UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE, PLANNING COMMISSION

THE TANZANIA FIVE YEAR DEVELOPMENT PLAN 2011/12-2015/16:

UNLEASHING TANZANIA'S LATENT GROWTH POTENTIALS

May 2011 - Draft

FOREWORD BY THE PRESIDENT

INTRODUCTORY REMARKS

This is an important milestone for Tanzania that a formal Five Year Development Plan 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.

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, MKUKUTA II, the key benchmarks of Long Term Perspective Plan (2011/12-2025/26), as well as findings of the Review of Vision 2025. A prime aspect of the Plan is the recognition of fast-tracking realization of Development Vision 2025 goals.

The Plan is underpinned by specific strategies to fast-track realization of the Vision 2025 goals and objectives. These include sustainable and effective utilization of existing human and natural capital; creation of an enabling environment for the private sector to invest and participate in a wide range of business opportunities, in the next five years. The Plan emphasizes that the success of the private sector in taping the advantages from the enabling environment will depend on an efficient, well functioning and effective public sector. In this respect, the Plan indicates key functions and strategies for the public sector to implement in order to render the growth momentum possible. This is in recognition of the need to bring together stakeholders and mobilize the required resources and environment for sustainable use of the national resources for development. The Plan also provides insights into responses of the government to the increasing challenges of development; and outlines what it will take to succeed, and the expected outcomes in delivering sustainable development. It is the government’s expectation that this Plan will assist us to scale up the country's efforts of promoting socioeconomic development.

The Plan is premised on the principles of accountability, credibility, integrity and effective resource utilization. In principle, the 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 support industrialization efforts. The FYDP implementation approach has been organized in such a manner that the Government will take the lead in mobilizing the resources, setting strategic interventions and specifying the activities to be undertaken; while development partners, private sector and other non-state actors will select the earmarked priority activities and thus invest strategically.

In order to fulfill the activities outlined in the priority areas, the Plan identifies a range of strategic activities, the responsible organs and the cost of implementation amounting to **TShs. 37,152,488 million** over the next five years; an average of **TShs. 7,546,247 million** per annum, of which **TShs. 2,415,000** million being mobilized annually by the Government for implementation of the plan. It is pertinent that domestic mobilization is heightened. In recognition of challenges on resource mobilization, the Plan has zeroed in on a few areas of prioritization, of which their implementation will unleash the country's growth potentials. These are in areas of agriculture, industry, transport, energy, ICT and human resources.

DR. PHILIP I. MPANGO
EXECUTIVE SECRETARY

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ACRONYMS

AIDS	Acquired Immunodeficiency Syndrome
ANC	Ante-Natal Care
ATM	Aids, Tuberculosis and Malaria
BEST	Business Environment Strengthening in Tanzania
CAG	Controller and Auditor General
CGE	Computable General Equilibrium
CHRAGG	Commission for Human Rights and Good Governance (CHRAGG)
COSTECH	Commission for Science and Technology
DPAIR	Development Plan Annual Implementation Report
EAC	East African Community
EPI	Expanded Program for Immunization
EPZ	Economic Processing Zone
ESRF	Economic and Social Research Foundation
FYDP	Five Year Development Plan
FYER	Five Year Evaluation Report
GDP	Gross Domestic Product
HBS	Household Budget Survey
HIV	Human Immunodeficiency Virus
ICT	Information, Communication Technology
IFC	International Finance Cooperation
IGC	International Growth Centre
IMF	International Monetary Fund
ITIR	Input Tracking and Implementation Reports
ITNs	Insecticides-Treated Nets
LGA	Local Government Authority
LLG	Lower-levels of Local Governments
M&E	Monitoring and Evaluation
MACMOD	Macroeconomic 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
MMS	MKUKUTA Monitoring System
MTEF	Medium Term Expenditure Framework
NGOs	Non-Governmental Organizations
NPES	National Poverty Eradication Strategy
NSAs	Non-State Actors
NSGRP	National Strategy for Growth and Reduction of Poverty (MKUKUTA)
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
POPC	President's Office Planning Commission
PMTCT	Prevention of Mother to Child Transmission of HIV
PPP	Public Private Partnership
PPP	Purchasing Power Parity
R&D	Research and Development
REC	Regional Economic Communities
REPOA	Research on Poverty Alleviation
SADC	Southern Africa Development Community
SAM	Social Accounting Matrix
SBAS	Strategic Budget Allocation System
SEZ	Special Economic Zone
SIDP	Sustainable Industrial Development Programme
SITC	Standard Industrial Trade Classification
SP	Sector Plans
STI	Sexually Transmitted Infections
TAA	Tanzania Aviation Authority
TaESA	Tanzania Employment Services Agency
TAZARA	Tanzania Zambia Railway Authority
TDHS	Tanzania Demographic and Health Survey
TDV	Tanzania Development Vision (2025)
TIC	Tanzania Investment Center
TORs	Terms of Reference
TPA	Tanzania Port Authority
TRA	Tanzania Revenue Authority
TSED	Tanzania Socio-Economic Database
TShs	Tanzania Shillings
URT	United Republic of Tanzania
USD/US$	United States Dollar
VCT	Voluntary Testing and Counselling
VETA	Vocational Education and Training

CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1 Tanzania's Development Agenda

The thrust of Tanzania's 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 for the period 1961 to 1964 within the context of fighting illiteracy, poverty and weak health.

In 1964, based on the experience of the three year plan, and aiming to entrench people's centered development on a wider and longer term basis, a twenty-year Long Term Perspective Plan was adopted (for the period from 1964 to 1983). This Plan was to be executed through three Five Year Development Plans in order to ensure continuity and coherence; starting with the 1964-1969 Plan. The same 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 over 1969 to 1974. The Third Plan, from 1975 to 1980, was generally not implemented. In 1981 the Government prepared the Second Long Term Perspective Plan (1981-2000) to be executed in four similar medium term development plans. However, the Plans that were to operationalize the Long Term Plan never took off, due to the economic crisis of unprecedented depth and intensity experienced during the mid 1970s (drought and oil price shocks)[1].

Rather than putting in place a medium term development plan to complete the Long Term Perspective Plan (1964-1980) as was envisaged, the Government resorted to a short-term National Economic Survival Programme (NESP) (1981-1982) as an emergency programme to contain the

[1] Both the shelving for one year of the 1975-80 Plan and the abandonment of the three Five Year Plans were due to the crisis.

economic crisis. However, the problems persisted and the crisis intensified as a result of further oil price shocks, the war with Idi Amin of Uganda and prolonged adverse weather conditions.

Beginning in the mid-1980s, with support from the development partners, the Government began to implement a series of three-year programmes, the Structural Adjustment Programmes (SAPS, 1986-1995), to stabilize the crisis. In general, the paradigm shift to short-term needs-based SAPs led to a diversion from the well-articulated and coherent long and medium term Plans. Instead, the planning process became ad hoc; with a number of policy changes; frequently interfered with; and thus lost focus on investment and growth.

1.1.2 The Vision 2025

The approaches outlined above did not give satisfactory results due to the absence of a guiding development philosophy, resulting in a need for a new national Vision. The preparation of the new national Vision started in 1994 and the Government finally launched the Tanzania Development Vision 2025 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; characterized by high levels of industrialization, competitiveness, quality livelihood, rule of law; and having in place an educated and pro-learning society. Specifically, the Tanzania Development Vision (TDV) 2025 outlined the country's social, economic and political aspirations for the first quarter of the 21st 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 year 2025.

Vision 2025 was designed to be operationalized through a series of five year development plans. However, in the period following the adoption of the Vision (2025), Tanzania embarked on far reaching policy and institutional reforms, which had a negative impact on the country's poor. 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. First came the three year PRS (2000-2003) and then the first five year National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA, 2005-2010). In the absence of Five Year Medium Term Plans, which were to facilitate the operationalization of the Vision's aspirations with clearly defined targets, MKUKUTA, though designed as an implementation strategy, took precedence as the medium term plan to implement Vision 2025.

1.1.3 Review of the Vision 2025

More than ten years have elapsed since launching Vision 2025. In the absence of a formal framework for monitoring and evaluating its implementation, efforts to evaluate the progress and achievements were thwarted, making it difficult to see the broad picture. In order to have a comprehensive assessment, the Government in 2009 and 2010 commissioned an independent study to critically review the implementation of Vision 2025. The broad objectives of the review was to (i) make an assessment of the progress made in implementing TDV 2025 goals; (ii) identify new challenges to be considered in planning for the remaining 15 years; and (iii) 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. Furthermore, the review revealed the following:

i. Though there has been a relatively high economic growth, this has been below the trajectory necessary to meet the Vision 2025 objectives;
ii. Sources of growth have been narrow and, in most cases, escaped the real poor in the rural and peri-urban areas; failing to generate adequate and decent jobs;
iii. There has been progress in poverty reduction, but only marginal, particularly in rural and agricultural dependant households;
iv. Although for most of the period inflation has remained low (staying at single digit levels), the impact of weather vagaries on the agricultural production, coupled with persistent rises in global fuel prices, have recently led to a rise in inflation and cost of production;
v. The country has promising opportunities from its rich natural resources, advantageous geographical location and its active participation in regional and global economic integration schemes;
vi. Efforts taken to transform the country's supply structure to enable Tanzania to realize the benefits of globalization continue to be hampered by the existence of weak supportive infrastructure, notably, power and transport;

vii. Despite the existence of numerous power generation sources, the country’s production has remained largely reliant on hydropower, rendering it vulnerable to the vagaries of weather; and

viii. 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.

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 organize and use its resources strategically, attainment of the Vision’s aspirations is at risk. In view of this, a coherent framework for coordinating 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 prioritization of actions and resource allocations commensurate with realizing the Vision’s 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 the 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 needs-based planning (which is always confined to the level of financial resources available), to embrace opportunity-based planning. The latter requires thinking beyond the resource constraints and ventures to harnessing opportunities presented by the country's comparative advantages. In the new paradigm, resources are the means rather than the end in the development process. Such a planning approach emphasizes the use of development corridors, where the impact of projects' synergies and complementarities are fully realized. Inherently, the approach calls for a long term planning perspective which coherently rallies the national efforts to implement Vision 2025, with the external support and resources complementing these national efforts.

The review also revealed that Tanzania will have to compete to benefit from the unfolding opportunities presented by increasingly integrating regional markets, to take full advantage of its comparative advantages and geographical location as a gateway to servicing neighbouring land-locked countries, and to be a potential host for labour-intensive industrialisation to substitute for regional imports. Tanzania also benefits from its natural resource endowments such as industrial minerals, fertile land, tourist attraction sites, coal, hydro potentials, natural gas, geothermal, solar and wind, etc. Deliberate and sustained efforts are needed to exploit these resources, which are potentially capable of driving the country's economic growth to the desired levels.

The targeted average GDP growth rate for the FYDP period is 8 percent per annum (equivalent to a 5 percent per capita growth target), building up from 7 percent for 2010, and thereafter sustaining growth rates between 8 and 10 percent 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. In order to generate this growth momentum, four crucial elements will be needed: (i) large investments in infrastructure, (ii) enhancing skills development, (iii) improving the business environment drastically, and (iv) institutional changes for an effective implementation of the Plan will have to take place. This will also require sustaining the following sectoral transitions: agriculture to increase its average annual growth rate from 4.4 percent to 5.6 percent, manufacturing from 8 percent to12.1 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, macroeconomic stability, peace and stability) so as to enhance growth even further in the future.

1.2.2. The Implementation Framework

In order to attain the long term aspirations of the Vision 2025, it is necessary to prioritize a few key interventions in an orderly sequence so that they complement each other to enable an effective and optimal resource utilization. This requires a medium term planning tool to operationalize the long term perspective plan. Each five year plan will have a theme to underpin the thrust and priority interventions. Thus, the thrust of the first Five Year Development Plan (FYDP, (2011/12 –

2015/16)) is **to unleash Tanzania's growth potentials**. Invariably, FYDP I (2011/12-2015/16) addresses the following implementation bottlenecks revealed by the review of the 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 implementation effectiveness;
ii. In the absence of guiding plans, long term priorities and opportunities were sometimes sacrificed in favor of short-term operational needs;
iii. Identification of projects was done in isolation rather than in a comprehensive and complementary manner; and 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, 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 realization of the status of a semi-industrialized country, which is capable of withstanding competition in the domestic, regional, and global markets and unleashing hope to its citizenry.

1.3.1 Overall Goal

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.

1.3.2 Objectives of the FYDP I

The main objectives of FYDP are to improve the physical infrastructural networks and human capital in order to hasten investment for transformation of the country's production and trade supply structures (agriculture, manufacturing and services), and foster Tanzania's competitiveness. The specific objectives are:

a. Improving implementation through detailed prioritized and sequenced interventions;
b. Improving synergistic and complementary growth; and
c. Streamlining the institutional framework for effective implementation

1.4. 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 distinguishes itself from other policy initiatives in 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. Strong emphasis on implementation effectiveness, with detailed actionable programs 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 labor markets;
iv. High drive and scaling up on the role and participation of private sector in economic growth, through strengthening business climate for efficient use of factors of production, investing in people and infrastructure development, and sustaining achievements in socio-economic progress.

1.5. Process of Preparing FYDP I

The process of developing both the long term perspective plan and FYDP I was informed by a number of processes/consultations and frameworks/initiatives already in place. These included 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), reforms programs, Priority Action Programs (PAPs) of Ministries, Departments and Agencies (MDAs), Millennium Development Goals, including Gleneagles scenario and MDG Acceleration Framework (MAF) and other national and international frameworks/initiatives which Tanzania has ratified. Most of the sources from, which FYDP drew, went through wider consultative processes in their formulation. In this case FYDP reflects priorities already agreed in these processes.

Other initiatives and processes which informed the development of the FYDP included findings of the review of Vision 2025 in terms of progress of implementation and achievability; the President's Inaugural Speech to the 10^{th} Parliament; and other Government policy directives.

1.6. Layout of the Document

This document is presented in five chapters. The first chapter provided a detailed introduction, elaborating on the motivation, objectives and expectations fo preparing both the FYDP I and the LTDP. 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 on the identification of possible sources for the required resource mobilization in order to finance the implementation of the Plan. Chapter five presents the implementation framework as well as monitoring and evaluation.

CHAPTER TWO: OVERVIEW OF THE SOCIO-ECONOMIC PERFORMANCE

2.1. Introduction

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

2.2. Economic Reforms

The successful implementation of the FYDP I will, at minimum, depend on the stability of the macroeconomic environment; reasonable 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 they were ushered to address the adverse 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 liberalization of key markets and large scale privatization 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 conducive business environment for 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 macroeconomic 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 reforms. Although the track record of reforms is good, their pace in some areas has been slow, leading to 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).

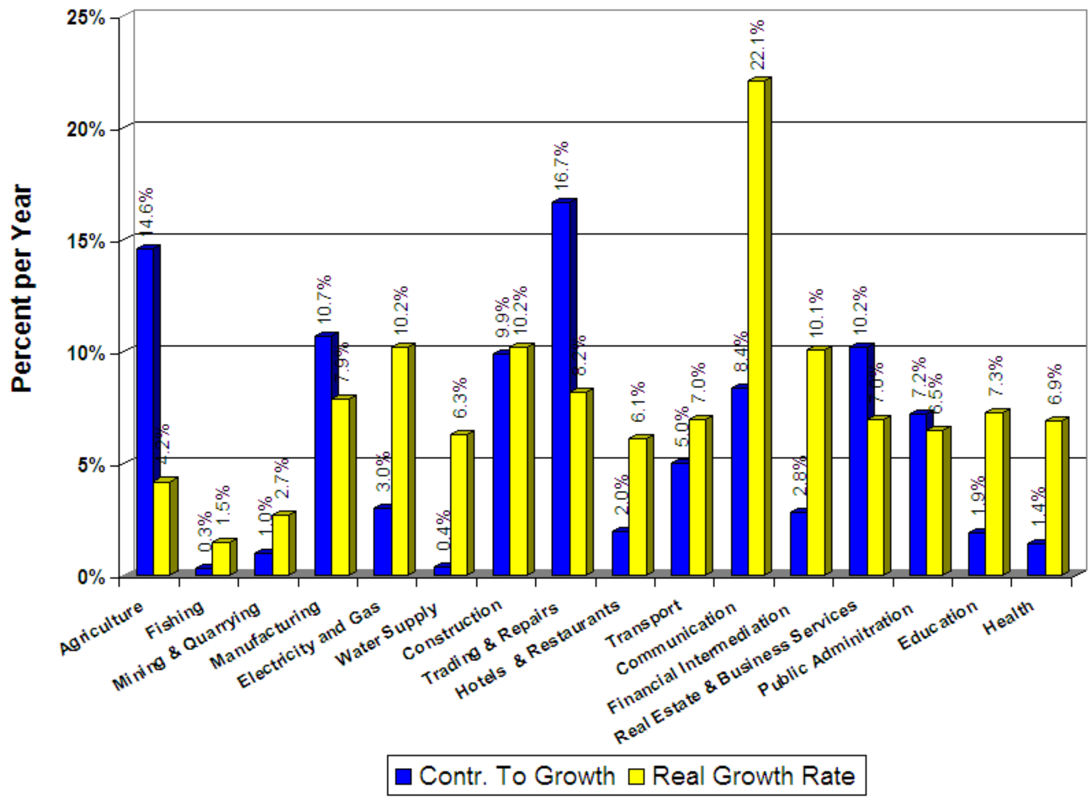
Despite the positive results from these reforms, there are still some shortcomings, experienced in recent years, which have to be adressed so as to optimize the benefits from such reforms. Most of the weaknesses relate to the slow pace of transforming some of the privatized corporations and businesses, lack of clarity on the strategic position of these corporations, whether private or public ownership, in creating jobs and empowering Tanzanians economically. One serious area where reforms are missing is in building strong institutions and institutional frameworks for effective implementation of 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 Table 2.1, the sectors that recorded high growth rates of more than 10 percent in 2010 were Communications, 22.1 percent, followed by Construction and Electricity and gas (10.2 percent) and Financial Intermediation (10.1 percent). Overall, GDP growth was mainly driven by 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, Macroeconomic 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 Head Count Index, declined only marginally from 35.7 in 2001 to 33.6 in 2007, even though the GDP growth rate 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 favor of the poor. The challenge ahead is to ensure that the economy continues to register impressive growth and to see to it that such growth is also pro poor either inherently or through growth and re-distribution.

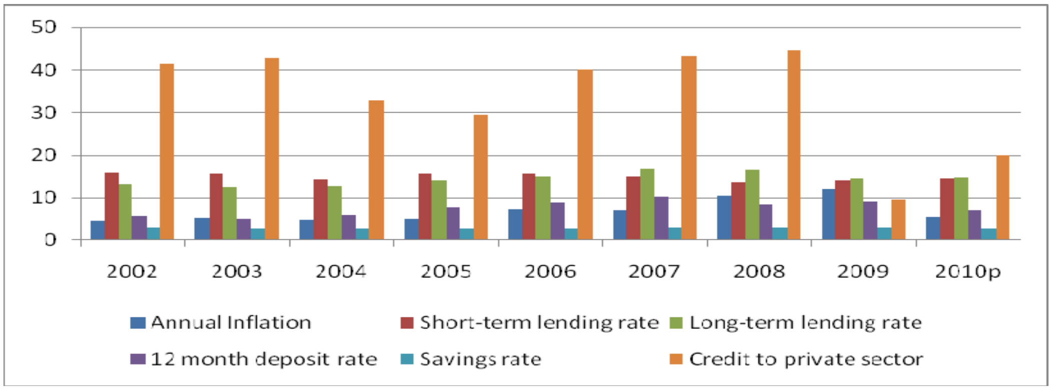
Inflation

Between 2002 and 2010, annual inflation averaged 7 percent. For 2008 and 2009, the inflation reached 10.3 percent and 12.1 percent, respectively. These spikes of high inflation were due to global food and energy crises and drought in neighboring 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 have a bearing on inflation. Given the fact that global demand for fossil fuel is expanding continuously, it is quite likely that inflationary pressures due to energy costs will continue to be felt. Domestic supply bottlenecks, particularly due to poor infrastructure, also contribute to 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; the difference between the deposit rate and lending rate. When the spread is large, it implies, among others, inefficiency of the banking sector. As shown in Figure 2.2, credit to the private sector has been growing at an annual average of 33.8 percent 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 Private Sector (%)



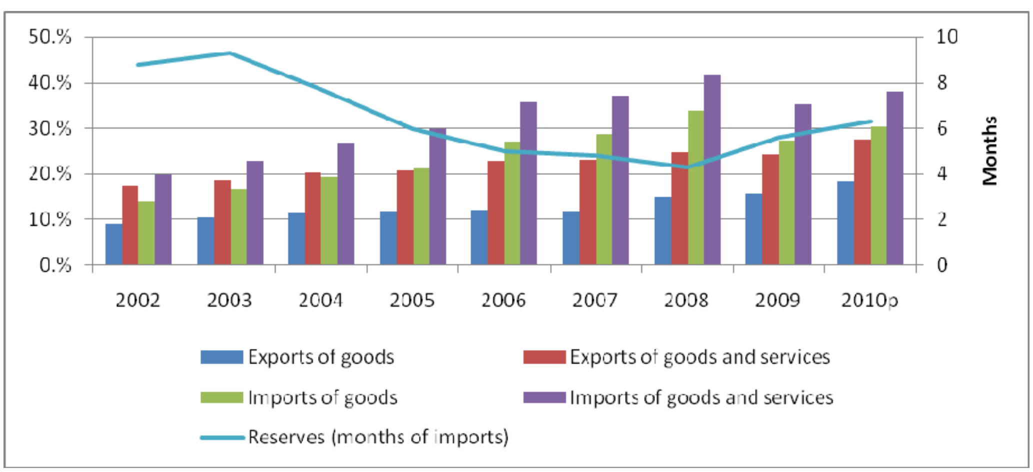
Source: URT 2011, Macroeconomic Policy Framework for the Five Year Development Plan/Budget 2011/12-2015/16

The banking sector continued to be financially sound. The ratio of core capital to total risk-weighted assets by December 2010 was 18.8 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 continue to remain vigilant particularly given the lessons from the 2008/9 global financial crisis which provided a number of lessons. The first is strengthening the financial regulations and practices. The second is forging a closer regional and international collaboration in coordinating 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 period of 2002 to 2010. 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 exports of goods and service throughout the 2002-2010 period as shown in Figure 2.3. The Tanzania Shilling 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, Macroeconomic Policy Framework for the Five Year Development Plan/Budget 2011/12-2015/16

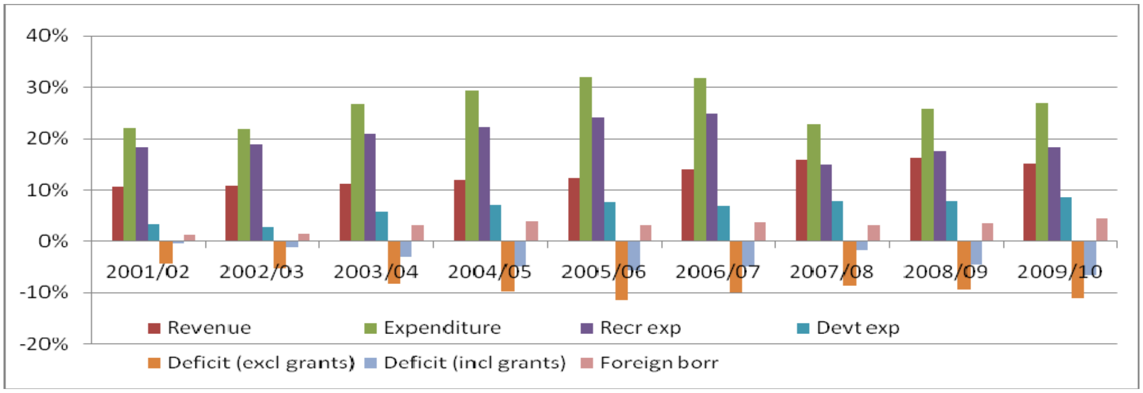
More benefits can be realized in the external sector by increasing exports of processed goods, rather than primary goods. This is true with regard to agricultural goods as well as mineral exports. Further, to maximize the benefits from the export of minerals, it is important that policy and regulations are 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 aspect is to enhance domestic resource mobilization 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 is estimated at 12.2 percent. This rate is quite low and has necessitated reliance on budgetary support from Development Partners. 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, there is a need to expand the tax base, particularly by including the informal sector in the economy. Other measures to improve government revenue will include reducing tax exemptions, particularly discretionary exemptions, and maximization of resource rent collected by government from the exploitation of natural resources such as minerals and forest products.

As shown in Figure 2.4, the average revenue to GDP ratio from 2001/02 to 2009/10 was 14.2 percent which is quite low and necessitated reliance on budget support from Development Partners.

Figure 2.4 : Government Budgetary Operations (Ratio to GDP)



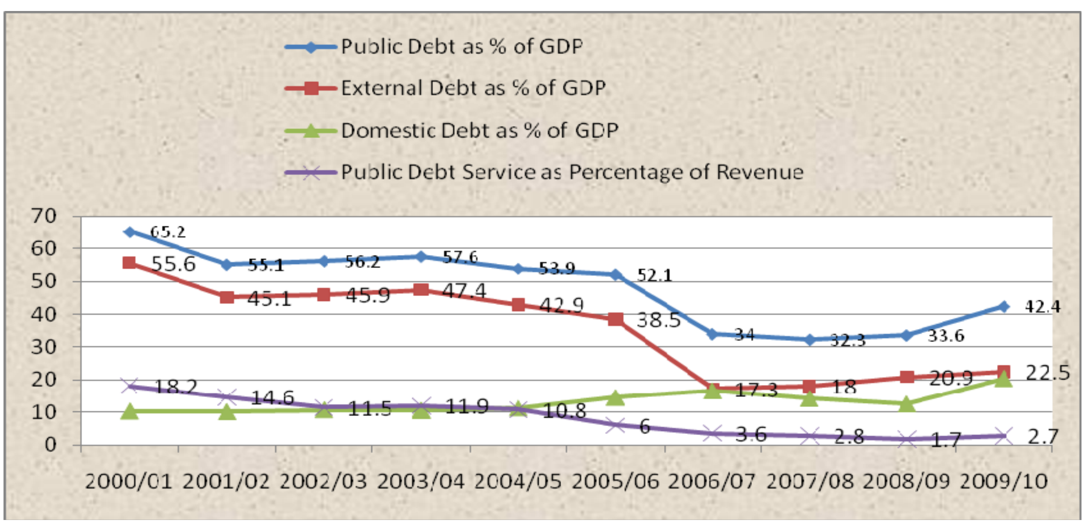
Source: URT2011, Macroeconomic Policy Framework for the Five Year Development Plan/Budget 2011/12-2015/16

On the expenditure side, containing Government expenditure will contribute towards ensuring that macroeconomic stability is maintained. This will require enhancing the 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 one of the ways of creating an appropriate incentive structure. Sitting and travelling allowances currently create a perverse incentive's structure, and will need to be rationalized 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. The proportion of public debt to GDP in 2009/2010 was 42.4 percent. Domestic debt to GDP ratio has however been gradually increasing while external debt as a percentage of GDP has been declining. 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: Macroeconomic Policy Framework for the Five Year Development Plan/Budget 2011-2015/16

2.3.2. Productivity and Growth

Agriculture

Crops: Though the share of agriculture in GDP has, in recent years, 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 labor force. From 2002 to 2010 annual agricultural growth has averaged 4.2 percent, which has been 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 to domestic and export markets.

This asymmetry is both a problem and an opportunity. It is a problem in that 74 percent of the labor force only represents a 25.3 percent stake in the national economy, which is an explanation for the low productivity due to existence of surplus labor. 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 the significant share of agricultural land which remains hostage to the whims of nature could be developed and become productive and more reliable.

Moreover, the value of agricultural products is not optimal, with most of the produces 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 them 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 relaying 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 agricultural value addition chain;
x. Unavailability 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 urbanization over arable agricultural land; and
xii. Growing adverse effects of climate change.

Livestock: With 4.6 percent, livestock has been ranking second within the agricultural sector in terms of its contribution to GDP share followed by forestry (and hunting) with a GDP share of about 2.3 percent. Although there has been no other livestock census conducted since 1984, livestock population has been increasing over the years. The 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 chicken, and 35 million indigenous poultry. Out of 23 million chickens, 7 million are layers and 16 million are broilers. Livestock population has been estimated based on sample census 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) and Newcastle Disease (ND) and other Transmittable Animal Diseases 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 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% annually, despite outbreaks of diseases. Beef production in FY 2009/10 increased by 8.3% compared to the 2.8% achieved in the preceding year. During the same period, lamb and mutton production increased from 2.3% to 4.5%. However, pork production in 2009/10 declined to 6.1% from 7.5% recorded in FY 2008/09. Construction of modern abattoirs by the MLDF in Dodoma, Ruvu, and the recruitment of vertinary officers have positively contributed to the increased production of meat. This increased production has been significantly supported with growing urbanization 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 marketable surplus of milk produced annually is filtering through into the urban markets and processing plants. Remote and poorly developed infrastructures constitute the biggest obstacles to collection and marketing of milk.

(b) Hides and Skin

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 8.19 billion shillings were exported compared to 982,668 pieces of cattle hides, 2.7 million of goat skins and 769,936 pieces of sheep skins worth 12.8 billion shillings which were exported in 2008/2009. The drop in 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 16.2 billion were exported.

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

- Low productivity;
- 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;

The production and productivity of livestock in the country can be improved, inter alia through an improvement of the genetic potential of the existing stock, increasing supply of improved stock, commercialization of the livestock industry, increasing the processing capacities of livestock products and improvement of marketing efficiency for livestock and livestock products. Strategic interventions for the improvement of livestock follow a commodity value chain approach.

Manufacturing

The historical development of the manufacturing sector in Tanzania displays a picture of temporal disparities, characterized by early years of growth (1970s to mid-1980s), stagnation (1990s) and again growth after the year 2000. In general, Tanzania's manufacturing is still small and spread with no specific industrialization 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 utilization. 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 small at present, the sector has the potential to create better-paying jobs relative to those in agriculture.

Most impressive development trends have occurred on 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 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 prominence of the informal sector, falling in global doing business rankings, 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: the strategic geographical location of the country, providing easy access to the overseas markets and the markets of landlocked neighboring countries (like Burundi, Congo, Malawi, Rwanda, Uganda, and Zambia). The presence of Economic Development Zone (EDZ) Schemes is another opportunity open for Tanzania manufacturing sector. Tanzania being an active member of the East African Community (EAC) and Southern Africa Development Community (SADC) also 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 in the continent. This development was contributed by high gold production, from less than a ton per annum in 1998 to around 50 tons in 2008, making Tanzania the third largest gold producer in Africa.

With all these impressive developments, the mining sub-sector only contributes 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 period of 2000-2008. Nevertheless, its contribution to total export is substantial, accounting for up to 48 percent of merchandize 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) (ending in 2013/14), designed to strengthen Government capacity to manage the sector by fostering good governance, accountability and transparency. Other challenges which will be addressed systematically will 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 Production

Water has been a lynchpin of human livelihood and development. The opposite is also true. 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 (lakes, dams and rivers). Apart from minimal use in hydro power generation and irrigation a lot of water runs through, unutilized, to the sea, 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 centers and production entities are increasingly facing acute water shortages, representing 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 should 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 effective implementation of the FYDP I.

Land requires massive investment to ensure an equitable and fair ownership and subsequently a productive utilization. While it is always held that there is a large amount of land available for future investments, such as in the agricultural and human settlement development programmes, this does not match the real situation in Tanzania. The fact that there are many areas with unutilized land in Tanzania does not imply that the same is easily accessed and could be availed for development investments. Despite development of the 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 areas for biodiversity preservation purposes.

Although all land is owned by the Government, on trust of the Head of State, the great majority of it is under customary law and controlled by villagers. Invariably, for an investor seeking to acquire land for development (e.g. for commercial agricultural production) would be, up to a point, compelled to reach agreement with village governments as well as the individual villagers who would eventually be displaced. The fact that villages' land is usually unplanned, with no title issued for 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 the 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). Furthermore, some of this information is kept by the Local Government Authorities and is not readily shared with the Ministry. Files and their contents are frequently misplaced. As a result, the 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- with only 103 meters per square km and only 7.4 meters per square km for 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 neighboring landlocked countries and the rest of the globe, have approximately a total length of 12,786 kilometers. Of this, only 40.4 percent is paved.

The main challenges in roads transport include: inadequate integration of the road network and the market and productive areas; unplanned urbanization 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 EAC Road Master Plan – i.e. regional road network at the regional economic communities (REC) levels – which makes it easy to sell them for financing; existence of Public-Private Partnership (PPP) legal and institutional framework;

government commitment to allocate 1% of GDP to R&D, part of which can be directed to research on low-volume road seals; and existence of labor 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 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's railways have been out-witted in trade by other regional corridors such as North Corridor (Mombasa to Kampala), Maputo Corridor, and corridors 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 riparian 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 Surveys, 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 instrument for regional projects from multi-lateral financial institutions, such as IFC (International Finance Cooperation) and MIGA (Multilateral Investment Guarantee Agency) of the World Bank, 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 traditional national and international trade gateway, with her 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 indicted in Table 2.2.

Table 2.2: TPA Port Throughput, 2003 – 2009 (‘000 dwt)

Ports/Year	2003	2004	2005	2006	2007	2008	2009
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
Total	5,746	4,510	4,656.5	6,992	6,357	2,576	5,400

Source: TPA

Forecasts indicate tremendous growth in demand for port services in Tanzania resulting from high growth of trade both domestically and from neighboring countries. With such a domestic growth and the global expansion of economic activities, port development is inevitable, particularly in a country like Tanzania, which has traditionally been an international trade gateway and is strategically located along the ocean and surrounded by large lakes.

The major challenge facing the sector is inadequate exploitation of potentials for water transport in order to meet the 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 logistic hub to 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 framework.

Air Transport

Air transport plays an important role in the economy, particularly for the tourism sector and horticulture. However, the conditions of 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
Total	**961,985**	**1,011,265**	**1,074,424**	**1,087,329**	**988,637**

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-emphasized. Despite the integral necessity of energy in the economy, in Tanzania electricity supply 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 of the total energy consumption. More than 80% of energy derived from biomass is consumed in rural areas. Approximately 10% of total energy consumption is supplied from commercial sources (petroleum, hydropower, natural gas and coal) while electricity accounts for 6% 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% contributing an annual average of 1.8% of GDP 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 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 forecasted to increase from 907MW in 2010 to 2,250MW in 2015. The forecast shows 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 margin; 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 hidden costs; under pricing; revenue collection loses and distribution losses; sub-optimal operation and over-dependency on the hydro source, which is prone to vagaries of weather; untimely implementation of Power System Master Plan and institutional weaknesses due to incomplete reform in the power sector.

Opportunities for this sector include potentials 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 to the East Africa Power Pool.

Information Communication Technology

The goals and targets discussed by the TDV 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 is expected to play a crucial role in the transformation process from a skill-based to a technology-based economy in order to intensify production.

The current ICT systems are still inadequate to meet domestic and international business demand. The networks in the urban area are not adequately equipped while there are places where there is 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 domestic demand as well as regional and international requirements.

There are a number of basic ICT infrastructures such as fibre-optic backbone, albeit, limited and fragmented. The first optic-fibre backbone is run by the Tanzania Telecommunications Company Limited (TTCL), which provides voice and data communication services to business and residential customers. Connections are, however, currently limited to only urban areas and a few semi-urban communities. 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), TRE (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 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 existence of ICT incubator programmes and the establishment of ICT Village hubs; growing demand for ICT; existing PPP policy, legal and institutional framework; and presence of centres of excellence

2.3.4. Human Capital 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 utilize and mobilize 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 region and in the 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 the individuals into the competitive markets, both at local and international levels, nor been geared at innovatively engaging Tanzanians in entrepreneurship and self-employment activities.

The estimated gap in highly-skilled workers required for Tanzania to realize 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 professional 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 detailed skill gap analyses in Annex 3.

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

Skill level*	Occupation Category	Tanzania (% working population *	Middle MIC Average (% of working pop)
High	Legislators, Managers, Seniors	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 should aim 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 and 63,000 accountants and financial sector professionals, 320,000 teachers and 130,000 managerial workers. In order to meet this demand of 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 higher educational infrastructure.

The Skill training through Vocational Educational Training Institutes (VETA) is equally important. Currently 116,000 is 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:

- Low enrolment into science, engineering and technological subjects relative to other disciplines;
- Inadequate use of ICT and other modern advance in sciences;

- Changing structure of labor markets and changes in technology in all sectors;
- Inadequate skills, competence, creativeness, and competitiveness in the labor markets;

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

- Existence of specialized institutions and specialized schools for science and technology;
- Existence of the East Africa Common market which provides for free movement of labor.

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[2], 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 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 in children (6-59 months of age) ranged between 5 percent and 30 percent. The percentage of households owning at least one bed net has continued to increase 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 active population (between 15 and 49 years of age) is 5.7 percent. The data also indicated that more women (6.6percent) are infected than men (4.6 percent).

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

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[2] 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.

mothers, increasing their vulnerability to sexual and reproductive health complications. However, the benchmark for low 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 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, Health Sector Strategic Plan III (2009-2015), Primary Health Services Development Programme 2007-2017, 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’), the ongoing disease specific programmes; ATM, EPI & 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 system and services
ix. 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 centers 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 Corporations and more housing loans will have to be made available to meet the ever growing housing needs.

It is projected that by 2030 half of Tanzania's population will be living in urban areas. 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. The urban population has for over three decades 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% 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 when combined with inadequate services it significantly reduces productivity in the country's economic hub. 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 urbanization 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.

The FYDP I recognizes that decent human settlements guarantee public health, safety, and 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 have to 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 well being of the people. At present the proportion of population with access to safe drinking water stood at 57.8 % and 86 % in rural and urban areas respectively. Based on the World Bank WDI data Tanzania lags many of its African counterparts with regard to its performance in the provision of safe water sources. Particularly in parts of the Central Region, women and children still has to commute long distances everyday to fetch water. Around 11 percent of population in the rural areas has no access to sanitation facilities while similar figure for urban areas recorded 1.5 percent, 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 per cent had no access to hand washing facilities at their latrine.

The National Rural Water Supply and Sanitation Program (NRWSSP) was adopted for the period 2006-2025.Under the NRWSSP, the Rural Water Supply and Sanitation Program Phase I (RWSSPP I), was completed in 2010 and has entered its second phase (2011-2014). RWSSPP II targets 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.

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 Urban sector Planning, more emphasize will be made on developing sewerage facilities and provision of improved access to safe drinking waters through sound policy and strengthened institutional arrangements. Participation of NGO’s working in the Water and Sanitation issues will be welcomed to further solve specific problems attached to urban settlements.

2.3.5 Governance and 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-economical 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 a 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), Commission for Human Rights and Good Governance (CHRAGG), Office of the Registrar of Political Parties, reinforcing the powers of the Controller and Auditor General (CAG), enhancing the participation of opposition Members of Parliament in key parliamentary committees overseeing governance issues and new laws governing aspects such as Election Expenses Act.

Doing Business and Competitiveness

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

Recent economic reforms have placed improvement of doing 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. Thus encouraging a positive business environment is a sure shot way of economic growth and employment creation. The Doing Business Survey conducted by the World Bank looks at certain specific aspects of business environment. The performance of Tanzania has been dismal in recent years with its ranks dropping from 124 in 2008 to 126 in 2009 and to 131 in 2010. Tanzania ranks 4th among the EAC, also there are large disparities in the relative global performance of Tanzania and better performing EAC counterparts such as Rwanda and Kenya. See Table 2.6.

Table 2.6: Doing Business Survey –EAC performance

Countries	Global Rank	EAC Rank
Rwanda	67	1
Kenya	95	2
Uganda	112	3
Tanzania	131	4
Burundi	176	5

Source: The World Bank Doing Business Survey (2010)

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

Reforms to improve the Doing 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 will be employed as an efficient instrument to facilitate 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 recent. 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 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 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.

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 tranquility leading to political stability, which has characterized the country since her independence in 1961. The country successfully transited to multi- party politics in 1992, after more than thirty years of 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 with pride these attributes.

Built over a compact social fabric, which recognizes the equality of all men and women, broader and more equitable access to primary means of production is critical in sustaining social tranquility and political stability. These attributes will be enhanced throughout the period of implementing the FYDP I. Thus, despite differences of opinions and diverse political orientation and religious, 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 realize the Nation's Development Agenda.

CHAPTER THREE: STRATEGIC INTERVENTIONS

3.1. Introduction

The previous chapter presented the socio-economic situation analysis, highlighting the country's socio-economic status, challenges to be addressed and possible holding grounds of the way forward. This chapter presents future issues and strategic directions. It also presents goals, targets, and intervention areas. Details on the intervention areas, which include costing and lead implementers, are presented in Annex A1. There are two categories of issues to be addresses as we face the future:

3.1.1 Binding Constraints

Based on the situational analyses provided in the previous chapter and based on research analyses conducted by several studies including the Tanzania-US Partnership for Growth Initiative, some crucial binding constraints of the Tanzanian economic growth have been identified:

- Lack of reliable and adequate supply of **electricity.**
- Poor quality of infrastructure: especially **transport network** 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 by SME and agriculture sector

3.1.2. Strategic Opportunities

There are some opportunities to be leveraged for future growth following the conclusions of the studies such as the IGC-POPC Growth Analyses and the ESRF study on Tanzania's Economic Growth Drivers, identified imminent strategic opportunities as follows:

- **Geographical Advantage**: potential to serve as the regional logistic hub
- **Market Access**: existence of the large markets within EAC and SADC
- A large **Agricultural sector** that can fuel agro-based manufacturing

- Existence of vast reserves of diverse **Minerals** and **Natural Gas**, with the possibility to transform Tanzania into a net **Power Exporter** to the EAC and SADC

3.2. Future Issues and Strategic Directions

A major lesson to be learned from Tanzania's continuing economic transition is the need to promote a diversified economy with a variety of sectors and niches. At the same time, limited resources mean that the Nation must concentrate its economic development efforts in selected areas of comparative and competitive advantages that are likely to yield the most returns. After careful consideration of the binding constraints and the opportunities at hand, the following areas were identified to impart strategic direction to the Tanzanian economic future:

3.2.1. Sustaining Macroeconomic Stability

The plan focuses on improving macroeconomic fundamentals including food supply, inflation, GDP growth, and money supply, all of which will reinforce peace and harmony. Furthermore, good governance will be emphasized 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

Unemployment and poverty are among the main challenges of development in Tanzania. Employment is the main link between growth and reduction of income poverty. Approximately 700,000 Tanzanians join the labour market each year, out whom only about 500,000 secure a decent employment. The unemployment rate has for long remained at about 11.7 percent. 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. Households engaged in farming, livestock keeping, fishing, and forestry, are the most poor.

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 commercialization and the agro-processing of agricultural products.

c. Competitiveness and Export Development

Tanzania has not been making full use of its existing opportunities and potentials, such as the country's geographical location, existing productive resources and membership in different regional economic integration schemes. Among the challenges have been the country's low capacity to produce and compete; the changing pattern of preference and demand in world market in favor of manufactured goods, etc. High production and transport costs make businesses and overall trade uncompetitive. The FYDP I prioritizes strategic interventions for trade development in order to increase the country's capacity to effectively participate and benefit fully from regional and international markets. Some of the priority interventions include improving competitiveness, expanding the productive capacity in main productive sectors, development of infrastructure in strategic areas of production and human capital development.

d. Regional Integration

Tanzania is a signatory to two regional trade agreements, namely East African Community (EAC) and Southern African Development Community (SADC), and the country is thus affected by multiple and overlapping memberships at different levels. While the EAC has made progress in implementing the Common Market Protocol and is currently negotiating for the Monetary Union, the SADC is still at the level of a Free Trade Area. There are also on-going tripartite negotiations between then EAC, the SADC an the COMESA FTA which might provide a solution, for Tanzania and other countries of the region, to the problem of overlapping membership.

Nevertheless, even though Tanzania's trade performance in the two regions is growing, it is not as impressive. Currently, the country's share in the EAC is only accounting for about 28 percent of the total, whilst the share of Kenya is about 44 percent. In the SADC region, Tanzania’s trade share is just below 5 percent, while that of South Africa is 58 percent.

Regional integration is not an end in itself. But it is a means to enhance growth and development. Tanzania should leverage its regional integration for future growth. The real challenge remaining is to enhance productivity to create capacity to trade. It follows, therefore, that Tanzania’s production needs to be diversified and commensurate with the changing patterns of trade in the regional and global market. Various regional trade patterns have increasingly grown to reflect the global trend, being dominated by trade in manufactures and services. Tanzania has to build capacity to export high value products and services.

There are basic issues to be addressed to come to this point. Tanzania still has too few experts in the area of trade and hence lags behind in trade negotiations. Tanzania is currently negotiating, under the EAC, an Economic Partnership Agreement (EPA) with the European Union (EU). However, the challenge is how to properly negotiate to maximize country’s interests with the EU. Training of a critical mass of experts in the area of trade for effective negotiations and trade development analysis is critical.

3.2.2. Improving Social Services Delivery

While sustaining macroeconomic stability, the achievements recorded in the social sectors will have to be sustained. In this regards, more emphasis will be put on quality of education, health, and water services as well as social welfare at all levels.

3.2.3. Exploiting Natural resources

Tanzania is endowed with various natural resources such as arable land, water, minerals (uranium), coal and natural gas. The FYDP I interventions will therefore focus on deepening the exploitation of these natural resources to foster growth. The Plan will aim at complementing the growth of industry and manufacturing, ultimately targeting employment and revenue generation. Emphasis will be on promoting local industries and use of locally produced goods and services.

3.2.4. Geographical Advantage in the Region

The strategic location of Tanzania within the region provides opportunities to become a food basket, a business center and a transport hub for the Great Lake countries. The FYDP I puts emphasis on improving the ports, construction of railways to standard gauge, improving trunk roads, the national ICT hub, and improving air transport services and other infrastructural facilities.

3.2.5. Technology and Skills Development

Intervention areas will focus on improving technology to facilitate value addition particularly in agro-processing and minerals beneficiation. Further, skills development and improving science, technology and use of ICT will be emphasized.

3.2.6. Energy

The national grid supplies only about 12 percent of urban and 2.5 percent of rural households. Supply has been erratic. Reliable and affordable energy supply is an important factor for enhancing production efficiency in all productive sectors, and for example in agriculture, through agro-processing and irrigation (powering irrigation pumps etc.). The FYDP I identifies key areas of interventions in all potential sources of energy in order to address the current chronic energy crisis with the aim of creating a strong base for meeting the objectives of Vision 2025. In addition, the FYDP I interventions target development of alternative sources of cleaner and renewable energy sources, including solar, wind and gas.

3.3. Towards the Envisaged Future

3.3.1. Macroeconomic Stability and Growth

The success of the FYDP I depends on the continuation of macroeconomic stability and sustaining economic growth. Therefore, the key macroeconomic interventions that will be critical for attainment of macroeconomic stability include prioritization of public expenditure in favor of drivers of growth (energy, infrastructure, human and skills development, technology and agriculture); ensuring food security; promoting value addition in key production activities; expanding the revenue base (tax and non tax); utilizing PPP arrangements; as well as ensuring debt sustainability.

In view of the performance and challenges on the macroeconomic fundamentals identified in the previous chapter, the following are the macroeconomic goals, interventions, targets and key outputs to be reached by 2015/16.

Table 3.1: Strategic Interventions and Key Indicators for Macroeconomic Performnce

Goal	Macroeconomic Intervention	Key Output/Target by 2015/16
Sustain High Economic Growth	• Organize public expenditure in favor of drivers of growth (infrastructure, skills, technology and innovation, agriculture) • Effect further improvements in the investment climate	• Average annual GDP growth of 8% (This will result from a build up from 7% in 2010 to 10% in 2025)
Maintain Price Stability	• Pursue prudent monetary and fiscal policy • Establish strategic oil reserve	• Annual Inflation rate not exceeding 5% • Capacities for monetary and fiscal policies enhanced • National oil reserve feasibility study
Strengthen Financial Intermediation and Financial Stability	• Increase the efficiency of the banking sector • Establish national financial crisis management plan.	• Interest rate spread reduced • Attractive saving rate to bolster savings mobilization achieved • National Financial Crisis Management Plan established
Strengthen Balance of Payment Position	• Scale up value addition on primary export goods, particularly in agriculture and minerals • Ensure all export proceedings, including those from minerals, are handled through banks operating in the country, rather than foreign or offshore banks.	• Maintain import cover of at least five months • Decrease Trade deficit from the current 15.8% to 12% by 2015/16
Pursue prudent fiscal policy and secure financing of the Medium Term Plan.	• Reduce tax exemptions, particularly discretionary ones • Formalize the informal sector • Improve tax revenue collection • Enhance expenditure control and accountability • Improve the capacities of government auditing and budgeting units	• Budget deficit (excluding grant) restricted to 10% to 12% of GDP. • Increase revenue to GDP ratio to 19% • Government external borrowing restricted to 6% of GDP and domestic borrowing to 1% of GDP • Overall expenditure government expenditure not to exceeds 28% of GDP • Oversight and regulations strengthened • Expenditure control and accountability enhanced
Maintain public debt at a sustainable level	• Strict annual deficit control	• Reinforced debt management and monitoring

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

3.3.2. Productivity and Growth

High level of productivity and growth in key economic sectors are paramount factors for a strong and competitive economy. The FYDP I focuses on potential growth drivers because of their overriding importance in terms of comparative and competitive advantages, significant impact on poverty reduction and strong synergies in the development process

Agriculture

Goal: Modernization, commercialization, and productivity enhancement.

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:

a) Expanding and improving irrigation infrastructure;
b) Easing availability and enhancing utilization of modern agricultural inputs and mechanization;
c) Improving and strengthening availability of scientific production methodologies through research, training and provision of extension services;
d) Improving market access, and;
e) Promoting agro-processing and value addition activities.

Strategic Interventions

In view of realizing the above targets, following below are the areas of focus for the sector over the plan period:

i.	Technology and Innovation	xiv.	Strengthen Farmers Field Schools (FFSs) and Farmers Groups
ii.	Strategic national food reserve		
iii.	Promote Framer Associations	xv.	Strengthening farmer organizations/associations and providing marketing information
iv.	Development of Irrigation Infrastructures		
v.	Capacity building for irrigation development	xvi.	Facilitate equipment leasing for farmers and agro-processors
vi.	Undertake Irrigation research	xvii.	Strengthening of agricultural financing
vii.	Assessment of potential water catchments	xviii.	Enhance Capacity of research institutions
viii.	Strengthening the management of Integrated Catchment	xix.	Enhance Capacity of Training Institutions
ix.	Integrated soil fertility management	xx.	Enhance Capacity of farmers Training centres
x.	Agricultural land use planning		
xi.	Expand Animal Traction Technology	xxi.	Build Capacity of Pest Control Centres

xii.	Enhance Mechanical Power		and Veterinary laboratories
xiii.	Strengthen Ward Agricultural Resource Centres (WARCs)	xxii.	Develop Human Resources Capacity
		xxiii.	Improve Communication System

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
Modernization, commercialization, and productivity enhancement	• See table above.	• Average agricultural annual growth of at least 5.6 percent; • Increase food self sufficiency for cereals and legumes from 104 percent currently to 115 percent by 2015; • Expand irrigation areas from 330,000 hectares at present to 1,000,000 hectares by 2015/16 • Increase agricultural labor productivity from Tsh. 212,671 (in constant 2001) currently to Tsh. 345,724 by 2015/16; • Promote value addition for local agricultural producers from the current 30 percent to 50 percent by 2015/16 • Increase average annual agricultural foreign exchange earnings from currently US$ 700 million to 1,500 million by 2015/16

Total Cost: **Tsh. 3,714,145 Million**

<u>Fisheries</u>

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
Modernization, commercialization, and productivity enhancement	• Improve Fisheries Resource Management • Improve Resources Utilization and Marketing • Enhance Aquaculture Development • Strengthen Research Training and Extension • Review the Legal and Institutional	• Improved overall fisheries sector growth will improve from the current 4.5% per annum to at least 7% per annum; • Increased overall fisheries contribution to the GDP will increase from the current 1.2% per annum to 5% per annum;

Goal	Strategic Intervention	Key Output/Target for 2015
	Framework • Incorporate Cross-Cutting and Cross-Sectoral Issues	• Increased annual Government revenue collection from the current 6.58 billion Tshillings to 12 billion Tshillings; • Increased fisheries production from the current estimates of 350,300 metric tonnes to about 450,000 metric tonnes; • Increased fisheries exports from the current 51,426 tonnes worth USD 174 million to 62,850 tonnes worth USD 215 million; • Increased employment for full time fishers from the current 170,038 to 200,000; • Increased fisheries related employment from the current 4,000,000 to 4,200,000; • Involvement of national fishing fleet in the EEZ fishery; • Increased fisheries establishments from the present 24 to 50; • Increased seaweed production from the current 8,000 tonnes to 12,000 tonnes (dry weight); • Increased aquaculture fish production from the current 1,200 tonnes to 10,000 tonnes; • Increased centres of fish seed production from the current 8 centres to 20 centres; and • Incidences of illegal/illicit fishing activities reduced by 80%.

Total Cost: Tsh. 171,090 million

Forestry

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
Modernization, commercialization, and productivity enhancement	• Increase Production and Productivity of agro-forestry • Sustainable Management of Forest Resources • Development of Forest Resources database • Sustainable Management of Forest and	• Growth of Hunting and Forestry sector increased from 1.6% in 2009 to 5.9% by 2015 • Increased number of villages (from 2,328 to 2,500) and villagers participating in forest management and forum of collaboration • 50 % of the forest industries using

Goal	Strategic Intervention	Key Output/Target for 2015
	Bee Resources • Sustainable Management of coastal Forest Resources • REDD initiatives and Development	appropriate technologies • 5% reduced degradation and loss of forest biodiversity • Area of forest resources and biodiversity under effective management increased by 10% • Comprehensive baseline information available, regularly updated and applied in forest management • Timely provision of forest resource assessment reports, including forest stocks, and maps. • Diversify and improved quality and quantity of bee products by 10%

Total Cost: Tsh. 17,261 Million

Livestock

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
Modernization, commercialization, and productivity enhancement	• Livestock Resource Development • Improve Livestock Production and Productivity • Provide Livestock Support Services Delivery and Empowerment • Control Animal Diseases and Provide Veterinary Public Health • Enhance Marketing of Livestock and Livestock Products • Review Legal and Institutional Framework • Include Cross-Cutting and Cross-Sectoral Issues	• Overall livestock sector growth improved from the current 2.7% per annum in 2010 to 5 % per annum by 2016; • Overall livestock contribution to the GDP increased from 4.7% equivalent to 789 million US $ (947 billion T.shs) in 2008 to 7% worth 1.27 billion US $ (1,440.30 billion T.shs); • Calf mortality in the traditional sector decreased from the current 30-45% due to TBD to less than 10%; • Mortality among local chicken will reduced from current level of more than 60% to less than 30%; • 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; • Cattle off take from the traditional smallholder sector improved from 8-10% to 12-15% leading to meat production increasing from

Goal	Strategic Intervention	Key Output/Target for 2015
		422,230MT to 809,000MT; • Commercial ranching in NARCO and 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 per annum • 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; • Milk production growth increased from current 5-6% per annum to 7% per annum reaching 2.25 billion litres; • Egg production increased by 10% per annum from 2.8 billion to 4.7 billion eggs; and • Production of hides and skins increased by 12% per annum from 5 million pieces worth 21 billion T.shs in 2008 to 9.8 million pieces worth about 40 billion TShs

Total Cost: Tsh. 1,332,979 Million

Manufacturing

The underpinning goal over the next five year of implementing this 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 industrialization and export-led growth.

Operational objectives:

- To increase the share of manufacturing in GDP
- To 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	• Developing anchor activities for self sustaining industrialization • Improving the business environment • Fast-tracking investment and technology development • Fostering local participation in industrialization • Improving market access • Developing agro-industries and value addition	• Average annual sector growth of 11 percent • Manufacturing sector GDP contribution increased to 12 percent by 2015/16 • Manufacturing share in total county's export accounting for 19.1 percent by 2015/16 • Total manufacturing employment growing from 120,000 people presently to over 221,000 people by 2015/16

Total Cost: **Tsh. 1,495,786 Million**

Mining Sector

Operational objectives

- Increased local participation
- Beneficiation and Value addition
- Maximization 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	• To strengthen the Geological Survey in performing its main functions of: (i) Conducting geological mapping and identifying mineralized areas, (ii) Carrying out mineral exploration, (iii) Monitoring of geo-hazards. • Strengthening State Mining Corporation to oversee Government free carried interests and purchased shares in mines. • Partnering with the Private Sector to develop mines	• Attain average annual growth rate of 5 percent; • Mineral sector share to GDP accounting for 3.7 percent by 2015/16; • At least 10 percent of produced basic minerals are processed locally for beneficiation and value addition. • Employment in large-scale mining increased from 14,000 in 2010 to 18,000 in 2015

Total Cost: **Tsh. 3,695,649 Million**

<u>Water</u>

Operational objectives

- Expanding irrigation land;
- Ensure reliable water supply to key growing industrial and urban centers;
- Stabilization of hydro power generation;
- Ensure water 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/Target for 2015
To ensure adequacy and reliability of water supply to key production activities	• Enhance access to safe water supply and implement climate change adaptation measures. • Scale - up rural water supply services • Scale - up water supply services in Dar es salaam city • Scale - up water supply services in small towns • Scale - up water supply services in regional centers • Improve Sanitation facilities in Rural and Urban areas.	• One million hectares of land, an average of 200,000 ha per year put under irrigation 2015/16 • Two storage upstream dams constructed to stabilize power generation for Mtera and Kidatu power stations by 2015/16 • 90 percent access to clean water attained at Songea, Njombe, Ifakara, Mahenge and Makambako by 2015/16 • Increase of access to improved sanitation from 50% in 2010 to 80% by 2015 (10 million beneficiaries) • Community Lead Total Sanitation (CLTS) – Engagement of Households and Communities – target 2 million household latrines through private initiative • School WASH (hand washing and sanitation facilities – in at least two schools per district (total: 264 schools) **Specific targets:** • Basin – level management plans developed in all basins by 2015, • Rehabilitated 45 failed dams and 3 major new dams built, • Increased number of monitoring stations regularly producing reliable data from 83 to 438.

Goal	Strategic Intervention	Key Output/Target for 2015
		• Participatory climate change adaptation measures initiated at catchment/water user association level. • Proportion of population in rural settlements provided with improves sources of water increased from 57.8 percent in 2010 to 65 percent by 2015, • Proportion of population in small towns provided with improved sources of water increased from 53.7 percent in 2010 to 57 percent by 2015, • Proportion of urban population in regional centers provided with improved sources of water increased from 86 percent in 2010 to 95 percent by 2015, • Proportion of population in Dar es Salaam provided with improved sources of water increased from 68 percent in 2010 to 75 percent by 2015.

Total Cost: Tsh. 1699,965 Million

Land, Housing and Human Settlements

Operational Objective

- Promote an equitable distribution of and access to land
- Ensure land is put into its most productive use to provide the rapid socio-economic development of 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
Increasing the Productivity and Efficient Use of Land. Promote an equitable distribution of and	• Increase allocation of land that has been planned and surveyed • Institute and operationalise land bank Authority • Implementation of land use plan (framework) • Financing Affordable Housing Researches	• 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; and • Proportion of planned land increased from 10 percent currently to 20 percent by 2015/16

Goal	Strategic Intervention	Key Output/Target for 2015
access to land		

Total Cost: Tsh. 85,950 Million

3.3.3 Transport Sector

The development thrust of the sector for the next five years will be guided by the following strategies:

- Promoting Tanzania as transport and logistics hub for East and central African countries,
- Ensuring the availability of reliable transport infrastructure facilities at reasonable costs.
- Emphasizing long-term integrated planning and coordinated implementation of projects to ensure a more orderly, systematic and comprehensive development of transport infrastructure,
- Promoting integrated seamless multimodal transport system
- Encouraging use of public transport especially in urban areas to reduce congestion,

Road Sub-sector

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 placed 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 optimize the flow of goods and services to strategic	• Direct investment to trunk, regional and district roads leading to areas with highest economic potential (e.g. agriculture, mining, tourism) • Direct investment in roads with greater advantage for regional integration • Addressing Traffic Congestion in urban areas	• 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 • Addressing traffic congestion in Dar es Salaam and other major urban centers • Effective systems for financing and management of district and feeder roads put in place • Local governments and

Goal	Strategic Intervention	Key Output/Target for 2015
sectors/areas		communities actively involved in investment initiatives and in improving feeder roads

Total Cost: Tsh. 6,236,257 Million

Railways

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 utilize 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 or /and transportation of bulky natural resources and evacuation of products, especially where long distance transport is involved.	• Rehabilitation and Upgrading of the existing railway lines to standard gauge – 1.435 by 2016 • Upgrading & constructing strategic line facilitating TZ to be a hub of transport. • Construct new railway lines to strategic economic areas • Addressing traffic congestion in urban areas	• The central railway line rehabilitated and fully operational • Locomotives, engines, plants and equipments all in working order • Central railway line (Dar-Isaka) upgraded to the regional standard gauge – 1.435M by 2015/16 • Detailed design, secured investment and initial construction of the new Isaka-Kigali railway line with the standard gauge • Feasibility studies and detail design of the Musoma-Arusha and Mtwara-Songea-Liganga railway lines carried out • Feasibility and detailed design for the Urban Commuter Railway system finalised

Total Cost: Tsh. 2,097,359 Million

Marine Transport

Operational Objectives

- Expand the cargo volume handling capacities of Dar es Salaam 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 synchronize it with other cargo handling institutions for facilitating management of the entire logistic chain
- 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:

Goal	Strategic Intervention	Key Output/Target for 2015
Improve quality, efficiency and reliability of water transport services and integrate it with other transport networks through multi-skill training, modernization of ports, increased automation and computerization, and through upgraded management processes and procedures.	• Expand the cargo volume handling capacities of Tanzania's sea ports and lake ports by 2015/16 • Enhance the use of improved technology in water transport facilities • Encourage private investment in the provision of marine transport services • Revisit the port operational system and synchronization with other cargo handling institutions	• Cargo volume handling improved from 7.13 Million tons to 9.87 Million Tons. • Import total container dwell time from 12.5 days to 7 days • Ship turn around time reduced from 4.4 days to 2.0 days

Total Cost: Tsh. 716,000 Million

Airports/Air transport

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.	• Expand Tanzania's air cargo and passenger freight handling capacities in view of strategically making the country become the regional and international trade gateway. • Expand Tanzania's air cargo and passenger freight handling capacities.	• Expanding Tanzania's air cargo From 22,461 tonnes to 35,500 tonnes • Annual passenger freight handling capacities increased from 2.95 Million to 3.43 Million people • Revival of National Flight Carrier • Improved ATCL management

Total Cost: Tsh. 1,027,329 Million

3.3.4. Energy Sector

Operational Objective

- Explore the possibility of utilizing other potential of energy – e.g. geothermal, solar, wind, 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.

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
Develop reliable, economically accessible and appropriately priced energy supplies to facilitate the development of other activities in the economy while ensuring	• Increase electricity generation to 2,780 MW by 2015 • Upgrade and construct new transmission and distribution lines to cope with increased power generation • Improve power supply/transmission to rural areas (ongoing and new projects) • Enhance the Natural Gas Development Projects • Fast-track the Bio- Fuels Development Projects	• Increased consumption from the current 81 Kwhr per capita (using current population of 40 million) to 200 Kwhr (the minimum for LIC). This means current electricity generation capacity has to be increased from 1,100 MW up to 2,780 MW in order to enhance power availability and reliability. • Enhanced Tanzania's regional trade share by connecting to at least 50

Goal	Strategic Intervention	Key Output/Target for 2015
environmental sustainability.		percent of grids of its riparian countries • Other potential of energy – e.g. geothermal, solar, wind, coal, increasingly used

Total Cost: Tsh. 11,980,560 Million

3.3.5. Information, Communication Technology - ICT

Operational Objective

- 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 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.

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 networks to public to meet domestic demand as well as regional and international business	• 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 • Develop a 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 • Ensure effective coordination and harmonization of ICT initiatives • Establish national addressing system and postal codes to ensure physical accessibility of citizen, business etc • Create a critical mass of ICT skilled labour force and supporting specialized ICT institutions • Introduce use of new technologies in	• Complete the National ICT Infrastructure Backbone Project and scale up the broadband access connectivity. • 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

Goal	Strategic Intervention	Key Output/Target for 2015
	productive sectors • Translate research into products	

Total Cost: Tsh. 1,506,900 Million

3.3.6. Human Capital Development

Education and Skills Development

Policy Focus: Re-orient 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).

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
Re-orient human capital development towards achieving the development goals in the key productive sectors (agriculture, mining, and manufacturing) and economic infrastructure (energy, ICT, and transport).	• Increase enrolment and retention of pupils in primary education • Increase enrolment and retention of pupils in secondary education • Increase enrolment and retention of students in technical and vocational education and equip them with skills for self-employment and competition • Increase enrolment and retention of students in Higher education and equip them with skills for self-employment and market demands	• Primary and secondary school enrolment increased (primary Net Enrolment Rate (NER) to 100% by 2015) • Primary school completion rate improved (to 100% by 2015)

Total Cost: Tsh. 578,753 Million

Health

The FYDP will emphasize interventions to address the challenges facing the health. 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 & 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:

Goal	Strategic Intervention	Key Output/Target for 2015
Increase accessibility to health services, based on equity and gender-balanced needs, improve quality of health services; strengthen management of the health system, and develop policies and regulations on human resources for health & social welfare coherent with government policies	• Human Resources Development • District Health Services Improvement • Maternal, Newborn and Child Health • Malaria Curbing • HIV and Aids Monitoring • Tuberculosis and Leprosy Control • Prevention of Non Communicable Diseases • Curb Nutrition Issues • Research Traditional and Alternative Medicine Enhanced • Reduce Burden of Neglected Tropical Diseases • Setting up a Monitoring and Evaluation Framework	• To reduce the burden of Malaria by 80% by the end of 2015/16 from current levels • To increase and strenghen services for care and treatment of people living with HIV/AIDS to reach 800,000 by 2015/16 • To reduce prevalence and death rates associated with Tuberculosis by 50% by 2015/16 • To reduce maternal mortality from 578 to 175 per 100,000 live births and underfive mortality from 112 to 45 per 1,000 live births by 2017 • To increase percentage of women delivered by skilled attendant from 46% of 2004 till 80% by 2015/16

Total Cost: 1,583,583 Million Tsh.

<u>3.3.7 Governance and Rule of Law</u>

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 mobilize public efforts and opinion towards zero tolerance to corruption, improved and strengthened leadership and governance systems.	i) Strengthen legal and institutional framework for democracy, rule of law and good governance, through: • Reviewing, mainstreaming, accelerating and deepening implementation of core reforms with the focus on creating an enabling environment for pro-poor growth • Enhancing operational capacity of governance institutions • Strengthening mechanism for accountability and sanctions on implementation, enforcement and compliance to legislative, policy, regulatory and operation rules	• The global rank of Tanzania in the World Bank Doing Business survey decreased to below 100. • Tanzania’s percentile rank in Rule of Law indicator and the Control of Corruption indicator (both in the World Governance Indicator) increased from their current level 40 and 40.5 respectively to 60 • In June 2016, 40% of the population have an ID card (i.e. 19.3 Mio Tanzanians), implying a distribution of 18,000 ID cards per day between July 2012 and June 2016.

Goal	Strategic Intervention	Key Output/Target for 2015
	ii) Sustainably curbing corruption at all levels, through: • Revising the laws and strengthening mechanisms for fighting corruption ad money laundering in order to cope with the changes in technology and circumstances • Modernization 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. iii) Fully installed and operationalised National ID system by 2015 • Installing, testing and commissioning the national identification system • Conducting/piloting phase of national identity card system • Management and Operation of the ID card system	

Total Cost: Tsh. 1,155,444 Million

3.3.8 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 5 year tranches.

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

Sector	Total Cost (in mil Tshs)					2011/12	2012/13	2013/14	2014/15	2015/16
	Total	*Gov*	*PPP*	*DPs*	*Others*					
Agriculture	**3,806,249**	**1,594**	***0***	***13,131***	***0***	**877,254**	**774,758**	**746,484**	**699,763**	**707,983**
Crops	2,230,417					457,705	397,255	428,055	455,220	492,174
Forestry	71,563	*1,594*	*0*	*13,131*	*0*	29,857	8,580	10,608	11,324	11,195
Fisheries	171,090					44,610	39,087	32,711	28,894	25,788
Livestock	1,333,179					345,082	329,836	275,110	204,325	178,826
Manufacturing	**1,495,786**					**302,534**	**300,500**	**293,939**	**296,011**	**302,802**
Mining*	**1,198,824**	***117,200***	***594,800***	***0***	***482,900***	**179,824**	**299,706**	**299,706**	**299,706**	**119,882**
Transport	**10,076,945**	**4,421,890**		***1,700,005***		**2,320,341**	**2,543,205**	**1,843,143**	**1,802,201**	**1,568,055**
Roads	6,236,257	*4,421,890*		*1,700,005*		1,855,095	1,958,416	1,230,896	687,302	504,548
Railway	2,097,359					252,535	272,065	280,385	644,615	647,760
Marine	716,000					95,712	104,724	123,862	163,284	228,418
Airways	1,027,329					117,000	208,000	208,000	307,000	187,329
Water*	**1,765,421**	***775,203***	***0***	***959,742***	***0***	**176,882**	**314,200**	**487,350**	**479,691**	**307,298**
Land	**85,950**	***10,500***	***0***	***50,000***	***25,450***	**36,300**	**25,700**	**11,800**	**7,200**	**4,950**
Energy*	**14,477,385**	***1,156,500***	***875,250***	***0***	***5,541,750***	**2,171,608**	**3,619,346**	**3,619,346**	**3,619,346**	**1,447,739**
ICT	**1,506,900**	***432,900***	***207,000***	***867,000***	***0***	**387,000**	**433,500**	**277,500**	**157,500**	**251,400**
Education*	**578,753**					**86,813**	**144,688**	**144,688**	**144,688**	**57,875**
Health	**1,583,583**					**669,853**	**442,370**	**157,031**	**141,131**	**173,199**
Governance*	**1,155,444**					**288,600**	**291,915**	**257,187**	**218,640**	**99,104**
Total	**37,152,488**	***6,915,787***	***1,677,050***	***3,589,878***	***6,050,100***	**7,497,008**	**9,189,888**	**8,138,173**	**7,865,877**	**5,040,287**

* 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.

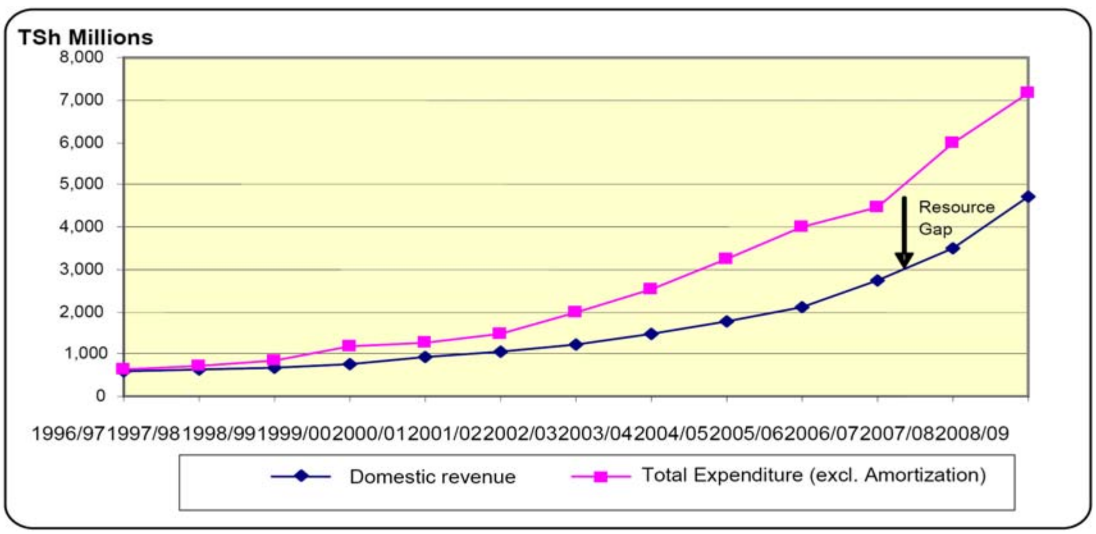
The text in italic form in the table gives the projects that have already been allocated.

CHAPTER FOUR: RESOURCE REQUIREMENTS AND MOBILIZATION

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 revenues 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. Further to this, 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.

It is essential, therefore, that a more reliable source to sustainably finance development has to be domestically based. Domestic revenue mobilization has to be emphasized. This has to be complemented by diligent utilization of availed foreign assistance. Hence, while official foreign development assistance will continue to be a significant component in enhancing resources for the implementation of FYDP I, past experience (availability in desired quantum and predictability); and recent lessons from global economic upheavals, suggests cautious reliance on foreign financing sources. As a nation, Tanzania will seek foreign assistances only to supplement domestic sources and efforts; rather than entrusting foreign aid to drive the national long-term development agenda. Therefore, the Government will diligently seek to secure the financing for FYDP primarily through obtainable domestic revenue sources as prerequisite requirement for its successful and sustainable implementation. This will mean being more innovative in maximizing on the conventional sources and searching for new sources. Some of the approaches which are proposed to anchor FYDP financing are discussed below.

4.2. Financing Sources of the Plan

4.2.1. Conventional/Traditional Sources

All conventional means of financial resource mobilization, such as tax collection, non-tax revenue, foreign grants and concessional loans, credit and loan guarantee need to be strengthened to maximize revenue collection in order to finance the Plan. Below are the steps that will be taken to strengthen domestic resource mobilization;

a. 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 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 the FYDP.

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 currently are not well monitored and cost the government 3½ percent of GDP per year.

Secondly, more innovation will be employed to expand the tax net by bringing in the informal sector and taxing incomes that are not channeled through the payroll. As FYDP is the first coordinated plan to realize Tanzania's aspiration to become a MIC by 2025, full utilization of the potential to increase 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 % of GDP with respect to some other countries. Though Tanzania fared well in this account compared to other countries in the EAC, except for Kenya, compared to the performance of countries like Vietnam and Malaysia, there is is still scope for further improvement for Tanzania.

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

	2005/06	**2006/07**	**2007/08**	**2008/09**
East African Countries				
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
Other Countries				
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 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 minimized.

b. Non-Tax Revenue

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

(i) Rent From Natural Resources

Tanzania is richly endowed with natural resources that range from forestry and wildlife to mineral resources; natural gas to fish; and 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 maximizing the collection of resource rents from these natural resources. Steps such as auctioning of hunting blocks or trophies and maximizing both taxes and royalties from mineral resources will be put in place to ensure these natural resources become an important source of financing the Medium Term Plan. An innovative taxing mechanism, along with increased domestic participation in mineral extraction and processing, will be resorted to ensure enhancement of income from country’s vast mineral resources.

(ii) 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 maximization 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 construction of the earmarked roads and to ensure timely maintenance of roads.

(iii) Road License, Goods and 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.

c. Domestic Borrowing

The Government has continued to borrow from the domestic market to finance budget deficits resulting from high recurrent expenditure outlays. These will be changed so that borrowed funds are used exclusively to finance capital out lays. During the tenure of this Plan, it is projected to raise the Gross Domestic Saving as % of GDP from the current 10.6% to 14% by 2015/16. This will imply availability of more domestic resources at Government's disposal. However, Government will utilize these resources specifically for investment purposes in order to avoid crowding out of commensurate private investment in the economy.

d. Sale of Public Shares/Dividends

The budget is also financed through sale of shares or privatization proceeds of state 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.

e. Foreign Grants and Concessional Loans

This financing window will continue to be an important source of funds, mainly channeled through a general budget support mechanism, to finance national development priorities. Further, the Government will take advantage of emerging sources of bilateral financing in meeting the growing needs of infrastructure development. It will behoove Tanzania to participate more actively with the AfDB Programme for Infrastructure Development in Africa (PIDA) and similar international initiatives organized by development partners.

f. Credit/Loan Guarantees

Credit guarantees are basically used to provide a promise/guarantee to a public agency in order to develop projects in addressing overarching economic problems. This option will be diligently and efficiently utilized to finance projects identified in the FYDP I.

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 imposed on all employers, at a rate of 3 percent of gross emoluments. The collection of the Levy resources will be made by sector-specific organizations 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) would then liaise with these sector-specific organs responsible for skills development with a view to assessing and identifying most scarce skills needed by the market and support them accordingly. TaESA would also be the coordinator of the revamped Skills Development Levy.

Other areas that will be explored are finances from social security funds, institutions, Executive Agencies and Authorities funds; Property tax, and the whole issue of strengthening LGAs' revenue collection and administration

4.2.2. Innovative Approaches

In order to create the fiscal space required to meet large, lumpy and long-term costs of priority activities to develop and restructure the economy as proposed in this Plan, the following options and approaches will be explored

a. Sovereign Borrowing

The Government will continue with financial sector reforms, which among others will 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. In addition, an international bond could also be issued with lower coupon rates of around 8 percent to 9 percent. Interest rates on Tanzanian's 10-year bonds, for example, are currently above 19 percent, higher than international interest rates on B-rated sovereign issuers. 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.

b. Tanzanians in the Diaspora

Tanzanians making earnings abroad are a potential source of revenue mobilization. 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, the Government could significantly increase revenue collection through taxes on domestic investments and businesses of such Tanzanians living abroad. The Government will create that conducive environment for this to happen, including enactment of the Act on dual citizenship, improvement in banking processes, reduction in costs of money transfers to Tanzania and facilitating remittances. An innovative way of harnessing financial resources from the diaspora is through ‘diaspora bonds’, which are financial instruments tailored to target the wealthy diaspora.

c. Special Infrastructure Facility

In order to efficiently absorb the foreign exchange arising from external budget inflows, the Government will use the proceeds of the resulting liquidity mopping-up operations for investing in infrastructure projects which will meet strict selection criteria, including:

- Pro- growth and pro-poor alignment to Cluster 1 of the National Strategy for Growth and Reduction of Poverty;
- High potential for increasing the country’s capacity for foreign exchange absorption in the future;
- Substantial foreign currency component.

d. 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, member countries will forge effective financing mechanisms for the joint financing of economic infrastructures that will link their economies[3].New strategic partnership of Tanzania with emerging economies especially the BRIC countries (as part of the South-South Cooperation initiative) will further prove to be much needed development finance sources.

e. Sovereign Wealth Funds and Pension Funds

AfDB estimates that the aggregate assets under management of Sovereign Wealth Fumds(SWFs) increased from USD 3,590 billion in 2010 to USD 3,980 billion at the start of 2011.SWFs and pension funds can be a vital source of future financing of long-term development investments in Tanzania.

[3] For example, the Africa Rift Valley Geothermal Development Facility (AR- Geo) to expand the use of geothermal technology in the East Africa Valley basin: at least 4,000 MW of electricity can be harvested.

f. Taxation on Financial Transactions

According to the Economic Commission for Africa, Currency Taxation Tax (CTT) and Financial Transaction Tax (FTT) are new popular and innovative taxes to fund development finance[4]. Both CTT and FTT, levy minor taxes on financial transactions especially on those conducted by private financial institutions. This tax revenue could be further diverted to public development expenditure.

g. Carbon Trading and Carbon Tax

Tanzania has not fully explored the potential of the global Carbon Trading Market. There is scope of enhanced earning from avoidance of deforestation and trading the associated carbon credits. Also, by reducing the carbon emission in government construction projects and other public investments, and simultaneously marketing these carbon credits, will provide additional sources of funding. 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.

h. 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 can tap into the Debt to Health initiative; and initiatives of similar nature, like the International Finance Facility for Immunization, to mobilize more resources to development financing.

i. Voluntary Based Initiatives

There has been an increasing trend in the voluntary profit sharing initiatives (like the ProjectRed and The Massive Good Initiative) of large multi-lateral corporations to promote development

[4] Source : Economic Commission for Africa: African Forum on Financing for Development, Issues Paper 6

projects in the developing world. Tanzania should strive to forge ties with these initiatives and further encourage these Voluntary based initiatives.

j. The scope of 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) could be developed as a sub-sovereign debt in this manner.

k. Controlling Illicit Financial Outflows

"Curtailing illicit financial outflows from Africa can produce the largest source of new funds for poverty alleviation and economic growth in the near future"[5] According to a study carried out by Global Financial Integrity (GFI) where it was revealed that in over 39 year period Africa lost a staggering US 854 billion in cumulative capital flight. The key to achieving success in this regard is adopting laws, regulations and policies that encourage transparent financial transactions.[6]

l. Super Profit Tax on Minerals

Revenue from the mineral resources will be one of the important sources of financing the Medium Term Plan. Currently the revenues from the mining sector, especially gold, are relatively small. While the annual gold exports have risen from US$ ½ billion to US$ 1½ billion (7 percent of GDP) in the last five years due to the rise in the price of gold, government revenues have remained at around US$ 100 million a year (½ percent of GDP). Considering the increasing trend in mineral prices, it is optimal to introduce a super-profit tax on the windfall earnings from

[5] Source : Economic Commission for Africa: African Forum on Financing for Development, Issues Paper 4
[6] Source : Economic Commission for Africa: African Forum on Financing for Development, Issues Paper 4

the mineral sector. For instance, Australia implemented a super-profit tax[7] 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 generate further revenue.

4.2.3. Private Public Partnership (PPP) Arrangements

The Government recognizes the fundamental role the private sector plays in economic development. Over the past two decades the private sector has played an increasingly financed construction and management of 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 channeled to more strategic public investments. The Government will, therefore, devise clear legal, regulatory, and pricing frameworks, as well as comprehensive incentive regimes to encourage increased private sector participation in development financing, construction, and management of infrastructural assets. The principles that underlie public-private partnership (PPP), such as affordability, cost effectiveness, value for money, transparency and risk management will be promoted.

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.

4.3. Guidelines for Expenditure Probity

4.3.1. Intensifying Efforts to Rationalize 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 maximize value for money, but are mostly on the fringes of the national development agenda.

[7] The Australian Super Profit Tax is called the Brown Tax.

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 two categories;

i. Reducing and streamlining current spending: For example, rather than pay travelling allowances, officials can be issued with an imprest 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 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 \$2.4 billion 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 by enhancing civil society participation in budgetary process are certain ways of achieving this end.

4.3.2. Setting a Minimum Expenditure Threshold

The implementation of the country's development agenda is trailing behind the set targets. In order to complement resource mobilization strategies, both conventional and innovative the Government will set aside a minimum threshold of 35 percent of the national budget to finance development expenditure each year.

CHAPTER FIVE: IMPLEMENTATION FRAMEWORK

5.1. Introduction

This Chapter outlines Plan implementation, institutional roles, coordination and Monitoring and Evaluation. Experience from past plan implementation and coordination issues have enriched the design of the implementation framework for the FYDP I. Amongst key issues to be addressed include proper sequencing, prioritization, packaging and timely implementation of programmes and projects as underpinned by relevant policies, legal and regulatory frameworks and necessary reforms.

5.2. Implementation Arrangements

5.2.1 Plan preparation and approval

FYDP I will be implemented on the basis of approved annual plans with clearly stated programmes and projects or reform strategies. It is essential, under the FYDPI, that each MDA/LGA is able to prepare plans while separating requirements for general administration, running expenses and personnel related expenses, except for those sectors that deal directly with service delivery (such as health and education). The aim of this separation is to make it possible for more resources to be directed to investment for development and not for consumption.

These Plans will be approved by relevant committees after passing through an appraisal process within the relevant MDA, LGA and having been submitted and approved by the FYDP Implementation and Monitoring Technical Committee (MTC) chaired by the Executive Secretary, Presidents’ Office, Planning Commission (POPC).

The MTC will receive proposed programmes and projects as considered by the Budget Scrutinization Committee (BSC) of the Ministry of Finance. The technical committee of Permanent Secretaries and Cabinet will exercise their approval functions as set out. This arrangement will require that all programmes and projects that are ongoing or under final stage of finalization be subjected to scrutiny during the first year of the Plan in order for necessary adjustments to be made.

5.2.2. Implementation Coordination

a. Role of the POPC

A fundamental departure from current and previous implementation styles of national plans and programmes is that the FYDP I emphasizes discipline and seriousness in achieving agreed benchmarks and set targets. To underpin such discipline and seriousness, effective implementation of the FYDP will be spearheaded by the POPC, which has the power, clout, and capacity to direct and coordinate the various government institutions responsible to implement the Plan. In this regard, the POPC will be given legal powers to sanction implementers who will violate any planning and budget guideline, or who will spend money differently from what was budgeted for. The Planning Commission, 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
- Be the custodian and final authority on national planning and budgeting systems, with a strong link to the Ministry of Finance, and credible research institutions both inside and outside Tanzania.

The Planning Commission will, apart from providing strategic thinking and advice to the Government, play a pivotal role in coordinating, monitoring and evaluating the implementation of the Plan, and in collaboration with the Ministry of Finance, advise on mobilization and management of financial and human resources for implementation of development projects.

POPC will be central in the preparation of Budget Guidelines to ensure that priorities set out in FYDP are fully reflected in the guideline in order to remove inconsistence in priorities in the Plan and those in the Budget. This will also enhance monitoring and evaluation. All priorities determined by other MDAs should first be considered and assessed by the POPC and Ministry of Finance. For this reason, POPC will strengthen its research and analysis capacity in order to reach informed recommendations on the national and sectoral priorities to consider in each Plan.

In addition, effective implementation of the Plan will also require that the implementation capacity of other actors be developed and strengthened. Capacity assessment, especially of implementation will help identify needs and chart out capacity development programmes to bridge gaps for effective delivery of the Plan.

b. Role of the Ministry of Finance

The Ministry of Finance, in addition to resource mobilization role, will be responsible for the preparation of Annual Plan and Budget Guidelines and scrutiny of MDAs annual plans and budgets before Government endorsement and their submission to Parliament for approval. Furthermore, the Ministry of Finance will lead the public expenditure review process and dialogue structure with all development partners to feed into the Annual Plan and budget. Budget tools such as SBAS, MTEF will be used for finalizing the Annual Plan and the Budget.

c. Role of the MDAs and LGAs

Implementation of FYDP I priorities, programmes and projects will be the responsibility of MDAs and LGAs as well as Non State Actors indicated in the Annual Plan and Budget tabled by the Minister of Finance to Parliament for approval. Programme and project selection by the MDAs and LGAs will be subject to compliance with FYDP I.

5.3. Monitoring and Evaluation

Monitoring and evaluation is a critical component of FYDP I implementation arrangements. This section proposes a Monitoring and Evaluation (M&E) framework which will measure progress towards the achievement of the goals and objectives of Vision 2025. It will monitor the resources invested, the activities implemented, services delivered as well as evaluate outcomes achieved and the impacts made.

The FYDP I-Monitoring and Evaluation (FYDP I-M&E) takes into account the fact that the Government of Tanzania has made significant progress in instituting M&E functionalities. At the national level, this development is reflected in progress made under MKUKUTA Monitoring System (MMS), which has been a fulcrum in harmonizing M&E systems of all MDAs. However, the FYDP is cognizant of the fact that MMS focuses mostly on monitoring and evaluating results at the outcome and impact level.

On the other hand, FYDP I essentially requires that results be monitored and evaluated at all levels - output level, outcomes level, and impact level. At outcome and impact levels, the proposed M&E framework will ensure that the process of evaluation and monitoring is used to track down progress towards the realization of the Development Vision 2025 goals.

The general objective of FYDP I monitoring and evaluation is to enable assessment of 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 enhance storage, retrieval, access, and use of data by a wide array of development stakeholders;
iii. To carry out detailed analysis of programme data on growth and poverty trends;
iv. To disseminate the findings of research and analysis of various programmes data to a wide array of stakeholders;
v. To promote evidence-based programme planning, programme budgeting, and decision making at all levels of government;
vi. To promote evidence-based dialogue among development stakeholders.

5.3.1. Institutional Framework for Monitoring and Evaluation

FYDP I capitalizes on the progress already made in establishing a harmonized M&E system in Tanzania. FYDP I-M&E will have to strengthen the existing key features in the current M&E systems. These features include:

i. An institutional framework that is inclusive and brings together all relevant stakeholders in working groups and links them to relevant Government policy and decision making bodies;
ii. An indicator framework that tracks implementation and results, specifying data sources, frequency of reporting, institutional responsibility among other things;
iii. A calendar of planning, budgeting and reporting;
iv. Defined programme and projects outputs of FYDP I-M&E, including survey reports, and analytical reports;
v. A funding mechanism and a budget for the implementation of FYDP I-ME and its relation to other M&E.

In addition to these feature, FYDP I-M&E emphasizes on the need for a strong institutional set-up for input/output tracking. The functions of physical monitoring of programmes and projects will be strengthened, decentralized, but effectively coordinated at the central level. In the same connection, tools, systems, and databases, such as IFMIS, PlanRep2, SBAS, Epicor, LGMD, RIMKU II and TSED will be strengthened.

5.3.2. Performance Indicators, Baselines and Targets

Since the emphasis is on results at the output level, the FYDP I-M&E framework necessarily inherits performance indicators from key performance indicator frameworks of key Priority Action Plans (PAPs). The choice of programs' indicators to include in FYDP I-M&E framework will be done during the formulation of comprehensive FYDP I-M&E framework itself. An elaborate M&E framework will be developed with specific performance benchmarks and measurable outputs to assist in monitoring the process of implementing the Vision 2025 goals. A draft matrix with monitorable indicators is given in Annex 5.1.

For the period 2011 – 2015, FYDP proposes to include the following, either for its own evaluation or as critical inputs for the preparation of the FYDP II and monitoring and evaluation of the Vision 2025:

(i) Reviewed/updated Input-Output Table, disaggregated enough to appropriate sectors (and where possible, sub-national spatial units). This dataset is critical to show the realistic structure of the Tanzania's economy. It should be noted that the last such table (1991) was prepared using data from 1980s – way before the reforms could have sizeable impact on the economy. A new Input-Output Table is essential for effective planning and evaluation.

(ii) Social Accounting Matrix (SAM), as an extension of the input-output table, is also needed to be used in various policy analysis and evaluation. In particular, given the importance of climate change in current and future development policies, FYDP needs to establish extended SAM that incorporates environmental/natural resource components to enable extended analysis, such as effects of climate change

(iii) Updated/Reviewed MacMod, especially emphasizing the inclusion of currently excluded components, e.g. a labour market framework, in order to allow assessment of employment issues;

(iv) Computable General Equilibrium (CGE) model building for capturing economy-wide impacts of policies.

Furthermore, elaborate mechanisms will be put in place to improve data collection and data flow mechanisms to ensure quality, validity and accuracy of data, to be used to evaluate the FYDP and eventually Vision 2025 implementation status. Data collection mechanisms will be improved, including the new systems to respond to the data needs as stipulated.

5.3.3. Reports and Reporting Arrangements

FYDP I will follow the routine reporting arrangements as stipulated in the Manual for Planning, Budgeting, Monitoring and Reporting (PBMR). Few modifications may be needed in order to be able to produce the following reports:

i. Input Tracking and Implementation Reports (ITIR): the FYDP I-M&E framework will strengthen the institutional set-up that will facilitate the reports from Budget

Commissioner and other budget and relevant finance departments to produce systematic, timely, and a continuous flow of data for monitoring inputs and outputs. This information will be systematically consolidated to quarterly reports.

ii. National Development Plan Annual Implementation Report (DPAIR), which consolidates all the quarterly reports in order to provide annual progress, including details of what worked and what did work in annual work plans in key areas. The Reports may also include some evaluation of impacts where possible.

iii. Mid-Term Evaluation Reports (MITER), which will assess the progress made towards achieving the five-year targets, focusing on the impact on economic growth and poverty reduction, will provide indications on efficiency and effectiveness as well as critical interventions in quick-win development areas.

iv. Five Year Evaluation Reports (FYERs), which provide an evaluation, per excellence, in order to identify lessons and challenges to inform the FYDP II, FYDP III and related policy processes. As such, the FYERs will be a review of the Development Vision 2025 so as to gauge whether its goals and aspirations are being attained and what adjustments need to be made as part of the regular evaluation and monitoring exercise.

In addition to the routine reports, analytical reports from in-depth and analytic studies, models and modelling will be produced as will be agreed upon by appropriate decision making bodies.

5.4. Communication Strategy

Communication of the Plan and its implementation is an important area for the attainment of a common goal and effective stakeholders' participation. It also serves as an important tool for monitoring and accountability, especially at lower levels (LGA, LLG). POPC will establish an efficient system of information and communication to facilitate timely monitoring and evaluation and ensuring synergy between the various actors in society implementing TDV 2025. Among others things, the Government will prepare a detailed communication strategy.

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 mil 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	

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						
	Formulation and enforcement of contract farming legal framework to foster technology transfers		117,938					10,332	16,361	22,967	30,193	38,084	
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	Sensitize 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 utilization of available feeds resources		101					18	19	20	21	22	
	Sensitize 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		2,502					453	476	499	524	550	

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						
	(2006)												
	Build Capacity of farmers and farmers organization, 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	

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						
	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	
	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	
Strethening 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 agroecologies		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	

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						
	Establish and strengthen oxenization 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 Resource Centres	Integrate Ward Agricultural Resource Centres with other resource centres		3,200					256	384	604	846	1,110	
	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/associatio	Assist in formation of farmers groups in targeted areas		545					99	104	109	114	120	

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						
ns and provide marketing information, strengthen financial intermediation for small-scale producers, processors and traders	Promote and support formation of SACCOS, SACCAS and VICOBA		1,000					181	190	200	210	220	
	Conduct financial education programs 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	
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 capitalize Tanzania Agricultural Development Bank		100,000					100,000	0	0	0	0	
	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	

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						
	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	
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	

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						
	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	Sensitize 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	
	Establish a sector –wide information centre		416					295	79	8	32	13	
Total			**2,230,417**					**457,705**	**397,255**	**428,055**	**455,220**	**492,174**	

Forestry

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 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	
	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	

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						
	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	189.95	*60.23*	*0*	*64.86*	*0*	189.95	0	0	0	0	MNRT
Development of Forest Resources database	National Forest Resources Assessment	Whole Country	6450.29	*654.26*	*0*	*1,880.59*	*0*	4,415.44	2,034.85	0	0	0	MNRT
Sustainable Management of Forest and Bee Resources	National Forestry and Beekeeping Programme - II	7 Regions, 17 Districts	10708.63	*61.15*	*0*	*3,786.24*	*0*	7,633.63	3,075.00	0	0	0	MNRT

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						
Sustainable Management of coastal Forest Resources	UNDP - Support Programme (UN REDD, REDD strategies, Extending Coastal Ecosystem in Tanzania)	Morogoro, Mtwara, Lindi, Pwani, Shinyanga, Dar es salaam and Tanga	36952.87	*818.65*	*0*	*7,399.31*	*0*	15,617.27	800	7,317.00	7,218.60	6,000.00	MNRT
Total			**71,563.15**	*1,594.29*	*0.00*	*13,131.00*	*0.00*	**29,856.75**	**8,579.77**	**10,607.55**	**11,323.97**	**11,195.10**	

Fisheries

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						
Improve Fisheries Resource Management	Resources Management and Environmental Protection		22,850					6,500	5,457	4,161	3,614	3,118	
	Fisheries Management Information		6,700					2,090	1,590	1,400	870	750	
Improve Resources Utilization and Marketing	Quality Assurance, Standards and Control		7,150.00					2,240	1,890.00	1,510.00	1,010.00	500.00	
	Fisheries and Aquaculture Infrastructure and Technology Use		25,300.00					7,500	5,800.00	5,150.00	3,850.00	3,000.00	
	Fisheries and Aquaculture Products Marketing		19,550.00					5,600	4,550.00	3,600.00	3,250.00	2,550.00	
Enhance Aquaculture Development	Aquaculture Resource Development		11,550.00					2,600	2,450.00	2,300.00	2,150.00	2,050.00	
Strengthen Research	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	

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						
Training and Extension	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	
Incorporate Cross-Cutting and Cross-Sectoral Issues	Gender Mainstreaming in the Livestock Industry		1,500					300	300	300	300	300	
	HIV/AIDS, Malaria and Tuberculosis		1,050					210	210	210	210	210	
	Environmental conservation		3,850					770	770	770	770	770	
	Finance and Credit		13,120					3,230	3,230	2,220	2,220	2,220	
Total FSDP			**171,090**					**44,610**	**39,087**	**32,711**	**28,894**	**25,788**	

Livestock

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						
Livestock Resource Development	Grazingland 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	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	

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						
Delivery and Empowerment	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 Diseases and Provide Veterinary Public Health	Trans-boundary Animal Diseases.		32,255					9,600	7,820	6,060	5,030	3,745	
	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	
TOTAL			**1,333,179**					**345,082**	**329,836**	**275,110**	**204,325**	**178,826**	

A.1.1.2. Manufacturing

Strategic intervention	Activity/Project	Location/Coverage	Total Cost (in mil Tshs)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPP	DPs	Others						
Development of anchor activities for self sustaining industrialization	Develop iron and steel industries	Mchuchuma/ Liganga	150,000					30,000	30,000	30,000	30,000	30,000	MIT
	Develop petro-chemical and pharmaceutical industries	Mtwara	50,000					10,000	10,000	10,000	10,000	10,000	MIT
	Development of agro-industries (textile, edible oil, cashew nuts, horticultural, tobacco, livestock and dairy products)	Southern (simsim), Lake (Oil seeds), central (sunflower and groundnuts) corridors	120,000					30,000	30,000	20,000	20,000	20,000	MIT
	Develop building and construction materials industries	Mtwara, Tanga, Central and Southern corridors	250,000					50,000	50,000	50,000	50,000	50,000	MIT
	Retrain extension officers on agro-processing and value addition promotion	countrywide	2,500					500	500	500	500	500	MIT
	Promote Packaging industries	central corridor	15,000					3,000	3,000	3,000	3,000	3,000	MIT
	Develop non-agro industries (mining, timber, iron and steel)	Close to sources of materials	30,000					6,000	6,000	6,000	6,000	6,000	MIT
Improve business environment	Provide of serviced industrial/business plots		60,000					12,000	12,000	12,000	12,000	12,000	MIT
	Develop of industrial parks/SEZ/EPZ		75,000					15,000	15,000	15,000	15,000	15,000	MIT

Strategic intervention	Activity/Project	Location/Coverage	Total Cost (in mil Tshs)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPP	DPs	Others						
	Institutionalise KAIZEN (Japanese) for productivity, efficiency and quality improvement	Countrywide	30,000					10,000	5,000	5,000	5,000	5,000	MIT
Fast-track investment and technology development	Strengthen Tanzania Investment Bank;	Countrywide	100,000					20,000	20,000	20,000	20,000	20,000	MIT
	Establish guarantee scheme for development finance	Countrywide	50,000					10,000	10,000	10,000	10,000	10,000	MIT
	Fund Industrial Research and Development	Countrywide	60,000					12,000	12,000	12,000	12,000	12,000	MIT
	Institutionalize Presidential award for excellence technology and innovation	Countrywide	2,500					500	500	500	500	500	MIT
	Diffusion of proven technologies and innovations	Countrywide	100,000					20,000	20,000	20,000	20,000	20,000	MIT
	Strengthen standard and Intellectual Property Rights (IPR) management	Countrywide	14,000					2,000	3,000	3,000	3,000	3,000	MIT
Fostering local participation in industrialization	Ease entry and exit	Countrywide	11,000					3,000	2,000	2,000	2,000	2,000	MIT
	Strengthen SIDO and the players alike	Countrywide	18,200					2,000	3,000	3,400	4,200	5,600	MIT
	Develop SME incubators/parks	Countrywide	34,500					4,000	5,700	6,800	8,000	10,000	MIT
	Develop entrepreneurship and business expertise	Countrywide	23,200					3,000	4,000	5,000	5,200	6,000	MIT
	Establish and strengthen SMEs financing schemes	Countrywide	82,500					13,000	14,500	16,000	18,000	21,000	MIT

Strategic intervention	Activity/Project	Location/Coverage	Total Cost (in mil Tshs)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPP	DPs	Others						
Improve market access	Improve and develop market centers and storage facilities	Countrywide	86,000					20,000	18,000	17,000	16,000	15,000	MIT
	Promote and improve Ware House Receipt System	Countrywide	37,500					10,000	8,000	7,500	7,000	5,000	MIT
	Strengthen internal, regional and international markets	Countrywide	19,000					5,000	4,000	4,000	3,000	3,000	MIT
	Establish commodity exchange	Countrywide	21,000					5,000	5,000	5,000	3,000	3,000	MIT
Agro industries and value addition	Improve Storage and handling	Countrywide	8,350					1,314	1,508	1,553	1,861	2,114	
	Grading and standards at farm-level and collection centres	Countrywide	3,481					600	795	662	695	729	
	Provide of equipment and services	Countrywide	21,442					1612	2828	4162	5622	7218	
	Capacity building (Business skills, food processing practises and entrepreneurship)	Countrywide	10,088					1338	2201	1686	2168	2695	
	Quality Assurance, Certification and Standards for Processed Products	Countrywide	9,031					1530	1654	1846	1919	2082	
	Technology Development and Transfer for Agro-processing and Value Addition	Countrywide	1,494					140	314	330	346	364	
	Total		**1,495,786**					**302,534**	**300,500**	**293,939**	**296,011**	**302,802**	

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 mineralized areas, (ii) Carrying out mineral exploration, (iii) Monitoring of geo-hazards.	1. Carry out basic geological surveys (mapping) and identify mineralized areas		2,361	0	0	0		388	425	468	514	566	
	2. Carry out mineral exploration and special technical investigations.		562	0	0	0		93	102	111	122	134	
	3.Monitor geo hazards		611	0	0	0		100	110	121	133	147	
	4. ProvideExtension 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.	• Recapitalization of the Corporation	Dar es Salaam	6,000	6,000									
	• Recruitment and development of human resource	Dar es Salaam	5,000	4,000			1,000						

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						
Partnering with the Private Sector to develop mines.	• Development of Kiwira Coal & Power Project	Mbeya	600,000	100,000	180,000		320,000						
	• Re-development of Buckreef Gold Mine.	Geita	300,000	1,000	180,000		119,000						
	• Re-development of Buhemba Gold Mine	Mara	10,000	200	9,800								
	• Leasing mining equipment to small-scale miners and running centralized mineral processing plants in mining areas.	Country wide	10,000	6,000			4,000						
	• Development of three medium scale gold mines in joint- venture with small-scale miners	Country wide	23,000		15,000		8,000						
	• Fabrication and rehabilitation of mining equipment	Dodoma	30,000		30,000								
	• Establishment of a Gold refinery and mineral processing centre.	Lake Zone	90,000		60,000		30,000						
	• Establishment of lapidary & jewellery in EPZs/SEZs	Dar es Salaam & Arusha	15,000		15,000								
	• Procurement of drilling rigs	Dodoma	450				450						

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						
	• Construction of a multi-storey building at STAMICO Headquarters	Dar es Salaam	45,000		45,000								
	• Establishment of lapidary & jewellery in EPZs/SEZs	Dar es Salaam & Arusha	15,000		15,000								
	• Procurement of drilling rigs	Dodoma	450				450						
	• Construction of a multi-storey building at STAMICO Headquarters	Dar es Salaam	45,000		45,000								
Total			**1,198,824**	**117,200**	**594,800**	**0**	**482,900**	**179,824**	**299,706**	**299,706**	**299,706**	**119,882**	

A.1.1.4. Water and Sanitation

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	Other						
Enhance access to safe water supply and implement climate change adaptation measures.	• Rehabilitate non-functioning water storage dams, hydrometric, groundwater climatic and rainwater stations. • Design and construct new dams (Farkwa, Ndembera, Magombwe and Soya). • Demarcate, protect and conserve water sources in all Basins. • Promote water productivity and efficient use of water in irrigation, • Institute participatory climate change adaptation measures.	Countrywide	76,800	19,970	0	56,830	0	12,200	14,400	16,700	17,800	15,700	MoW
Scale - up rural water supply services	• Rehabilitate multi-functioning water facilities (dams, boreholes, multi village water schemes), • Construct additional low-cost water facilities (boreholes, dams, gravity piped schemes, and water supply networks) • Register and carryout capacity building activities of community water supply organizations (COWSOs) in all LGAs.	Countrywide	544,150	141,460	0	402,590	0	99,150	105,750	112,100	122,650	104,500	LGAs, MoW

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**	**Other**						
Scale - up water supply services in Dar es Salaam city	• Rehabilitate water production plant and treatment plant at Upper Ruvu and Lower Ruvu to stabilize levels of water production, • Construct and rehabilitate water supply distribution networks to reduce leakages/water losses and lay down new main pipelines • Drill 20 high yielding boreholes at Kimbiji and Mpera in Kigamboni and Mkuranga areas. • Construct Kidunda Dam that will regulate the flow of the Ruvu River as climate change adaptation measure. • Search for new sources of water for Dar es Salaam city.	Dar es salaam / Mororgoro	613,620	476,800	0	110,450	0	16,080	129,330	251,330	166,880	50,000	MoW
Scale - up water supply services in small towns	• Rehabilitate and expand water supply systems. • Build capacity of small towns' water utilities.	Countrywide	315,791	61,305	0	174,586	0	38,400	44,700	45,200	107,241	80,250	MoW
Scale - up water supply services in regional centers.	• Rehabilitate water supply systems to reduce water loss, • Construct new water systems/distribution networks • Build capacity of water utilities in all regional urban centers.	Countrywide	184,580	75,668	0	215,286	0	6,480	12,400	54,400	57,500	53,800	MoW

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	Other						
Improve sanitation facilities in Urban and Rural areas.	National sanitation campagn and school WASH		30,480					4,572	7,620	7,620	7,620	3,048	
TOTAL			**1,765,421**	***775,203***	***0***	***959,742***	***0***	**176,882**	**314,200**	**487,350**	**479,691**	**307,298**	

A.1.1.5. Land

Strategic intervention	Activity/Project	Location/Coverage	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	MLHHSD
	Expand ICT infrastructure for land information system	Country wide	7,500	1,500		6,000		3,500	2,500	500	500	500	MLHHSD
	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	MLHHSD
Institute and operationalise land bank Authority	Identify of potential land for land bank	Country wide	800				800	200	200	200	100	100	MLHHSD
	Valuation of land	Country wide	1,150				1,150	300	300	200	200	150	MLHHSD

Strategic intervention	Activity/Project	Location/Coverage	Cost (in mil Tshs)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPP	DPs	Others						
	Acquire potential land parcel (compensation – Revolving Fund)	Country wide	20,000				20,000	15,000	5,000	-	-	-	MLHHSD
	Facilitate land surveying, and issuance of title deeds	Country wide	2,500				2,500	500	500	500	500	500	MLHHSD
Implement land use plan (framework)	Increase the number of town planners, surveyors, land officers and rural land planners	Country wide	4,000			3,000	1,000	1,000	1,000	1,000	500	500	MLHHSD
	decentralize the national land use commission to all 7 zones	7 land zones	2,500	2,500				500	500	500	500	500	
Finance Affordable Housing Researches	Equip National Housing and Building Research Agent with modern Workshop	DSM	16,000	2,000		14,000		4,000	5,000	4,000	2,000	1,000	MLHHSD
	Conduct and disseminate research findings on affordable housing	Country wide	7,500	1,500		6,000		3,500	2,500	500	500	500	MLHHSD
Total			**85,950**	**10,500**	**0**	**50,000**	**25,450**	**36,300**	**25,700**	**11,800**	**7,200**	**4,950**	

A.1.2 Transport

A.1.2.1. Road Transport

Strategic Intervention	Activity	Location	Total Cost (mill Tsh)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	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
Direct invest in roads with greater advantage for regional integration	Construct/rehabilitate 69 KM on Tanzam road corridor.	see Annex Road Schedule 1	75,200	20,000	55,000			37,600	37,600				MOW
	Construct/rehabilitate 242KM on Central Road Corridor .	see Annex Road Schedule 1	168,992	168,992				110,797	58,195				MOW
	Construct/rehabilitate 549KM on the Lake Circuit Corridor.	see Annex 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 Annex 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 Annex Road Schedule 1	735,300	338,179	397,121			370,629	199,182	165,489			MOW
	Construct/rehabilitate 473 on the Mtwara road corridor.	see Annex Road Schedule 1	421,253	157,282	263,971			94,641	182,128	103,984	40,500		MOW

Strategic Intervention	Activity	Location	Total Cost (mill Tsh)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
	Construct 1142 on the Central western corridor.	see Annex Road Schedule 1	1,093,808	979,480	12,166			237,530	324,386	226,040	141,152	164,700	MOW
	Construct 60KM on the Southern Coastal Road Corridor.	see Annex Road Schedule 1	19,578	12,450	7,128			19,578					MOW
	Construction of 1500km to areas of high economic potential outside the major Transport corridors	see Annex Road Schedule 1	1,317,574	1,218,079	99,495			326,447	298,547	289,080	292,500	111,000	MOW
	Start construction and complete construction of the strategic bridges.	Malagarasi Bridge in Kigoma Region	90,000		90,000			30,000	30,000	30,000			MOW
Addressing Traffic Congestion in urban areas	Construct/rehabilitate 96KM on Dar es Salaam Road Corridor	see Annex Road Schedule 1	100,187		100,187			68,687	31,500				MOW
	Construct fly-over at Tazara Jct	see Annex Road Schedule 1											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 Annex Road Schedule 1	18,856		18,856			3,413	3,583	3,762	3,950	4,148	PMORALG
	Conduct feasibility study for fly-over at major junctions	see Annex Road Schedule 1	6,000						2,000	2,000	2,000		
	Construct 64km of the Dar	Dar es Salaam	176,481		176,481			75,587	100,894				

Strategic Intervention	Activity	Location	Total Cost (mill Tsh)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
	Rapid Bus Transport road network (DART Project)												
	Carry out feasibility study and detailed design to 3,102.km of roads linking areas of high economic potential	see Annex Road Schedule 2	7,270	7,270				6,220	1,050				
	Review/prepare transport master plans for major and emerging cities.	see Annex Road Schedule 2	6,000					2,000	2,000	2,000			
Total			**6,236,257**	**4,421,890**	**1,700,005**			**1,855,095**	**1,958,416**	**1,230,896**	**687,302**	**504,548**	

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

Road Corridors	Name of the Project	Length (Km)	Km to be constructed/ rehabilitated
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 (Kidahwe)	252	252
	Kidawhe-Nyakanazi	290	290
	Sub-Total	**1,197**	**1,197**
Tanzam	Msimba-Ikokoto-Mafinga	219	69
	Sub-Total	219	69
Central	Isaka-Lusahunga	242	242
	Sub-Total	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
	Sub-Total	**549**	**549**
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
	Sub-Total	**611**	**611**
The Great North	Arusha-Namanga	105	30
	Arusha-Minjingu	104	98
	Minjingu-Babati-Singida	222	163.5
	Babati-Dodoma-Iringa	523	523
	Sub-Total	**954**	**814.5**
	Mtwara - Masasi	200	100
	Tunduru-Namtumbo	194	194

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

Road Corridors	Name of the Project	Length (Km)	Km to be constructed/ rehabilitated
Mtwara Corridor	Namtumbo-Songea	70	70
	Peramiho-Mbinga	78	78
	Mbinga-Mbamba Bay	66	66
	Mangaka-Mtambaswala	65	65
	Sub-Total	**473**	**473**
Central Western	Mbeya-Chunya-Makongolosi	115	115
	Nzega-Tabora	116	116
	Tabora - Ipole - Rungwa	262	262
	Ipole-Koga-Mpanda	359	170
	Manyoni-Itigi-Tabora	264	264
	Tabora - Urambo	90	90
	Uvinza - Kidahwe	77	77
	Daraja la Malagarasi na barabara zake (maelezo yanapatikana chini kwenye sehemu ya Madaraja)	48	48
	Sub-Total	**1331**	**1142**
Southern Coastal	Ndundu-Somanga	60	60
	Sub-Total	**60**	**60**
	Grand Total	**3,843.6**	**3704.1**
Road Projects out of Transport Corridors			
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

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

Road Corridors	Name of the Project	Length (Km)	Km to be constructed/ rehabilitated
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
	Mto wa Mbu-Loliondo-Mugumu-Nata	452	120
19	Kyaka - Bugene	59	59
20	Kawawa Jct – Mwenge - Tegeta Phase	17	17
20	Makambako - Songea	295	100
	a) Construction of flyovers kwenye 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
	Sub-Total	**95.95**	**95.95**
11. Bus Rapid Transport (BRT)	Phase1: Package 1 Lot1: Kimara - Magomeni	10.4	10.4
	Phase1: Package1 Lot2: Magomeni Kivukoni - Kawawa - Msimbazi road	10.5	10.5
	Phase1: Package2: Ubungo Depot), Feeder Station and Up-Country Bus Terminal	-	-
	Phase1: Package3: Jangwani Depot	-	-

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

Road Corridors	Name of the Project	Length (Km)	Km to be constructed/ rehabilitated
	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
	Sub-Total	**63.8**	**63.8**
12	**Bridges**		
	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.		
	Mobilisation and construction of Kigamboni bridge in order to link Kigamboni area with Dar es Salaam City		
	Start construction of Nangoo (Mtwara), Sibiti (Singida), Ruhekei (Mbinga – 60m) and Mbutu (Igunga).		
	Detailed engineering design of Ruhuhu bridge (Ruvuma).		
	Sub-Total		

Road Schedule 2: Feasibility studies and Detail Designs

Name of the Project	Length (Km)
Feasibility Studies and Detail Desisgn (FS & DD)	
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
Total	**3,102**

A.1.2.2. Railways Transport

Strategic Intervention	Activity	Location	Cost Million Tsh.					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPPs	DPs	Others						
Rehabilitation and Upgrading of the existing railway linesto standard gauges	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, signaling and telecommunication)	Central Corridor	300,000					60000	60000	60000	60000	60000	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

Strategic Intervention	Activity	Location	Cost Million Tsh.					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPPs	DPs	Others						
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	
Total			**2,097,359**					**252,535**	**272,065**	**280,385**	**644,615**	**647,760**	

A.1.2.3. Marine Transport

Strategic Intervention	Activity	Location	Cost (mill. Shs)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPP	DPs	Others						

Strategic Intervention	Activity	Location	Cost (mill. Shs)					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	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
Total			**716,000**					**95,712**	**104,724**	**123,862**	**163,284**	**228,418**	

A.1.2.4. Air Transport

Strategic Intervention	Activity	Location	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

Strategic Intervention	Activity	Location	Cost (Million Tshs)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	PPP	DPs	Others						
	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
	Extend Mwanza Airport runway along with constructing new terminal and revitalizing cargo handling equipment		100,000					20,000	20,000	20,000	20,000	20,000	TAA
Total			**1,027,329**					**117,000**	**208,000**	**208,000**	**307,000**	**187,329**	

A.1.3 Energy

Strategic Intervention	Activity		Location	Source of Funding					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
				Total	GOT	PPP	DPs	Others (loan)						
Power Generation														
Increase electricity generation to 2780 MW by 2015.	Ubungo EPP, Gas-fired Power plant.	100 MW		187,500	19,500			168,000						MOE
	Mwanza MS Diesel, diesel power plant	60 MW		108,000	21,000			87,000						MOE
	Kiwira Coal Fired plant	200 MW		600,000	90,000			510,000						MOE
	Kinyerezi gas power plant	240 MW		765,000	15,000			750,000						MOE
	Mtwara gas fired plant	300 MW		450,000	67,500			382,500						MOE
	Somanga Fungu gas fired plant	230 MW		525,000										MOE
	Ruhudji hydro-power plant	358 MW		1,350,000										MOE
	Mchuchuma coal fired electricity project	300 MW		750,000										MOE
Transmission														MOE
Upgrade and construct new	Kahama-Geita	220 kV		34,500	4,500			30,000						MOE

transmission lines to cope with increased power generation.	Geita-Nyakanazi	220 kV		45,000	7,500			37,500						MOE
	Morogoro-Tanga-Moshi-Arusha	400 kV		1,147,500	172,500			975,000						MOE
	Singida-Arusha	400 kV		285,000	42,000			243,000						MOE
	Mtwara-Singida High Voltage Direct Current	300 kV		540,000	81,000			459,000						MOE
	North West Grid Extension to cover Regions of Kagera and Kigoma	220 kV		996,000	150,000			846,000						MOE
Natural Gas Pipeline	Natural Gas	30 inch		1,156,500	174,000			997,500						MOE
Natural Gas Development Projects	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										
	LPG Extraction from Natural Gas - Detailed Engineering Design of a Modular Plant and Fabrication and Installation of Plant.			82,650	18750			56,250						
	Development of Natural Gas Master Plan			525										
	Capacity building: Training to local			450										

	Technical Training Institutions on natural gas technology related to industries, households, institutions and Compressed Natural Gas (CNG) for vehicles systems													
	Construction of CNG Filling Stations in Dar es Salaam an Expansion of the Pilot Project.			9,000										
	20% participation in the Joint Operations for Mnazi Bay Gas Development Projects			44,250										
	Natural Gas Pipeline from Dar es salaam to Bagamoyo (Zinga – Kamal steel) – Feasibility Study and Construction of a pipeline			46,650										
	The main CNG/PNG project in Dar es Salaam as per the Chinese Consultant Feasibility Study			82,650										
	Construction of Natural Gas Pipeline from Mtwara to Dar es Salaam			1,167,000	291,750	875,250								
	Pipeline to supply natural gas to			945,000										

	Mombasa through Tanga for power generation and other industrial applications both in Mombasa and Tanga and along the route													
	Research on Natural Gas Utilization Projects			300										
Bio- Fuels Development Projects	Investment in Agro Eco-Energy Tanzania Ltd for production of sugar based ethanol			15,000	1,500									
	Strategic Petroleum Reserve (SPR)			98,100										
Improve power supply/trans mission to rural areas	Develop the National Grid		Vario us	848,720					100,745	120,895	157,163	204,312	265,605	MOE
· *Ongoing Projects*	Off grid projects		Vario us	196,689					21,750	28,275	36,758	47,785	62,121	MOE
· *New projects*	Strengthen/develop National Grid		Vario us	1,954,078					25,100	311,779	405,313	526,907	684,979	MOE
	Off grid projects		Vario us	41,073					4,542	5,904	7,676	9,979	12,972	MOE
Total				**14,477,385**	*1,156,500*	*875,250*	*0*	*5,541,750*	**2,171,608**	**3,619,346**	**3,619,346**	**3,619,346**	**1,447,739**	

A.1.4 Information Communication & Technology

Strategic Intervention	Activity	Location	Cost (in Mill. Tsh.)					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 Operatorso

Strategic Intervention	Activity	Location	Cost (in Mill. Tsh.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	**PPP**	**DPs**	**Others**						
Ensure effective coordination and harmonization 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)
Create a critical mass of ICT skilled labour force and support specialized 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 on food irradiator to reduce postharvest 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 constration: 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 implemnts	Arush	75,000	0	75,000	0	0	15,000	30,000	30,000	0	0	COSTECH

Strategic Intervention	Activity	Location	Cost (in Mill. Tsh.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	**PPP**	**DPs**	**Others**						
	Establish one agriculture biotechnology centre	Sokoinr University	15,000	7,500	0	7,500	0	7,500	7,500	0	0	0	COSTECH
Total			**1,506,900**	**432,900**	**207,000**	**867,000**	**0**	**387,000**	**433,500**	**277,500**	**157,500**	**251,400**	

A.1.5 Human Capital Resource

Education

Strategic Intervention	Activity	Location	Cost (in Mill. Tshs.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
Primary Education													
Increase enrolment and retention of pupils in primary education	Ensure adequate teaching and learning facilities such as classrooms, libraries, desks, books and teachers houses in primary schools.	Councils		√									PMO-RALG/Councils
	Ensure adequate number of teachers in primary education by training with emphasis in mathematics and languages subjects.												MOEVT

Strategic Intervention	Activity	Location	Cost (in Mill. Tshs.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
	Policy reviewed, laws and regulations harmonised to ensure sound environment for education and vocational training provision												MOEVT
Secondary Education													
Increase enrolment and retention of pupils in secondary education	Ensure adequate teaching and learning facilities such as classrooms, desks, laboratories, books and teachers houses in secondary schools												PMO-RALG/Councils
	Ensure increase in enrollment of students in												MOEVT

Strategic Intervention	Activity	Location	Cost (in Mill. Tshs.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
	science subjects and Improve the teaching and learning of science subjects												
	Ensure adequate number of teachers in secondary education targeting science, mathematics and language teachers	Teachers Colleges	16,618										MOEVT
	Enhance the Use of ICT in teaching and learning		2,168.71										MOEVT
Technical and Vocation Education													
Increase enrolment and retention of students in technical and vocational education and equip them	Construction, rehabilitation and equipping Vocational Education and Training centres	Constr: DSM, Lindi, Pwani, Manyara.											MOEVT

Strategic Intervention	Activity	Location	Cost (in Mill. Tshs.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
with skills for self-employment and competition		Rehabilitation and Expansion: Arusha Technical College, Vocational Centres.	3,080.00										
	Review and align curricula to meet labour market demands	NACTE											MOEVT
	Vocational Education and Training re-structured to provide various courses and skills for self employment and competition												MOEVT
Higher Education													

Strategic Intervention	Activity	Location	Cost (in Mill. Tshs.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
Increase enrolment and retention of students in Higher education and equip them with skills for self-employment and market demands	Construction of higher Learning institution, such as Muhimbili Campus at Mlongazi (For Health Sciences) and Agricultural university in Mara Region, and Rehabilitation of infrastructure in Public higher learning institutions	Construction of Muhimbili University Campus at Mloganzila	3,000.00	√	√								MOEVT
		Construction of Agricultural University in Mara Region											
		Rehabilitation and Expansion of infrastructure such as such lecture theatre, laboratories, libraries and	40,177.77	√									

Strategic Intervention	Activity	Location	Cost (in Mill. Tshs.)					2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
			Total	GOT	DPs	PPP	Others						
		Staff House in 12 Public Higher learning Institutions.											
	Ensure good environment for teaching and learning in 12 Higher learning Institutions		513,708.69	√									MOEVT
	Enhance the Use of ICT in teaching and learning												MOEVT
	Laws and regulations harmonised to ensure sound environment for Higher education provision and promote PPP			√									MOEVT
Total			**578,753.17**					86,812.97	144,688.29	144,688.29	144,688.29	57,875.32	

Health

Strategic Intervention	Activity/Project	Location	Total Cost (in mil Tshs)										Lead Implementer
			Total	GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	
1.0 HUMAN RESOURCES DEVELOPMENT AND TRAINING													
3.Ensure availability of health workers in all health facilities as per establishment by the year 2015/16	2.2 Train 96 teachers for multipurpose community health workers and Social Workers and 84 teachers for Lab. Assistants and mentors for certificate level		4,439.50	√	√	√		875.53	918.22	925.47	958.31	761.97	MOHSW
	2.4 Train 4520 (40 for each district) Community health workers within the District hospital learning environment.		1,071.00	√	√	√		214.20	214.20	214.20	214.20	214.20	MOHSW
	2.5 Train 190 Lab. Assisitants within the regional hospitals learning environment annually		3,209.30	√	√	√		641.86	641.86	641.86	641.86	641.86	MOHSW
	3. 1 Employ health workers 8,246 every year		304,956.81	√	√			54,098.24	57,344.14	60,784.78	64,431.87	68,297.78	MOHSW

Strategic Intervention	Activity/Project	Location	Total Cost (in mil Tshs) Total	GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
4.Strenghten Morogoro distance learning unit and Eight Zonal Training Centers.	4.1 Build capacity of Morogoro Distance Learning Education Unit and Eight Zonal training centres in distance learning.		16,372.39	√				2,904.40	3,078.67	3,263.39	3,459.19	3,666.74	MOHSW
	4.3 Support the 16 training contact points/network points for Effective supervision, coordination and support of Distance Education trainees		409.93	√				72.72	77.08	81.71	86.61	91.81	MOHSW
	6.4 Conduct short teacher training courses on teaching skills/methodologies for all new recruited teachers.		223.60	√	√			44.72	44.72	44.72	44.72	44.72	MOHSW
	6.6 Update teachers on new trends and technological advancements in the health sector		335.69	√	√			59.55	63.12	66.91	70.93	75.18	MOHSW

Strategic Intervention	Activity/Project	Location	Total Cost (in mil Tshs)										Lead Implementer
			Total	GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	
	6.7 Increase allocation and training grants to schools in order to cope with increased enrolled students		986.85	√	√			197.37	197.37	197.37	197.37	197.37	MOHSW
2.0 DISTRICT HEALTH SERVICES													
	Construction of 1,554 Dispensaries		107,065.00	√	√			71,530.00	35,535.00				
	Construction of 19 District Hospitals		76,000.00	√	√				20,000.00	20,000.00	20,000.00	16,000.00	MOHSW, PMO-RALG, RSs
	Construction of 95 Maternity Waiting Homes		2,600.00	√	√	√		975.00	650.00	325.00	325.00	325.00	MOHSW, PMO-RALG, RSs, LGAs, VILLAGES
	Rehabilitation of 250 Dispensaries		14,375.00	√	√	√		2,875.00	2,875.00	2,875.00	2,875.00	2,875.00	MOHSW, PMO-RALG, RSs, LGAs
	Rehabilitation of 120 Health Centers		3,000.00	√	√	√		600.00	600.00	600.00	600.00	600.00	MOHSW, PMO-RALG, RSs, LGAs, VILLAGES
	Rehabilitation of 54 District Hospitals		35,000.00	√	√			25,000.00	10,000.00				MOHSW, PMO-RALG, RSs, LGAs, VILLAGES

Strategic Intervention	Activity/Project	Location		Total Cost (in mil Tshs)									Lead Implementer
			Total	GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	
	Construction of 518 Health Centres		148,000.00					111,000.00	37,000.00				MOHSW, PMO-RALG, RSs, LGAs, VILLAGES
To strengthen 2,555 health centers 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 Centers		577,500.00	√		√		350,000.00	227,500.00				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		3,000.00	√	√	√		1,500.00	600.00	300.00	300.00	300.00	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		1,650.00	√	√	√		450.00	300.00	300.00	300.00	300.00	MOHSW, PMO-RALG, LGAs

Strategic Intervention	Activity/Project	Location	Total Cost (in mil Tshs) Total	GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
To promote efficient and effective managemnt 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		5,270.00	√				2,636.00	1,871.00	763.00	0.00	0.00	MOHSW, PMO-RALG, LGAs
3. MATERNAL, NEWBORN AND CHILD HEALTH													
To reduce maternal mortality from 578 to 175 per 100,000 live births and underfive 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 immunization safety and data management and KMC		15,000.00	√				3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	MOHSW, PMO-RALG, RSs, LGAs, Community

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						
	Build capacity of 800 pre-service tutors on reproductive, newborn and child health intervention		500.00	√	√			100.00	100.00	100.00	100.00	100.00	MOHSW, PMO-RALG, RSs, LGAs, Community
	Train district and ward trainers and community heath workers on community IMCI and maternal newborn package in 100 districts, 1,800 wards and 9,000 villages		6,000.00	√		√		2,500.00	2,000.00	500.00	500.00	500.00	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.		1,600.00	√				500.00	300.00	300.00	250.00	250.00	MOHSW, PMO-RALG, RSs, LGAs, Community

Strategic Intervention	Activity/Project	Location		Total Cost (in mil Tshs)									Lead Implementer
			Total	GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	
	Build capacity of traditional birth attendants on reproductive health and refferal for pregnant women in 45 districts through training prioritizing hard to reach areas.		850.00	√				250.00	150.00	150.00	150.00	150.00	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.		3,750.00	√				750.00	750.00	750.00	750.00	750.00	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 Assistat Medical Officers, 200 Aneasthetist and 400 Nurses on theatre on EMOC and theatre practice		1,500.00	√		√		300.00	300.00	300.00	300.00	300.00	MOHSW, PMO-RALG, RSs, LGAs, Community

Strategic Intervention	Activity/Project	Location	Total Cost (in mil Tshs)										Lead Implementer
			Total	GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	
To increase percentage of immunization cavorage by 2015/16	Equip new health facilities with vaccine refrerators vaccine carriers and monitoring tools		4,837.00	√		√		1,613.00	806.00	806.00	806.00	806.00	
	Supportr outreach/ mobile services		338.00	√		√		169.00			169.00		
4. MALARIA													
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		120,000.00	√	√	√		10,000.00	10,000.00	30,000.00	30,000.00	40,000.00	MOHSW, PMO-RALG, RSs, LGAs, Community
5. HIV AND AIDS													
To increase and strenghen 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 -		28,600.00	√	√			4,951.00	4,951.00	5,856.00	5,857.00	6,985.00	MOHSW, PMO-RALG, RSs, LGAs, Community
	Increase number of patients on ARVs from 120,000 to 800,000 by 2017		72,357.00	√	√	√		15,856.00	15,856.00	19,095.00		21,550.00	MOHSW, PMO-RALG, RSs, LGAs, Community

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						
6. TUBERCULOSIS AND LEPROSY CONTROL													
To reduce prevalence and death rates associated with Tuberculosis by 50% 2015/16	Re-evaluate the magnitude and deaths due to Tuberculosis		350.00	√	√	√			350.00				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 and		400.00	√	√	√		80.00	80.00	80.00	80.00	80.00	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		1,400.00	√	√			400.00	270.00	250.00	250.00	230.00	MOHSW, PMO-RALG, RSs, LGAs, Community
7. NON COMMNICABLE DISEASES													

Strategic Intervention	Activity/Project	Location	Total	Total Cost (in mil Tshs) GOT	PPP	DPs	Others	2011/12	2012/13	2013/14	2014/15	2015/16	Lead Implementer
To improve provision for control and prevention of Non communicable Diseases at PHC	Train responsible personnel for control and prevention of Non communicable diseases		6,020.96	√		√		1,030.46	1,110.34	1,196.90	1,290.75	1,392.51	MOHSW, PMO-RALG, RSs, LGAs, Community
8. NUTRITION													
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		3,951.83	√				1,000.00	1,050.00	1,116.67	775.17	10.00	MOHSW, PMO-RALG, RSs, LGAs, Community
9. TRADITIONAL AND ALTERNATIVE MEDICINE													
To facilitate the provision of quality traditinal and alternative medicine services to all people to enable them improve their well being	Train and facilitate establishment of modern Traditional Medicine facilities		3,709.55	√	√			759.03	759.03	820.05	820.05	551.39	

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 promote standardization and formulation of value added traditional medicine products through the application of traditional	Conduct research and documentation of traditional medicines		2,878.25	√	√			711.84	711.84	561.50	561.50	331.58	
10. NEGLECTED TROPICAL DISEASES (NTDs)													
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 throught the country		230.00	√	√					230.00			MOHSW, PMO-RALG,RSs,LGAs, COMMUNITY
11. MONITORING AND EVALUATION													
To determine progress made agaist the set objectives and targets of MMAM by 2017	Monitor, supervise and evaluate PHSDP implementation at all levels.		3,845.69	√				208.04	315.75	535.17	966.02	1,820.72	DHR/DHS/DPP/DAP
TOTAL			**1,583,583.36**					**669,853**	**442,370**	**157,031**	**141,131**	**173,199**	

A1.6 Good Governance

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	Other						
i) Strengthen legal and institutional framework for democracy, rule of law and good governance, through:	· Reviewing, mainstreaming, accelerating and deepening implementation of core reforms with the focus on creating an enabling environment for pro-poor growth												
	· Enhancing operational capacity of governance institutions												
	· Strengthening mechanism for accountability and sanctions on implementation, enforcement and compliance to legislative, policy, regulatory and operation rules												

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	Other						
ii) Sustainably curbing corruption at all levels, through:	· Revising the laws and strengthening mechanisms for fighting corruption ad money laundering in order to cope with the changes in technology and circumstances												
	· Modernization 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.												
Subtotal			**700,350.0**					**105,052.5**	**175,087.5**	**175,087.5**	**175,087.5**	**70,035.0**	
iii) Fully installed and operationalised National ID system by 2015	· Installing, testing and commissioning the national identification system												
	· Conducting/piloting phase of national identity card system												
	· Management and Operation of the ID card system												
Subtotal			**455,094.0**					**183,547.0**	**116,827.0**	**82,099.0**	**43,552.0**	**29,069.0**	
Total			**1,155,444.0**					**288,599.5**	**291,914.5**	**257,186.5**	**218,639.5**	**99,104.0**	

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 and Long 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)	$650
	GNI per Capita PPP at constant 2009$	770	$1,350	$1,500
	GNP per capita, nominal ($)	300	500	
	Agriculture growth rate, percent	3.37	4.6	5.2
	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 labor force)	5(2001)	4.7 (Mean)	4.0
Diversified and semi industrialized economy	Agric (percent of GDP)	50	28.0	24.0
	Industry (percent of GDP)	10.0	12.0	16.0

Target	Target Indicator by 2025	TZ Base line	TZ Current Status	Targets for Medium and Long Term
		2000	**2010**	**2015**
	Manufacture(percent of GDP)	8.0	10.0	14.0
	Services (percent of GDP)	45.0	48.0	46.0
	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 of total)	74.6	74.6	65
	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

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 - IGC Study, 2011