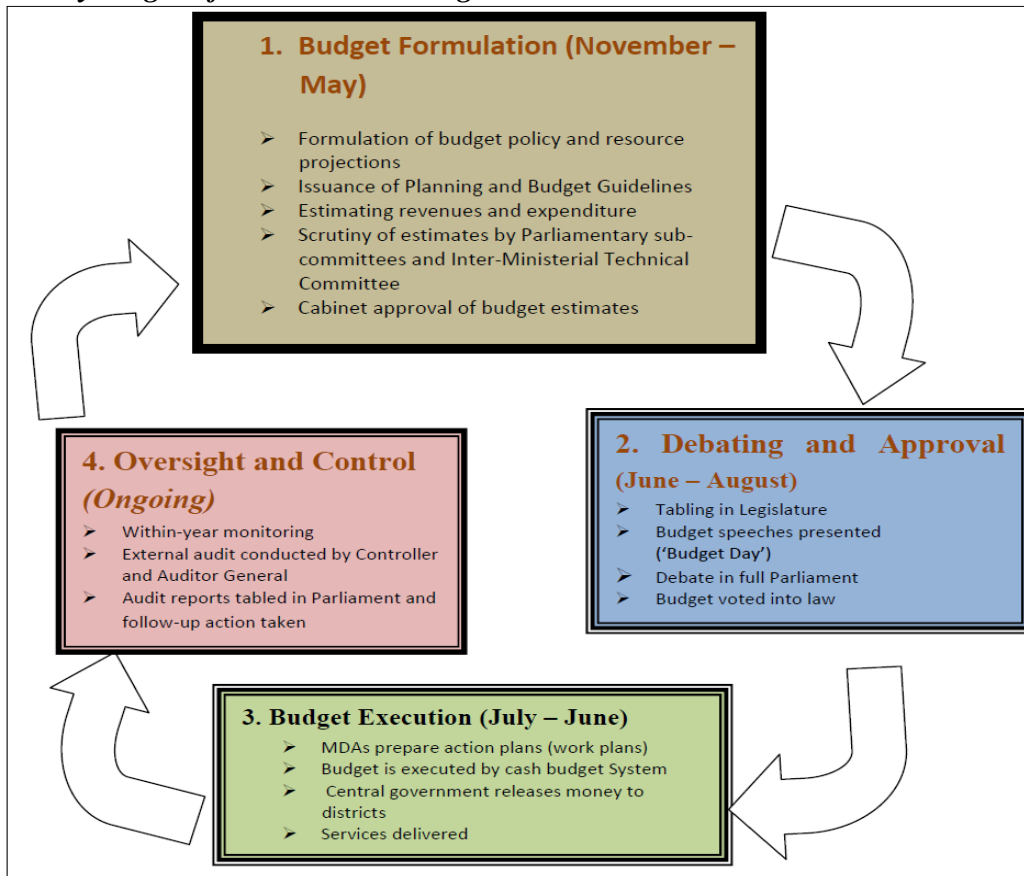
FYDPs will be implemented through approved annual plans with clearly stated programmes and projects. It is essential, under the FYDPs, that each MDA/LGA is able to prepare plans, which clearly delineate requirements for general administration, running expenses and personnel related expenses from investment requirements. The aim of this separation is to make it possible for more resources to be directed to investment for development and less for consumption.

POPC will develop comprehensive criteria for selecting projects for the Annual Plan latest by January 2012. MDAs, RSs and LGAs will in turn submit their Annual Plan proposals to MoF by March. Prior to submission, these plans will have to be endorsed by relevant committees in the MDAs, RSs and LGAs. All strategic national investment projects will have to be subjected to POPC scrutiny and endorsement to qualify for incorporation into the annual plans for a claim over government budget resources.

### **5.2.2. Budget Preparation and Approval**

The second level of the implementation framework is the budget preparation. A sound budget preparation process is essential for the successful implementation of the development and the Plan objectives. The envisaged preparation process for the Annual Plan will match the current budget process. The key stages of the existing budgeting cycle are depicted in Figure 5.2 below.

**Figure 5.2: Key Stages of the National Budget Process**



During the early part of the budget formulation phase (December-January), POPC and MoF will jointly issue the Annual Plan and budget guidelines for the MDAs, RSs and LGAs. The POPC will ensure that these guidelines incorporate the priorities outlined in the FYDP. Following the receipt of the guidelines, MDAs, RSs and LGAs will prepare the Annual Plans, as described in the previous section, along with the Annual Budgets. The MoF and POPC will scrutinize the budget together with the Annual Plans, and submit the consolidated budget for Government approval and subsequently to the Parliamentary Sectoral Committees (PSCs) for scrutiny. The final step prior to implementation will be to seek parliamentary approval of the Plan and Budget.

### **5.2.3. Annual Plan Execution and Coordination**

The Plan execution and coordination will remain the responsibility of MDAs, RSs and LGAs. The POPC will take the lead role in the coordination, monitoring and evaluation at national level, specifically for strategic national investment projects/programmes. The specific roles of the lead actors involved in the execution process are described below.

### ***a. Role and Functions of the POPC***

A fundamental departure from previous implementation styles of national plans and programmes is that the FYDP emphasizes discipline in achieving agreed benchmarks and set targets. To underpin such discipline, effective monitoring of implementation of the Plan at national level will be spearheaded by the POPC. In this regard, the plan and budget guidelines issued jointly by POPC and MoF will have to be strictly adhered to by all MDAs, RSs and LGAs. POPC will be responsible for the preparation of a mid-year implementation report of the Annual Plan at national level for Government review and consideration.

The POPC, as the Government's main Think Tank on socio-economic management, will:

- Take the lead in articulating and influencing the direction of economic management in the country; and
- Guide national planning, working in close collaboration with the Ministry of Finance.

The Planning Commission, apart from providing strategic thinking and advice to the Government on economic management and planning, will advise on the mobilization of financial and human resources for the implementation of development projects. In addition, a unit will be established in POPC with the prime responsibility of facilitating and following-up the implementation of strategic national investment projects and programmes.

Subsequently, effective implementation of the Plans will require that the implementation capacity of the departments for policy and planning at MDAs, RSs and LGAs level be developed/strengthened. Capacity assessment, especially during the implementation, will help identify needs and chart-out capacity development programmes to bridge gaps for effective delivery of the Plans.

### ***b. Role and Functions of the Ministry of Finance***

The main preoccupation of MoF will remain: (i) the mobilization of the finances of the Government, (ii) the coordination of inter-governmental and international financial and fiscal relations, (iii) collaborate with POPC to establish a joint committee to ensure that the annual Plans resonate well with the budget frame; (iv) jointly issue the plan and budget guidelines to be

observed by all MDAs and Local Authorities; and (v) work with POPC in identifying alternative sources of financing development programmes.

***c. Role and Functions of the MDAs and LGAs***

The implementation of FYDP's priorities, programmes and projects will be the responsibility of MDAs/RSs/LGAs as well as the Non-State Actors as appropriate. MDAs/RSs/LGAs will initiate specific projects and programmes aimed at reaching the stipulated goals and results. Programmes and projects' selection by the MDAs/RSs/LGAs will be required to comply with FYDP priorities. Also, MDAs/RSs/LGAs will be required to provide information on the implementation of the Plan to facilitate POPC in its M&E functions. It will be the responsibility of local governments and sectoral ministries to ensure that the priorities identified by communities and sectors respectively are in line with national priorities.

***d. Role of the Private Sector***

Participation of the private sector is fundamental in the implementation of FYDP I. This is in recognition of the policy decision recognising the private sector as the true engine of growth and the facilitative role of the public sector in this regard. It is therefore important that the action plan that has been prepared by the Government to improve the business environment is implemented in earnest to be able to attract both local and foreign investments, and thereby create job opportunities.

Equally important will be the operationalisation of the PPP policy and associated legislation. As explained in the Public-Private Partnership Act (2010), the role of the private sector for the successful implementation of PPP projects will be (i) to carry-out feasibility studies, (ii) to mobilise resources, (iii) for purposes of risk sharing, (iv) for monitoring and evaluation, and (v) to provide technical expertise and managerial skills. For this to work, deliberate efforts will also be needed on the part of the Government to facilitate and support the private sector to grow and flourish. Some of the important interventions include the recapitalisation of the Tanzania Investment Bank and the establishment of the Agricultural Development Bank, to offer long-term finance. Similarly, greater support to the Tanzania Women Bank, promotion of community banks



and rural finance institutions will be critical in enhancing private sector participation in the implementation of the Plan.

*e. Other Institutional Arrangements*

The implementation is underpinned by the current thrust of macro-economic policy framework, which prioritizes efficiency and effectiveness in public service delivery, to achieve results, transparency and accountability in the use of available resources. Invariably, measures need to be undertaken to ensure these policies are entrenched and institutionalized across all levels of implementation.

*f. People's participation*

This Plan is premised on the principle that every Tanzanian has the duty and responsibility to play an active part in the development of the motherland. An important objective of the Vision therefore, is to mobilise and coordinate people's efforts toward national development. In this regard, it will be important to build a culture and attitude of "we can do" and move out of the now entrenched dependency mindset. Over-dependency on both the Government and donors is unsustainable. The Plan therefore advocates for (i) popularizing the national aspirations articulated in the Vision and implementation plans and the roles of various segments of the Tanzanian society from national to village and individual levels, (ii) enhancing entrepreneurship, and (iii) targeted support for disadvantaged and most vulnerable groups in society.

#### **5.2.4. Monitoring and Evaluation**

The general objective of FYDP M&E is to assess the progress towards set-targets, outputs and objectives in order to provide space for evidence-based dialogue and policy thinking on economic growth and social development.

Tapping from the existing national and sector/thematic-based M&E systems, the FYDP-M&E framework will be programme/project-based per reporting of Ministries, Departments and Agencies (MDAs) and Local Government Authorities (LGAs) as currently set under the revised Planning, Budgeting, Monitoring and Reporting (PBMR) Manual. In this case, the specific objectives of FYDP-M&E framework are:

- i. To ensure timely availability of reliable and adequate data for monitoring programmes and projects;
- ii. To carry out detailed analysis of programme data on growth and poverty trends;
- iii. To promote evidence-based programme planning, programme budgeting, and decision making at all government levels;
- iv. To enhance storage, retrieval, access, and use of data by a wide array of development stakeholders, and to disseminate the findings of research and analysis of various programmes data to the same;
- v. To promote evidence-based dialogue among development stakeholders.

There will be a special monitoring and evaluation framework for national strategic projects. This will be undertaken in two stages, namely: (i) the operational stage, where POPC will have a coordination role with the view to iron-out operational constraints, gathering all stakeholders to discuss and deliberate on the way forward, and (ii) a decision making stage, where the POPC will have to report to the Economic Committee of the Cabinet, on a quarterly basis, on the status of the national strategic projects in order to inform them and receive directives.

To this effect, a well coordinated government-wide system for tracking, evaluating and getting feed-back on the implementation of the Plan and its results will be established. Capacity building for Monitoring and Evaluation need to be undertaken in all MDAs, LGAs and all implementing agencies beyond the public service system. It is important that all implementing agencies are competent in tracking, evaluating and reporting the progress made adequately and timely. Consequently, a participatory approach, which entails the involvement of all key stakeholders, will be adopted. This will enable all actors to fully internalise and own the system as well as use the results to guide further actions.

On the basis of this, the following consultative forums will be established and spearheaded by POPC: (i) Annual Sector Performance Review, (ii) Mid-Term Plan Review, and (iii) Final Plan Evaluation. In this forum it will be established how well the Plan has been actualised and through the developed controlling and feedback mechanism, the forums shall be comparing targets and

resources on a continuous basis. The forums will also set up strategies to tackle the encountered implementation bottlenecks or problems.

#### **5.2.5. Fiscal Year 2011/12 as a Transition Period**

In view of the delays in finalizing FYDP I, it is proposed that fiscal year 2011/12 be a transition year as a way of addressing the challenge of synchronizing the budgetary process for the next fiscal year and the first year of the Five Year Development Plan. This implies that only a few projects from the MDA Plans that qualified as having a “growth unleashing potential” were picked for 2011/12 and adopted as FYDP I projects. Fortunately, MDAs and LGAs were instructed early on in the budget process to prepare their Plans along broad guidance on prioritization for the five year period. The pillars and priorities of FYDP I therefore inspired the preparation of the 2011/12 budgets. Subsequently, the fiscal year 2011/12 will be used to prepare for the full-scale integration of FYDP I and the Budget process starting in fiscal year 2012/13. This will include undertaking work on feasibility and funding options for critical projects that have not been identified in the MDA Plans ready for their implementation to commence starting in 2012/13. The transition year will also be used to polish implementation arrangements, including institutional and legal reforms necessary to bind all agencies to the approved Plans and Budgets.

#### **5.2.6. Reports and Reporting Arrangements**

FYDP will follow the routine reporting arrangements as stipulated in the Manual for Planning, Budgeting, Monitoring and Reporting (PBMR).

### **5.3. Summary of the Implementation Process**

The table below summarises the annual timeframe for the various planning activities, and the institution that will be responsible for the given activities, as explained in the previous sections:

**Table 5.3: Annual Planning Timeframe**

| <b>Activity</b>  | <b>Timeframe</b> | <b>Responsible Institution</b> |
|--|------------------|--------------------------------|
| Issuance of the annual plan and budget preparation guidelines for the One Year Development Plan              | January          | POPC/MoF                       |
| <i>Quarterly M&amp;E report</i>  | <i>January</i>   | MDAs/RSs/LGAs                  |
| Annual Sector Performance Review   | February         | Each Sector                    |
| Preparation of plans   | Before March     | MDAs/RSs/LGAs                  |
| Plans approved by relevant committees after appraisal process within the relevant institutions/organisations | Before March     | MDAs/RSs/LGAs                  |
| Programmes and projects are reviewed by the Budget Scrutinization Committee (BSC)                            | April            | MoF                            |
| <i>Quarterly M&amp;E report</i>  | <i>April</i>     | MDAs/RSs/LGAs                  |
| Cabinet to exercise their scrutiny and approval functions  | May              | IMTC                           |
| Consultation and agreement on activities to be incorporated in the plans                                     | January-June     | POPC/MoF                       |
| June: Passing of the Budget and start of the next fiscal year  |                  |                                |
| Issuance of the Action Plans   | July             | MDAs/RSs/LGAs                  |
| Verification of whether the Action Plans are in line with FYDP   | July-August      | POPC                           |
| <i>Semi-annual M&amp;E report</i>  | <i>December</i>  | MDAs/RSs/LGAs/ POPC            |
| Annual Implementation Report   | May              | MDAs/RSs/LGAs/ POPC            |

# Annex 1: Strategic Interventions, Costing and Lead Implementers

## A1.1 Growth and Productivity

### A.1.1.1. Agriculture

| Strategic intervention    | Activity/Project   | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---------------------------|--|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|                           |  |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Technology and Innovation | Strengthening agricultural R&D for maize, paddy, legumes cotton, cashew nuts and oil seeds   |          | 27,039                        |     |     |     |        | 4858    | 5,101   | 5,564   | 5,508   | 6,007   |                  |
|                           | Strengthening R&D for agricultural production mechanisation technologies   |          | 344,766                       |     |     |     |        | 57,750  | 66,591  | 69,920  | 73,417  | 77,087  |                  |
|                           | Establishing One Cotton Village and procurement of 4-stand ginnery, lint bales mini-press, miniature spinning mill, and seed crushing and refinery |          | 25,575                        |     |     |     |        | 3,488   | 4,201   | 4,883   | 5,680   | 7,323   |                  |
|                           | Procure particle boards machines for cotton stalks particle boards manufacturing   |          | 13,200                        |     |     |     |        |         | 3,300   | 3,300   | 3,300   | 3,300   |                  |
|                           | Adoption of wide-spread spinning technologies by acquiring power/handloom machines   |          | 30,529                        |     |     |     |        | 4,373   | 5,267   | 6,122   | 6,896   | 7,871   |                  |
|                           | Formulation and enforcement of   |          | 117,938                       |     |     |     |        | 10,332  | 16,361  | 22,967  | 30,193  | 38,084  |                  |

| Strategic intervention          | Activity/Project   | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---------------------------------|--|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|                                 |  |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
|                                 | contract farming legal framework to foster technology transfers  |          |                               |     |     |     |        |         |         |         |         |         |                  |
| Strategic national food reserve | Upgrade the current national food reserve infrastructure and establish new facilities in strategic locations   |          | 2,895                         |     |     |     | 152    | 391     | 642     | 796     | 913     |         |                  |
|                                 | Assess and identify appropriate national emergency food reserve sites  |          | 290                           |     |     |     | 52     | 55      | 57      | 61      | 64      |         |                  |
|                                 | Promote private sector investments in agricultural (livestock, crops, fishery) markets, storage facilities and rural infrastructure                              |          | 1,253                         |     |     |     | 227    | 238     | 250     | 263     | 276     |         |                  |
| Promote Farmer Associations     | Sensitise farmer groups, farmers, feed mills operators and associations to abide by existing laws and the 2010 regulations on the production of animal feeds     |          | 755                           |     |     |     | 14     | 143     | 151     | 158     | 166     |         |                  |
|                                 | Build capacity of farmers groups, feed mills operators extension staff and researchers on appropriate feed formulae and utilisation of available feeds resources |          | 101                           |     |     |     | 18     | 19      | 20      | 21      | 22      |         |                  |
|                                 | Sensitise farmer groups, associations and cooperative societies to operate Warehouse Receipt System  |          | 984                           |     |     |     | 134    | 166     | 182     | 226     | 275     |         |                  |
|                                 | Promote farmer groups, associations and cooperative societies to invest in Warehouse Receipt System (WRS) as per WRS Act (2005) and its regulations (2006)       |          | 2,502                         |     |     |     | 453    | 476     | 499     | 524     | 550     |         |                  |

| Strategic intervention                       | Activity/Project   | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|--|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |  |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
|  | Build Capacity of farmers and farmers organisation, non state actors, Ward and District Facilitating Teams                               |          | 6,666                         |     |     |     |        | 1,206   | 1,267   | 1,330   | 1,396   | 1,466   |                  |
|  | Identify training needs (including governance) and provide training to strengthen producer and or farmer organisations                   |          | 775                           |     |     |     |        | 147     | 154     | 162     | 152     | 160     |                  |
| Development of Irrigation Infrastructures    | Undertake feasibility studies for 33 irrigation schemes  |          | 124,358                       |     |     |     |        | 22,506  | 23,631  | 24,813  | 26,053  | 27,356  |                  |
|  | Construct water storage facilities (small, medium and strategic large scale dams), irrigation and drainage infrastructure for 33 schemes |          | 1,149,510                     |     |     |     |        | 208,032 | 218,434 | 229,356 | 240,823 | 252,865 |                  |
|  | Rehabilitate existing traditional irrigation schemes   |          | 32,607                        |     |     |     |        | 3,889   | 5,090   | 6,402   | 7,833   | 9,390   |                  |
|  | Promote water serving technologies   |          | 3,222                         |     |     |     |        | 462     | 546     | 637     | 735     | 842     |                  |
| Capacity building for irrigation development | Train irrigation staff of different disciplines at all levels  |          | 856                           |     |     |     |        | 154     | 162     | 170     | 179     | 188     |                  |
|  | Create an enabling environment for effective private sector participation in irrigation development                                      |          | 2,263                         |     |     |     |        | 410     | 410     | 451     | 474     | 498     |                  |
|  | 4 Facilitate enforcement of legislation and establish an effective coordination mechanism for irrigation stakeholders                    |          | 300                           |     |     |     |        | 103     | 58      | 44      | 46      | 48      |                  |
|  | Procure office equipment/tools and Design Aided Software   |          | 11,258                        |     |     |     |        | 2,037   | 2,139   | 2,246   | 2,359   | 2,476   |                  |
|  | Revive Heavy Irrigation construction Heavy Equipment (Bulldozers, excavators, wheel loaders)   |          | 5,222                         |     |     |     |        | 945     | 992     | 1,041   | 1,094   | 1,149   |                  |

| Strategic intervention                               | Activity/Project   | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|--|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |  |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
|  | Recruit professionals to work in the DITS  |          | 90                            |     |     |     |        | 5       | 11      | 17      | 24      | 32      |                  |
| Undertake Irrigation research                        | Establish irrigation research to facilitate research activities in irrigation                    |          | 2,259                         |     |     |     |        | 0       | 91      | 1,007   | 468     | 693     |                  |
|  | Conduct research and promotion of appropriate irrigation technologies                            |          | 261                           |     |     |     |        | 47      | 50      | 52      | 55      | 57      |                  |
| Assessment of potential water catchments             | Undertake baseline study on the availability of water in the potential irrigation areas          |          | 209                           |     |     |     |        | 0       | 128     | 80      | 0       | 0       |                  |
| Strengthening the management of Integrated Catchment | Prepare integrated water resources management plans of the catchment areas                       |          | 522                           |     |     |     |        | 95      | 99      | 104     | 109     | 115     |                  |
| Integrated soil fertility management                 | Develop appropriate database of the national soil fertility status                               |          | 138                           |     |     |     |        | 21      | 66      | 16      | 17      | 18      |                  |
|  | Develop integrated soil fertility management packages suitable to different agro-ecologies       |          | 101                           |     |     |     |        | 0       | 0       | 101     | 0       | 0       |                  |
| Agricultural land use planning                       | Undertake surveys and registration of farms in villages with land use plans in place             |          | 15,472                        |     |     |     |        | 2,800   | 2,940   | 3,087   | 3,241   | 3,403   |                  |
| Expand Animal Traction Technology                    | Establish fabrication clusters in selected regions (Arusha, Dodoma, Manyara, Shinyanga, Singida) |          | 2,553                         |     |     |     |        | 462     | 485     | 509     | 535     | 562     |                  |
|  | Establish and strengthen oxenisation centres   |          | 1,928                         |     |     |     |        | 289.2   | 482     | 482     | 482     | 192.8   |                  |
| Enhance Mechanical Power                             | Support CARMATEC in quality testing of farm machinery  |          | 812                           |     |     |     |        | 147     | 154     | 162     | 170     | 178     |                  |
| Strengthen Ward Agricultural                         | Integrate Ward Agricultural Resource Centres with other resource centres                         |          | 3,200                         |     |     |     |        | 256     | 384     | 604     | 846     | 1,110   |                  |



| Strategic intervention  | Activity/Project  | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |   |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Resource Centres  | Increase funding of extension services in terms of infrastructure, and equipment  |          | 82,217                        |     |     |     |        | 11,025  | 13,506  | 16,207  | 19,144  | 22,334  |                  |
|   | Build capacity of extension officers to increase efficiency of service delivery and supervision of field activities                               |          | 16,171                        |     |     |     |        | 2,927   | 3,072   | 3,226   | 3,387   | 3,557   |                  |
|   | Mobilise and sensitise private providers in agricultural extension services   |          | 160                           |     |     |     |        | 18      | 24      | 31      | 39      | 47      |                  |
|   | Review and update the guideline of utilisation of Agricultural Extension Block Grant (AEBG)   |          | 70                            |     |     |     |        | 3       | 56      | 3       | 4       | 4       |                  |
| Strengthen Farmers Field Schools (FFSs) and Farmers Groups  | Establish new farmers field schools in 8 agricultural zones   |          | 1,453                         |     |     |     |        | 263     | 276     | 290     | 304     | 320     |                  |
|   | Intensify field demonstrations and field days in farmers field schools  |          | 1,922                         |     |     |     |        | 348     | 365     | 383     | 403     | 423     |                  |
|   | Train farmers on conservation agriculture through Farmer Field School Approach  |          | 1,922                         |     |     |     |        | 348     | 365     | 383     | 403     | 423     |                  |
| Strengthen farmer organisations/associations and provide marketing information, strengthen financial intermediation for small-scale producers, processors and traders | Assist in formation of farmers groups in targeted areas   |          | 545                           |     |     |     |        | 99      | 104     | 109     | 114     | 120     |                  |
|   | Promote and support formation of SACCOS, SACCAS and VICOBA  |          | 1,000                         |     |     |     |        | 181     | 190     | 200     | 210     | 220     |                  |
|   | Conduct financial education programmes and strengthen Farmers Cooperatives and SACCOS' capacity to effectively manage resources for their members |          | 969                           |     |     |     |        | 86      | 135     | 189     | 248     | 312     |                  |
|   | Build capacity of SACCOS, SACCAS and VICOBA on agriculture financing  |          | 951                           |     |     |     |        | 84      | 132     | 185     | 243     | 306     |                  |

| Strategic intervention                                       | Activity/Project  | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |   |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Facilitate equipment leasing for farmers and agro-processors | Sensitise farmers and agro-processors on equipment leasing  |          | 489                           |     |     |     |        | 78      | 82      | 92      | 113     | 125.00  |                  |
| Strengthening of agricultural financing                      | Establish and capitalise the Tanzania Agricultural Development Bank                                   |          | 500,000                       |     |     |     |        | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |                  |
|  | Build capacity of Agricultural Inputs Trust Fund in financing agricultural projects                   |          | 16,245                        |     |     |     |        | 2940    | 3,087   | 3,241   | 3,403   | 3,574   |                  |
| Enhance Capacity of research institutions                    | Rehabilitate research infrastructure (labs, trials sites etc.)  |          | 4,642                         |     |     |     |        | 840     | 882     | 926     | 972     | 1,021   |                  |
|  | Provide appropriate and modernised equipments and tools   |          | 3,732                         |     |     |     |        | 952     | 954     | 797     | 473     | 555     |                  |
|  | Provide research facilities including mobility, housing etc   |          | 9,315                         |     |     |     |        | 1,719   | 1,916   | 1,910   | 1,808   | 1,962   |                  |
|  | Create and facilitate researchers networks (national and regional)                                    |          | 1,097                         |     |     |     |        | 199     | 208     | 219     | 230     | 241     |                  |
|  | Establish/strengthen links between private sector and other agriculture related research institutions |          | 673                           |     |     |     |        | 122     | 128     | 134     | 141     | 148     |                  |
| Enhance Capacity of Training Institutions                    | Rehabilitate and expand training infrastructure (lecture rooms, etc)                                  |          | 8,967                         |     |     |     |        | 1,848   | 3,647   | 3,473   | 0       | 0       |                  |
|  | Provide appropriate and modernised training equipments and tools                                      |          | 909                           |     |     |     |        | 147     | 182     | 191     | 204     | 185     |                  |
|  | Provide training facilities including mobility, housing etc   |          | 3,944                         |     |     |     |        | 494     | 628     | 776     | 936     | 1,110   |                  |
|  | Provide adequate training materials   |          | 5,100                         |     |     |     |        | 646     | 678     | 712     | 748     | 2,317   |                  |
|  | Provision of support to review training curricula to match with new changes and demands               |          | 262                           |     |     |     |        | 98      | 92      | 23      | 24      | 26      |                  |

| Strategic intervention   | Activity/Project  | Location | Total Cost (in million TSshs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|----------|--------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |   |          | Total                          | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Enhance Capacity of farmers Training centres                       | Re-establish and expand farmers field training centres  |          | 1,509                          |     |     |     |        | 273     | 287     | 301     | 316     | 332     |                  |
|  | Provide appropriate and modernised training materials   |          | 1,078                          |     |     |     |        | 63      | 132     | 208     | 292     | 383     |                  |
|  | Provide appropriate field trials and skill impact techniques                                    |          | 393                            |     |     |     |        | 23      | 48      | 76      | 106     | 139     |                  |
|  | Provide adequate training materials   |          | 1,078                          |     |     |     |        | 63      | 132     | 208     | 292     | 383     |                  |
|  | Provide training facilities including mobility  |          | 174                            |     |     |     |        | 32      | 33      | 35      | 37      | 38      |                  |
| Build Capacity of Pest Control Centres and Veterinary laboratories | Provision of appropriate and modernised pest and disease control facilities                     |          | 23,347                         |     |     |     |        | 4,225   | 4,436   | 4,658   | 4,891   | 5,135   |                  |
|  | Provide modern equipment  |          | 1,654                          |     |     |     |        | 299     | 314     | 330     | 346     | 364.00  |                  |
|  | Rehabilitate and construct required infrastructure  |          | 1,462                          |     |     |     |        | 265     | 278     | 292     | 322     | 322.00  |                  |
| Develop Human Resources Capacity                                   | Conduct training needs assessment   |          | 63                             |     |     |     |        | 63      | 0       | 0       | 0       | 0       |                  |
|  | Develop and implement a training plan in all fields and at all levels (training and upgrading)  |          | 1,242                          |     |     |     |        | 132     | 185     | 243     | 306     | 375     |                  |
|  | Upgrade staff in human resource and financial management to improve the management of resources |          | 551                            |     |     |     |        | 100     | 105     | 110     | 116     | 121     |                  |
| Improve Communication System                                       | Sensitise all ASLMs staff on the communications strategy and the civil service code of conduct  |          | 379                            |     |     |     |        | 69      | 72      | 75      | 79      | 83      |                  |
|  | Improve ICT connectivity, access and applications within ASLMs                                  |          | 514                            |     |     |     |        | 93      | 98      | 103     | 108     | 113     |                  |
|  | Train all staff in ICT  |          | 1,393                          |     |     |     |        | 252     | 265     | 278     | 292     | 306.00  |                  |

| Strategic intervention                        | Activity/Project  | Location | Total Cost (in million TShs.) |          |          |          |          | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|---|---|----------|-------------------------------|----------|----------|----------|----------|----------------|----------------|----------------|----------------|----------------|------------------|
|   |   |          | Total                         | GOT      | PPP      | DPs      | Others   |                |                |                |                |                |                  |
|   | Establish a sector-wide information centre  |          | 416                           |          |          |          |          | 295            | 79             | 8              | 32             | 13             |                  |
| Promote cultivation of high-value crops       | Including spices, cashew nuts, macadamia nuts, floriculture, pulses, fruits, vegetables, grapes and production of essential and edible oils |          | 125.3                         |          |          |          |          | 15.1           | 20.1           | 25.1           | 30.1           | 35.1           |                  |
| Intensify production of agro-industrial crops | Including cotton, tea, coffee, sesame, sisal, sugarcane, tobacco, coconut, sunflower, palms and oil seeds                                   |          | 112                           |          |          |          |          | 12.4           | 16.4           | 25.4           | 27.4           | 30.4           |                  |
| <b>Total</b>                                  |   |          | <b>2,630,654</b>              | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>457,733</b> | <b>497,292</b> | <b>528,106</b> | <b>555,278</b> | <b>592,240</b> |                  |

## Forestry

| Strategic intervention                                | Activity/Project  | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |   |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Increase Production and Productivity of agro-forestry | Provide technical and financial support to develop nurseries for agro forestry                  |          | 5,631                         |     |     |     |        | 679     | 823     | 1,126   | 1,304   | 1,699   |                  |
|   | Identify and promote high value agro forestry species and products                              |          | 169                           |     |     |     |        | 0       | 144     | 8       | 8       | 9       |                  |
|   | Promote community agro forestry management schemes  |          | 3,816                         |     |     |     |        | 347     | 547     | 709     | 966     | 1,248   |                  |
|   | Train communities on the application of agro-forestry technologies                              |          | 1,712                         |     |     |     |        | 372     | 311     | 326     | 343     | 360     |                  |
|   | Develop disseminate and promote improved beekeeping practices                                   |          | 131                           |     |     |     |        | 39      | 60      | 7       | 11      | 14      |                  |
|   | Facilitate availability and community access to appropriate tools and equipment for bee keeping |          | 3,048                         |     |     |     |        | 0       | 277     | 580     | 913     | 1,278   |                  |

| Strategic intervention                             | Activity/Project   | Location                          | Total Cost (in million TShs.) |     |     |       |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|--|-----------------------------------|-------------------------------|-----|-----|-------|--------|---------|---------|---------|---------|---------|------------------|
|  |  |                                   | Total                         | GOT | PPP | DPs   | Others |         |         |         |         |         |                  |
|  | Build capacity of bee keepers and traders to better understand issues of honey quality improvement   |                                   | 1,278                         |     |     |       |        | 293     | 229     | 240     | 252     | 265     |                  |
|  | Provide market access and linkage for producers and traders of bee products  |                                   | 181                           |     |     |       |        | 33      | 34      | 36      | 38      | 40      |                  |
|  | Provide technical support for the establishment of bee keepers and traders associations  |                                   | 458                           |     |     |       |        | 87      | 86      | 90      | 95      | 100     |                  |
|  | Undertake detailed assessment of values and potentials of various indigenous trees and shrubs for agro-forest  |                                   | 279                           |     |     |       |        | 51      | 53      | 56      | 58      | 61      |                  |
|  | Identify and promote nitrogen fixing indigenous agro forestry trees and shrubs for restoration of soil fertility and biomass to suit various agro ecological zones |                                   | 279                           |     |     |       |        | 51      | 53      | 56      | 58      | 61      |                  |
|  | Identify, develop and promote strategies for conservation and propagation of indigenous fruit trees to ensure availability for future generations                  |                                   | 279                           |     |     |       |        | 51      | 53      | 56      | 58      | 61      |                  |
| Sustainable Management of Forest Resources         | Participatory Forest Management  | Morogoro, Iringa, Mbeya and Lindi | 190                           | 60  | 0   | 65    | 0      | 190     | 0       | 0       | 0       | 0       | MNRT             |
| Development of Forest Resources database           | National Forest Resources Assessment   | Whole Country                     | 6,450                         | 654 | 0   | 1,881 | 0      | 4,415   | 2,035   | 0       | 0       | 0       | MNRT             |
| Sustainable Management of Forest and Bee Resources | National Forestry and Beekeeping Programme - II  | 7 Regions, 17 Districts           | 10,709                        | 61  | 0   | 3,786 | 0      | 7,634   | 3,075   | 0       | 0       | 0       | MNRT             |
| Sustainable Management of                          | UNDP - Support Programme (UN REDD, REDD strategies, Extending  | Morogoro, Mtwara,                 | 36,953                        | 819 | 0   | 7,399 | 0      | 15,617  | 800     | 7,317   | 7,219   | 6,000   | MNRT             |

| Strategic intervention   | Activity/Project               | Location   | Total Cost (in million TShs.) |              |          |               |          | 2011/12       | 2012/13      | 2013/14       | 2014/15       | 2015/16       | Lead Implementer |
|--------------------------|--------------------------------|--|-------------------------------|--------------|----------|---------------|----------|---------------|--------------|---------------|---------------|---------------|------------------|
|                          |                                |  | Total                         | GOT          | PPP      | DPs           | Others   |               |              |               |               |               |                  |
| coastal Forest Resources | Coastal Ecosystem in Tanzania) | Lindi, Pwani, Shinyanga, Dar es Salaam and Tanga |                               |              |          |               |          |               |              |               |               |               |                  |
| <b>Total</b>             |                                |  | <b>71,563</b>                 | <b>1,594</b> | <b>0</b> | <b>13,131</b> | <b>0</b> | <b>29,859</b> | <b>8,580</b> | <b>10,607</b> | <b>11,323</b> | <b>11,196</b> |                  |

## Fisheries

| Strategic intervention                       | Activity/Project  | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |   |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Improve Fisheries Resource Management        | Resources Management and Environmental Protection           |          | 169,460                       |     |     |     |        | 48,205  | 40,470  | 30,859  | 26,802  | 23,124  |                  |
|  | Fisheries Management Information                            |          | 6,700                         |     |     |     |        | 2,090   | 1,590   | 1,400   | 870     | 750     |                  |
| Improve Resources Utilisation and Marketing  | Quality Assurance, Standards and Control                    |          | 30,150                        |     |     |     |        | 9,446   | 7,970   | 6,367   | 4,259   | 2,108   |                  |
|  | Fisheries and Aquaculture Infrastructure and Technology Use |          | 25,300                        |     |     |     |        | 7,500   | 5,800   | 5,150   | 3,850   | 3,000   |                  |
|  | Fisheries and Aquaculture Products Marketing                |          | 19,550                        |     |     |     |        | 5,600   | 4,550   | 3,600   | 3,250   | 2,550   |                  |
| Enhance Aquaculture Development              | Aquaculture Resource Development                            |          | 11,550                        |     |     |     |        | 2,600   | 2,450   | 2,300   | 2,150   | 2,050   |                  |
| Strengthen Research Training and Extension   | Fisheries and Aquaculture Training                          |          | 14,200                        |     |     |     |        | 3,800   | 3,500   | 2,300   | 2,300   | 2,300   |                  |
|  | Fisheries and Aquaculture Research                          |          | 22,200                        |     |     |     |        | 5,000   | 4,800   | 4,400   | 4,100   | 3,900   |                  |
|  | Fisheries and Aquaculture Extension Services                |          | 17,770                        |     |     |     |        | 3,800   | 3,620   | 3,520   | 3,480   | 3,350   |                  |
| Review the Legal and Institutional Framework | Regulatory Framework of the Livestock Sector                |          | 1,300                         |     |     |     |        | 370     | 320     | 270     | 170     | 170     |                  |
|  | Institutional Framework                                     |          | 3,000                         |     |     |     |        | 600     | 600     | 600     | 600     | 600     |                  |

| Strategic intervention                              | Activity/Project   | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12       | 2012/13       | 2013/14       | 2014/15       | 2015/16       | Lead Implementer |
|---|--|----------|-------------------------------|-----|-----|-----|--------|---------------|---------------|---------------|---------------|---------------|------------------|
|   |  |          | Total                         | GOT | PPP | DPs | Others |               |               |               |               |               |                  |
| Incorporate Cross-Cutting and Cross-Sectoral Issues | Gender Mainstreaming, HIV/AIDS, Malaria and Tuberculosis, Environmental Conservation, Finance and Credit |          | 5,000                         |     |     |     |        | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         |                  |
| <b>Total</b>  |  |          | <b>326,180</b>                |     |     |     |        | <b>90,011</b> | <b>76,670</b> | <b>61,766</b> | <b>52,831</b> | <b>44,902</b> |                  |

## Livestock

| Strategic intervention                                      | Activity/Project                                | Location | Total Cost (in million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|----------|-------------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |   |          | Total                         | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Livestock Resource Development                              | Grazing-land Development                        |          | 47,110                        |     |     |     |        | 13,170  | 12,445  | 10,695  | 7,550   | 3,250   |                  |
|   | Pastures Development                            |          | 50,580                        |     |     |     |        | 14,300  | 15,750  | 11,960  | 4,460   | 4,110   |                  |
|   | Animal Feeds and Feed Additives                 |          | 11,296                        |     |     |     |        | 2,810   | 2,496   | 2,210   | 2,250   | 1,530   |                  |
|   | Water for Livestock                             |          | 189,600                       |     |     |     |        | 40,400  | 39,300  | 37,300  | 36,300  | 36,300  |                  |
| Improve Livestock Production and Productivity               | Meat Production                                 |          | 207,935                       |     |     |     |        | 58,310  | 51,425  | 40,750  | 29,950  | 27,500  |                  |
|   | Milk Production                                 |          | 65,791                        |     |     |     |        | 18,111  | 19,275  | 13,545  | 9,570   | 5,290   |                  |
|   | Egg Production                                  |          | 15,030                        |     |     |     |        | 4,820   | 2,580   | 2,550   | 2,540   | 2,540   |                  |
|   | Hides and Skins Development                     |          | 25,630                        |     |     |     |        | 6,530   | 8,400   | 6,750   | 1,750   | 2,200   |                  |
|   | Animal draught power                            |          | 4,353                         |     |     |     |        | 1,138   | 950     | 950     | 800     | 515     |                  |
|   | Other Livestock By –products                    |          | 5,522                         |     |     |     |        | 1,000   | 1,080   | 1,140   | 1,070   | 1,232   |                  |
| Provide Livestock Support Services Delivery and Empowerment | Livestock research                              |          | 114,972                       |     |     |     |        | 29,374  | 26,267  | 24,158  | 17,500  | 17,673  |                  |
|   | Livestock training                              |          | 53,100                        |     |     |     |        | 12,620  | 11,500  | 10,380  | 9,300   | 9,300   |                  |
|   | Livestock extension                             |          | 129,265                       |     |     |     |        | 27,625  | 30,085  | 26,505  | 22,125  | 22,925  |                  |
|   | Livestock farmers empowerment                   |          | 5,330                         |     |     |     |        | 1,420   | 1,240   | 1,060   | 940     | 670     |                  |
|   | Surveillance and laboratory diagnosis assurance |          | 11,855                        |     |     |     |        | 4,230   | 2,574   | 1,861   | 1,650   | 1,540   |                  |
|   | Quality Control and Safety Assurance            |          | 3,248                         |     |     |     |        | 659     | 827     | 595     | 657     | 510     |                  |
| Control Animal  | Trans-boundary Animal Diseases.                 |          | 32,255                        |     |     |     |        | 9,600   | 7,820   | 6,060   | 5,030   | 3,745   |                  |

| Strategic intervention                                | Activity/Project  | Location         | Total Cost (in million TShs.) |     |     |     |                | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16 | Lead Implementer |
|---|---|------------------|-------------------------------|-----|-----|-----|----------------|----------------|----------------|----------------|----------------|---------|------------------|
|   |   |                  | Total                         | GOT | PPP | DPs | Others         |                |                |                |                |         |                  |
| Diseases and Provide Veterinary Public Health         | Parasitic, Vector and Vector Borne Diseases.                  |                  | 88,050                        |     |     |     |                | 20,970         | 20,550         | 16,805         | 15,505         | 14,220  |                  |
|   | Veterinary public health                                      |                  | 15,555                        |     |     |     |                | 4,175          | 3,265          | 3,225          | 2,510          | 2,380   |                  |
| Enhance Marketing of Livestock and Livestock Products | Livestock Marketing Infrastructure.                           |                  | 112,970                       |     |     |     |                | 41,000         | 30,400         | 28,170         | 10,900         | 2,500   |                  |
|   | Livestock marketing information                               |                  | 9,335                         |     |     |     |                | 2,500          | 2,240          | 2,195          | 1,200          | 1,200   |                  |
|   | Identification, Traceability Eco-labelling and animal welfare |                  | 13,488                        |     |     |     |                | 5,420          | 3,036          | 2,386          | 1,418          | 1,228   |                  |
|   | Processing and Value Addition                                 |                  | 69,738                        |     |     |     |                | 15,570         | 17,470         | 16,470         | 11,770         | 8,458   |                  |
| Review Legal and Institutional Framework              | Regulatory Framework for the Livestock Sector                 |                  | 1,150                         |     |     |     |                | 250            | 250            | 250            | 200            | 200     |                  |
|   | Institutional Framework.                                      |                  | 39,650                        |     |     |     |                | 7,150          | 16,500         | 4,950          | 5,300          | 5,750   |                  |
| Include Cross-Cutting and Cross-Sectoral Issues       | Gender Mainstreaming in the Livestock Industry                |                  | 2,990                         |     |     |     |                | 450            | 520            | 590            | 680            | 750     |                  |
|   | HIV/AIDS, Malaria and Tuberculosis                            |                  | 1,000                         |     |     |     |                | 190            | 200            | 210            | 220            | 180     |                  |
|   | Environmental conservation                                    |                  | 3,510                         |     |     |     |                | 790            | 800            | 800            | 580            | 540     |                  |
|   | Business Environment  |                  | 2,871                         |     |     |     |                | 500            | 591            | 590            | 600            | 590     |                  |
| <b>TOTAL</b>  |   | <b>1,333,179</b> |                               |     |     |     | <b>345,082</b> | <b>329,836</b> | <b>275,110</b> | <b>204,325</b> | <b>178,826</b> |         |                  |



### A.1.1.2. Manufacturing

| Strategic intervention  | Activity/Project   | Location /Coverage    | Total Cost (in million TShs.) |         |     |     |              | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|--|-----------------------|-------------------------------|---------|-----|-----|--------------|---------|---------|---------|---------|---------|------------------|
|   |  |                       | Total                         | GOT     | PPP | DPs | Other (loan) |         |         |         |         |         |                  |
| Developing anchor activities for self sustaining industrialization, whilst promoting value addition | Development of Liganga iron and Mchuchuma Coal Projects                                | Liganga and Mchuchuma | 3,250                         | 3,250   |     |     |              | 2,500   | 500     | 100     | 100     | 50      | NDC              |
|   | Infrastructure Support to Liganga and Mchuchuma Projects other than Power Transmission | Liganga and Mchuchuma | 225,000                       | 225,000 |     |     |              | 1,500   | 500     | 73,000  | 75,000  | 75,000  | NDC, LG          |
|   | Development of Fertilizer Industry   | Mtwara                | 75,000                        | 75,000  |     |     |              | 500     | 500     | 24,000  | 25,000  | 25,000  | MIT, NDC         |
|   | Establishment of Soda Ash Project (Lake Natron)  | Arusha                | 2,150                         | 2,150   |     |     |              | 1,000   | 500     | 500     | 100     | 50      | NDC              |
|   | Infrastructure Support for Soda Ash Project  | Arusha                | 150,000                       | 150,000 |     |     |              | 0       | 0       | 50,000  | 100,000 | 0       | NDC, LG          |
|   | Development of Chemical Industries   | Mtwara                | 7,000                         | 8,000   |     |     |              | 0       | 0       | 5,000   | 1,000   | 1,000   | MIT/NDC          |
|   | Development of Cement Industries   | Mtwara/ Tanga         | 8,000                         | 8,000   |     |     |              | 0       | 5,000   | 1,000   | 1,000   | 1,000   | MIT/NDC          |
|   | Development of Pharmaceutical Industries   | Mtwara, Tanga         | 6,000                         | 6,000   |     |     |              | 0       | 0       | 0       | 5,000   | 1,000   | MIT/NDC          |
|   | Development of Metal industries  | Mtwara                | 10,000                        | 10,000  | 0   | 0   | 0            | 0       | 0       | 3,000   | 5,000   | 2,000   | MIT/NDC          |
|   | Malaria Vector Mosquito Biolarvicides Plant  | Kibaha                | 45,000                        | 45,000  |     |     |              | 14,000  | 15,000  | 15,000  | 500     | 500     | NDC              |
|   | Development of Msolwa Dolomite Project   | Morogoro              | 580                           | 580     |     |     |              | 500     | 50      | 10      | 10      | 10      | NDC              |
|   | Exploration of Strategic Metals (Research only)  | Iringa/ Njoluma       | 200                           | 200     |     |     |              | 100     | 100     | 0       | 0       | 0       | NDC              |
|   | Development of sweet sorghum processing plant (biofuel, power, food) project 2         | Kisarawe/ Coast       | 1,770                         | 1,770   |     |     |              | 1,500   | 200     | 50      | 10      | 10      | NDC              |
|   | Development of Lapidary Plant  | Arusha                | 15,570                        | 15,570  |     |     |              | 15,000  | 500     | 50      | 10      | 10      | NDC              |

| Strategic intervention   | Activity/Project  | Location /Coverage   | Total Cost (in million TShs.) |         |         |     |              | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|--|-------------------------------|---------|---------|-----|--------------|---------|---------|---------|---------|---------|------------------|
|  |   |  | Total                         | GOT     | PPP     | DPs | Other (loan) |         |         |         |         |         |                  |
|  | Value Chain Development for the Rubber Industry Project (Research only)         | Kilombero & Muheza   | 4,130                         | 4,130   |         |     |              | 4,000   | 100     | 10      | 10      | 10      | NDC              |
| Promotion of Agro-processing Industries  | Agro-processing Investment Support Loan   | Country wide   | 15,000                        | 15,000  | 0       | 0   | 0            | 5,000   | 0       | 5,000   | 0       | 5,000   | MIT/TIB          |
|  | Development of Collection and Storage Stations for Agro-products (100 Stations) | Country wide   | 1,000                         | 500     | 0       | 500 | 0            | 200     | 200     | 200     | 200     | 200     | MIT              |
|  | Promotion of Warehouse Receipt System   | Country wide   | 1,000                         | 500     |         | 500 | 0            | 200     | 200     | 200     | 200     | 200     | MIT              |
|  | Promotion of Packaging Industries   | SAGCOT   | 1,500                         | 1,000   | 0       | 500 | 0            | 0       | 500     | 500     | 500     | 0       | MIT              |
|  | Development of Sunflower Oil Clusters   | Central Corridor   | 1,500                         | 500     | 1,000   | 0   | 0            | 300     | 600     | 600     | 0       | 0       | SIDO             |
|  | Edible Sesame Oil Manufacturing Project   | Kilwa  | 1,570                         | 1,570   |         |     |              | 1,000   | 500     | 50      | 10      | 10      | NDC              |
|  | Low Energy Rice Production and Processing Project (Research only)               | Ruvu & Rufiji Basins   | 2,170                         | 2,170   |         |     |              | 2,000   | 100     | 50      | 10      | 10      | NDC              |
|  | Meat Processing Plants  | Arusha & Dodoma  | 15,040                        | 15,040  |         |     |              | 15,000  | 10      | 10      | 10      | 10      | NDC              |
| Promoting development of SEZ and EPZ to fast-track provision of a conducive environment for investment | Kigoma SEZ  | Kigoma   | 22,700                        | 0       | 0       | 0   | 0            | 4,000   | 5,700   | 8,000   | 3,000   | 2,000   | GOT              |
|  | Improvement for BWM SEZ   | DSM  | 4,800                         |         |         |     |              | 4,800   | 0       | 0       | 0       | 0       | EPZA             |
|  | Development of Bagamoyo Waterfront SEZ  | Bagamoyo   | 200,000                       | 100,000 | 100,000 | 0   | 0            | 18,000  | 30,000  | 25,000  | 27,000  | 100,000 | EPZA             |
|  | Development of Waterfront SEZs  | Tanga, Mtwara  | 39,000                        | 39,000  |         |     |              | 8,700   | 300     | 10,000  | 10,000  | 10,000  | EPZA             |
|  | Development of Agribusiness SEZ   | Manayra, Arusha, Morogoro, Tabora, Dodoma, Singida, Sinyanga, Rukwa Kilimanjaro, | 4,750                         | 4,750   |         |     |              | 0       | 250     | 0       | 1,500   | 3,000   | EPZA             |

| Strategic intervention                  | Activity/Project  | Location /Coverage                         | Total Cost (in million TShs.) |        |        |        |              | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|--|-------------------------------|--------|--------|--------|--------------|---------|---------|---------|---------|---------|------------------|
|   |   |  | Total                         | GOT    | PPP    | DPs    | Other (loan) |         |         |         |         |         |                  |
|   |   | Iringa                                     |                               |        |        |        |              |         |         |         |         |         |                  |
|   | Development of Cross-border SEZs  | Kigoma, Mara, Mbeya Mwanza, Ruvuma, Ruvuma | 6,200                         | 6,200  |        |        | 0            | 0       | 3,000   | 1,750   | 1,450   | EPZA    |                  |
|   | Development of NDC Industrial Estates (Kange, KMTC, Nyanza Glass, TAMCO)) | Tanga, Mwanza, Pwani                       | 45,000                        | 23,200 | 21,800 |        | 17,700       | 15,000  | 12,300  | 0       | 0       | NDC     |                  |
|   | Establishment of Industrial Information Center                            | DSM, Arusha, Mwanza                        | 300                           | 300    | 0      | 0      | 0            | 100     | 0       | 100     | 100     | 0       | MIT              |
| SME (and local participation) Promotion | Institutionalization of Kaizen Management Seminar                         | Country wide                               | 45,000                        | 15,000 | 0      | 30,000 |              | 5,000   | 15,000  | 15,000  | 5,000   | 5,000   | MIT, CBE, SIDO   |
|   | Retain Industrial Extension Officers                                      | Five regions                               | 2,500                         | 2,500  | 0      | 0      | 0            | 500     | 500     | 500     | 500     | 500     | MIT              |
|   | Development of SIDO SME Parks   | Country wide                               | 30,000                        | 10,000 | 0      | 20,000 | 0            | 6,000   | 6,000   | 6,000   | 6,000   | 6,000   | SIDO             |
|   | Development of MME Parks  | Country wide                               | 3,000                         | 3,000  | 0      | 0      | 0            | 600     | 600     | 600     | 600     | 600     | SIDO             |
|   | SIDO SME Credit Guarantee   | Country wide                               | 10,000                        | 5,000  | 0      | 5,000  | 0            | 5,000   | 0       | 5,000   | 0       | 0       | MIT/SIDO         |
|   | Rural Development Monitoring Capacity Reinforcement                       | Country wide                               | 1,500                         | 1,500  | 0      | 0      | 0            | 0       | 1,500   | 0       | 0       | 0       | SIDO             |
| Improvement of Business Environment and | Establishment of Industrial Development Fund                              | Country wide                               | 10,000                        | 10,000 | 0      | 0      | 0            | 0       | 5,000   | 0       | 5,000   | 0       | MIT              |
|   | Strengthen Tanzania Investment Bank                                       | Country wide                               | 100,000                       |        |        |        |              | 20,000  | 20,000  | 20,000  | 20,000  | 20,000  | MITM             |
|   | Establishment of National Investment House                                | DSM  | 200,000                       | 50,000 | 0      | 0      | 150,000      | 0       | 10,000  | 10,000  | 180,000 | 0       | MIT, NDC         |
|   | Enhancement of Industrial Research and Development                        | Country wide                               | 60,000                        | 60,000 | 0      | 0      | 0            | 12,000  | 12,000  | 12,000  | 12,000  | 12,000  | MIT/NDC          |

| Strategic intervention                              | Activity/Project  | Location /Coverage | Total Cost (in million TShs.) |                |                |                |                | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|---|---|--------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
|   |   |                    | Total                         | GOT            | PPP            | DPs            | Other (loan)   |                |                |                |                |                |                  |
| Fast-tracking investment and technology development | Institutionalization of Technology and Innovation Contest | Country wide       | 2,500                         | 2,500          | 0              | 0              | 0              | 500            | 500            | 500            | 500            | 500            | MIT              |
|   | Promotion of Intellectual Property Right (IPR) management | Country wide       | 14,000                        | 0              | 0              | 14,000         | 0              | 2,000          | 3,000          | 3,000          | 3,000          | 3,000          | MIT, FCC         |
|   | Public Awareness Campaign for Quality Products            | Country wide       | 200                           | 20             | 0              | 180            | 0              | 100            | 0              | 100            | 0              | 0              | TBS              |
|   | Development of OSBP                                       | Border towns       | 120,000                       | 12,000         | 68,000         | 40,000         | 0              | 30,000         | 30,000         | 30,000         | 30,000         | 0              | MIT              |
| <b>TOTAL</b>  |   |                    | <b>1,513,880</b>              | <b>935,900</b> | <b>190,800</b> | <b>110,680</b> | <b>150,000</b> | <b>199,300</b> | <b>180,410</b> | <b>339,430</b> | <b>519,620</b> | <b>275,120</b> |                  |

### A.1.1.3. Mining

| Strategic intervention  | Activity/Project  | Location      | Total Cost (in mil TShs.) |         |         |     |         | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|---------------|---------------------------|---------|---------|-----|---------|---------|---------|---------|---------|---------|------------------|
|   |   |               | Total                     | GOT     | PPP     | DPs | Others  |         |         |         |         |         |                  |
| To strengthen the Geological Survey in performing its main functions of: (i) Conducting geological mapping and identifying mineral areas, (ii) Carrying out mineral exploration, (iii) Monitoring of geo-hazards. | Carry out basic geological surveys (mapping) and identify mineral areas   |               | 2,361                     | 0       | 0       | 0   |         | 388     | 425     | 468     | 514     | 566     |                  |
|   | Carry out mineral exploration and special technical investigations.   |               | 562                       | 0       | 0       | 0   |         | 93      | 102     | 111     | 122     | 134     |                  |
|   | Monitor geo hazards   |               | 611                       | 0       | 0       | 0   |         | 100     | 110     | 121     | 133     | 147     |                  |
|   | Provide extension services to Artisanal and Small Scale Miners (ASM) (In mineral identification and evaluation, characterizing deposits and establishing appropriate mineral processing technology) |               | 391                       | 0       | 0       | 0   |         | 64      | 70      | 77      | 85      | 94      |                  |
| Strengthening State Mining Corporation to oversee Government free carried interests and purchased shares in mines.  | Recapitalisation of the State corporations dealing with minerals, petroleum and gas (STAMICO, NDC, TPDC, GST)   | Dar es Salaam | 250,000                   |         |         |     |         | 50,000  | 50,000  | 50,000  | 50,000  | 50,000  | GOT              |
|   | Recruitment and development of human resource   | Dar es Salaam | 5,000                     | 4,000   |         |     | 1,000   | 3,000   | 1,700   | 1,500   | 1,000   | 500     | STAMICO          |
| Partnering with the Private Sector to develop mines.  | Development of Kiwira Coal & Power Project  | Mbeya         | 600,000                   | 100,000 | 180,000 |     | 320,000 | 100,000 | 300,000 | 200,000 |         |         | JV PARTNER       |
|   | Re-development of Buckreef Gold Mine.   | Geita         | 300,000                   | 1,000   | 180,000 |     | 119,000 | 50,000  | 150,000 | 10,000  |         |         | JV PARTNER       |
|   | Re-development of Buhemba Gold Mine   | Mara          | 10,000                    | 200     | 9,800   |     |         | 200     | 5,000   | 3,500   | 1,000   | 300     | JV COMPANY       |

| Strategic intervention | Activity/Project  | Location               | Total Cost (in mil TShs.) |                |                |          |                | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer  |
|------------------------|---|------------------------|---------------------------|----------------|----------------|----------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
|                        |   |                        | Total                     | GOT            | PPP            | DPs      | Others         |                |                |                |                |                |                   |
|                        | Leasing mining equipment to small-scale miners and running centralized mineral processing plants in mining areas. | Country wide           | 10,000                    | 6,000          |                |          | 4,000          | 2,000          | 3,000          | 3,000          | 1,000          | 1,000          | STAMICO           |
|                        | Development of three medium scale gold mines in joint-venture with small-scale miners                             | Country wide           | 23,000                    |                | 15,000         |          | 8,000          | 1,000          | 7,500          | 7,500          | 4,000          | 3,000          | STAMICO           |
|                        | Fabrication and rehabilitation of mining equipment  | Dodoma                 | 30,000                    |                | 30,000         |          |                | 10,000         | 12,000         | 2,000          | 3,000          | 3,000          | JV COMPANY (SESA) |
|                        | Establishment of a Gold refinery and mineral processing centre.   | Lake Zone              | 90,000                    |                | 60,000         |          | 30,000         | 10,000         | 25,000         | 40,000         | 10,000         | 5,000          | JV COMPANY        |
|                        | Establishment of lapidary & jewellery in EPZs/SEZs  | Dar es Salaam & Arusha | 15,000                    |                | 15,000         |          |                | 100            | 6,900          | 3,000          | 3,000          | 2,000          | JV COMPANY        |
|                        | Procurement of drilling rigs  | Dodoma                 | 450                       |                |                |          | 450            | 150            | 200            | 100            |                |                | STAMICO           |
|                        | Construction of a multi-storey building at STAMICO Headquarters   | Dar es Salaam          | 45,000                    |                | 45,000         |          |                | 30,000         | 15,000         |                |                |                | JV PARTNER        |
|                        | Small scale Mining Rationalization Programme  | Matinje/Igunga         | 640                       | 640            |                |          |                | 500            | 100            | 20             | 10             | 10             | NDC               |
| <b>Total</b>           |   |                        | <b>1,383,014</b>          | <b>111,840</b> | <b>534,800</b> | <b>0</b> | <b>482,450</b> | <b>207,856</b> | <b>345,694</b> | <b>345,614</b> | <b>345,604</b> | <b>138,247</b> |                   |

### A.1.1.4. Water and Sanitation

| Strategic intervention  | Activity/Project  | Location/Coverage  | Cost (in Million TShs.) |        |     |         |       | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|--------------------|-------------------------|--------|-----|---------|-------|---------|---------|---------|---------|---------|------------------|
|   |   |                    | Total                   | GOT    | PPP | DPs     | Other |         |         |         |         |         |                  |
| Strengthen water resources management to cater for social-economic activities (irrigation, hydropower generation, industrial, domestic use and for ecosystem) | Design and construct new dams (Farkwa, and Ndembera) for multipurpose water use.                | IDB, Rufiji Basin. | 303,900                 | 79,010 | 0   | 224,890 | 0     | 0       | 3,900   | 70,000  | 110,000 | 120,000 | MoW/BW Os        |
|   | Rehabilitate 45 water storage dams  | Countrywide        | 42,500                  | 11,310 | 0   | 31,190  | 0     | 0       | 8,000   | 14,000  | 15,000  | 5,500   | MoW/BW Os        |
|   | Construct and rehabilitate hydrometric, groundwater, climatic and rainwater monitoring stations | All Water Basins   | 90,100                  | 23,430 | 0   | 66,670  | 0     | 17,000  | 18,000  | 18,100  | 19,000  | 18,000  | MoW/BW Os        |
|   | Drill boreholes   | Pangani Basin      | 2,120                   | 560    | 0   | 1,560   | 0     | 860     | 560     | 300     | 200     | 200     | MoW/BW Os        |
|   | Demarcate, protect and conserve water sources in all Basins.                                    | All Water Basins   | 62,120                  | 2,090  | 0   | 60,030  | 0     | 1,124   | 15,996  | 20,000  | 20,000  | 5,000   | MoW/BW Os        |
|   | Promote water productivity and efficient use of water in irrigation,                            | All Water Basins   | 320                     | 80     | 0   | 240     | 0     | 20      | 220     | 20      | 30      | 30      | MoW/BW Os        |
|   | Institute participatory climate change adaptation measures                                      | All Water Basins   | 3,140                   | 820    | 0   | 2,320   | 0     | 520     | 570     | 630     | 690     | 730     | MoW/BW Os        |
|   | Prepare integrated water resources management   | All Water Basins   | 17,820                  | 4,630  | 0   | 13,190  | 0     | 12,800  | 1,500   | 1,320   | 1,200   | 1000    | MoW/BW Os        |
|   | Manage water quality and institute pollution control  | All Water Basins   | 3,140                   | 820    | 0   | 2,320   | 0     | 220     | 630     | 690     | 760     | 840     | MoW/BW Os        |

| Strategic intervention                                 | Activity/Project  | Location/Coverage      | Cost (in Million TShs.) |         |     |         |       | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|------------------------|-------------------------|---------|-----|---------|-------|---------|---------|---------|---------|---------|------------------|
|  |   |                        | Total                   | GOT     | PPP | DPs     | Other |         |         |         |         |         |                  |
| Scale - up rural water supply services                 | Rehabilitate under capacitated water facilities (boreholes, protected springs, gravity piped schemes and multi village water schemes),  | Country wide           | 165,140                 | 42,440  | 0   | 122,700 | 0     | 30,750  | 31,630  | 33,700  | 36,700  | 32,360  | MoW/LGAs         |
|  | Construct additional low-cost water facilities (boreholes, dams, gravity piped schemes, and water supply networks)  | Country wide           | 272,030                 | 70,730  | 0   | 201,300 | 0     | 49,590  | 52,870  | 56,000  | 61,320  | 52,250  | MoW/LGAs         |
|  | Register and carryout capacity building activities of community water supply organizations (COWSOs) in all LGAs.  | Country wide           | 108,880                 | 28,290  | 0   | 80,590  | 0     | 19,830  | 21,260  | 22,460  | 24,430  | 20,900  | MoW/LGAs         |
| Scale - up water supply services in Dar es Salaam city | Rehabilitate and expand water supply scheme of Upper Ruvu for Dar es salaam by expanding production and treatment plants, expanding and rehabilitating water supply distribution network to reduce leakages/water losses and lay down new main pipelines, | Dar es Salaam/Coastal  | 149,500                 | 124,000 |     | 25,500  |       | 29,800  | 52,500  | 33,000  | 26,000  | 8,200   | MoW/DAWASA       |
|  | Rehabilitate and expand water supply scheme of Lower  | Dar es Salaam/Morogoro | 149,000                 | 124,000 | 0   | 25,000  | 0     | 29,900  | 56,300  | 37,700  | 18,800  | 6,300   | MoW/DAWASA       |



| Strategic intervention                          | Activity/Project   | Location/Coverage     | Cost (in Million TShs.) |         |     |         |       | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|--|-----------------------|-------------------------|---------|-----|---------|-------|---------|---------|---------|---------|---------|------------------|
|   |  |                       | Total                   | GOT     | PPP | DPs     | Other |         |         |         |         |         |                  |
|   | Ruvu for Dar es salaam by expanding production and treatment plants, expanding and rehabilitating water supply distribution network to reduce leakages/water losses and lay down new main pipelines, | / Coast               |                         |         |     |         |       |         |         |         |         |         |                  |
|   | Drill 20 high yielding boreholes at Kimbiji and Mpera in Kigamboni and Mkuranga areas  | Dar es Salaam         | 112,000                 | 90,000  | 0   | 22,000  | 0     | 22,400  | 39,200  | 28,000  | 16,800  | 5,600   | MoW/DA WASA      |
|   | Construct Kidunda Dam that will regulate the flow of the Ruvu River as climate change adaptation measure.  | Morogoro              | 134,000                 | 112,000 | 0   | 22,000  | 0     | 26,800  | 46,900  | 33,500  | 20,100  | 6,700   | MoW/DA WASA      |
|   | Search for new sources of water for Dar es Salaam city.  | Dar es Salaam/Coastal | 42,800                  | 26,800  | 0   | 16,000  | 0     | 8,600   | 15,000  | 10,700  | 6,400   | 2,100   | MoW/DA WASA      |
|   | Build capacity and improve management of water supply and sewerage services in Dar es salaam.  | Dar es Salaam         | 13,200                  | 3,200   | 0   | 10,000  | 0     | 2,500   | 2,500   | 2,580   | 2,920   | 2,700   | MoW/DAWASA       |
| Scale - up water supply services in small towns | Rehabilitate and expand water supply systems.  | Country wide          | 200,510                 | 52,110  | 0   | 148,400 | 0     | 32,110  | 37,710  | 43,200  | 7,240   | 80,250  | MoW              |
|   | Build capacity of small towns' water utilities.  |                       | 35,390                  | 9,200   | 0   | 26,190  | 0     | 5,770   | 4,710   | 6,780   | 6,090   | 12,040  |                  |

| Strategic intervention   | Activity/Project   | Location/Coverage | Cost (in Million TShs.) |                |          |                  |          | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|--|--|-------------------|-------------------------|----------------|----------|------------------|----------|----------------|----------------|----------------|----------------|----------------|------------------|
|  |  |                   | Total                   | GOT            | PPP      | DPs              | Other    |                |                |                |                |                |                  |
| Scale - up water supply services in regional centres             | Rehabilitate and expand water supply systems and reduce leakages/water loss, | Country wide      | 160,020                 | 41,617         | 0        | 118,403          | 0        | 32,005         | 56,006         | 40,005         | 24,004         | 8,000          | MoW              |
|  | Construct new water systems/distribution networks                            | Country wide      | 130,930                 | 34,051         | 0        | 96,879           | 0        | 26,186         | 45,825         | 32,733         | 19,640         | 6,546          |                  |
|  | Build capacity of water utilities in all regional urban centres              | Country wide      | 29,096                  | 7,567          | 0        | 21,529           | 0        | 5,820          | 10,183         | 7,274          | 4,364          | 1,455          |                  |
| Support sector Institutional strengthening and capacity Building | Strengthen sub-sector planning and operational capacities                    | Country wide      | 14,410                  | 4,750          | 0        | 9,660            | 0        | 9,660          | 1,520          | 1,410          | 1,200          | 620            | MoW              |
|  | Implement sector capacity building   | Country wide      | 37,150                  | 11,660         | 0        | 25,490           | 0        | 20,230         | 5,780          | 5,230          | 4,830          | 1,080          | MoW              |
|  | Carryout sector coordination and performance monitoring                      | Country wide      | 13,510                  | 3,510          | 0        | 10,000           | 0        | 3,920          | 3,200          | 2,080          | 2,560          | 1,750          | MoW              |
| Improve sanitation facilities in urban and rural areas           | National sanitation campaign and school WASH                                 | Country wide      | 33,530                  | 3,050          | 0        | 30,480           | 0        | 4,570          | 7,620          | 7,620          | 7,620          | 6,100          | MOW/M HSW/MOEVT  |
| <b>TOTAL</b>   |  |                   | <b>2,326,256</b>        | <b>911,725</b> | <b>0</b> | <b>1,414,531</b> | <b>0</b> | <b>392,985</b> | <b>540,090</b> | <b>529,032</b> | <b>457,898</b> | <b>406,251</b> |                  |

\* The "Total" column is here the sum of the spending for the 5 years (from the 2011/12 column up to the 2015/16 column), and does not necessarily match the cost division (between GOT, PPP, DPs and others).

### A.1.1.5. Land

| Strategic intervention   | Activity/Project  | Location     | Total Cost (in mil TShs.) |       |     |        |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|--------------|---------------------------|-------|-----|--------|--------|---------|---------|---------|---------|---------|------------------|
|  |   |              | Total                     | GOT   | PPP | DPs    | Others |         |         |         |         |         |                  |
| Increase allocation of land that has been planned and surveyed | Establish National Direct Satellite Receiving Station   | Country wide | 16,000                    | 2,000 |     | 14,000 |        | 4,000   | 5,000   | 4,000   | 2,000   | 1,000   | MLHHS D          |
|  | Expand ICT infrastructure for land information system   | Country wide | 7,500                     | 1,500 |     | 6,000  |        | 3,500   | 2,500   | 500     | 500     | 500     | MLHHS D          |
|  | Establish Geodetic Control Points Network to facilitate surveying and mapping                   | Country wide | 8,000                     | 1,000 |     | 7,000  |        | 3,800   | 3,200   | 400     | 400     | 200     | MLHHS D          |
| Institute and operationalise land bank Authority               | Establishing a land bank and its institutional and management framework                         | Country wide | 800                       | 800   |     |        |        | 200     | 200     | 200     | 100     | 100     | MLHHS D          |
|  | Valuation of land   | Country wide | 1,150                     | 1,150 |     |        |        | 300     | 300     | 200     | 200     | 150     | MLHHS D          |
|  | Acquire potential land parcel (compensation – Revolving Fund)                                   | Country wide | 20,000                    |       |     |        | 20,000 | 15,000  | 5,000   | -       | -       | -       | MLHHS D          |
|  | Facilitate land surveying, and issuance of title deeds  | Country wide | 2,500                     | 2,500 |     |        |        | 500     | 500     | 500     | 500     | 500     | MLHHS D          |
| Implementation of land use plan (framework)                    | Increase the number of town planners, surveyors, land officers and rural land planners          | Country wide | 4,000                     | 4,000 |     |        |        | 1,000   | 1,000   | 1,000   | 500     | 500     | MLHHS D          |
|  | Decentralise the national land use commission to all 7 zones                                    | 7 land zones | 2,500                     | 2,500 |     |        |        | 500     | 500     | 500     | 500     | 500     |                  |
| Promote redevelopment schemes and establish new urban sectors  | Operationalise the national programme for regularisation and prevention of unplanned settlement | Country wide | 3,000                     | 3,000 |     |        |        | 800     | 1,000   | 500     | 400     | 300     |                  |

| Strategic intervention  | Activity/Project   | Location                                | Total Cost (in mil TShs.) |               |               |               |               | 2011/12       | 2012/13       | 2013/14       | 2014/15       | 2015/16       | Lead Implementer |
|---|--|---|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
|   |  |   | Total                     | GOT           | PPP           | DPs           | Others        |               |               |               |               |               |                  |
|   | Plan and implement 6 new urban centres (Satellite Towns) in Dar es Salaam (3), Mwanza (1), Arusha (1) and Mbeya (1)                    | Dar es Salaam, Mwanza, Mbeya and Arusha | 5,000                     | 5,000         |               |               |               | 1,000         | 1,500         | 1,000         | 1,000         | 500           |                  |
|   | Implement the master plan for Kigamboni New City   | Dar es Salaam                           | 66,000                    | 1,000         | 65,000        |               |               | 10,000        | 12,000        | 13,000        | 15,000        | 16,000        |                  |
| Promoting affordable housing and research on low cost housing | Equip National Housing and Building Research Agent with modern Workshop  | DSM                                     | 2,000                     | 2,000         |               |               |               | 500           | 500           | 500           | 300           | 200           | MLHHSO           |
|   | Conduct research on affordable housing and disseminate the findings  | Country wide                            | 2,500                     | 2,500         |               |               |               | 700           | 700           | 500           | 400           | 200           | MLHHSO           |
|   | Increase the production and distribution of machines that produce relatively cheap and strong bricks from a mixture of soil and cement | Country wide                            | 1,000                     | 1,000         |               |               |               | 200           | 200           | 200           | 200           | 200           |                  |
|   | Facilitate continuation of student's hotel   | Malya Sport Centre                      | 695                       |               |               |               |               | 139           | 139           | 139           | 139           | 139           |                  |
| <b>Total</b>  |  |   | <b>142,645</b>            | <b>29,950</b> | <b>65,000</b> | <b>27,000</b> | <b>20,000</b> | <b>42,139</b> | <b>34,239</b> | <b>23,139</b> | <b>22,139</b> | <b>20,989</b> |                  |

## A.1.2 Transport

### A.1.2.1. Road Transport

| Strategic Intervention  | Activity  | Location  | Total Cost (mill TShs.) |         |     |         |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|---|-------------------------|---------|-----|---------|--------|---------|---------|---------|---------|---------|------------------|
|   |   |   | Total                   | GOT     | PPP | DPs     | Others |         |         |         |         |         |                  |
| Direct investment to roads leading to areas with highest economic potential (e.g. agriculture, mining, tourism) | Construct/rehabilitate 1,197 KM on the Western Road Corridor.   | Western Road Corridor (see Annex Road Schedule 1) | 1,081,769               | 836,314 |     | 245,455 |        | 275,578 | 411,078 | 143,113 | 99,000  | 153,000 | MOW              |
|   | Carry out feasibility study and detailed design to 3,102.km of roads linking areas of high economic potential | see Road Schedule 2                               | 7,270                   | 7,270   |     |         |        | 6,220   | 1,050   |         |         |         |                  |
| Direct invest in roads with greater advantage for regional integration  | Construct/rehabilitate 69 KM on Tanzam road corridor.   | see Road Schedule 1                               | 75,200                  | 20,000  |     | 55,000  |        | 37,600  | 37,600  |         |         |         | MOW              |
|   | Construct/rehabilitate 242KM on Central Road Corridor.  | see Road Schedule 1                               | 168,992                 | 168,992 |     |         |        | 110,797 | 58,195  |         |         |         | MOW              |
|   | Construct/rehabilitate 549KM on the Lake Circuit Corridor.  | see Road Schedule 1                               | 389,355                 | 389,355 |     |         |        | 103,531 | 134,308 | 128,116 | 11,700  | 11,700  | MOW              |
|   | Construct/rehabilitate 611Km on the North-East Corridor.  | see Road Schedule 1                               | 422,634                 | 188,489 |     | 234,145 |        | 90,857  | 137,965 | 117,312 | 76,500  |         | MOW              |
|   | Construct/rehabilitate 814.5km on the Great North Road Corridor.  | see Road Schedule 1                               | 735,300                 | 338,179 |     | 397,121 |        | 370,629 | 199,182 | 165,489 |         |         | MOW              |
|   | Construct/rehabilitate 473km on the Mtwara road corridor.   | see Road Schedule 1                               | 421,253                 | 157,282 |     | 263,971 |        | 94,641  | 182,128 | 103,984 | 40,500  |         | MOW              |
|   | Construct 1,142km on the Central western corridor.  | see Road Schedule 1                               | 1,093,808               | 979,480 |     | 12,166  |        | 237,530 | 324,386 | 226,040 | 141,152 | 164,700 | MOW              |

| Strategic Intervention                       | Activity  | Location            | Total Cost (mill TShs.) |                  |                |                  |          | 2011/12          | 2012/13          | 2013/14          | 2014/15        | 2015/16        | Lead Implementer |
|--|---|---------------------|-------------------------|------------------|----------------|------------------|----------|------------------|------------------|------------------|----------------|----------------|------------------|
|  |   |                     | Total                   | GOT              | PPP            | DPs              | Others   |                  |                  |                  |                |                |                  |
|  | Construct 60KM on the Southern Coastal Road Corridor.   | see Road Schedule 1 | 19,578                  | 12,450           |                | 7,128            |          | 19,578           |                  |                  |                |                | MOW              |
|  | Construction of 1,780km to areas of high economic potential outside the major Transport corridors | see Road Schedule 1 | 1,320,054               | 1,218,079        | 0              | 99,495           | 0        | 328,227          | 298,722          | 289,255          | 292,675        | 111,175        | MOW/N DC         |
|  | Start construction and complete construction of the strategic bridges                             | see Road Schedule 1 | 202,826.8               | 7,826.8          | 195,000        |                  |          | 2,853.59         | 67,486.59        | 67,486.59        | 65,000         |                | MOW              |
| Addressing Traffic Congestion in urban areas | Construct/rehabilitate 96KM on Dar es Salaam Road Corridor  | see Road Schedule 1 | 100,187                 |                  |                | 100,187          |          | 68,687           | 31,500           |                  |                |                | MOW              |
|  | Construct fly-over at TAZARA and Ubungo Junction  | see Road Schedule 1 | 200,000                 | 200,000          |                |                  |          |                  | 100,000          | 100,000          |                |                | MOW              |
|  | Conduct detailed design of major road junctions in DSM  | DSM                 | 6,000                   | 6,000            |                |                  |          | 2,000            | 4,000            |                  |                |                | MOW              |
|  | Construct Identified Major Junctions  | DSM                 | 100,000                 | 100,000          |                |                  |          |                  |                  | 20,000           | 20,000         | 60,000         | MOW              |
|  | Rehabilitate and develop District roads linking production areas and markets                      | see Road Schedule 1 | 18,856                  |                  |                | 18,856           |          | 3,413            | 3,583            | 3,762            | 3,950          | 4,148          | PMORA LG         |
|  | Conduct feasibility study for fly-over at major junctions   | see Road Schedule 1 | 6,000                   |                  |                |                  |          |                  | 2,000            | 2,000            | 2,000          |                |                  |
|  | Dar Rapid Transport (DART Project) - Phase 1  | Dar es Salaam       | 237,300                 | 16,500           | 57,300         | 163,500          | 0        | 24,000           | 137,100          | 76,200           | 0              | 0              |                  |
|  | Dar Rapid Transport (DART Project) - Phase 2 and 3  | Dar es Salaam       | 494,382                 | 18,000           | 150,000        | 326,382          | 0        | 3,782            | 5,000            | 123,650          | 241,300        | 120,650        |                  |
|  | Review/prepare transport master plans for major and emerging cities.                              | see Road Schedule 2 | 6,000                   |                  |                |                  |          | 2,000            | 2,000            | 2,000            |                |                |                  |
| <b>Total</b>                                 |   |                     | <b>7,106,765</b>        | <b>4,664,217</b> | <b>402,300</b> | <b>1,923,406</b> | <b>0</b> | <b>1,781,924</b> | <b>2,137,284</b> | <b>1,568,408</b> | <b>993,777</b> | <b>625,373</b> |                  |

**Road Schedule 1: On-going or new road construction/rehabilitation**

| <b>Road Corridors</b> | <b>Name of the Project</b>            | <b>Length (Km)</b> | <b>Km to be constructed/rehabilitated</b> |
|-----------------------|---------------------------------------|--------------------|---|
| Western Corridor      | Sumbawanga-Matai-Kasanga port         | 112                | 112                                       |
|                       | Matai-Kasesya                         | 65                 | 65  |
|                       | Tunduma-Sumbawanga                    | 231                | 231                                       |
|                       | Sumbawanga-Kibaoni                    | 151.6              | 151.6                                     |
|                       | Kibaoni-Mpanda                        | 95                 | 95  |
|                       | Mpanda-Kanyani (Kidawe)               | 252                | 252                                       |
|                       | Kidawe-Nyakanazi                      | 290                | 290                                       |
|                       | <b>Sub-Total</b>                      | <b>1,197</b>       | <b>1,197</b>                              |
| Tanzam                | Msimba-Ikokoto-Mafinga                | 219                | 69  |
|                       | <b>Sub-Total</b>                      | 219                | 69  |
| Central               | Isaka-Lusahunga                       | 242                | 242                                       |
|                       | <b>Sub-Total</b>                      | 242                | 242                                       |
| Lake Circuit          | Biharamulo-Bwanga-Uyovu               | 112                | 112                                       |
|                       | Kagoma-Biharamulo-Lusahunga           | 154                | 154                                       |
|                       | Kisesya Bypass                        | 17                 | 17  |
|                       | Nyanguge-Mz/Mara Border               | 80                 | 80  |
|                       | Mz/Mara Border-Musoma                 | 85.5               | 85.5                                      |
|                       | Musoma-Makutano                       | 17.5               | 17.5                                      |
|                       | Makutano-Sirari                       | 83                 | 83  |
|                       | <b>Sub-Total</b>                      | <b>549</b>         | <b>549</b>                                |
| North Eastern         | Chalinze-Segera-Tanga (Kitumbi-Tanga) | 120                | 120                                       |
|                       | Tanga-Horohoro                        | 65                 | 65  |
|                       | Korogwe-Mkumbara-Same                 | 172                | 172                                       |
|                       | Same-Himo                             | 89                 | 89  |
|                       | Arusha-Moshi-Himo-Holili              | 140                | 140                                       |
|                       | Sanya Juu-Bomang'ombe                 | 25                 | 25  |
|                       | <b>Sub-Total</b>                      | <b>611</b>         | <b>611</b>                                |
| The Great North       | Arusha-Namanga                        | 105                | 30  |
|                       | Arusha-Minjingu                       | 104                | 98  |
|                       | Minjingu-Babati-Singida               | 222                | 163.5                                     |
|                       | Babati-Dodoma-Iringa                  | 523                | 523                                       |
|                       | <b>Sub-Total</b>                      | <b>954</b>         | <b>814.5</b>                              |
|                       |                                       | Mtwara - Masasi    | 200                                       |
| Mtwara Corridor       | Tunduru-Namtumbo                      | 194                | 194                                       |
|                       | Namtumbo-Songea                       | 70                 | 70  |
|                       | Peramiho-Mbinga                       | 78                 | 78  |

**Road Schedule 1: On-going or new road construction/rehabilitation**

| Road Corridors                                  | Name of the Project                                | Length (Km)    | Km to be constructed/rehabilitated |
|---|--|----------------|------------------------------------|
|   | Mbinga-Mbamba Bay                                  | 66             | 66                                 |
|   | Mangaka-Mtambaswala                                | 65             | 65                                 |
|   | <b>Sub-Total</b>                                   | <b>473</b>     | <b>473</b>                         |
| Central Western                                 | Mbeya-Chunya-Makongolosi                           | 115            | 115                                |
|   | Nzega-Tabora                                       | 116            | 116                                |
|   | Tabora - Ipole – Rungwa                            | 262            | 262                                |
|   | Ipole-Koga-Mpanda                                  | 268            | 170                                |
|   | Manyoni-Itigi-Tabora                               | 264            | 264                                |
|   | Tabora – Urambo                                    | 90             | 90                                 |
|   | Uvinza – Kidawhe                                   | 77             | 77                                 |
|   | Bridge and its approach roads                      | 48             | 48                                 |
|   | <b>Sub-Total</b>                                   | <b>1,240</b>   | <b>1142</b>                        |
| Southern Coastal                                | Ndundu-Somanga                                     | 60             | 60                                 |
|   | <b>Sub-Total</b>                                   | <b>60</b>      | <b>60</b>                          |
|   | <b>Grand Total</b>                                 | <b>3,752.6</b> | <b>3704.1</b>                      |
| <b>Road Projects out of Transport Corridors</b> |  |                |                                    |
| 1   | Korogwe – Handeni                                  | 65             | 65                                 |
| 2   | Mziha – Turiani – Magole                           | 84.6           | 84.6                               |
| 3   | Dumila – Kilosa                                    | 63             | 63                                 |
| 4   | Bariadi – Lamadi                                   | 71.8           | 71.8                               |
| 5   | Bagamoyo - Makofia – Msata                         | 64             | 64                                 |
| 6   | Handeni – Mkata                                    | 54             | 54                                 |
| 7   | Kisarawe – Maneromango                             | 54             | 54                                 |
| 8   | Njombe – Makete                                    | 109            | 109                                |
| 9   | Kwasadala-Masama                                   | 12.2           | 12.2                               |
| 10  | Kibosho Shine - Kwa Raphael - International School | 43             | 43                                 |
| 11  | Rau Madukani - Mawela - Uru Njari                  | 12.5           | 12.5                               |
| 12  | Kirua Nduoni - Marangu Mtoni                       | 31.5           | 31.5                               |
| 13  | Kahama Mjini                                       | 5              | 5                                  |
| 14  | Bunda – Kisorya – Nansio                           | 118            | 93                                 |
| 15  | Rujewa – Madibira - Mafinga                        | 151            | 151                                |
| 16  | Katumba - Tukuyu                                   | 80             | 80                                 |
| 17  | Nata – Fort Ikoma                                  | 141            | 141                                |
| 18  | Makurunge – Saadani – Pangani - Tanga              | 178            | 70                                 |
| 19  | Mto wa Mbu-Loliondo-Mugumu-Nata                    | 452            | 120                                |



**Road Schedule 1: On-going or new road construction/rehabilitation**

| <b>Road Corridors</b>         | <b>Name of the Project</b>                                 | <b>Length (Km)</b> | <b>Km to be constructed/rehabilitated</b> |
|-------------------------------|--|--------------------|---|
| 20                            | Kyaka - Bugene   | 59                 | 59  |
| 21                            | Kawawa Jct – Mwenge - Tegeta Phase                         | 17                 | 17  |
| 22                            | Makambako - Songea   | 295                | 100                                       |
| 23                            | Honi-Mkiwu   | 68.5               | 68.5                                      |
| 24                            | Mkiwu-Ludewa   | 71.5               | 71.5                                      |
| 25                            | Ludewa-Mkomangiombe  | 30.0               | 30.0                                      |
| 26                            | Mkomangiombe-Mchuchuma                                     | 7.0                | 7.0                                       |
| 27                            | Mkiwu-Murdindi   | 46.0               | 46.0                                      |
| 28                            | Nyamuswa-Bunda   | 24.0               | 24.0                                      |
| 29                            | Makutano-Nata  |                    |   |
| 30                            | Kiboriloni-Kidia-Forest                                    |                    |   |
| 31                            | Kidatu-Ifakara-Mahenge                                     |                    |   |
| 32                            | Ifakara-Lupila-Milinga-Namtumbo                            |                    |   |
| 33                            | Ifakara-Mlimba   |                    |   |
| 34                            | Iringa-Ruaha National Park                                 |                    |   |
| 35                            | Karanga-Sengerena  |                    |   |
| 36                            | Arusha-Kibaya-Kongwa                                       |                    |   |
| 37                            | Chimala-Matamba  |                    |   |
| 38                            | Mfumbi-Matamba-Mwakipembo                                  |                    |   |
|                               | a) Construction of flyovers at TAZARA and Ubungo jcts      |                    |   |
| De-congestion of DSM          | Kawawa Jct-Mwenge-Tegeta                                   | 17                 | 17  |
|                               | Mbezi - Malamba Mawili - Kinyerezi- Banana                 | 14                 | 14  |
|                               | Tegeta Kibaoni - Wazo Hill - Goba - Mbezi/Morogoro Rd      | 20                 | 20  |
|                               | Tangi Bovu - Goba Rd                                       | 9                  | 9   |
|                               | Kimara Baruti - Msewe - Changanyikeni road                 | 2.6                | 2.6                                       |
|                               | Kimara Kilungule - External Mandela Road                   | 9                  | 9   |
|                               | Kawawa R/About - Msimbazi Valley - Jangwani/Twiga Junction | 2.7                | 2.7                                       |
|                               | Tabata Dampo - Kigogo - Ubungo Maziwa External             | 2.25               | 2.25                                      |
|                               | Old Bagamoyo - Garden Road                                 | 9.1                | 9.1                                       |
|                               | Jet Conner - Vituka - Devis Corner                         | 10.3               | 10.3                                      |
|                               | <b>Sub-Total</b>   | <b>95.95</b>       | <b>95.95</b>                              |
| 11. Bus Rapid Transport (BRT) | Phase1: Package 1 Lot1: Kimara - Magomeni                  | 10.4               | 10.4                                      |
|                               | Phase1: Package1 Lot2: Magomeni Kivukoni -                 | 10.5               | 10.5                                      |

**Road Schedule 1: On-going or new road construction/rehabilitation**

| <b>Road Corridors</b> | <b>Name of the Project</b>   | <b>Length (Km)</b> | <b>Km to be constructed/rehabilitated</b> |
|-----------------------|--|--------------------|---|
|                       | Kawawa - Msimbazi road   |                    |   |
|                       | Phase1: Package2: Ubungo Depot), Feeder Station and Up-Country Bus Terminal  | -                  | -   |
|                       | Phase1: Package3: Jangwani Depot   | -                  | -   |
|                       | Phase1: Package 4: Bus Terminal and Feeder Station at Kivukoni   | -                  | -   |
|                       | Phase1: Package 5: Bus Terminal and Feeder Station at Kariakoo   | -                  | -   |
|                       | Phase1: Package 6: 6 Feeder Stations at Shekilango, Urafiki, Magomeni Mapipa, Fire, Kinondoni 'A' and Mwinyijuma.  | -                  | -   |
|                       | Phase1: Package 7: Relocation of Power Utilities   | -                  | -   |
|                       | Phase 2: Construction of Kilwa Road  | 19.3               | 19.3                                      |
|                       | Phase 3: Nyerere road  | 23.6               | 23.6                                      |
|                       | <b>Sub-Total</b>   | <b>63.8</b>        | <b>63.8</b>                               |
| 12                    | <b>Bridges</b>   |                    |   |
|                       | Construction of Kilombero Bridge with the length of 384 metre and other small bridges with 120m and approach roads of 9km and Mwatisi bridge in Morogoro region. | 9.5                |   |
|                       | Mobilisation and construction of Kigamboni bridge in order to link Kigamboni area with Dar es Salaam City  | 3.18               |   |
|                       | Start construction of Nangoo (Mtwara), Sibiti (Singida), Ruhekei (Mbinga – 60m) and Mbutu (Igunga).  |                    |   |
|                       | Detailed engineering design of Ruhuhu bridge (Ruvuma).   |                    |   |
|                       | <b>Sub-Total</b>   |                    |   |

## Road Schedule 2: Feasibility studies and Detail Designs

| Name of the Project   | Length (Km)  |
|---|--------------|
|   |              |
| <b>Feasibility Studies and Detail Desisgn (FS &amp; DD)</b> |              |
| Tabora – Mambali – Bukene – Itobo – Kahama                  | 149          |
| Lupilo – Malinyi – Kilosa kwa Mpepo – Londo – Kitanda       | 296          |
| Ifakara – Mahenge   | 67           |
| Kibondo – Mabamba   | 35           |
| Kolandoto – Lalago – Mwanhuzi – Matala – Oldeani Jct        | 328          |
| Omugakorongo – Kigarama – Murongo                           | 105          |
| Mpemba – Isongole (Tanzania/Malawi)                         | 49           |
| Soni – Bumbuli – Dindira – Korogwe                          | 74           |
| Makofia – Mlandizi – Vikumburu                              | 148          |
| Kibaoni – Majimoto – Inyonga                                | 162          |
| Mpanda - Ugala – Kaliua – Ulyankulu – Kahama                | 428          |
| Makongolosi - Rungwa – Mkiwa                                | 412          |
| Mtwara – Newala – Masasi                                    | 209          |
| Handeni – Kiberashi – Kondoa – Singida                      | 460          |
| Kibaha – Mapinga  | 23           |
| Geita - Bukoli - Kahama                                     | 107          |
| Mbande-Kongwa Jct – Mpwapwa                                 | 50           |
| <b>Total</b>  | <b>3,102</b> |

### A.1.2.2. Railways Transport

| Strategic Intervention   | Activity  | Location         | Total Cost (million TShs.) |     |      |     |        | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|--|---|------------------|----------------------------|-----|------|-----|--------|----------------|----------------|----------------|----------------|----------------|------------------|
|  |   |                  | Total                      | GOT | PPPs | DPs | Others |                |                |                |                |                |                  |
| Rehabilitation of the existing railway lines                                 | Rehabilitate the existing central railway line (km. 2,707)  | Central Corridor | 254,700                    |     |      |     |        | 76,410         | 50,940         | 50,940         | 38,205         | 38,205         | RAHCO            |
|  | Rehabilitate the existing locomotives, wagons, plants and equipments  |                  | 70,000                     |     |      |     |        | 2,000          | 14,000         | 14,000         | 20,000         | 20,000         | TRL              |
|  | Procurement of locomotives and wagons for Central Railway line.   |                  | 403,000                    |     |      |     |        | 50,000         | 83,000         | 90,000         | 90,000         | 90,000         | TRL              |
|  | Rehabilitate of rolling stock for TAZARA  | Central Corridor | 70,000                     |     |      |     |        | 14,000         | 14,000         | 14,000         | 14,000         | 14,000         | TAZARA           |
|  | Improvement of TAZARA line (rehabilitation of bridges, tunnels, culverts, and girders, permanent way, signalling and telecommunication) | Central Corridor | 300,000                    |     |      |     |        | 60,000         | 60,000         | 60,000         | 60,000         | 60,000         | TAZARA           |
| Upgrade & construct strategic line facilitating TZ to be a hub of transport. | Upgrade Central Railway Line (2,707 km) to standard gauge (1.435m) (detailed design, secured investments and initial construction)      | Central Corridor | 987,000                    |     |      |     |        | 50,000         | 50,000         | 50,000         | 418,500        | 418,500        | RAHCO            |
|  | Construct Isaka – Kigali railway line   | Central Corridor | 5,808                      |     |      |     |        | 27.39          | 27.39          | 273.944        | 2,739.44       | 2,739.44       | RAHCO            |
| Construct new railway lines to strategic economic areas                      | Feasibility study and detail design of Arusha - Musoma railway line.  |                  | 668.9                      |     |      |     |        | 2.2            | 2.2            | 221.5          | 221.5          | 221.5          | RAHCO            |
|  | Conduct feasibility study and detailed design of Mtwara – Songea – Liganga railway line.  |                  | 4,262.33                   |     |      |     |        | 34.937         | 34.937         | 349.371        | 349.37         | 3,493.71       |                  |
| Addressing Traffic Congestion in urban areas                                 | Conduct feasibility and detailed design studies of electric commuter train railway lines.   |                  | 1,920                      |     |      |     |        | 60             | 60             | 600            | 600            | 600            |                  |
| <b>Total</b>   |   |                  | <b>2,097,359</b>           |     |      |     |        | <b>252,535</b> | <b>272,065</b> | <b>280,385</b> | <b>644,615</b> | <b>647,760</b> |                  |

### A.1.2.3. Marine Transport

| Strategic Intervention  | Activity  | Location         | Total Cost (million TShs.) |     |     |     |        | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|---|---|------------------|----------------------------|-----|-----|-----|--------|----------------|----------------|----------------|----------------|----------------|------------------|
|   |   |                  | Total                      | GOT | PPP | DPs | Others |                |                |                |                |                |                  |
| Expand cargo volume handling capacities of Tanzania's sea and lake ports by 2015/16 | Construct Berth 13 & 14 and dredge the entrance channel at Dar Es Salaam    | Central Corridor | 93,380                     |     |     |     |        | 187.6          | 200            | 9,338          | 18,760         | 64,894.40      | TPA              |
|   | Replace SPM pipeline and construct new farm tanks                           | Central Corridor | 85,000                     |     |     |     |        | 17,000         | 17,000         | 17,000         | 17,000         | 17,000         | TPA              |
|   | Construct 4 additional silos for handling of grains, fertilizer and cement. | Central Corridor | 120,000                    |     |     |     |        | 24,000         | 24,000         | 24,000         | 24,000         | 24,000         | TPA              |
|   | Construct Kisarawe Freight Station  | Central Corridor | 50,000                     |     |     |     |        | 10,000         | 10,000         | 10,000         | 10,000         | 10,000         | TPA              |
|   | Dredge and strengthen quay for berths 1 to 7 for handling bulk carriers     | Central Corridor | 155,000                    |     |     |     |        | 31,000         | 31,000         | 31,000         | 31,000         | 31,000         | TPA              |
| Encourage private investment in the provision of marine transport services          | Construction of Mbegani Port (Bagamoyo)                                     |                  | 162,400                    |     |     |     |        | 100            | 1,000          | 10,000         | 51,300         | 100,000        | TPA              |
|   | Develop Deep Berth at Mwambani Tanga  |                  | 150,000                    |     |     |     |        | 1,000          | 10,000         | 20,000         | 50,000         | 69,000         | TPA              |
|   | Upgrade Mtwara Port   |                  | 62,620                     |     |     |     |        | 12,524         | 12,524         | 12,524         | 12,524         | 12,524         | TPA              |
|   | Procurement of new vessel at Lake Tanganyika, Victoria and Nyara            |                  | 117,000                    |     |     |     |        | 23,400         | 23,400         | 23,400         | 23,400         | 23,400         |                  |
| <b>Total</b>  |   |                  | <b>995,400</b>             |     |     |     |        | <b>119,212</b> | <b>129,124</b> | <b>157,262</b> | <b>237,984</b> | <b>351,818</b> |                  |

### A.1.2.4. Air Transport

| Strategic Intervention   | Activity  | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |   |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Expand Tanzania's air cargo and passenger freight handling capacities. | Construct new terminal building (Terminal III) at the Julius Nyerere Intl. Airport.   |          | 494,000                    |     |     |     |        | 10,000  | 100,000 | 100,000 | 200,000 | 84,000  | TAA              |
|  | Complete construction of Songwe International Airport.  |          | 43,000                     |     |     |     |        | 5,000   | 10,000  | 10,000  | 10,000  | 8,000   | TAA              |
|  | Restructure and improve ATCL  |          | 30,329                     |     |     |     |        | 10,000  | 6,000   | 6,000   | 5,000   | 3,329   | TAA              |
|  | Tabora Airport: Rehabilitate and upgrade runway to bitumen standards and construct new terminal building including all associated infrastructure  |          | 60,000                     |     |     |     |        | 12,000  | 12,000  | 12,000  | 12,000  | 12,000  | TAA              |
|  | Kigoma Airport: Rehabilitate and upgrade runway to bitumen standard   |          | 60,000                     |     |     |     |        | 12,000  | 12,000  | 12,000  | 12,000  | 12,000  | TAA              |
|  | Rehabilitate and upgrade KIA  |          | 120,000                    |     |     |     |        | 24,000  | 24,000  | 24,000  | 24,000  | 24,000  | TAA              |
|  | Bukoba Airport: Rehabilitate and upgrade runway to bitumen standard and construction of new Terminal Building including associated infrastructure |          | 60,000                     |     |     |     |        | 12,000  | 12,000  | 12,000  | 12,000  | 12,000  | TAA              |
|  | Mafia Airport: Rehabilitate and upgrade runway to bitumen standard and construction of new Terminal Building including associated infrastructure  |          | 60,000                     |     |     |     |        | 12,000  | 12,000  | 12,000  | 12,000  | 12,000  | TAA              |

| Strategic Intervention  | Activity  | Location   | Total Cost (million TShs.) |     |     |     |        | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|---|---|--|----------------------------|-----|-----|-----|--------|----------------|----------------|----------------|----------------|----------------|------------------|
|   |   |  | Total                      | GOT | PPP | DPs | Others |                |                |                |                |                |                  |
|   | Extend Mwanza Airport runway along with constructing new terminal and revitalising cargo handling equipment |  | 100,000                    |     |     |     |        | 20,000         | 20,000         | 20,000         | 20,000         | 20,000         | TAA              |
|   | Rehabilitation and Upgrading of Mpanda  |  | 8,000                      |     |     |     |        | 1,000          | 1,500          | 1,500          | 2,000          | 2,000          |                  |
|   | Construction of Msembe airstrip and Othman bridge   |  | 680                        |     |     |     |        | 136            | 136            | 136            | 136            | 136            |                  |
| Enhancement of Meteorological Services for Sustainable Socio-Economic Development | Expansion of surface meteorological observing stations  | Country wide   | 19,529                     |     |     |     |        | 3,906          | 3,906          | 3,906          | 3,906          | 3,906          |                  |
|   | Expansion of Upper Air observing network  | Mtwara, Kigoma and Dodoma.                             | 1,737                      |     |     |     |        | 300            | 300            | 450            | 687            |                |                  |
|   | Establishment of Radar Network  | Mwanza, Kigoma, Mbeya, Kilimanjaro, Mtwara and Dodoma. | 22,800                     |     |     |     |        | 4,560          | 4,560          | 4,560          | 4,560          | 4,560          |                  |
|   | Upgrading of Telecommunication System   | DSM and Country  | 953                        |     |     |     |        | 191            | 191            | 191            | 191            | 191            |                  |
|   | Strengthening of data processing system   | DSM Central Forecasting Office                         | 675                        |     |     |     |        | 135            | 135            | 135            | 135            | 135            |                  |
|   | Improving Early Warning System  | DSM  | 135                        |     |     |     |        | 27             | 27             | 27             | 27             | 27             |                  |
|   | Strengthening of National Meteorological Training Centre and Research capacity of the Agency                | Kigoma and DSM   | 585                        |     |     |     |        | 100            | 100            | 125            | 260            |                |                  |
|   | Construction of National Central Forecasting Office   | DSM  | 12,000                     |     |     |     |        | 2,000          | 2,400          | 3,000          | 4,600          |                |                  |
| <b>Total</b>  |   |  | <b>1,094,423</b>           |     |     |     |        | <b>129,355</b> | <b>221,255</b> | <b>222,030</b> | <b>323,502</b> | <b>198,284</b> |                  |

### A.1.3 Energy

| Strategic Intervention                               | Activity                                 |        | Location                   | Total Cost (million TShs.) |         |     |     |               | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|--|--------|----------------------------|----------------------------|---------|-----|-----|---------------|---------|---------|---------|---------|---------|------------------|
|  |  |        |                            | Total                      | GOT     | PPP | DPs | Others (loan) |         |         |         |         |         |                  |
| <b>Power Generation</b>                              |  |        |                            |                            |         |     |     |               |         |         |         |         |         |                  |
| Increase electricity generation to 2,780 MW by 2015. | Ubungo gas fired plant                   | 100MW  | Ubungo-DSM                 | 191,250                    | 19,890  |     |     | 171,360       | 114,750 | 76,500  | 0       | 0       | 0       |                  |
|  | Mwanza heavy fuel oil fired plant        | 60MW   | Nyakato-Mwanza             | 110,160                    | 21,420  |     |     | 88,740        | 66,096  | 44,064  |         |         |         |                  |
|  | Kiwira Coal Fired plant                  | 200 MW | Tukuyu-Mbeya               | 612,000                    | 91,800  |     |     | 520,200       | 183,600 | 306,000 | 122,400 | 0       | 0       | MEM              |
|  | Kinyerezi gas power plant                | 240 MW | Kinyerezi-DSM              | 719,100                    | 15,300  |     |     | 703,800       | 215,730 | 359,550 | 143,820 | 0       | 0       | MEM              |
|  | Mtwara gas fired plant                   | 300 MW | Mnazi Bay_Mtwara           | 459,000                    | 68,850  |     |     | 390,150       | 137,700 | 229,500 | 91,800  | 0       |         | MEM              |
|  | Somanga Fungu gas fired plant            | 230 MW | Somnga fungu - Kilwa       | 535,500                    | -       |     |     | 535,500       | 160,650 | 267,750 | 107,100 | 0       | 0       | MEM              |
|  | Ruhudji hydro-power plant                | 358 MW | Njombe, Iringa & Kilombero | 1,377,000                  | 0       |     |     | 1,377,000     | 0       | 275,400 | 550,800 | 413,100 | 137,700 | MEM              |
|  | Mchuchuma coal fired electricity project | 300 MW | Ludewa-Iringa              | 750,000                    | 750,000 |     |     |               | 0       | 150,000 | 300,000 | 225,000 | 75,000  | MEM              |
|  | Development of Singida Wind Power Plant  |        | Singida                    | 30,000                     | 30,000  |     |     |               | 500     | 29,500  | 0       | 0       | 0       | NDC, TANESCO     |
|  | Development of Geothermal Power Project  |        | Mbeya/Arusha               | 15,120                     | 15,120  |     |     |               | 10,000  | 5,000   | 100     | 10      | 10      | NDC              |
| <b>Transmission</b>                                  |  |        |                            |                            |         |     |     |               |         |         |         |         |         |                  |
| Upgrade and construct new                            | Backbone Transmission                    | 400 kV | Iringa-Shinyanga           | 676,300                    | 27,815  |     |     | 676,300       | 0       | 202,890 | 338,150 | 135,260 | 0       | MEM              |



| Strategic Intervention                                      | Activity  |                           | Location                      | Total Cost (million TShs.) |         |     |     |               | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|---------------------------|-------------------------------|----------------------------|---------|-----|-----|---------------|---------|---------|---------|---------|---------|------------------|
|   |   |                           |                               | Total                      | GOT     | PPP | DPs | Others (loan) |         |         |         |         |         |                  |
| transmission lines to cope with increased power generation. | Makambako-Songea  | 132kV                     | Makambako-Songea              | 107,712                    | 3,000   |     |     | 70,400        | 32,314  | 53,856  | 21,542  | 0       | 0       | MEM              |
|   | Kahama-Geita  | 220 kV                    | Kahama-Geita                  | 35,190                     | 4,590   |     |     | 30,600        | 21,114  | 14,076  | 0       | 0       | 0       | MEM              |
|   | Geita-Nyakanazi   | 220 kV                    | Geita-Nyakanazi               | 45,900                     | 7,650   |     |     | 38,250        | 13,770  | 22,950  | 9,180   | 0       | 0       | MEM              |
|   | Morogoro-Tanga-Moshi-Arusha   | 400 kV                    | Morogoro-Tanga-Moshi-Arusha   | 1,032,750                  | 154,530 |     |     | 878,220       | 206,550 | 413,100 | 309,825 | 103,275 | 0       | MEM              |
|   | Singida-Arusha  | 400 kV                    |                               | 290,700                    | 42,840  |     |     | 247,860       | 0       | 87,210  | 145,350 | 58,140  | 0       | MEM              |
|   | Mtwara-Singida High Voltage Direct Current  | 300 kV                    | Mtwara-Singida                | 550,800                    | 82,620  |     |     | 468,180       | 165,240 | 275,400 | 110,160 | 0       | 0       | MEM              |
|   | Reinforcement of transmission & Distribution (DSM, Kilimanjaro and Arusha Regions)                  | Various 132, 66, and 32kV | DSM-Kilimanjaro and Arusha    | 212,364                    | 0       |     |     | 212,364       | 42,473  | 84,946  | 63,709  | 21,236  | 0       | MEM              |
|   | North West Grid Extension to cover Regions of Kagera and Kigoma                                     | 220 kV                    | Kagera, Kigoma, Rukwa & Mbeya | 1,015,920                  | 153,000 |     |     | 862,920       | 203,184 | 406,368 | 304,776 | 101,592 | 0       | MEM              |
|   | Establishment of Transmission Line to link Mchuchuma & South Ngaka (TANCOAL) Power to National Grid |                           | Mchuchuma and South Ngaka     | 1,530                      | 1,530   |     |     |               | 1,000   | 500     | 10      | 10      | 10      | NDC, TANESCO     |

| Strategic Intervention                  | Activity  |               | Location         | Total Cost (million TShs.) |         |     |     |               | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|---------------|------------------|----------------------------|---------|-----|-----|---------------|---------|---------|---------|---------|---------|------------------|
|   |   |               |                  | Total                      | GOT     | PPP | DPs | Others (loan) |         |         |         |         |         |                  |
| <b>Natural Gas Pipeline</b>             | Natural Gas   | 30 inch       | Mtwara-DSM-Tanga | 1,179,630                  | 177,480 |     |     | 1,017,450     | 353,889 | 589,815 | 235,926 | 0       | 0       | MEM              |
| <b>Natural Gas Development Projects</b> | Construction of Natural Gas Distribution Pipeline from Ubungo to Mikocheni Industrial area and Connection of 57 households at Mikocheni TPDC Estate | Dar es salaam |                  | 5,250                      |         |     |     |               | 1,050   | 2,050   | 1,450   | 450     | 250     |                  |
|   | LPG Extraction from Natural Gas - Detailed Engineering Design of a Modular Plant and Fabrication and Installation of Plant.                         |               |                  | 82,650                     | 18,750  |     |     | 56,250        | 2,650   | 20,000  | 20,000  | 20,000  | 20,000  |                  |
|   | Development of Natural Gas Master Plan  |               |                  | 525                        |         |     |     |               | 300     | 225     |         |         |         |                  |
|   | Capacity building: Training to local Technical Training Institutions on natural gas technology related to industries, households,                   |               |                  | 450                        |         |     |     |               | 120     | 120     | 85      | 75      | 50      |                  |

| Strategic Intervention | Activity   | Location | Total Cost (million TShs.) |     |     |     |               | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|------------------------|--|----------|----------------------------|-----|-----|-----|---------------|---------|---------|---------|---------|---------|------------------|
|                        |  |          | Total                      | GOT | PPP | DPs | Others (loan) |         |         |         |         |         |                  |
|                        | institutions and Compressed Natural Gas (CNG) for vehicles systems   |          |                            |     |     |     |               |         |         |         |         |         |                  |
|                        | Construction of CNG Filling Stations in Dar es Salaam an Expansion of the Pilot Project.                                     |          | 900                        |     |     |     | 180           | 260     | 185     | 155     | 120     |         |                  |
|                        | 20% participation in the Joint Operations for Mnazi Bay Gas Development Projects   |          | 44,250                     |     |     |     | 8,850         | 8,850   | 8,850   | 8,850   | 8,850   |         |                  |
|                        | 20% participation in the Joint Operations for Songo Songo Gas Development Projects   |          | 44,250                     |     |     |     | 8,850         | 8,850   | 8,850   | 8,850   | 8,850   |         |                  |
|                        | Natural Gas Pipeline from Dar es salaam to Bagamoyo (Zinga – Kamal steel) – Feasibility Study and Construction of a pipeline |          | 46,650                     |     |     |     | 10,330        | 13,260  | 12,960  | 9,550   | 550     |         |                  |

| Strategic Intervention                 | Activity  | Location | Total Cost (million TShs.) |         |         |     |               | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|----------|----------------------------|---------|---------|-----|---------------|---------|---------|---------|---------|---------|------------------|
|  |   |          | Total                      | GOT     | PPP     | DPs | Others (loan) |         |         |         |         |         |                  |
|  | The main CNG/PNG project in Dar es Salaam as per the Chinese Consultant Feasibility Study   |          | 82,650                     |         |         |     |               | 10,530  | 12,550  | 23,860  | 24,760  | 10,950  |                  |
|  | Construction of Natural Gas Pipeline from Mtwara to Dar es Salaam   |          | 1,167,000                  | 291,750 | 875,250 |     |               | 296,400 | 511,460 | 359,140 |         |         |                  |
|  | Projects which have been approved by GOT on Priority Basis for implementation using Mnazi Bay Gas, as soon as investor is secured |          | 42,750                     |         |         |     |               | 9,650   | 11,550  | 14,550  | 4,550   | 2,450   |                  |
|  | Research on Natural Gas Utilization Projects  |          | 300                        |         |         |     |               | 120     | 110     | 70      |         |         |                  |
| <b>Bio- Fuels Development Projects</b> | Investment in Agro Eco-Energy Tanzania Ltd for production of sugar based ethanol  |          | 15,000                     | 15,000  |         |     |               | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   |                  |
|  | Strategic Petroleum Reserve (SPR)   |          | 98,100                     |         |         |     |               | 41,400  | 56,700  |         |         |         |                  |

| Strategic Intervention                                  | Activity                         |                   | Location | Total Cost (million TShs.) |                  |                |          |                  | 2011/12          | 2012/13          | 2013/14          | 2014/15          | 2015/16          | Lead Implementer |
|---|----------------------------------|-------------------|----------|----------------------------|------------------|----------------|----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   |                                  |                   |          | Total                      | GOT              | PPP            | DPs      | Others (loan)    |                  |                  |                  |                  |                  |                  |
| <b>Improve power supply/transmission to rural areas</b> | Develop                          | the National Grid | Various  | 848,720                    |                  |                |          |                  | 100,745          | 120,895          | 157,163          | 204,312          | 265,605          | MOE              |
| <i>Ongoing Projects</i>                                 | Off grid projects                |                   | Various  | 196,689                    |                  |                |          |                  | 21,750           | 28,275           | 36,758           | 47,785           | 62,121           | MOE              |
| <i>New projects</i>                                     | Strengthen/develop National Grid |                   | Various  | 1,954,078                  |                  |                |          |                  | 25,100           | 311,779          | 405,313          | 526,907          | 684,979          | MOE              |
|   | Off grid projects                |                   | Various  | 41,073                     |                  |                |          |                  | 4,542            | 5,904            | 7,676            | 9,979            | 12,972           | MOE              |
| <b>Total</b>  |                                  |                   |          | <b>14,619,211</b>          | <b>1,979,435</b> | <b>875,250</b> | <b>0</b> | <b>8,345,544</b> | <b>2,474,127</b> | <b>5,010,213</b> | <b>3,914,558</b> | <b>1,926,846</b> | <b>1,293,467</b> |                  |

## A.1.4 Science, Technology and Innovation

| Strategic Intervention  | Activity  | Location     | Total Cost (million TShs.) |         |         |         |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer        |
|---|---|--------------|----------------------------|---------|---------|---------|--------|---------|---------|---------|---------|---------|-------------------------|
|   |   |              | Total                      | GOT     | PPP     | DPs     | Others |         |         |         |         |         |                         |
| Enhance Tanzania's ICT backbone infrastructural capacity for efficient services; and regional connectivity to provide 100% of the communication services of the land-locked countries by 2015/16.                         | Complete of the National ICT Infrastructure Backbone Project  | Country wide | 300,000                    | 45,000  | 0       | 255,000 | 0      | 150,000 | 150,000 | 0       | 0       | 0       | MCST                    |
| Develop a reliable state of the art ICT infrastructure of adequate capacity, high speed and country-wide coverage that will be commensurate with grassroots needs and compliant with regional and international standards | Scale-up Broadband Access Connectivity and build data storage centres and high capacity computing facilities to drive creation and use of local ICT content | Country wide | 848,400                    | 123,900 | 120,000 | 604,500 | 0      | 150,000 | 150,000 | 150,000 | 150,000 | 248,400 | MCST, TELECOM Operators |
| Ensure effective coordination and harmonisation of ICT initiatives  | Establish ICT Commission  | DSM          | 12,000                     | 12,000  | 0       | 0       | 0      | 3,000   | 4,500   | 4,500   | 0       | 0       | MCST                    |
| Establish national addressing system and postal codes to ensure physical accessibility of citizen, business etc   | Establish national address and postal code system   | Country wide | 195,000                    | 195,000 | 0       | 0       | 0      | 45,000  | 75,000  | 75,000  | 0       | 0       | MCST (TCRA)             |

| Strategic Intervention  | Activity  | Location                                       | Total Cost (million TShs.) |        |        |       |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|--|----------------------------|--------|--------|-------|--------|---------|---------|---------|---------|---------|------------------|
|   |   |  | Total                      | GOT    | PPP    | DPs   | Others |         |         |         |         |         |                  |
| Create a critical mass of ICT skilled labour force and support specialised ICT Institutions | Establish ICT Human Resource Capacity building hubs                                   | DSM, Dodoma, Zanzibar                          | 15,000                     | 15,000 | 0      | 0     | 0      | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | MCST             |
|   | Establish professional certification body for ICT                                     | DSM  | 12,000                     | 12,000 | 0      | 0     | 0      | 4,500   | 4,500   | 3,000   | 0       | 0       | MCST             |
| Introduce use of new technologies in productive sectors                                     | Establish one food irradiator to reduce post-harvest losses and increase food safety. | Makambako                                      | 12,000                     | 0      | 12,000 | 0     | 0      | 3,000   | 3,000   | 6,000   | 0       | 0       | COSTECH          |
|   | Nuclear power plant construction: Phase I: preparations                               | To be identified                               | 22,500                     | 22,500 | 0      | 0     | 0      | 6,000   | 6,000   | 6,000   | 4,500   | 0       | COSTECH          |
| Translate research into products  | Set up a manufacturing plant for simple agriculture implements                        | Arusha   | 75,000                     | 0      | 75,000 | 0     | 0      | 15,000  | 30,000  | 30,000  | 0       | 0       | COSTECH          |
|   | Establish one agriculture biotechnology centre  | Sokoine University                             | 15,000                     | 7,500  | 0      | 7,500 | 0      | 7,500   | 7,500   | 0       | 0       | 0       | COSTECH          |
| Strengthen STI infrastructure to enhance its role in the productive sector                  | Complete and support NM-AIST Arusha to run applied MSC and PhD programmes             |  | 12,400                     |        |        |       |        | 2,480   | 2,480   | 2,480   | 2,480   | 2,480   |                  |
|   |   | Establish one agriculture biotechnology centre |                            | 7,750  |        |       |        |         | 1,550   | 1,550   | 1,550   | 1,550   | 1,550            |

| Strategic Intervention   | Activity   | Location                    | Total Cost (million TShs.) |                |                |                |          | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|--|--|-----------------------------|----------------------------|----------------|----------------|----------------|----------|----------------|----------------|----------------|----------------|----------------|------------------|
|  |  |                             | Total                      | GOT            | PPP            | DPs            | Others   |                |                |                |                |                |                  |
|  | Introduce one food irradiator to reduce postharvest losses and increase food safety in the country |                             | 12,400                     |                |                |                |          | 2,480          | 2,480          | 2,480          | 2,480          | 2,480          |                  |
| Well maintained broadcasting equipment and increases TBC coverage by June 2014 | Increase Radio Coverage signal quality and Radio studio  | Country wide 102 FM Station | 50,000                     |                |                |                |          | 10,000         | 10,000         | 10,000         | 10,000         | 10,000         |                  |
|  | TV equipment   | Country wide                | 8,000                      |                |                |                |          | 2,500          | 1,000          | 2,500          | 1,000          | 1,000          |                  |
|  | Develop ICT network for TBC office and studio  | Country wide                | 3,500                      |                |                |                |          | 1,000          | 1,000          | 500            | 500            | 500            |                  |
|  | Rehabilitation of outside broadcasting equipment   | Mikoche ni and TBC HQ       | 5,500                      |                |                |                |          | 1,000          | 1,000          | 1,500          | 1,000          | 1,000          |                  |
| <b>Total</b>   |  |                             | <b>1,606,450</b>           | <b>432,900</b> | <b>207,000</b> | <b>867,000</b> | <b>0</b> | <b>408,010</b> | <b>453,010</b> | <b>298,510</b> | <b>176,510</b> | <b>270,410</b> |                  |



## A.1.5 Human Capital Development and Social Services

### Education

| Strategic Intervention  | Activity   | Location             | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16           | Lead Implementer |
|---|--|----------------------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|-------------------|------------------|
|   |  |                      | Total                      | GOT | DPs | PPP | Others |         |         |         |         |                   |                  |
| <b>Primary Education</b>  |  |                      |                            |     |     |     |        |         |         |         |         |                   |                  |
| Improve quality, access and equity to primary education             | To ensure availability of teaching and learning materials and facilities such as classrooms, libraries, desks, books and teachers houses in primary schools.     | Councils             | 721,420                    | √   |     |     |        | 123,743 | 173,240 | 190,564 | 233,874 | PMO-RALG/Councils |                  |
| <b>Secondary Education</b>  |  |                      |                            |     |     |     |        |         |         |         |         |                   |                  |
| Improve quality, access and equity to secondary education           | To ensure availability of teaching and learning materials and facilities such as classrooms, desks, laboratories, books and teachers houses in secondary schools | Councils             | 332,620                    |     |     |     | 0      | 64,965  | 87,703  | 89,002  | 90,951  | PMO-RALG/Councils |                  |
| <b>Technical and Vocation Education</b>                             |  |                      |                            |     |     |     |        |         |         |         |         |                   |                  |
| Train 133,000 diploma and grade A teachers in 34 Teachers' colleges | To improve colleges infrastructure, teaching and learning environment in 34 teachers colleges  | 34 Teachers Colleges | 126,500                    |     |     |     | 17,500 | 20,000  | 25,000  | 30,000  | 34,000  | MOEVT             |                  |

| Strategic Intervention   | Activity  | Location  | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|---|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |   |   | Total                      | GOT | DPs | PPP | Others |         |         |         |         |         |                  |
| Improve learning and teaching environment for Folk Development Centres/Colleges        | Staff training, building and infrastructure rehabilitation, tools and equipment procurement | Councils  | 242,640                    |     |     |     |        | 0       | 48,528  | 72,792  | 72,792  | 48,528  | MCDGC            |
|  | Rehabilitation and expansion of Community Development Institutions                          | Tengeru_CDT, Rungemba, Misungwi, Monduli, Buhare, Uyole, Mabughai, Ruaha, Mlale | 135,000                    |     |     |     |        | 27,000  | 40,500  | 40,500  | 27,000  | 0       | MCDGC            |
| <b>Higher Education</b>  |   |   |                            |     |     |     |        |         |         |         |         |         |                  |
| Train student in science and engineering, education, agriculture and health profession | To facilitate construction of 2 higher learning institutions.                               | Muhimbili University Campus at Mloganzila - Dar es Salaam                       | 35,243                     | √   |     |     |        | 3,000   | 10,000  | 12,000  | 10,243  | 0       | MOEVT            |
|  |   | Completion Dodoma University  | 85,695                     | √   |     |     |        | 5,695   | 20,000  | 25,000  | 35,000  | 0       |                  |
|  | To facilitate major rehabilitation and expansion of 5 higher learning institution.          | University of Dar es Salaam - Dar es Salaam                                     | 36,716                     |     |     |     |        | 2,516   | 8,000   | 8,500   | 8,700   | 9,000   |                  |
|  |   | Sokoine University of Agriculture - Dodoma                                      | 47,900                     |     |     |     |        | 2,300   | 7,800   | 12,500  | 11,300  | 14,000  |                  |
|  |   | Dar es Salaam College of Education. - Dar es Salaam                             | 14,050                     |     |     |     |        | 2,000   | 2,300   | 2,500   | 2,750   | 4,500   |                  |

| Strategic Intervention | Activity | Location                               | Total Cost (million TShs.) |     |     |     |        | 2011/12       | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|------------------------|----------|--|----------------------------|-----|-----|-----|--------|---------------|----------------|----------------|----------------|----------------|------------------|
|                        |          |  | Total                      | GOT | DPs | PPP | Others |               |                |                |                |                |                  |
|                        |          | Mkwawa University College of Education | 17,435                     |     |     |     |        | 3,005         | 5,630          | 4,800          | 2,000          | 2,000          |                  |
|                        |          | Arusha Technical College               | 19,410                     |     |     |     |        | 2,060         | 3,080          | 4,520          | 4,750          | 5,000          |                  |
| <b>Total</b>           |          |  | <b>1,814,629</b>           |     |     |     |        | <b>65,076</b> | <b>354,546</b> | <b>469,054</b> | <b>484,101</b> | <b>441,853</b> |                  |

### Health

| Strategic Intervention  | Activity/Project   | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|--|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |  |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| <b>1.0 HUMAN RESOURCE DEVELOPMENT AND TRAINING</b>  |  |          |                            |     |     |     |        |         |         |         |         |         |                  |
| Ensure availability of health workers in all health facilities as per establishment by the year 2015/16 | Train 96 teachers for multipurpose community health workers and Social Workers and 84 teachers for Lab. Assistants and mentors for certificate level |          | 4,440                      | √   | √   | √   |        | 876     | 918     | 925     | 958     | 762     | MOHSW            |
|   | Train 4520 (40 for each district) Community health workers within the District hospital learning environment.  |          | 1,071                      | √   | √   | √   |        | 214     | 214     | 214     | 214     | 214     | MOHSW            |
|   | Train 190 Lab. Assistants within the regional hospitals learning environment annually  |          | 3,209                      | √   | √   | √   |        | 642     | 642     | 642     | 642     | 642     | MOHSW            |
|   | Employ health workers 8,246 every year   |          | 304,957                    | √   | √   |     |        | 54,098  | 57,344  | 60,785  | 64,432  | 68,298  | MOHSW            |

| Strategic Intervention  | Activity/Project   | Location              | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|--|-----------------------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |  |                       | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Strengthen Morogoro distance learning unit and Eight Zonal Training Centres.    | Build capacity of Morogoro Distance Learning Education Unit and Eight Zonal training centres in distance learning.                       |                       | 16,372                     | √   |     |     |        | 2,904   | 3,079   | 3,263   | 3,459   | 3,667   | MOHSW            |
|   | Support the 16 training contact points/network points for Effective supervision, coordination and support of Distance Education trainees |                       | 410                        | √   |     |     |        | 73      | 77      | 82      | 87      | 92      | MOHSW            |
|   | Conduct short teacher training courses on teaching skills/methodologies for all new recruited teachers.                                  |                       | 224                        | √   | √   |     |        | 45      | 45      | 45      | 45      | 45      | MOHSW            |
|   | Update teachers on new trends and technological advancements in the health sector  |                       | 336                        | √   | √   |     |        | 60      | 63      | 67      | 71      | 75      | MOHSW            |
|   | Increase allocation and training grants to schools in order to cope with increased enrolled students                                     |                       | 987                        | √   | √   |     |        | 197     | 197     | 197     | 197     | 197     | MOHSW            |
| <b>2.0 REGIONAL REFERRAL, SUPERSPECIALISED AND NATIONAL HOSPITAL</b>            |  |                       |                            |     |     |     |        |         |         |         |         |         |                  |
| To increase and strengthen access for patients in need of advanced medical care | Construction of Cancer Institute at Bugando Medical Centre   | Bugando Health centre | 9,500                      | √   | √   | √   |        | 2,500   | 2,500   | 2,500   | 1,000   | 1,000   | MOHSW            |
|   | Construction works at Mtwara Referral Hospital   | Mtwara Municipal      | 12,000                     | √   | √   | √   |        | 500     | 2,500   | 3,000   | 3,000   | 3,000   | MOHSW            |

| Strategic Intervention              | Activity/Project   | Location  | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16                              | Lead Implementer |
|-------------------------------------|--|---|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|--------------------------------------|------------------|
|                                     |  |   | Total                      | GOT | PPP | DPs | Others |         |         |         |         |                                      |                  |
|                                     | Construction of the Mwalimu Nyerere Medical Centre   | Musoma  | 12,807                     |     |     |     |        | 4,000   | 4,000   | 4,000   | 807     |                                      |                  |
|                                     | Provision of equipment, reagents and supplies for specialised services (e.g Kedney, heat, heap replacement etc |   | 7,300                      | √   | √   | √   | 1,000  | 1,200   | 1,500   | 1,600   | 2,000   | MOHSW                                |                  |
|                                     | Rehabilitation and expansion at Ocean Road cancer Institute  | Public and Private Health Training Institutions | 8,500                      | √   | √   |     | 2,500  | 1,500   | 1,500   | 1,500   | 1,500   | MOHSW                                |                  |
| <b>3.0 DISTRICT HEALTH SERVICES</b> |  |   |                            |     |     |     |        |         |         |         |         |                                      |                  |
|                                     | Construction of 1,554 Dispensaries   |   | 107,065                    | √   | √   |     | 71,530 | 35,535  |         |         |         |                                      |                  |
|                                     | Construction of 19 District Hospitals  |   | 76,000                     | √   | √   |     |        | 20,000  | 20,000  | 20,000  | 16,000  | MOHSW, PMO-RALG, RSs                 |                  |
|                                     | Construction of 95 Maternity Waiting Homes   |   | 2,600                      | √   | √   | √   | 975    | 650     | 325     | 325     | 325     | MOHSW, PMO-RALG, RSs, LGAs, VILLAGES |                  |
|                                     | Rehabilitation of 250 Dispensaries   |   | 14,375                     | √   | √   | √   | 2,875  | 2,875   | 2,875   | 2,875   | 2,875   | MOHSW, PMO-RALG, RSs, LGAs           |                  |
|                                     | Rehabilitation of 120 Health Centres   |   | 3,000                      | √   | √   | √   | 600    | 600     | 600     | 600     | 600     | MOHSW, PMO-RALG, RSs, LGAs, VILLAGES |                  |
|                                     | Rehabilitation of 54 District Hospitals  |   | 35,000                     | √   | √   |     | 25,000 | 10,000  |         |         |         | MOHSW, PMO-RALG, RSs, LGAs, VILLAGES |                  |

| Strategic Intervention  | Activity/Project  | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer                     |
|---|---|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|--------------------------------------|
|   |   |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                                      |
|   | Construction of 518 Health Centres  |          | 148,000                    |     |     |     |        | 111,000 | 37,000  |         |         |         | MOHSW, PMO-RALG, RSs, LGAs, VILLAGES |
| To strengthen 2,555 health centres by constructing theatres and providing them with necessary medical equipment and furniture by year 2015/16 | Construction of Emergency Obstetric Care (EMoC) Theatres in 2,555 Health Centres  |          | 577,500                    | √   |     | √   |        | 350,000 | 227,500 |         |         |         | MOHSW, PMO-RALG, RSs, LGAs, VILLAGES |
| 114 mobile clinics to all district and 2,555 motor cycles to all health centres by 2015/16  | Procure and distribute 2,555 motor cycles to all health centres   |          | 3,000                      | √   | √   | √   |        | 1,500   | 600     | 300     | 300     | 300     | MOHSW, PMO-RALG, LGAs                |
| To strengthen communication systems to all 114 Districts by year 2015   | Procure and distribute radio call/ cellular phones/ internet to 114 Districts   |          | 1,650                      | √   | √   | √   |        | 450     | 300     | 300     | 300     | 300     | MOHSW, PMO-RALG, LGAs                |
| To promote efficient and effective management of medicines, medical supplies and equipment in primary health facilities                       | Build capacity of new health providers in primary health facilities to enable them manage medicines, medical supplies and equipment efficiently |          | 5,270                      | √   |     |     |        | 2,636   | 1,871   | 763     | 0       | 0       | MOHSW, PMO-RALG, LGAs                |
| <b>4. MATERNAL, NEWBORN AND CHILD HEALTH</b>  |   |          |                            |     |     |     |        |         |         |         |         |         |                                      |

| Strategic Intervention   | Activity/Project   | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer                      |
|--|--|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|---------------------------------------|
|  |  |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                                       |
| To reduce maternal mortality from 578 to 175 per 100,000 live births and under-five mortality from 112 to 45 per 1,000 live births by 2017 | Train 8,000 service providers from hospitals and health centres and dispensaries in advanced and basic lifesaving skills, essential newborn care, FANC, PAC, ARH, Family Planning, IMCI, ETAT, ENA immunisation safety and data management and KMC |          | 15,000                     | √   |     |     |        | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | MOHSW, PMO-RALG, RSs, LGAs, Community |
|  | Build capacity of 800 pre-service tutors on reproductive, newborn and child health intervention  |          | 500                        | √   | √   |     |        | 100     | 100     | 100     | 100     | 100     | MOHSW, PMO-RALG, RSs, LGAs, Community |
|  | Train district and ward trainers and community health workers on community IMCI and maternal newborn package in 100 districts, 1,800 wards and 9,000 villages  |          | 6,000                      | √   |     | √   |        | 2,500   | 2,000   | 500     | 500     | 500     | MOHSW, PMO-RALG, RSs, LGAs, Community |
|  | Orient 10 national community theatre groups on maternal newborn and child health and establish community theatre groups in 114 districts.  |          | 1,600                      | √   |     |     |        | 500     | 300     | 300     | 250     | 250     | MOHSW, PMO-RALG, RSs, LGAs, Community |

| Strategic Intervention  | Activity/Project   | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer                      |
|---|--|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|---------------------------------------|
|   |  |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                                       |
|   | Build capacity of traditional birth attendants on reproductive health and referral for pregnant women in 45 districts through training prioritizing hard to reach areas. |          | 850                        | √   |     |     |        | 250     | 150     | 150     | 150     | 150     | MOHSW, PMO-RALG, RSs, LGAs, Community |
|   | Conduct on job training for health providers in all 120 district hospitals for quality improvement of maternal, newborn and child hospital care.                         |          | 3,750                      | √   |     |     |        | 750     | 750     | 750     | 750     | 750     | MOHSW, PMO-RALG, RSs, LGAs, Community |
| To increase percentage of women delivered by skilled attendant from 46% of 2004 till 80% by 2015/16 | Train 200 Assistant Medical Officers, 200 Anaesthetist and 400 Nurses on theatre on EMOC and theatre practice  |          | 1,500                      | √   |     | √   |        | 300     | 300     | 300     | 300     | 300     | MOHSW, PMO-RALG, RSs, LGAs, Community |
| To increase percentage of immunisation coverage by 2015/16  | Equip new health facilities with vaccine refrigerators vaccine carriers and monitoring tools   |          | 4,837                      | √   |     | √   |        | 1,613   | 806     | 806     | 806     | 806     |                                       |
|   | Support outreach/mobile services   |          | 338                        | √   |     | √   |        | 169     |         |         | 169     |         |                                       |
| <b>5. MALARIA</b>   |  |          |                            |     |     |     |        |         |         |         |         |         |                                       |
| To reduce the burden of Malaria by 80% by the end of 2015/16 from current levels                    | Introduce indoor residual spraying (IRS) in all epidemic prone districts, and to 100% of the endemic districts in the country by 2016/16                                 |          | 120,000                    | √   | √   | √   |        | 10,000  | 10,000  | 30,000  | 30,000  | 40,000  | MOHSW, PMO-RALG, RSs, LGAs, Community |
| <b>6. HIV AND AIDS</b>  |  |          |                            |     |     |     |        |         |         |         |         |         |                                       |



| Strategic Intervention  | Activity/Project  | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer                      |
|---|---|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|---------------------------------------|
|   |   |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                                       |
| To increase and strengthen services for care and treatment of people living with HIV/AIDS to reach 800,000 by 2015/16 | Provide voluntary counselling and testing services from 15 to 60% for the age group 15 -  |          | 28,600                     | √   | √   |     |        | 4,951   | 4,951   | 5,856   | 5,857   | 6,985   | MOHSW, PMO-RALG, RSs, LGAs, Community |
|   | Increase number of patients on ARVs from 120,000 to 800,000 by 2017   |          | 72,357                     | √   | √   | √   |        | 15,856  | 15,856  | 19,095  |         | 21,550  | MOHSW, PMO-RALG, RSs, LGAs, Community |
| <b>7. TUBERCULOSIS AND LEPROSY CONTROL</b>  |   |          |                            |     |     |     |        |         |         |         |         |         |                                       |
| To reduce prevalence and death rates associated with Tuberculosis by 50% 2015/16                                      | Re-evaluate the magnitude and deaths due to Tuberculosis  |          | 350                        | √   | √   | √   |        |         | 350     |         |         |         | MOHSW, PMO-RALG, RSs, LGAs, Community |
|   | Train 4,500 in-service health workers (nurses, clinical officers, doctors and laboratory technicians) on new developments in TB         |          | 400                        | √   | √   | √   |        | 80      | 80      | 80      | 80      | 80      | MOHSW, PMO-RALG, RSs, LGAs, Community |
|   | Strengthen the capacity of lower level health facilities for early diagnosis, treatment and referral of patients with drug resistant TB |          | 1,400                      | √   | √   |     |        | 400     | 270     | 250     | 250     | 230     | MOHSW, PMO-RALG, RSs, LGAs, Community |
| <b>8. NON COMMUNICABLE DISEASES</b>   |   |          |                            |     |     |     |        |         |         |         |         |         |                                       |
| To improve provision for control and prevention of Non communicable Diseases at PHC                                   | Train responsible personnel for control and prevention of Non communicable diseases   |          | 6,021                      | √   |     | √   |        | 1,030   | 1,110   | 1,197   | 1,291   | 1,393   | MOHSW, PMO-RALG, RSs, LGAs, Community |
| <b>9. NUTRITION</b>   |   |          |                            |     |     |     |        |         |         |         |         |         |                                       |

| Strategic Intervention   | Activity/Project   | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer                      |
|--|--|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|---------------------------------------|
|  |  |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                                       |
| To build capacity for nutrition interventions at district and community levels   | Deploy, recruit and train nutrition focal person in coordination and management of nutrition interventions at district and community level in all Councils |          | 3,952                      | √   |     |     |        | 1,000   | 1,050   | 1,117   | 775     | 10      | MOHSW, PMO-RALG, RSs, LGAs, Community |
| <b>10. TRADITIONAL AND ALTERNATIVE MEDICINE</b>  |  |          |                            |     |     |     |        |         |         |         |         |         |                                       |
| To facilitate the provision of quality traditional and alternative medicine services to all people to enable them improve their well being | Train and facilitate establishment of modern Traditional Medicine facilities   |          | 3,710                      | √   | √   |     |        | 759     | 759     | 820     | 820     | 551     |                                       |
| To promote standardisation and formulation of value added traditional medicine products through the application of traditional             | Conduct research and documentation of traditional medicines  |          | 2,878                      | √   | √   |     |        | 712     | 712     | 562     | 562     | 332     |                                       |
| <b>11. NEGLECTED TROPICAL DISEASES (NTDs)</b>  |  |          |                            |     |     |     |        |         |         |         |         |         |                                       |
| To reduce the burden of neglected tropical diseases until they are no longer of public health significance at all levels by 2015/16        | Map all neglected tropical diseases to identify their distribution throughout the country  |          | 230                        | √   | √   |     |        |         |         | 230     |         |         | MOHSW, PMO-RALG,RSs,LGAs, COMMUNITY   |
| <b>12. SOCIAL WELFARE</b>  |  |          |                            |     |     |     |        |         |         |         |         |         |                                       |

| Strategic Intervention   | Activity/Project   | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer                      |
|--|--|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|---------------------------------------|
|  |  |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                                       |
| To improve Social welfare services at all levels                         | Construction and rehabilitate of homes/schools for elderly, orphans and vulnerable groups                                  |          | 6,000                      | √   | √   |     |        | 500     | 1,000   | 1,500   | 1,500   | 1,500   | MOHSW, PMO-RALG, RSs, LGAs            |
|  | Integrate Social Welfare and Health Offices at Regional and Council levels   |          | 200                        | √   |     |     |        |         | 50      | 50      | 50      | 50      | MOHSW, PMO-RALG, RSs                  |
| <b>13. HEALTH CARE FINANCING</b>   |  |          |                            |     |     |     |        |         |         |         |         |         |                                       |
| To improve health care financing at all levels                           | Increase financial resources through complimentary financing by 10% of total budget by 2015/16                             |          | 4,400                      | √   |     |     |        | 600     | 700     | 800     | 1,000   | 1,300   |                                       |
|  | Conduct Public Expenditure Review and dissemination of health financing study and strategy                                 |          | 519                        | √   | √   |     |        | 80      | 115     | 124     | 100     | 100     |                                       |
| To institutional capacity of the Ministry to implement its core function | Equitably allocate essential medicines, dental diagnostics, medical supplies and equipment to all public health facilities |          | 1,088,100                  | √   |     | √   |        | 250,000 | 260,000 | 270,000 | 300,000 | 8,100   | MOHSW, PMO-RALG, RSs, LGAs, Community |
|  | Renovation and expansion of MoHSW existing buildings   |          | 30,500                     | √   |     | √   |        | 5,000   | 5,000   | 6,500   | 6,500   | 7,500   | MOHSW, PMO-RALG, RSs, LGAs, Community |
|  | Improve staff skill and competence   |          | 2,500                      | √   | √   | √   |        | 500     | 500     | 500     | 500     | 500     | MOHSW, PMO-RALG, RSs, LGAs, Community |
| <b>14. MONITORING AND EVALUATION</b>                                     |  |          |                            |     |     |     |        |         |         |         |         |         |                                       |

| Strategic Intervention  | Activity/Project  | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|---|---|----------|----------------------------|-----|-----|-----|--------|----------------|----------------|----------------|----------------|----------------|------------------|
|   |   |          | Total                      | GOT | PPP | DPs | Others |                |                |                |                |                |                  |
| To determine progress made against the set objectives and targets of MMAM by 2017 | Monitor, supervise and evaluate PHSDP implementation at all levels. |          | 3,846                      | √   |     |     |        | 208            | 316            | 535            | 966            | 1,821          | DHR/DHS/DPP /DAP |
| <b>TOTAL</b>  |   |          | <b>2,765,911</b>           |     |     |     |        | <b>933,033</b> | <b>721,435</b> | <b>449,005</b> | <b>461,881</b> | <b>200,557</b> |                  |

## A.1.6 Tourism, Trade and Financial Services

### Tourism

| Strategic intervention  | Activity/Project   | Location                                    | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|--|---|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |  |   | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Identify and improve tourist attraction sites and products        | Theme parks establishment                                | Dar es salaam, Mwanza                       | 20,000                     |     |     |     |        | 1,000   | 12,000  | 5,000   | 1,000   | 1,000   | MNRT             |
|   | Tourism information outlets                              | Iringa, Mwanza                              | 5,000                      |     |     |     |        | 1,000   | 2,000   | 1,500   | 500     | 0       |                  |
|   | Construction of 300 km new roads, 3200 km rehabilitation | In parks                                    | 15,000                     |     |     |     |        | 2,000   | 7,000   | 3,000   | 2,000   | 1,000   | MNRT             |
|   | Construction of walking/hiking trails                    | In Parks                                    | 500                        |     |     |     |        | 100     | 100     | 100     | 100     | 100     |                  |
| Enhance sustainable conservation and management of cultural sites | Conservation plans for five sites                        | Ujiji, Laetoli, Odupai, Amboni, and Isimila | 20,000                     |     |     |     |        | 0       | 7,000   | 6,000   | 3,500   | 3,500   | MNRT             |
|   | Prevention of leakage of resources                       | Nation wide                                 | 100                        |     |     |     |        | 20      | 20      | 20      | 20      | 20      | MNRT             |
|   | Hunting and photographic tourism                         | Nation wide                                 | 700                        |     |     |     |        | 140     | 140     | 140     | 140     | 140     | MNRT             |
|   | Marketing of wildlife                                    | Nation wide                                 | 200                        |     |     |     |        | 40      | 40      | 40      | 40      | 40      | MNRT             |
|   | Management of wildlife management areas                  | Specific areas                              | 50                         |     |     |     |        | 10      | 10      | 10      | 10      | 10      | MNRT             |
| Institutional Capacity development for Wildlife                   | CWM expansion  | Mweka                                       | 4,220                      |     |     |     |        | 844     | 844     | 844     | 844     | 844     | MNRT             |
| Development of Culture Infrastructure centres                     | Construction of National Cultural Complex at Kiromo      | Bagamoyo District                           | 20                         |     |     |     |        | 4       | 5       | 5       | 5       | 1       |                  |

| Strategic intervention  | Activity/Project   | Location   | Total Cost (million TShs.) |       |     |       |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer  |
|---|--|--|----------------------------|-------|-----|-------|--------|---------|---------|---------|---------|---------|---|
|   |  |  | Total                      | GOT   | PPP | DPs   | Others |         |         |         |         |         |   |
|   | Rehabilitation and expansion of TaSUBa   | Bagamoyo District  | 1                          |       |     |       |        | 0.20    | 0.40    | 0.30    | 0.05    | 0.05    |   |
| Conservation, Presentation and Promotion of cultural heritage resources found in Tanzania | Develop and construct infrastructure (roads, water, electricity and communication) at Kondoia Irangi Oldupai archaeological Site, Laetolil footprints, Amboni Caves, Kilwa Kisiwani, Isimila Stone Age Site and Mbozi Meteororite site | Kondoia Irangi Oldupai, Laetolil Amboni Caves, Kilwa Kisiwani, Isimila Stone Age Site and Mbozi Meteororite site | 4,000                      | 1,000 |     | 3,000 |        | 1,000   | 1,000   | 1,000   | 1,000   | 0       | Ministry of Natural Resources and Tourism/<br>Ministry of Works, Ministry of Communication and LGAs |
|   | Construction of the State of Art Museum environmentally friendly to the Laetolil footprints at Laetoli, Ngorongoro   | Laetoli Ngorongoro   | 9,327                      | 9,285 |     | 0     |        | 42      | 137     | 2,409   | 4,359   | 2,380   | Ministry of Natural Resources and Tourism/<br>Ministry of Works, Ministry of Communication and LGAs |
|   | Construction of Information Centers/Mini Museum at Amboni, Kondoia, Mbozi Meteorite site, Kalenga Chief Mkwawa Memorial Museum,  | Amboni, Kondoia, Mbozi Kalenga   | 3,000                      | 1,000 |     | 2,000 |        | 1,000   | 500     | 500     | 500     | 500     | Ministry of Natural Resources and Tourism/ LGAs   |
|   | Preservation/rehabilitation of historic buildings and Monuments at Bagamoyo historic town, and along the slave route preserved   | Bagamoyo and along the slave route   | 5,000                      | 1,000 |     | 4,000 |        | 500     | 1,000   | 1,000   | 1,000   | 1,500   | Ministry of Natural Resources and Tourism/ LGAs   |

| Strategic intervention  | Activity/Project  | Location   | Total Cost (million TShs.) |       |        |       |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer                                 |
|---|---|--|----------------------------|-------|--------|-------|--------|---------|---------|---------|---------|---------|--|
|   |   |  | Total                      | GOT   | PPP    | DPs   | Others |         |         |         |         |         |  |
|   | and restored.   |  |                            |       |        |       |        |         |         |         |         |         |  |
|   | Construction of Visitor Centres, gates and accommodation facilities-bandas, rest house                                  | Saadani, Mkomazi, Ruaha  | 90,000                     | 1,000 | 89,000 |       |        | 10,000  | 20,000  | 20,000  | 20,000  | 20,000  | MNRT   |
|   | Enhance/ improve cultural heritage sites interpretation and management plans.   | Dar es salaam  | 2,500                      | 1,000 |        | 1,000 |        | 200     | 500     | 800     | 500     | 500     | Ministry of Natural Resources and Tourism/ LGAs  |
| Community involvement and participation on cultural heritage conservation and promotion training of staff | Engage local inhabitants of the villages in stewardship of the heritage site to develop and implement the land use plan | Laetoli Kondoia Irangi Oldupai, Bagamoyo Kaole, Kilwa Kisiwani Isimila ,             | 1,000                      | 200   |        | 800   |        | 200     | 200     | 200     | 200     | 200     | Ministry of Natural Resources and Tourism LGAs / |
|   | Train local craft people in rehabilitation/conservation skills.   | Kondoia Irangi Oldupai, Laetolil Amboni Caves, Kilwa Kisiwani Isimila Stone Age Site | 400                        | 400   |        | 0     |        | 50      | 100     | 100     | 50      | 100     | Ministry of Natural Resources and Tourism/ LGAs  |
|   | Cultural Tourism Promotion along the Central Slave and Ivory Trade Caravan Route  | Ujiji Kigoma to Bagamoyo   | 3,800                      | 800   |        | 3,000 |        | 0       | 800     | 1,000   | 1,000   | 1,000   | Ministry of Natural Resources and Tourism/ LGAs  |

| Strategic intervention | Activity/Project                   | Location  | Total Cost (million TShs.) |               |               |               |          | 2011/12       | 2012/13       | 2013/14       | 2014/15       | 2015/16       | Lead Implementer                                |
|------------------------|------------------------------------|---|----------------------------|---------------|---------------|---------------|----------|---------------|---------------|---------------|---------------|---------------|---|
|                        |                                    |   | Total                      | GOT           | PPP           | DPs           | Others   |               |               |               |               |               |   |
|                        | Preparation of promotion materials | Kondoa Irangi Oldupai, Laetolil Amboni Caves, Kilwa Kisiwani Isimila Stone Age Site | 1,000                      | 500           |               | 500           |          | 100           | 300           | 300           | 150           | 150           | Ministry of Natural Resources and Tourism/ LGAs |
| <b>Total</b>           |                                    |   | <b>185,818</b>             | <b>16,185</b> | <b>89,000</b> | <b>14,300</b> | <b>0</b> | <b>18,250</b> | <b>53,696</b> | <b>43,968</b> | <b>36,918</b> | <b>32,985</b> |   |

### Trade

| Strategic intervention   | Activity/Project   | Location     | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|--|--------------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |  |              | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| <b>Regional Integration</b>  |  |              |                            |     |     |     |        |         |         |         |         |         |                  |
| Building research capacities in identifying opportunities and challenges within the regional Economic Communities and create awareness | Conducting research, analysis and assessment of opportunities and challenges; Prepare strategies to utilize identified opportunities; Disseminate information to a wide spectrum of stakeholders | Country wide | 5,000                      |     |     |     |        | 768     | 962     | 962     | 1,154   | 1,154   | MEAC/MIC         |



| Strategic intervention  | Activity/Project   | Location     | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|--|--------------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |  |              | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| Develop adequate capacities for negotiations, monitoring and evaluating | Strengthening capacity to negotiate, monitor and evaluate Tanzania's participation in regional integration.  | Country wide | 2,100                      |     |     |     |        | 300     | 400     | 400     | 500     | 500     | MEAC/MIT         |
|   | Developing a monitoring framework for implementation of Custom Union, Common Market Protocol, Monetary Union and regional programmes.                                  | Country wide | 2,100                      |     |     |     |        | 500     | 500     | 500     | 300     | 300     | MEAC             |
| Identify and implement strategic sectoral regional projects             | Strengthen sectoral capacity to implement regional programs; Monitor and evaluate regional Developments; Implement strategic specific sectoral programs.               |              | 900                        |     |     |     |        | 150     | 200     | 200     | 200     | 150     | MEAC/All MDAs    |
| <b>International and National Trade</b>                                 |  |              |                            |     |     |     |        |         |         |         |         |         |                  |
| SME sector development and promotion                                    | Development of a Mechanism and Facilitating SMEs to access Entrepreneurship Programmes and Business development Services   |              | 227                        |     |     |     |        | 45      | 45      | 45      | 45      | 45      |                  |
| Trade and marketing of goods and services expanded                      | Facilitating entrepreneurs to promote agricultural products in domestic markets through exhibitions  |              | 438                        |     |     |     |        | 88      | 88      | 88      | 88      | 88      |                  |
|   | To develop retail markets to facilitate distribution of products from wholesale markets to expand market outreach  |              | 70                         | 50  | 10  | 10  | 0      | 10      | 12      | 14      | 16      | 18      | MIT              |
| International standard market centres and strategic border              | Develop and Enhance domestic wholesale markets at Makambako, Segera and the earmarked Chalinze market at international level like that of Kibaigwa. To develop 15 such |              | 300                        | 50  | 50  | 200 | 0      | 60      | 60      | 60      | 60      | 60      | MIT              |

| Strategic intervention                                   | Activity/Project   | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|--|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|  |  |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| markets developed and operationalised                    | markets in five years  |          |                            |     |     |     |        |         |         |         |         |         |                  |
|  | To facilitate establishment and develop five border markets  |          | 567                        |     |     |     | 113    | 113     | 113     | 113     | 113     |         |                  |
|  | Develop strategic agricultural marketing infrastructures investment (Segeera and Makambako)  |          | 155                        |     |     |     | 31     | 31      | 31      | 31      | 31      |         |                  |
|  | To support Regional Standards harmonisation, sensitize and create awareness to stakeholders along the value chain on traceability and barcode system |          | 189                        |     |     |     | 38     | 38      | 38      | 38      | 38      |         |                  |
|  | To coordinate and facilitate Agriculture Marketing & Private Sector Development TWG activities   |          | 196                        |     |     |     | 39     | 39      | 39      | 39      | 39      |         |                  |
| Building capacity of marketing actors                    | Building capacity of marketing actors (stakeholders) to meet quality, grades and standards for domestic, regional and international markets          |          | 234                        |     |     |     | 47     | 47      | 47      | 47      | 47      |         |                  |
|  | Building capacity of public and private actors and service providers in marketing chain and agribusiness   |          | 135                        |     |     |     | 27     | 27      | 27      | 27      | 27      |         |                  |
| Trade and marketing information systems established      | To update agricultural and commodity marketing   |          | 18                         |     |     |     | 4      | 4       | 4       | 4       | 4       |         |                  |
|  | To collect, process and disseminate market information to stakeholders   |          | 291                        |     |     |     | 58     | 58      | 58      | 58      | 58      |         |                  |
| Trade and marketing policies and related legal framework | To review and simplify priority sectoral regulatory regime   |          | 616                        |     |     |     | 123    | 123     | 123     | 123     | 123     |         |                  |
|  | To formulate a Regulatory Licensing Policy   |          | 141                        |     |     |     | 28.3   | 28.3    | 28.3    | 28.3    | 28.3    |         |                  |
|  | To review, harmonise and   |          | 1,425                      |     |     |     | 285    | 285     | 285     | 285     | 285     |         |                  |

| Strategic intervention  | Activity/Project  | Location | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|----------|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|------------------|
|   |   |          | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                  |
| reviewed and enforced   | streamline Regulatory Licensing System (repeal/eliminate redundant regulations)   |          |                            |     |     |     |        |         |         |         |         |         |                  |
|   | To coordinate Regulatory Business Licensing reforms   |          | 796                        |     |     |     | 159    | 159     | 159     | 159     | 159     |         |                  |
| Implementation of Business Activities Registration Act (BARA) | To review Business Activities Registration Act  |          | 456                        |     |     |     | 91     | 91      | 91      | 91      | 91      |         |                  |
|   | To sensitize and create awareness on BARA in 144 LGAs   |          | 963                        |     |     |     | 193    | 193     | 193     | 193     | 193     |         |                  |
|   | To design, develop and issue an instrument which empowers Registrar at LGAs to issue Certificate of Business Registration |          | 238                        |     |     |     | 48     | 48      | 48      | 48      | 48      |         |                  |
|   | To coordinate and monitor the implementation of BARA in 24 pilot LGAs   |          | 647                        |     |     |     | 129    | 129     | 129     | 129     | 129     |         |                  |
|   | To build capacity and provide technical support to MIT, BRELA and LGAs staffs for the implementation of BARA              |          | 383                        |     |     |     | 77     | 77      | 77      | 77      | 77      |         |                  |
|   | To build capacity and provide technical support to MITM, BRELA and LGAs staffs for the implementation of BARA             |          | 383                        |     |     |     | 77     | 77      | 77      | 77      | 77      |         |                  |
|   | To support 133 LGAs to implement BARA   |          | 2,250                      |     |     |     | 450    | 450     | 450     | 450     | 450     |         |                  |
| To implement BARA through BRELA                               |   | 2,491    |                            |     |     | 498 | 498    | 498     | 498     | 498     |         |         |                  |
| Enhancing capacity of trade and markets development support   | EPZA undertake development projects (Min Tiger 2020)  |          | 20,231                     |     |     |     | 4,046  | 4,046   | 4,046   | 4,046   | 4,046   |         |                  |

| Strategic intervention  | Activity/Project  | Location | Total Cost (million TShs.) |            |           |            |          | 2011/12       | 2012/13       | 2013/14       | 2014/15       | 2015/16       | Lead Implementer |
|---|---|----------|----------------------------|------------|-----------|------------|----------|---------------|---------------|---------------|---------------|---------------|------------------|
|   |   |          | Total                      | GOT        | PPP       | DPs        | Others   |               |               |               |               |               |                  |
| institutions  |   |          |                            |            |           |            |          |               |               |               |               |               |                  |
| Enhance domestic, international, regional and bilateral trade | TSDP  |          | 6,000                      |            |           |            | 1,200    | 1,200         | 1,200         | 1,200         | 1,200         |               |                  |
|   | BSPS III  |          | 2,290                      |            |           |            | 458      | 458           | 458           | 458           | 458           |               |                  |
|   | ASDP  |          | 3,565                      |            |           |            | 713      | 713           | 713           | 713           | 713           |               |                  |
|   | Institutional Support-TWLB  |          | 1,600                      |            |           |            | 320      | 320           | 320           | 320           | 320           |               |                  |
|   | Institutional Support-WMA   |          | 1,000                      |            |           |            | 200      | 200           | 200           | 200           | 200           |               |                  |
|   | BEST Programme  |          | 10,000                     |            |           |            | 2,000    | 2,000         | 2,000         | 2,000         | 2,000         |               |                  |
|   | Support for trade mainstreaming   |          | 1,750                      |            |           |            | 350      | 350           | 350           | 350           | 350           |               |                  |
| Research and development                                      | Institutional Support-CAMARTEC  |          | 4,250                      |            |           |            | 850      | 850           | 850           | 850           | 850           |               |                  |
|   | Institutional Support-TIRDO   |          | 3,030                      |            |           |            | 606      | 606           | 606           | 606           | 606           |               |                  |
|   | Institutional Support-TEMDO   |          | 3,330                      |            |           |            | 666      | 666           | 666           | 666           | 666           |               |                  |
|   | Institutional Support-CBE   |          | 1,515                      |            |           |            | 303      | 303           | 303           | 303           | 303           |               |                  |
| Trade and business education enhancing                        | Building capacities in identifying trade opportunities and challenges in International arena and within the Regional Economic Communities |          | 5,000                      |            |           |            | 1,000    | 1,000         | 1,000         | 1,000         | 1,000         | MIT/MDAs      |                  |
|   | Develop adequate capacities for negotiations, monitoring and evaluating.  |          | 2,100                      |            |           |            | 420      | 420           | 420           | 420           | 420           | MIT/MDAs      |                  |
| <b>TOTAL</b>  |   |          | <b>89,370</b>              | <b>100</b> | <b>60</b> | <b>210</b> | <b>0</b> | <b>17,568</b> | <b>17,914</b> | <b>17,916</b> | <b>18,010</b> | <b>17,962</b> |                  |

## Financial Services<sup>9</sup>

| Strategic intervention                  | Activity/Project  | Location     | Total Cost (in mil TShs.) |        |     |       |         | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|---|--------------|---------------------------|--------|-----|-------|---------|---------|---------|---------|---------|---------|------------------|
|   |   |              | Total                     | GOT    | PPP | DPs   | Others  |         |         |         |         |         |                  |
| Strengthening of agricultural financing | Establish and capitalise Tanzania Agricultural Development Bank   | Country wide | 500,000                   |        |     |       |         | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |                  |
|   | Build capacity of Agricultural Inputs Trust Fund in financing agricultural projects   | Country wide | 16,245                    |        |     |       |         | 2,940   | 3,087   | 3,241   | 3,403   | 3,574   |                  |
|   | Conduct financial education programmes and strengthen Farmers Cooperatives and SACCOs' capacity to effectively manage resources for their members | Country wide | 969                       |        |     |       |         | 86      | 135     | 189     | 248     | 312     |                  |
|   | Build capacity of SACCOS, SACCAS and VICOBA on agriculture financing  | Country wide | 951                       |        |     |       |         | 84      | 132     | 185     | 243     | 306     |                  |
| Strengthening of manufacture financing  | Agro-processing Investment Support Loan   | Country wide | 15,000                    | 15,000 | 0   | 0     | 0       | 5,000   | 0       | 5,000   | 0       | 5,000   | MIT/TIB          |
|   | SIDO SME Credit Guarantee   | Country wide | 10,000                    | 5,000  | 0   | 5,000 | 0       | 5,000   | 0       | 5,000   | 0       | 0       | MIT/SIDO         |
|   | Establishment of Industrial Development Fund  | Country wide | 10,000                    | 10,000 | 0   | 0     | 0       | 0       | 5,000   | 0       | 5,000   | 0       | MIT              |
|   | Strengthen Tanzania Investment Bank;  | Country wide | 100,000                   |        |     |       |         | 20,000  | 20,000  | 20,000  | 20,000  | 20,000  | MITM             |
|   | Establishment of National Investment House  | DSM          | 200,000                   | 50,000 | 0   | 0     | 150,000 | 0       | 10,000  | 10,000  | 180,000 | 0       | MIT, NDC         |

<sup>9</sup> This table represents a summary of all activities related to financial services in other sections of this Plan. As the costing for each of these activities has been taken into account in the respective sectors, the total cost of the 'Financial Services' section will not be added to the grand total.

| Strategic intervention  | Activity/Project                              | Location     | Total Cost (in mil TShs.) |               |          |              |                | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|---|---|--------------|---------------------------|---------------|----------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
|   |   |              | Total                     | GOT           | PPP      | DPs          | Others         |                |                |                |                |                |                  |
| Develop and Enhance Microcredit schemes for soft and friendly Youth Loans | Youth Development Fund & SACCOS, Country wide | Country wide | 2,500                     |               |          |              |                | 500            | 500            | 500            | 500            | 500            |                  |
| <b>Total</b>  |   |              | <b>855,665</b>            | <b>80,000</b> | <b>0</b> | <b>5,000</b> | <b>150,000</b> | <b>133,610</b> | <b>138,854</b> | <b>144,115</b> | <b>309,394</b> | <b>129,692</b> |                  |

## A.1.7 Good Governance and Rule of Law

| Strategic intervention  | Activity/Project  | Location | Total Cost (million TShs.) |         |        |         |       | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer   |
|---|---|----------|----------------------------|---------|--------|---------|-------|---------|---------|---------|---------|---------|--|
|   |   |          | Total                      | GOT     | PPP    | DPs     | Other |         |         |         |         |         |  |
| Strengthen legal and institutional framework for democracy, rule of law and good governance | Reviewing, mainstreaming, accelerating and deepening implementation of core reforms with the focus on creating an enabling environment for pro-poor growth    |          | 550,000                    | 260,000 | 40,000 | 250,000 |       | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | POPSM, PMORAL G, MOF, MO CAT, BOT (MOF), relevant ministries |
|   | Enhancing operational capacity of governance institutions   |          | 50,000                     | 25,000  |        | 25,000  |       | 10,000  | 10,000  | 10,000  | 10,000  | 10,000  | PO-SH  |
|   | Strengthening mechanism for accountability and sanctions on implementation, enforcement and compliance to legislative, policy, regulatory and operation rules |          | 396,145                    |         |        |         |       | 136,010 | 100,000 |         |         | 160,135 | ES   |
|   | Strengthen Reforms Coordination and Management  |          | 1,500                      | 1,000   |        | 500     |       | 300     | 300     | 300     | 300     | 300     | PO-SH  |
| Sustainably curbing corruption at all levels, through:                                      | Revising the laws and strengthening mechanisms for fighting corruption and money laundering in order to cope with the changes in technology and circumstances |          |                            |         |        |         |       |         |         |         |         |         |  |

| Strategic intervention  | Activity/Project   | Location | Total Cost (million TShs.) |        |     |        |       | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|---|--|----------|----------------------------|--------|-----|--------|-------|---------|---------|---------|---------|---------|------------------|
|   |  |          | Total                      | GOT    | PPP | DPs    | Other |         |         |         |         |         |                  |
|   | Modernisation of court operations and legal registries through development of an electronic case management system and streamlining of the manual case flow system currently in place. |          | 50,000                     | 25,000 |     | 25,000 |       | 10,000  | 10,000  | 10,000  | 10,000  | 10,000  |                  |
| Strengthening Good Governance by enhancing transparency, accountability and ethical behaviour of Government staff and enhancing public awareness and partnerships in the prevention and combating of corruption | Capacity building of MDA's/LGA's Institutional Integrity Committees and sensitizing Government Staff on increased transparency, accountability and ethical behaviour                   |          | 500                        |        |     |        |       | 75      | 125     | 125     | 125     | 50      | GGCU             |
|   | Coordinating and promoting collaboration and networking the Reviewing of NACSAP II and designing, launching and the dissemination of NACSAP III 2011-2016.                             |          | 600                        |        |     |        |       | 90      | 150     | 150     | 150     | 60      | GGCU             |



| Strategic intervention   | Activity/Project  | Location     | Total Cost (million TShs.) |     |     |       |       | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|--------------|----------------------------|-----|-----|-------|-------|---------|---------|---------|---------|---------|------------------|
|  |   |              | Total                      | GOT | PPP | DPs   | Other |         |         |         |         |         |                  |
|  | Conducting public awareness, informing and educating the public on good governance developments and on preventing and combating corruption  |              | 400                        |     |     |       |       | 60      | 100     | 100     | 100     | 40      | GGCU             |
|  | Monitoring and evaluation of NACSAP III implementation and producing regular process reports that are shared with Stakeholder in accordance with NACSAP E & M Framework                             |              | 400                        |     |     |       |       | 60      | 100     | 100     | 100     | 40      | GGCU             |
| Enhancing Operational capacity of governance institutions                  | To build human resource and financial resource capacity, and create conducive working environment<br><br>Enhancing management and coordination in the legal sector institutions through M&E systems | Country wide | 3,959                      | 296 |     | 3,664 |       | 459     | 800     | 850     | 900     | 950     | ES               |
| Strengthening mechanism for accountability and sanctions on implementation | To carry out research on areas of prevalence of unethical practices   | Country wide | 596                        |     |     |       |       |         | 236     | 100     |         | 260     | ES               |

| Strategic intervention   | Activity/Project  | Location     | Total Cost (million TShs.) |       |         |     |       | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementer |
|--|---|--------------|----------------------------|-------|---------|-----|-------|---------|---------|---------|---------|---------|------------------|
|  |   |              | Total                      | GOT   | PPP     | DPs | Other |         |         |         |         |         |                  |
| on, enforcement and compliance to legislative, policy, regulatory and operation rules. | To develop sustainable programs on ethics promotion and monitoring among public leaders               | Country wide | 892                        | 892   |         |     |       |         | 139     | 152     | 291     | 310     | ES               |
|  | Strengthening complaint handling mechanism  | Country wide | 233                        | 233   |         |     |       |         | 49      | 54      | 62      | 68      | ES               |
|  | Creating facilities for contracts enforcement and commercial dispute resolution                       |              | 1,869                      |       |         |     |       | 63      | 284     | 313     | 597     | 611     | ES               |
|  | Modernize Civil and Criminal Justice Delivery   |              | 1,626                      | 1,526 |         | 100 |       |         | 375     | 409     | 412     | 430     | ES               |
| Promote broad participation and gender equality  | Ensuring broad people participation and gender equality in all spheres                                |              | 3,600                      | 3,600 |         |     |       | 720     | 720     | 720     | 720     | 720     | MCDGC            |
| Fully installed and put into place National ID system by 2015                          | To Acquire National ID Management System by June,2013   |              | 191,968                    | 0     | 191,968 | 0   | 0     | 53,105  | 39,422  | 38,158  | 36,895  | 24,388  |                  |
|  | Facilitate the exercise of identification and registration of persons in Pilot Districts by June,2013 |              | 121,972                    | 0     | 121,972 | 0   | 0     | 42,153  | 35,273  | 30,273  | 10,392  | 3,881   |                  |
|  | To Engage Project Management Consultant by June,2013  |              | 5,760                      | 5,760 | 0       | 0   | 0     | 2,880   | 2,160   | 720     | 0       | 0       |                  |

| Strategic intervention | Activity/Project   | Location | Total Cost (million TShs.) |                |                |                |          | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        | Lead Implementer |
|------------------------|--|----------|----------------------------|----------------|----------------|----------------|----------|----------------|----------------|----------------|----------------|----------------|------------------|
|                        |  |          | Total                      | GOT            | PPP            | DPs            | Other    |                |                |                |                |                |                  |
|                        | Review and update all related Laws and Regulation concerning to Registration and Identification of the Persons by 2013 |          | 900                        | 0              | 0              | 900            | 0        | 900            | 0              | 0              | 0              | 0              |                  |
|                        | Acquisition of Modern working Tools ,Equipment and Facilities by June,2013   |          | 14,923                     | 14,923         | 0              | 0              | 0        | 5,823          | 4,800          | 4,300          | 0              | 0              |                  |
|                        | To Construct of 20 Regional and Districts Registration Centres in Tanzania Mainland and Zanzibar by June,2013          |          | 48,653                     | 48,653         | 0              | 0              | 0        | 1,253          | 31,800         | 12,600         | 3,000          | 0              |                  |
|                        | Construction of ID Management Centres at NIDA HQ By June, 2013   |          | 14,000                     | 14,000         | 0              | 0              | 0        | 6,000          | 6,000          | 2,000          | 0              | 0              |                  |
|                        | To prepare Marketing Strategy and carry out Public Awareness Programmes by June,2013                                   |          | 15,715                     | 0              | 0              | 15,715         | 0        | 6,096          | 4,572          | 3,048          | 1,200          | 800            |                  |
|                        | Construction of Data Centre & Disaster Recovery Site (DRS) by June 2013  |          | 70,666                     | 0              | 0              | 70,666         | 0        | 25,000         | 30,000         | 15,600         | 66             | 0              |                  |
| <b>Total</b>           |  |          | <b>1,546,877</b>           | <b>400,883</b> | <b>353,940</b> | <b>391,545</b> | <b>0</b> | <b>411,047</b> | <b>387,405</b> | <b>240,072</b> | <b>185,310</b> | <b>323,043</b> |                  |

## A.1.8 Employment Creation

| Strategic Intervention  | Activity  | Location                                      | Total Cost (million TShs.) |     |     |     |        | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Lead Implementers |
|---|---|---|----------------------------|-----|-----|-----|--------|---------|---------|---------|---------|---------|-------------------|
|   |   |   | Total                      | GOT | PPP | DPs | Others |         |         |         |         |         |                   |
| Empower Youth for Sustainable and Decent Self Employment                                      | Organise and Conduct Entrepreneurship and life skills training for Youth through Youth training Centres                             | Ilonga Sasanda and Marangu Youth Centres      | 1,200                      |     |     |     |        | 200     | 200     | 250     | 250     | 300     |                   |
|   | Organise and facilitate Youth Exchange Programmes to enhance experience sharing and Market linkages                                 | Japan, China, Country wide                    | 360                        |     |     |     |        | 50      | 50      | 60      | 100     | 100     |                   |
|   | Develop and Enhance Microcredit schemes for soft and friendly Youth Loans   | Youth Development Fund & SACCOS, Country wide | 2,500                      |     |     |     |        | 500     | 500     | 500     | 500     | 500     |                   |
|   | Develop curriculum that accommodates the Labour market needs and Promotes self Employment   | Youth Training Centres                        | 180                        |     |     |     |        | 50      | 50      | 20      | 30      | 30      |                   |
| Mainstream youth employment across all potential fast growing and employment creating sectors | Ensure effective dissemination of Youth Development Policy and its implementation Strategies to all MDAs and Other Key Stakeholders | Countrywide.                                  | 800                        |     |     |     |        | 100     | 100     | 200     | 200     | 200     |                   |
|   | Create awareness and encourage stakeholders to promote opportunities for self employment  | Countrywide MDAs.                             | 460                        |     |     |     |        | 80      | 80      | 100     | 100     | 100     |                   |
|   | Strengthen and enhance Linkages between MIYCS and policies of all potential employment creating sectors                             | Countrywide.                                  | 170                        |     |     |     |        | 20      | 20      | 40      | 40      | 50      |                   |

| Strategic Intervention   | Activity   | Location               | Total Cost (million TShs.) |     |     |     |        | 2011/12      | 2012/13      | 2013/14      | 2014/15      | 2015/16      | Lead Implementers |
|--|--|------------------------|----------------------------|-----|-----|-----|--------|--------------|--------------|--------------|--------------|--------------|-------------------|
|  |  |                        | Total                      | GOT | PPP | DPs | Others |              |              |              |              |              |                   |
| Promote meaningful youth involvement and participation to enhance good governance and values' acceptance | Facilitate the establishment and operation of the National Youth Council | Countrywide            | 720                        |     |     |     |        | 600          | 30           | 30           | 30           | 30           |                   |
|  | Strengthen leadership skills for Youth led Organisations                 | Marangu Youth Centres. | 400                        |     |     |     |        | 100          | 100          | 100          | 50           | 50           |                   |
|  | Enhance and strengthen Nationalism and Volunteerism through Youth camp   | Countrywide            | 410                        |     |     |     |        | 10           | 100          | 100          | 100          | 100          |                   |
| <b>Total</b>   |  |                        | <b>7,200</b>               |     |     |     |        | <b>1,710</b> | <b>1,230</b> | <b>1,400</b> | <b>1,400</b> | <b>1,460</b> |                   |

## Annex 2: Matrix of Monitorable Indicators for Realizing TDV 2025 Targets

| Target                                       | Target Indicator by 2025                            | TZ Base line | TZ Current Status    | Targets for Medium Term |
|--|---|--------------|----------------------|-------------------------|
|  |   | 2000         | 2010                 | 2015                    |
| Economic growth                              | GDP Per capita growth, percent                      | 2.5          | 3.6                  | 5.5                     |
|  | GDP growth rate, percent                            | 5.1          | 6.5                  | 8.0                     |
|  | GNI per Capita (Atlas Method) at constant 2009\$    | 270          | 500 (2009)           | 670                     |
|  | GNI per Capita PPP at constant 2009\$               | 770          | 1,350 (2009)         | 1,809                   |
|  | GNP per capita, nominal (\$)                        | 300          | 500                  |                         |
|  | Agriculture growth rate, percent                    | 3.37         | 4.6                  | 6                       |
|  | Industry growth rate, percent                       | 9            | 7.0                  | 8.2                     |
|  | Manufacturing growth rate, percent                  | 8            | 10.0                 | 11.0                    |
|  | Growth rate of mining, sector, percent              | 13           | 1.2 (2009)           | 5.0                     |
|  | Growth of tourism sector, percent                   | 4.3          | 4.2 (2009)           | 6.0                     |
|  | Services growth rate, percent                       | 3.6          | 7.2                  | 7.5                     |
|  | Export growth rate, percent                         | -5.0         | 8.4                  | 10.0                    |
|  | Import growth rate, percent                         |              |                      | 12.0                    |
| Macro economic stability                     | Inflation rate, percent                             | 5.9          | 6.8 (Mean 2000-2009) | 4-5 percent             |
|  | Unemployment, total (percent of total labour force) | 5(2001)      | 4.7 (Mean)           | 4.0                     |
| Diversified and semi industrialized economy* | Agric (percent of GDP)                              | 33.1         | 28.4 (2009)          | 25.4                    |
|  | Industry (percent of GDP)                           | 19.0         | 24.0 (2009)          | 26.5                    |
|  | Manufacture (percent of GDP)                        | 9.3          | 9.4 (2009)           | 12.0                    |
|  | Services (percent of GDP)                           | 47.9         | 47.6 (2009)          | 48.1                    |
|  | Export (percent of GDP)                             | 20.0         | 19.2                 | 23                      |
|  | Import of goods and services (percent of GDP)       |              | 26.2                 | 26                      |
|  | Gross Domestic Saving as % of GDP                   | 13.2         | 10.6                 | 14                      |
|  | Net ODA(percent of GNI)                             |              | 13.7                 | 10                      |
|  | Revenue (percent of GDP)                            |              | 17.5                 | 19                      |
|  | Employment in agric (percent                        | 74.6         | 74.6                 | 65                      |

| Target                 | Target Indicator by 2025                  | TZ Base line | TZ Current Status | Targets for Medium Term |
|------------------------|---|--------------|-------------------|-------------------------|
|                        |   | 2000         | 2010              | 2015                    |
|                        | of total)                                 |              |                   |                         |
|                        | Employment in industry (percent of total) | 5.0          | 6.0               | 8.0                     |
| Energy                 | Electric power (KWH per Capita)           |              | (900MW) 81.7 kWh  | 200 kWh                 |
| Population growth rate | Population growth rate                    |              | 2.9               | 2.7                     |
|                        | Rural population, percent of total        | 74           | 74                | 70                      |
|                        | Total population (Millions)               | 34.4 (2002)  | 45                | 49.8                    |
| Food self sufficiency  | Food self sufficiency ratio (average)     | 92           | 100               | 120                     |
|                        |   |              |                   |                         |

\* The figures displayed in the table are derived from the WDI database, and from calculations and projections made by the POPC. Therefore, the figures given as a share of GDP or GNI are calculated following a specific method, which might differ from the one used in national accounting (in the method displayed above, the sum of the agriculture, industry and services shares amounts to 100% of GDP)..

### Annex 3: Human Capital Development: Comparison with MICs

#### Annex 3.1: Skill level Targets

| Skill Level | Occupation                       | Current level (in thousands) | 2015 Target (in thousands) |
|-------------|----------------------------------|------------------------------|----------------------------|
| High        | Legislators, Managers, Seniors   | 37                           | 100                        |
|             | Professionals                    | 128                          | 275                        |
|             | Technicians and associates       | 329                          | 518                        |
| Medium      | Clerks                           | 73                           | 188                        |
|             | Service workers; market sellers  | 1,663                        | 2,069                      |
|             | Crafts and related trade workers | 749                          | 1384                       |
|             | Skilled agric & fishery workers  | n.a.                         | n.a.                       |
| Low         | Plant & machine operators        | 238                          | 443                        |
|             | Agric & elementary occupations   | 15,300                       | 14,596                     |

Source: POPC - IGC Study, 2011

#### Annex 3.2: 2015 Targets

| Specific Occupation   | 2015 Target( in thousands) |
|---|----------------------------|
| Physical scientists and related technicians                             | 26                         |
| Architects, engineers and related technicians                           | 88                         |
| Life scientists and related technicians                                 | 22                         |
| Medical, dental, veterinary and related workers                         | 64                         |
| Health assistants/workers   | 80                         |
| Statisticians, mathematicians, systems analysts and related technicians | 4                          |
| Economists & Economics related professionals                            | 30                         |
| Accountants & Financial sector professionals                            | 63                         |
| Jurists & legal professionals   | 16                         |
| Teachers  | 320                        |
| Authors, journalists and related writers                                | 5                          |
| Administrative and managerial workers                                   | 130                        |
| Government executive officials  | 84                         |

Source: POPC projections using IGC-POPC Study, 2011



