

UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE
GOVERNMENT BUDGET FOR FINANCIAL YEAR
2012/2013
CITIZENS' BUDGET EDITION



Issued by Ministry of Finance in collaboration with Policy Forum

1. INTRODUCTION

This is a second issue of a Citizens Budget that summarizes and explains basic budget information contained in Government Budget 2012/2013. The Government Budget describes how government will raise money and how it will be spent. The Government Budget, in fact, divides money between Ministries, Independent Government Departments, Agencies, Regions and Local Government Authorities.

2. Budget for opening up Tanzania's unused growth potentials

In June this year Minister for Finance released his Government Budget for the financial year 2012/2013. This budget will continue to implement the second year of Five Year Development Plan (FYDP). The FYDP has singled out key priority areas and identified strategic interventions that will accelerate economic growth, create employment, and spur industrialization efforts. The allocation for the outlined national development strategic projects and projects in strategic areas are as follows:

Infrastructure;

- TShs 498.9 billion has been allocated for increasing generation, transmission and distribution capacities of electricity.
- A total of TShs 1,382.9 billion has been allocated for strengthening transportation infrastructure.

Agriculture;

- TShs 192.2 billion has been allocated for Agriculture, Fisheries and Livestock in order to increase the production of food and ensure food security in our country.

Industry;

- A total of TShs 128.4 billion has been allocated for Industrial Development that utilize domestically produced raw materials and industries that add value to minerals as well as improving business environment

Human Resource Development; and

- TShs. 84.1 billion has been allocated for Human resources and social services development to improve the quality of education at all levels, particularly in the areas of research, vocational education, health, science; and special skills on mining, gas, uranium, iron and oil.

Tourism, Trade and Financial Services

- TShs. 2.0 billion has been allocated to enhance the capital of Tanzania Women's Bank
- The Government will continue to improve services delivery to Tourism by the promotion of tourism and improvement of the tourist environment as well as providing tourism training, identifying new tourism areas and enhancing tourism colleges.

These five areas have been earmarked based on their potential to: address the current binding constraints on the country's economic growth; make the most of the existing

strategic opportunities; and creating opportunities as well as empowering the private sector to engage productively and profitably in the production and distribution of goods and services nationwide.

3. What the government wants to achieve in 2012/2013

The 2012/2013 budget aims at addressing the economic challenges facing the Tanzania economy, including:

- increasing the Implementation of Five Year Plan opportunities for economic growth,
- increase availability of food in the country,
- reducing inflation and strengthening revenue collection and management of expenditure,
- Promote employment creation especially for the youth,
- investing in energy infrastructure specifically construction of the gas pipeline from Mtwara to Dar es Salaam, roads, ports and railways

Key policy measures in the 2012/13 Budget that aims at addressing the challenges mentioned above includes:

i. Measures aimed at Mitigation of high cost of living include;

- Government efforts will be directed towards controlling the rising food and energy prices;
- Strengthening transport and market infrastructure, agricultural Marketing system in high food production areas; and
- Continue to develop alternative sources of energy such as natural gas, solar energy, and wind energy.

ii. Economic empowerment and employment Creation measures include;

- improving the policy and legal environment to facilitate the growth of private sector, to expand financial services, including recapitalization of the Tanzania Investment Bank, Tanzania Women's Bank, Tanzania Postal Bank, and Twiga BankCorp;
- facilitating the establishing the Mortgage and Lease Financing Company; and
- Implementation of construction of infrastructure projects, specifically roads, electricity, agriculture and telecommunication and to empower people through various empowerment programmes.

iii. Measures that aim to improve domestic revenue collection system and revenue policies include;

- The Government abolished exemption of Value Added Tax on sale and lease of residential houses owned by National Housing Corporation (NHC) and tax relief

on Non Governmental Organizations except for equipments donated to orphanage centers and schools;

- Abolishing the withholding tax on transportation of fish exports. This intends to encourage use of transportation services for fish products originating from within the country instead of doing so through neighbouring countries; and
- Motivating and ensuring that Electronic Fiscal Devices are used effectively, strengthening administration of tax blocks, increasing the number of tax payers' service and payment centres, updating tax payment systems, improving the valuation system and strengthening tax audit on tax payers' accounts.



Other policy measures include

- iv. Exempt Value Added Tax on various equipments (Compressed Natural Gas and Piped Natural Gas) that will be used for storage, transportation, and distribution of natural gas;
This measure is intended to promote the usage of natural gas in various sectors of the economy including motor vehicles, domestic and industrial use. The measure is also expected to preserve forests, reduce environmental degradation and encourage production of gas cookers in the country.
- v. Abolish Excise Duty on Heavy Fuel Oil;

- This measure is intended to reduce the cost of production, promote industrial growth and bring fairness among the business community in the East African Community.
- vi. Introduce Excise Duty on Music and Film Products (DVD, VCD, CD, Video Tape and Audio Tape e.t.c);
These changes are intended to support/assist Artists to formalize their businesses, prevent piracy of the artist works and enable them to benefit from their works. It will become operational from 1st January, 2013 to allow time for the review of the relevant laws and regulations.
- vii. Introduce excise duty of shillings 83 per litre on imported fruit juices while locally produced fruit juices will attract excise duty of shillings 8 per litre;
The changes are intended to protect local industries producing fruit juices against unfair competition from imported fruit juices.
- viii. Introduce a zero tax for turnover below Tshs. 3,000,000 to exempt low-income earners;
This measure will ensure that, the individuals whose turnover is below Tshs. 3,000,000 are not taxed under the presumptive scheme. Currently, traders whose turnover does not exceed Tshs. 3,000,000 pay Tshs. 35,000.
- ix. Promote local processing of hides and skins as well as value addition to our exports;
Increase export levy on raw hides from 40 percent or shillings 400 per kilogram to 90 percent or Tshs 900 per kilogram whichever is greater. This measure intends to promote local processing of hides and skins as well as value addition to our exports and increase employment and earn revenue to the Government.

4. Where is Money Coming from and How Much?

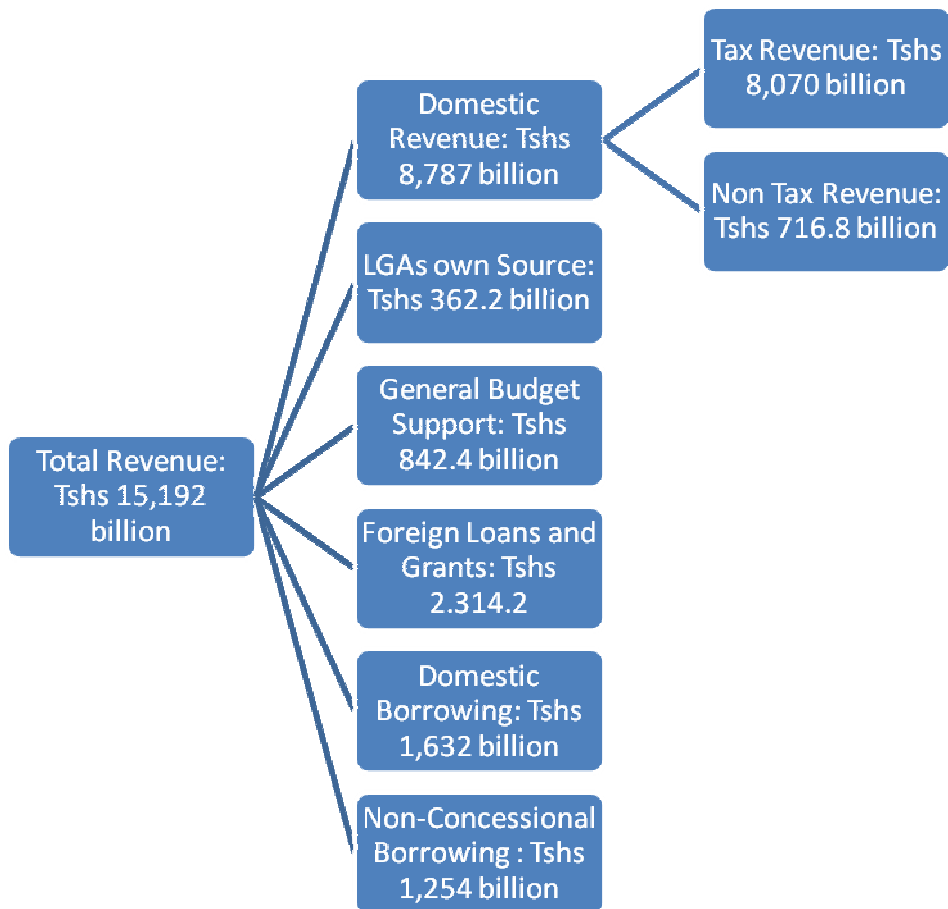
During the year 2012/13 the Government will keep on strengthening revenue collection mechanisms at the same time reducing tax exemptions so as to facilitate the financing of recurrent expenditure by using our local funds. There are numbers of revenue policies that will be considered in 2012/13 budgets:

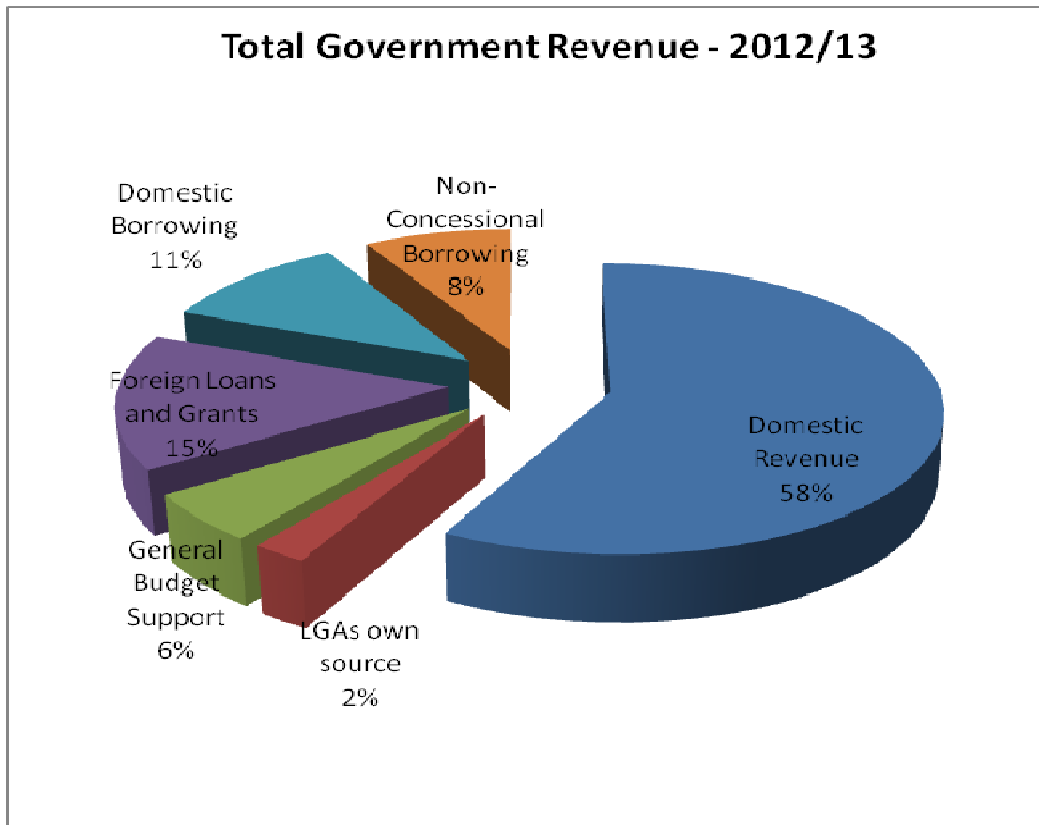
- Improving collection and administration of non tax revenue by reviewing mechanisms of issuance of receipts and licenses’;
- Formalization of informal sector in order to capture it into the tax net;
- Reviewing of legislation establishing Agencies/Public Institution that collect revenue with the aim of increasing their contribution to the consolidated fund;
- Reviewing various legislations granting tax exemptions with the aim of controlling and reducing them;
- To review the mechanism of collecting other taxes like property tax in cities, municipalities and towns; and
- Building capacities to administer revenues collections in the areas of minerals, gas and petroleum.

Based on the mentioned revenue policies, the Government targets to collect:

- Domestic revenue (excluding LGAs own sources) amounting to **shillings 8,714.7 billion**. Out of this amount, shillings **8,070.1 billion** is tax revenue and shillings **644.6 billion** is non tax revenue and revenue from LGAs is projected at **shillings 362.2 billion**;
- Borrowing from domestic market is projected to be **shillings 1,632 billion**. Out of this amount **shillings 483.9 billion** is for financing development projects and **shilling 1,148.1 billion** will be used to finance the rollover of maturing Treasury Bills and Bonds;
- **Shillings 3,156.7 billion** is expected to be received as grants and concessional loans from Development Partners; and
- The Government expects to borrow external non concessional loans amounting to **shillings 1,254.1 billion** for financing development budgets.

TOTAL REVENUE is projected at shillings **15,192 billion**; its breakdown is as follows:



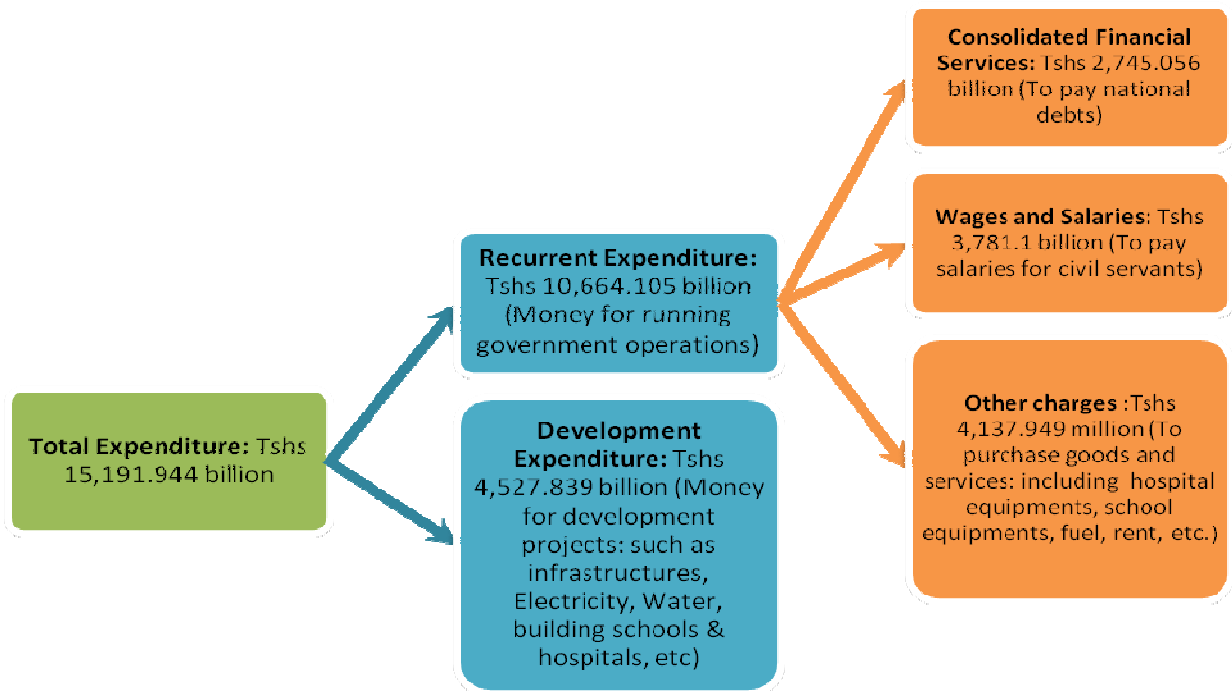


5. How is the Government Planning to Spend the Money Collected?

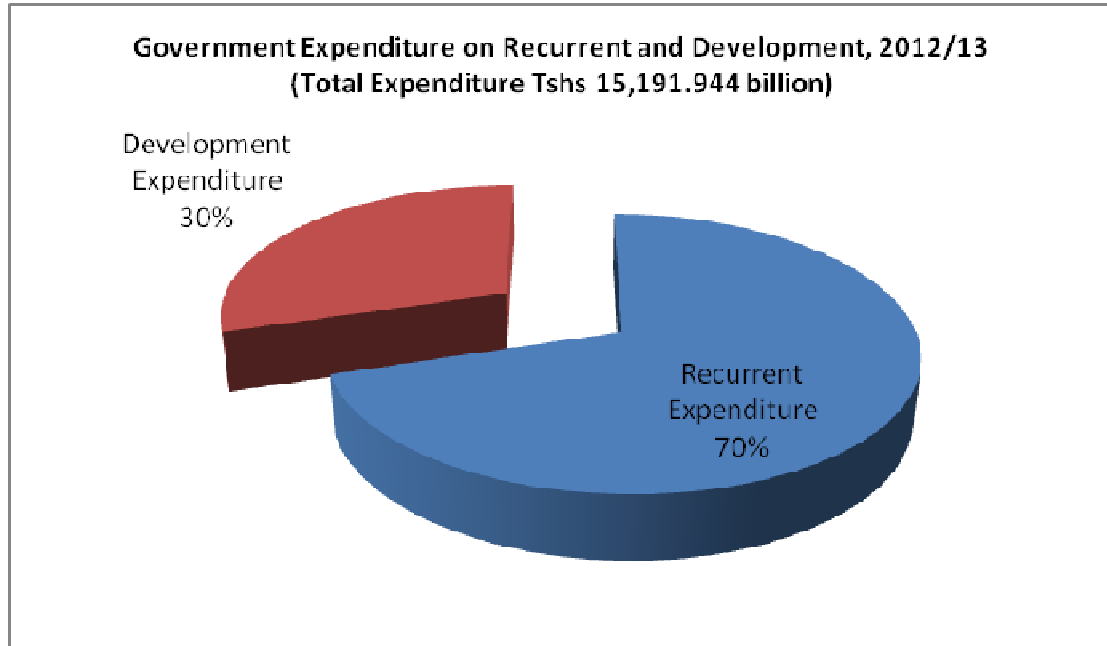
For the 2012/13 financial year, the Government estimates to spend Tshs **15,191.944 billion**. This is an increase of 10.97% of Tshs **13,525.895 billion** that was allocated in 2011/12. Expenditure of the government budget for FY 2012/13 will be as follows:

- a. **Recurrent expenditure** which is the total money used by the government on its recurrent operational expenses. It mainly consists of expenditure on purchases of goods and services (like hospital equipment, school equipment, fuel, rent, etc); salaries and wages for civil servants; and payments on national debts. For the 2012/13 Financial Year, Tshs 10,664.105 billion has been allocated for recurrent expenditure. This is an increase of 19.4% of Tshs 8,600.287 billion that was allocated in 2011/12.
- b. **Development Expenditure** which is expenditure on development projects such as construction of infrastructures (e.g. roads, railway lines, and airports), supporting industry, building schools and hospitals, electricity and water supply, and agricultural projects. Such expenditure will result in improved service delivery and promoting social and economic development. Development expenditure is related to the changes of social well being and quality of life. For the 2012/13 Financial Year, **Tshs 4,527.839 billion** has been allocated for development expenditure. In 2011/12, the government allocated Tshs 4,924.608 billion.

How the money is planned to be spent



Recurrent and development expenditure as percentage of the Total Budget



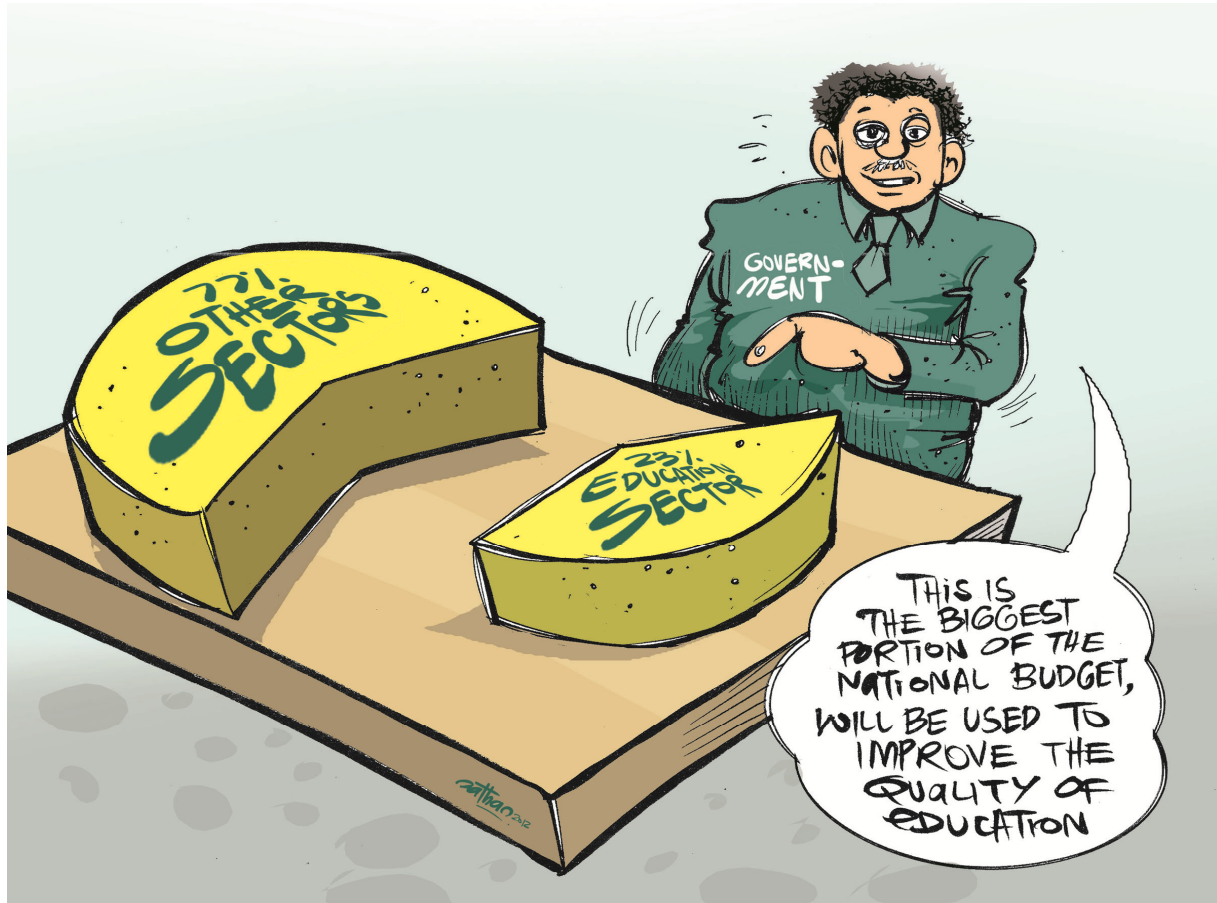
SECTORAL ALLOCATION

Education Sector

Budget allocation for the Education sector

The government has allocated **Tshs. 2,890.1 billion** in this sector, which is equivalent to 23% of the total national budget for 2012/13 the biggest portion of the national budget. The allocation share to education sector increased by 3%, from 20% in the FY2011/12.

During the financial year 2012/13, the priority is on improving the quality of education at all levels, particularly in the areas of research, vocational education, health, science; and special skills on mining, gas, uranium, iron and oil. This involves laboratories renovation and availability of laboratory facilities.



Education Sector plans to spend

- Primary, Non Formal, Other Education Institutions and Supporting Services in the whole education sector have the largest share of the sector budget allocated to spend **Tshs. 1,613.3 billion** equivalents to 55.8% of the total education sector budget;

- Tertiary and Higher education have been allocated **Tshs. 719.8 billion** equivalents to 24.9% of the total education sector budget. This part of education level enables youth and all people in any cadre face the challenges of development that require immediate and long resolutions, especially, in the eradication of poverty individually and at national level;
- Secondary Education allocated **Tshs 509.8 billion** which is equivalent to 17.6% of the sector budget; and
- Teachers' education allocated **Tshs.47.2 billion** which is about 1.6% of the sector budget.

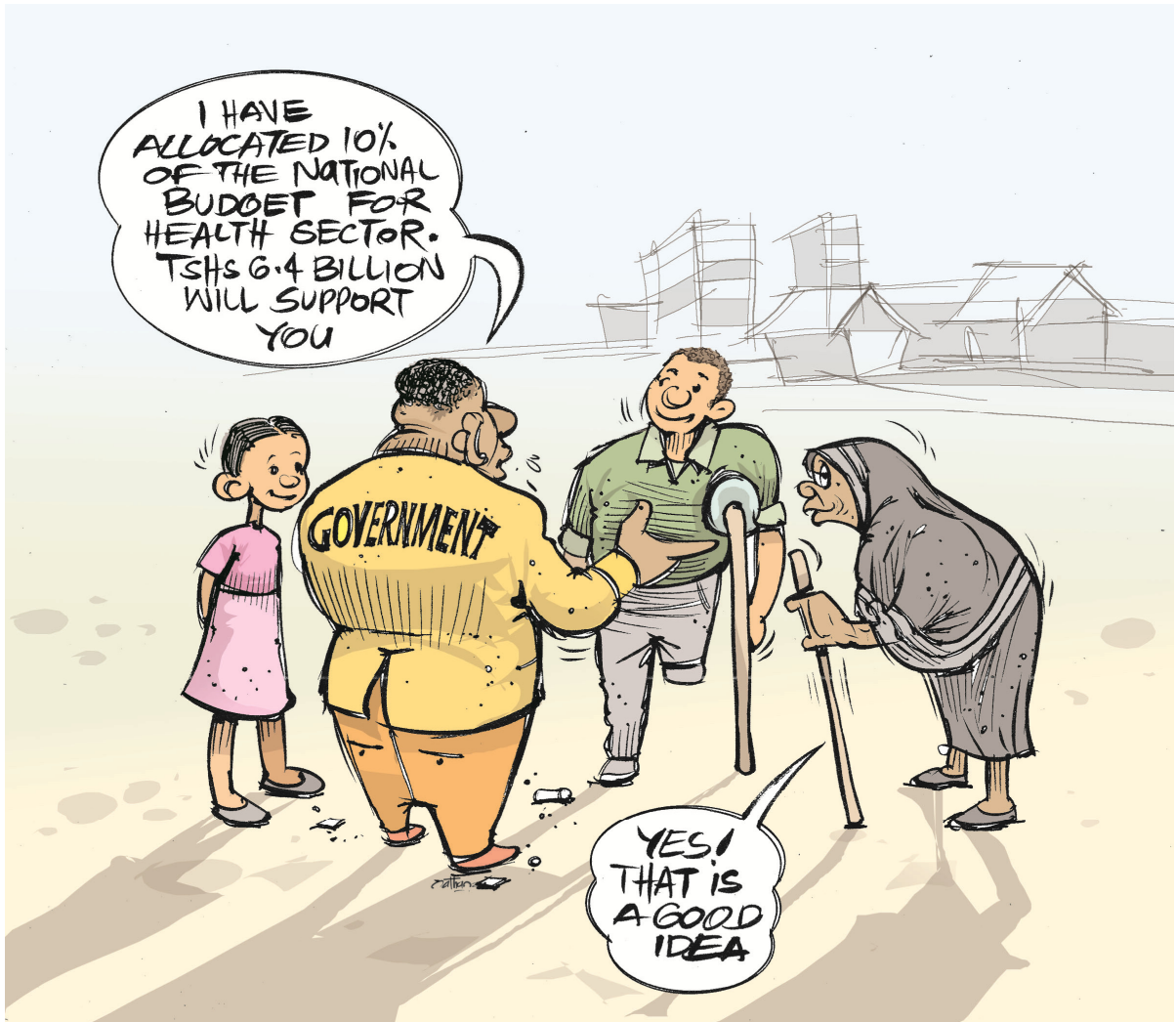
Health Sector

Budget allocation for the Health sector

In this financial year, Government has allocated **Tshs. 1,288.7 billion** for the health sector which is a 10% of the total national budget, compared to **Tshs.1,209.1 billion** in year 2011/2012.

Health Sector plans to spend

- **Tshs.31.0 billion** is set aside for improvement of antenatal and maternal health programmes to prevent and reduce under – five and maternal deaths, and for supplying vitamin A and D Supplements;
- **Tshs.6.4 billion** is set aside for supporting people with disabilities and underserved social group (Older people, Orphans);
- **Tshs.382.8 billion** is set aside for development of health infrastructures for enhancing curative and preventive services and for control of communicable diseases;
- **Tshs.253.4 billion** is set aside for procurement and distribution of medicines nationwide; out of it **Tshs. 147.423 billion** shillings allocated for preventing and treatment of Malaria and combating HIV/AIDS;
- **Tshs.8.3 billion** is set aside for development services in Muhimbili Orthopedic Institute (MOI) and Muhimbili National Hospital;
- **Tshs. 113.7 billion** is set aside for the procurement and supply of medicines and medical equipment for health care quality improvement at district level. Also to promote building capacity for health workers (Nurses, Clinical Officers, and Midwives) at the lower level;



- **Tshs. 89.7 billion** is set aside for the enhancement of provision of Health Insurance;
- **Tshs.3.0 billion** is set aside for construction of the ongoing Cancer Treatment Center at Bugando Hospital and increasing of 150 patients' beds in Ocean Road Cancer Hospital and procurement Cancer Treatment Machine;
- **Tshs. 20.0 billion** is set aside for strengthening Primary Health Care Services through the PHSD/MMAM Programme for construction of Dispensaries in villages countrywide; and
- **Tshs. 4.9 billion** is set aside for ongoing projects of construction of Regional Hospitals in Singida, Shinyanga, Mbeya, Manyara and Mara.

Water Sector

Budget allocation for the sector

The government has allocated **Tshs 616.9 billion** for water sector which is equivalent to 5% of the total budget as compared to **Tshs 621.6 billion** that was allocated in last financial year. The allocation share was 4%, 5% and 5% in 2010/11, 2011/12 and 2012/13 respectively.

During this Financial Year the focus is on the following priority activities:

Management and development of water resources; Implement a special program for improving water supply and sewerage services in Dar es Salaam City; Implement rural water supply and sanitation programme; and Continue to implement ongoing water projects and facilitates Urban Water Authorities to control water leakages and rehabilitate water supply infrastructures.

Spending highlights

- **Tshs 51.9 billion** is allocated for Water Sector Basket Fund and will cover among other things construction for water infrastructure, capacity development for programme implementers and providing education on environment conservation. This fund will be channeled to Ministries, Regions and Local Government Authorities;
- **Tshs 1.2 billion** is allocated for 6 projects in Ruvuma basin and Southern Coast in 5 Districts of two Regions namely Mtwara and Ruvuma;
- **Tshs 116.4 billion** is allocated for expansion of Lower Ruvu project implemented in collaboration with MCC;
- **Tsh 1.1 billion** is allocated for Management and conservation of environment around Lake Victoria with a particular focus on Maswa, Bariadi, Magu, Meatu and Kwimba District Councils;
- **Tshs 20.5 billion** is allocated for irrigation through ASDP and SAGCOT in various activities including technical studies, designing and construction of various irrigation schemes;
- **Tshs 137.8 billion** is allocated for rehabilitation and expansion of urban water supply in the country; and
- **Tshs 14.7 billion** is allocated for rehabilitation and expansion of rural water supply.

Furthermore, the Government will continue to implement the Emergency Plan with a view of improving water services in the City of Dar es Salaam, Bagamoyo and Kibaha towns and this can be reflected in the following areas;

- **Tshs 3.4 billion** is allocated for paying compensation for the area set aside for Kidunda Dam Construction; and
- **Tshs 30.9 billion** is allocated for drilling deep wells at Kimbiji and Mpera.

Agricultural Sector

Budget allocation for the Sector

The budget for the Agricultural sector for 2012/13 is **Tshs. 1,103.6 billion** which is a 19.1% increase from **Tshs. 927.0 billion** allocated in 2011/12.

Sector spending plans

In the FY 2012/13 the Sector plans to ensure a conducive environment for actors with the intention of boosting agricultural productivity and reducing poverty in the country through the following:

- **Tshs. 6.54 billion** is set aside for Agricultural Inputs Fund to facilitate availability of loans for purchasing inputs and implements including tractors and power tillers, irrigation equipment and value addition equipment;
- **Tshs.30.0 billion** is set aside for starting Agricultural Development Bank;
- **Tshs. 40.0 billion** is set aside for Tanzania Investment Bank (TIB) for Agriculture Window;
- **Tshs.1.5 billion** is set aside for procuring aircraft for spraying insecticides;
- **Tshs.68.0 billion** is set aside for continued provision of subsidies for fertilizers;
- **Tshs.3.6 billion** allocated towards subsidies for improved seeds and seedlings;
- **Tshs.30.9 billion** allocated purchase of food from surplus areas of the country for national food reserve and for conducting surveys to assess the status of food security in the country;
- **Tshs.12.1 billion** set aside to facilitate distribution of cattle and goats in the areas affected by drought; and

Tshs.2.2 billion have been allocated to COASCO in order to strengthen the inspection of Co-operative Societies.

In order to expand training to Extension Officers;

- the sector intends to increase the size of demonstration plots up to 10,000 which cater for 250,000 farmers;

- 2,514 extension officers with certificate qualification will be employed in the FY 2012/13;
- 3,500 new recruits will be trained in diploma and advanced diploma in order to increase the number of extension officers in the country;
- Due to the “Unyanjano” disease for Bananas in Kagera region, The government will send selected farmers in the FY 2012/13 from the area to Uganda for a study tour intended to impart the necessary techniques for dealing with the disease because Ugandan farmers to large extent have managed the disease; and
- Government will extend Warehouse Receipt System to Mbeya and Mara to cover Coffee; Singida to cover Sunflower; for ensuring reliable markets and good producer prices to farmers.

Energy Sector

The budget for the Energy sector for 2012/13 is **Tshs.731.8 billion** which is a 26.3% increase from **Tshs. 539.3 billion** allocated in 2011/12.

Sector Expenditure plans:

i. Implementation of special **Energy programmes** including;

- **Tshs. 94 billion** allocated for construction of electricity transmission and distributions ways;
- **Tshs. 62 billion** allocated for Improving Power Supply reliability in Dar es Salaam;
- **Tshs. 50.4 billion** allocated for Emergency Power Plants;
- **Tshs. 157 billion** allocated for Rural Energy Agency (REA) and Rural Energy Agency Fund to increase the pace of electrification of Districts Headquarters and Villages; and
- **Tshs. 9.3 billion** allocated for ensuring the use of New and Renewable Energies sources.

ii. **Tshs.40 billion** is set aside for Kiwira Coal Mines and **200MW** Power Plants;

iii. **Tshs. 24 billion** is set aside for sustainable Management of Mineral Resources and Regional Mining Offices Development;

- iv. **Tshs.3.5 billion** is set aside for Mineral Resource Institute infrastructure Development;
- v. **Tshs. 93 billion** is set aside for Construction of Natural Gas pipeline from Mtwara to Dar es Salaam;
- vi. **Tshs. 18 billion** is set aside for **390 MW** Natural Gas Fired Plants in Kinyerezi in Dar Es Salaam;
- vii. **Tshs. 30.6 billion** is set aside for Zanzibar Interconnector through Millenium Challenge Corporation-Tanzania;
- viii. **Tshs. 8.7 billion** is set aside for construction of Malagarasi Hydropower Distribution through Millenium Challenge Corporation-Tanzania(MCC);
- ix. **Tshs. 51.2 billion** is set aside for for Rehabilitation and Extensions of TANESCO Distribution System through MCC.
- x. Natural Gas:
 - Government will acquire Tshs. 2,000 billion Commercial Loans from EXIM Bank of China under the Management of TPDC for the construction of Natural Gas Pipeline from Mtwara to Dar es Salaam;
 - Also in 2012/13 budget **Tshs. 63 billion** is set aside for the transportation of Natural Gas from Mtwara to DSM; and
 - **Tshs. 20 billion** is set aside for the distribution of Natural Gas to different location in DSM for power generation, industrial as well as domestic uses.



The photo shows one of the Natural Gas Well at *Mnazi Bay* - Mtwara

xi. Electricity Connections To Customers From January, 2013:

- Electricity connection for SINGLE PHASE with a distance less than 30 metres and without requirement of a pole in the Rural areas will cost Tshs. 177,000 and Urban areas Tshs. 320,000 compared to Tshs. 455,000 currently paid; and
- Also SINGE PHASE connection WITH A POLE in the Rural areas will cost only Tshs. 337,000 and in Urban areas will cost only Tshs.515,000 compared to Tshs. 1,351,884

xii. The Government will also continue with Petroleum exploration as planned.

Transport

Budget allocation for transport

Transport sector includes road transport, railway transport, air transport and water transport. The total amount allocated for transport sector for the year 2012/13 is **Tshs. 1,940.008 billion**, compared to **Tshs. 2,281.9 billion** that was allocated in 2011/12. The allocation in 2012/13 is about 16% of the total budget, and has decreased roughly by 4% from 2011/12 allocation.

Spending Plans for the Sector

The government intends to connect cities and Regions as well as creating good environment in the transport sector so as to stimulate economic growth and social development in the country. Furthermore, it intends to deal with renovation and improvement of railway transport and air transport as well as improvement of water transport and port services. The allocation highlights for transport sector are as follows:

- **Tshs. 104.0 billion** has been allocated to strengthen and improve the performance of TRL (rail equipment and track maintenance);
- **Tshs 69.54 billion** has been allocated towards construction of railway bridges destroyed by the flood; upgrading the existing railway lines and design of new railway lines. Of this amount, Tshs. 5.6 billion will be used for debuting of train transport services in Dar es Salaam city;
- **Tshs. 106.3 billion** has been allocated towards construction, rehabilitation, and improvement of various airports. Of this amount, Tshs 14.3 billion will be used for construction of Mafia Island airport under Millennium Challenge Account – Tanzania;
- **Tshs. 3.1 billion** has been allocated towards construction of Inland Container Depot in Mwanza;

- **Tshs. 12 billion shillings** has been allocated towards aircraft maintenance, procurement of TMA Radar, Equipment and Infrastructure;
- **Tshs 988.4 billion** has been allocated towards construction of roads at the level of tarmac in various areas of the country, where projects worth Tshs 366.5 billion will be implemented under Millennium Challenge Account – Tanzania;
- **Tshs 400 billion** has been set for “Road Fund” to be used for the maintenance, construction and management of a variety of road projects, managed by TANROADS and Local Authorities;
- **Tshs 13.0 billion** has been allocated towards construction of bridges. Of this amount, Tshs 2.8 has been set aside for Kigamboni Bridge;
- **Tshs 36.3 billion** has been allocated towards roads rehabilitation at the level of tarmac and gravel. Of this amount, Tshs 20.4 billion will be used for rehabilitation of regional roads; and
- **Tshs 8.2 billion** has been allocated towards procurement and rehabilitation of ferries and ferries services in Geita, Mwanza, Mara, Dar es Salaam, Mtwara, Ruvuma, Kigoma, Morogoro, Tanga and Pwani regions.



Photo shows Honorable Prime Minister Mizengo Pinda, officiating the launch of the construction of Dodoma – Mayamaya Road (43km) which is part of Dodoma – Babati Road.

Employment Creation

For the FY 2012/2013 the Government has put in place various measures to create employment opportunities for its citizens. These measures aim at improving policy and legal environment to *facilitate the growth of private sector and to expand financial services* which will enhance capital accumulation. As a result, the citizens will be able to initiate various income generating activities. The fund allocation for these measures is as follows:

- i. **Tshs. 40 billion** has been allocated to recapitalize Tanzania Investment Bank (TIB);
- ii. **Tshs. 2 billion** allocated to Tanzania Women's Bank;
- iii. **Tsh 3 billion** allocated to Twiga Bancorp; and
- iv. **Tsh 9.5 billion** allocated to Tanzania Postal Bank.

Also the Government will implement other programs for the same purpose of empowering citizens (*Especially Youths*) to enable them to start their own income generating activities. Some of these programs are as follows;

- **Tshs. 0.35 billion** has been set aside for "Employment Creation Programme" to enable youths to get skills on how they can suit in employment market;
- **Tshs. 1 billion** has been set aside for the "Mwananchi Empowerment Fund Project" to finance youth self-employment projects;
- **Tsh 1.1 billion** has been set aside to facilitate empowerment of women through "Women Economic Empowerment Project";
- **Tsh 0.5 billion** will be provided as loans to Tanzanian small entrepreneurs through SACCOS; and
- **Tsh 1.29 billion** will be used to implement "Income generation Programme" in order to accelerate Poverty Eradication and Empowerment.

Furthermore, the construction of infrastructural projects specifically roads, electricity, agriculture and telecommunication and implementation of TASAF III Programme is expected to create more employment to citizens due to facts that they will be involved in various ways during its implementation.

Industrial Sector

In the financial year 2012/13 the Government intends to promote industries that utilize locally produced raw materials, Adding value to minerals, large cement factories, and electronic and Information and Communications Technology (ICT). Other areas include improving the business environment and to allocate specific areas for investments in urban and rural areas. It also intends to improve and strengthen small enterprises in the country and promote partnerships between public and private sector.

Spending Plans for the Sector

- **Tshs. 50.2 billion** has been set aside to implement development activities in Special Economic Zone (SEZ) project. Among other activities the funds will be used for compensation;
- **Tshs. 60.0 billion** has been budgeted to compensate owners of the land which has been acquired to construct Kurasini Logistics Centre (Kurasini Logistics and Transit Hurb) as well as to develop export processing zones (EPZ). The centre is expected to manage regional trade facilitation between China and landlocked countries in East and Central Africa;
- **Tshs.1.5 billion** has been set aside for Industrial Research and Development Activities. Out of which; Tsh. 525m will be allocated to Tanzania Industrial Research Organization (TIRDO), TShs. 448.8m will be allocated to Centre for Agricultural Mechanization and Rural Technology (CAMARTEC) and Tsh. 540.4m will be allocated to Tanzania Engineering and Manufacturing Design Organization (TEMDO);
- **Tshs. 7.96 billion** has been set aside to continue with the construction of Bio-larvicides plant at TAMCO Industrial Estate, Kibaha in Coastal Region and also for Mchuchuma and Liganga Projects;
- **Tsh 3.64 billion** has been set aside to finance micro and small entrepreneurs activities under Small Industries Development Organization (SIDO). Among other activities, Tsh. 3.05b will be used to finance construction of SME business parks and to strengthen support services for establishment and development of small industries in rural areas under 'One District One Product '(ODOP). Tsh. 500m will be used to strengthen National Entrepreneurs Development Fund (NEDF).

Budget Reference Documents

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

- Tanzania Development Vision 2025, together with its initial Five Year Development Plan according to which by 2025, Tanzanians will be well educated and able to economically sustain themselves government will serve the people and the economy will be strong and competitive,
- Macro-Economic Policy Framework: provides information about tax policies and reforms,
- MKUKUTA II, which will last from 2010 until 2015. It focuses on using economic growth to address poverty and in particular emphasizes the role of agriculture in this,
- The Millennium Development Goals 2015: focus on addressing hunger, education, gender equality, child and maternal health, fighting HIV/Aids, sustaining the environment and building a global partnership,
- CCM Election Manifesto 2010 -2015,
- National Debt Strategy,
- Joint Assistance Strategy for Tanzania,
- Sector Policies & Strategies,
- Performance Assessment Framework (PAF) under GBS,
- Ministerials' Budget Speeches for Year 2012/13,
- Medium Term Plans and Medium Term Expenditure Framework Budget Memoranda,
- Appropriation Act, 2012,
- Finance Act, 2012,
- State of the Economy Speech,
- National Budget Survey, and
- Estimates of Revenue and Expenditure for Year 2012/13 (Volumes I – IV).

What can you do with this information?

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

- The **budget documents of Tanzania** (see reference documents) and in particular, the **four volumes of national budget books** which are available at the ministry of Finance,
- The Ministry of Finance P.O. Box 9111, Dar es Salaam (Website: <http://www.mof.go.tz>)
- Local Government Offices and/or officials in your area such as the Village Executive Chairperson, or
- Policy Forum, P. O. Box 38486, Dar es Salaam.

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

(Tear-out page)

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

- Do you need more information than is provided in this booklet? What kind of information do you need?

- Is there anything more you would like us to know?

1. Was this booklet useful Yes No Somewhat
2. Was the booklet easy to read and understand? Yes No Somewhat

Post or deliver this leaflet to the Budget Department, Ministry of Finance P.O. Box 9111,
Dar es Salaam.