

# PROMOTING DIALOGUE ON ECONOMIC AND FISCAL POLICY IN **TANZANIA**

A H A N D B O O K F O R P R A C T I T I O N E R S



Edited by Bram J. De Smet

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**A Handbook for Practitioners**

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*In memory of Ali Ibrahim Mjella*

This book is based on the results and research of the Pilot 4 Research and Dialogue project (<https://pilot4dialogue.com>).

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# ABBREVIATIONS

ACT	Alliance for Change and Transparency
ADP	Annual Development Plan
AMCOS	Agricultural Marketing Co-operative Societies
ARFSD	Africa Regional Forum on Sustainable Development
ASDP	Agricultural Sector Development Program
ASM	Artisanal Small-scale Miners
ATE	Association of Tanzania Employers
AU	African Union
BE	Business environment
BOT	Bank of Tanzania
CAD	Current Account Deficit
CAG	Controller and Auditor General
CBD	Conversion Biodiversity
CBO	Community-based organization
CEO	Chief executive officer
CFTA	Continental Free Trade Area
CIL	Common Investment Law
CMI	Chr. Michelsen Institute
COVID	Coronavirus disease
CSO	Civil society organization
CSR	Corporate social responsibility
DANIDA	Danish International Development Agency
DCC	District Consultative Council
DLAB	Africa Philanthropic Foundation
DUCE	Dar es Salaam University College of Education
EAC	East African Community
ECOSOC	Economic and Social Council

EFGP	Economic and Fiscal Governance Programme
EITI	Extractive Industries Transparency Initiative
EMC	Environmental Management Council
ENVIDEC	Environmental Development for Communities, Zanzibar
EU	European Union
EV	Electric vehicle
FBO	Faith-based organization
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FYDP	Five-Year Development Plan
GE	Green Economy
GBI	Gender Budget Initiative
GDP	Gross Domestic Product
GNI	Gross National Income
HLPF	High-Level Political Forum
IADB	Inter-American Development Bank
ICT	Information and communications technology
IESC	International Executive Service Corps
ILO	International Labour Organization
IMED	Institute of Management and Entrepreneurship Development
IMF	International Monetary Fund
INGO	International non-governmental organization
ISODEC	International Social Development Centre
IYF	International Youth Foundation
KII	Key informant interviews
KPI	Key performance indicators
LGA	Local government authority
LGACI	Local Government Authority Competitiveness Index
LPG	Liquefied petroleum gas
LTPP	Long-term Perspective Plan
M3	Extended broad money supply

M&E	Monitoring and evaluation
MDA	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MEAL	Monitoring, evaluation and learning
MIVA	Mining value addition
MKUKUTA	National Strategy for Growth and Reduction of Poverty
MNHPP	Mining Non-Homogeneous Poisson Process Modelling
MoA	Ministry of Agriculture
MoFP	Ministry of Finance and Planning
MP	Member of Parliament
MSME	Micro, small, and medium enterprises
MTEF	Medium Term Expenditure Framework
NAIS	National Artificial Intelligence Strategy
NBS	National Bureau of Statistics
NDC	National Determinant Contribution
NEEC	National Economic Empowerment Council
NEMC	National Environment Management Council
NGO	Non-governmental organization
NISC	National Investment Steering Committee
NITDA	National Information Technology Development Agency
NSGRP	National Strategy for Growth and Reduction of Poverty
NSYIA	National Strategy for Youth Involvement in Agriculture
NVR	National Voluntary Review
OOD	Opportunities and Obstacles Document
PAG	Policy Analysis Group
PBO	Parliament Budget Office
PDB	Presidential Delivery Bureau
PER	Public Expenditure Review
PFM	Public Finance Management
PFMRP	Public Financial Management Reform Process
PMO	Prime Minister's Office

PO-RALG	President’s Office-Regional Administration and Local Government
PPD	Public-Private Dialogue
PRPT	Policy Reform Priority-setting Tool
PS	Permanent Secretary
PSA	Product Sharing Agreement
PSO	Private sector organization
RCC	Regional Consultative Council
REC	Regional Economic Community
RED	Remission and Reduced emission from deforestation and forced degradation
REPOA	Research on Poverty Alleviation
SACCOS	Savings and Credit Co-operative Society
SADC	Southern African Development Community
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SAUT	Saint Augustine University of Tanzania
SDG	Sustainable Development Plan
SEZ	Special Economic Zone
SGR	Standard Gauge Railway
SHIVYAWATA	Tanzania Federation of Disabled People’s Organizations
SIDO	Small-scale Industries Development Organization
STAMICO	State Mining Corporation
STEM	Science, technology, engineering, and mathematics
SUA	Sokoine University of Agriculture
SUGECO	Sokoine University Graduate Entrepreneurship Cooperative
TaESA	Tanzania Employment Services Agency
TAHA	Tanzania Horticultural Association
TAMISEMI	President’s Office-Regional Administration and Local Government, also PO-RALG
TAPRI	Tampere Peace Research Institute
TASAF	Tanzania Social Action Fund
TBS	Tanzania Bureau of Standards



TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TCRA	Tanzania Communications Regulatory Authority
TDV	Tanzania Development Vision
TFTA	Tripartite Free Trade Area
TIC	Tanzania Investment Centre
TNBC	Tanzania National Business Council
TPSF	Tanzania Private Sector Foundation
TRA	Tanzania Revenue Authority
TSDP	Tanzania National Development Platform
TVE	Township and village enterprises
TWCC	Tanzania Women Chamber of Commerce
TYC	Tanzania Youth Coalition
TYVA	Tanzania Youth Vision Association
UN	United Nations
UNCDF	UN Capital Development Fund
UEL	Unified Enterprise Law
UNA	United Nations Association
UNDP	United Nations Development Programme
US	United States
USAID	United States Agency for International Development
USD	United States dollar
VETA	Vocational Educational and Training Authority
VNR	Voluntary national review
VoIP	Voice over Internet Protocol
WEF	World Economic Forum



# 1 INTRODUCTION

## 1.1 Introduction to the Project's Aims

Although Tanzania has been considered a model of performance in the fiscal arena in the last decade, building its capacity to mobilize more tax revenue is the core of the broader “social and economic transformation” advocated by its Second Five-Year Development Plan (FYDP II). Indeed, the country is at a crossroads in its strategic macroeconomic development. The current level of income growth is still lower than the trajectory highlighted in the Tanzania Development Vision 2025 of raising the average Gross Domestic Product (GDP) per capita to USD 3,000 (nominal). Thus, essential components of public expenditure are health facilities, education, and poverty alleviation programmes.

Tanzania has enough assets and resources to become a hub for sustainability, leadership, and stability in the region, and its human resources and skills potential is tremendous. Like many of its neighbours, Tanzania also faces challenges related to governance, implementation of its tax system, fairness in tax harmonization, poverty alleviation, infrastructure development, agricultural modernization, access to facilities in remote areas, and creation of job opportunities for the youth and communities in its plans for increasing its development. Stability, security, and cohesiveness are part of the country's long-term positioning in the FYDPs.

According to the World Bank, Tanzania's population is estimated to grow and urbanization is predicted to increase. Young people are a massive factor in development and represent an asset for macroeconomic reforms. A growing population will also trigger increased demand for infrastructure and amenities. As a result, Tanzania's economic growth is expected to reach 6.2% between 2017 and 2026 (Deloitte Touche Tohmatsu 2017). This growth is dependent on infrastructure development, trade, foreign direct investment (FDI), economic corridors, and an increased consumer base. Infrastructure investments in railways, ports, and roads are expected to be one of the main

drivers of the GDP, but will create a burden for the trade deficit and currency stability.

The sustainable transformation advocated by the Second Five-Year Development Plan (2016-17–2020-21) is mainly dependent on the use and valorisation of resources, infrastructure development, securing FDI, and instituting a fair taxation system among the different sectors. The Pilot 4 Research and Dialogue project analyses how Tanzania can capitalize on its strengths to become a sustainability leader in terms of the macro-economy, stability, resource management, and forward-looking pioneering policies.

Over the long term, the government of Tanzania, like those of many other countries, will face substantial challenges in financing large infrastructure programmes and large social programmes without threatening its financial sustainability. Tanzania has several urgent needs if we consider the implementation of the United Nations' Sustainable Development Goals (SDGs). The World Bank estimates that 623.6 billion Tanzanian shillings will be needed to increase not only accessibility of water in rural areas and cities, but also to provide good quality water (SDG6: water sanitation). In terms of health and well-being (SDG3), during 2017–18, the Ministry of Health had planned to spend 785.8 billion Tanzanian shillings as part of its development budget. Therefore, information, research, and dialogue on how to mobilize revenue and implement a fair but efficient taxation system remains a core priority to foster stability, security, and development in the country and region. Indeed, at the same time, governments and donors need to take care to design tax reforms and transformation in ways that take proper account of their distributional impacts, in particular their impacts on the poor. But they also need to build on the capacity for the tax system to be fairly implemented in a harmonized manner in the different regions. Non-uniform taxation reduces growth (SIDA Report 2004).

Finally, Tanzania is at a crossroads in terms of macroeconomic policies with FYDP II's implementation. It can harness investment in strategic leadership to become a pioneering country in terms of sustainability and SDGs by investing in “strategic and pioneering” areas.

The Pilot 4 Research and Dialogue project builds on the implementation of FYDP II and takes stock of the goals and milestones set up in the plan to achieve a broad social and economic transformation, and it bases its approach on the Tanzania Development Vision 2025 and different reports released by international organizations.

Although not part of a previous programme, PILOT 4 Research and Dialogue integrated current projects and initiatives from the European Union (EU) in Tanzania, such as the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) projects for the rice value chain and other initiatives for sustainability and capacity building. The project embeds existing research, for instance, from the international growth centre and the results of the Best-Dialogue project of our partner, COWI.

### 1.1.1 Introduction by the Ministry of Finance and Planning of Tanzania

The Ministry of Finance and Planning (MoFP) is the recipient of government funds through the Minister of Finance and Planning. As such, it has an obligation to ensure that the mobilized resources are used for their intended objectives. Referring to the outgoing budget programme known as the Economic and Fiscal Governance Programme (EFGP) under the 11th European Development Fund, it was agreed to establish a research facility that would feed into public dialogue with factual and credible information in areas of economic and financial governance. The execution of the programme, it was felt, should underscore the principles of inclusive dialogue with key actors in the economic and fiscal sectors in relation to the Development Cooperation Framework. However, the research facility was established when the EFGP was already under way. Therefore, the research facility works on the contributions to existing dialogue platforms. The MoFP is appreciative of the efforts made and the fruitful dialogue held during the entire Pilot 4 Research and Dialogue project, managed by the Tampere Peace Research Institute at Tampere University in Finland, PILOT4DEV, IMED and COWI. It is expected that outputs such as the policy briefs and the findings of the three studies conducted will be widely shared and disseminated within the sector and among other parties of interest, such as the Financier and Contracting Authority.

### 1.1.2 The Importance of the Project According to Experts

Among the tools put in place by the project, the Panels of Experts aimed to discuss the state of the research being conducted for each study after the preliminary results had been presented. This way, the study can, for instance,

be adjusted to include other topics that came up during the discussions. After each meeting, an executive summary of the items discussed was prepared and shared among the attendees and the team conducting the study. Below are some of the views on the project by experts who participated in the project:

The Pilot 4 Research and Dialogue project is crucial as it covers essential areas in the economic development of Tanzania. The project coverage includes mining sector which is contributing 17% of the country's GDP and is expected to grow to 25% by 2025. The project analyses the constraints in the mining sector including numerous taxes, high costs of formalization, inaccessibility of loans, minerals exportation and research costs, high licence costs, and lack of advanced technology. The project further explores the agricultural sector that employs the majority of the country's population and is the source of food supply. The project addresses the youth empowerment in agribusiness in order to transform...agriculture from traditional form to modern forms. The project benefits from experts from various disciplines who have contributed on youth engagement, macroeconomic policies, fiscal reforms, women inclusion in budget processes, and alignment of the country with Sustainable Development Goals.

—Dr William Amos Pallangyo, senior lecturer in Leadership and Management at the Law School of Tanzania

The Pilot 4 Research and Dialogue project has reinvigorated continued efforts to produce evidence-based research on economic policies and fiscal governance and enhanced the debates on these amongst domestic stakeholders in Tanzania. For civil society actors, this has been an opportunity to reflect on how to build on the project as a means of increasing entry points for dialogue with the government and private sector in light of the shrinking civic space we have observed in the last six years. It has also been refreshing, as the topics covered in the project have been both diverse and inclusive comprising of content ranging from youth and women participation in the budgeting process to horticulture and mining sector policies. The project has hence contributed to the attempt at living the SDG's motto of "Leave no one behind." As a person with a communications background, the project has reassured me in the passion of using modern technology for opening up policy dialogues and strategic engagement and collaboration with the government, industry, and communities.

—Semkae Kilonzo, Policy Forum

### 1.1.2.1 Dialogue Events

Another mechanism set up within the framework of the Pilot 4 Research and Dialogue project were dialogue events. Dialogue events aim to answer the key objectives of the project, which are to enhance the quality of dialogue in Tanzania through public debate and to increase the availability of relevant information by circulating the results of the study and by presenting them at public conferences. To foster an integrated approach, the events were organised as open dialogue platforms with a broad audience. The audience usually consisted of experts in the various topics, from non-governmental organizations (NGOs), civil society, and academia to people who are impacted by the decisions made on the topic that was discussed. The debates opened with a keynote address by an expert on the topic, after which panellists discussed it further and answered questions from the public. Experts with many years of experience moderated the events.

### **A Reflection on Eliciting Public-Private Dialogue Using Online Information Communications Technology (ICT) Tools**

— Barney I.S. Laseko, PhD

Public Private Dialogues (PPDs) is an important part of policy implementation for both public and private entities. Public policy implementation is considered to mean the continuum of the body of knowledge about how policy plans succeed or fail to meet their stated objectives (Smith, 1973; Pressman and Wildavsky, 1973; Lindquist and Wanna, 2015). PPDs are mainly intended to contribute to the process of developing, implementing, and evaluating legitimate public policies to specifically enhance sustainable private sector contribution to socio-economic development.

Scholars have invariably tried to find appropriate theories to explain public policy implementation theories and approaches which have included group theories, rational-choice theories, systems theories, elite theories, incremental theories, and institutional theories. Operationalisation of these theories and approaches has had interesting debates looking at their application from top-down and bottom-up interventions. The literature has shown that no one theory or approach can be applied strictly in addressing issues of concern like in PPD's. A mixed uses are advocated as it may suit any

condition in a particular situation (Anyebe, 2018). The call for mixed approaches in public policy implementation complicates the search for the most inclusive way of harnessing the maximum expected contributions from PPD’s.

In the PPD discourse, there appears a confusion amongst stakeholders on the difference between ‘consultation’ and ‘dialogue’. Literature provides different levels of engagement between the public and private sectors (Ricardo, 2015). The identified levels include:

Table 1: The Difference between “Consultation” and “Dialogue”

Level 1	<i>Provision of information</i> that involves one-way information delivery by the public or private sector entity
Level 2	<i>Consultation</i> that involves asking for comments, views, and considered feedback
Level 3	<i>Conducting Dialogue where there is a real time two way communication built on mutual interest, trust and potentially shared objectives to ensure regular exchange of views and opinions (i.e. IMHO – In My Humble Opinion)</i>
Level 4	<i>Engaging partnership</i> with shared responsibilities at each step or action of the political decision-making process

Business-as-usual (WBCSD, 2021) will not get us there. Like any other socio-economic operation, PPDs operations can positively be improvised through effective use of Information Communication Technology (ICT) tools.

PPDs have been appreciated and brought out into formal discourse academically and in practice (Ricardo, 2015; Boza, 2006; URT, 2000; Laseko, 2019; Shivji, 2006).

In Tanzania, the private sector has been steadily growing after the reforms initiated from 1985. Therefore, in Tanzania PPDs play an important role in private sector development with notable impact in general social and economic development process. Over time various ways of collecting private sector ideas had been used. These included direct methods where powerful private individuals would directly get ways to get their voices head; political party systems, governance systems from ten cell, harmlets/village, wards, divisions, districts, regional zonal to national level depending on the specific business type organisation; cooperative union systems; and other specific private sector organisations (PSO’s).



Despite the fact that high level policy pronouncements had appreciated Information and Communication Technology (ICT) as presented in the Tanzania Vision 2025, official adaption of the technology in various public service provision had seriously lagged behind. ICT use in official public service delivery system remained worryingly low in every sector including the legal fraternity mainly due to risk aversiveness and lack of appropriate policy interpretation, tools development, piloting, capacity building and enforcement structures. Expensive equipment installed in various Ministries, Departments and Agencies remained unused for a long time and some became obsolete.

However, the individual citizens and the private sector kept on coping with the rest of the world at a speed that was even faster than most of the developed world especially with the mobile phone penetration. Use of ICT hard and soft tools deepened faster and almost every household has access to a mobile phone even where the networks are challengingly accessible like requiring one to go to a specific area or climb a tree!

The background presented above led to very slow public sector official use of social media and other ICT platforms like mobile phones, twitter, Instagram, WhatsApp, web Conferencing, webinar or other VoIP (both voice and video) facilities to transact official business.

Tanzania National Business Council (TNBC) system came as an innovative way of consolidating the PPD process into a more formalised approach that would suit the increased private sector participation in the post millennial era. TNBC meetings provide the highest level of PPD. The TNBC meetings at national level are chaired by the President of the United Republic of Tanzania who also appoints the 50 members of the Council. The council 25 members represent the government, and 25 members represent the private sector. The government representatives in the Council are the respective cabinet ministers and senior government officials while the private sector representatives are appointed through the Tanzania Private Sector Foundation (TPSF). TPSF is an apex organization that brings together all national PSOs and some firms can also join as individual members.

TNBC dialogues are meant to deal with strategic issues from the lower level PPDs and consultative meetings. Such meetings include Ministerial dialogues, formal and special purpose technical committees, Regional Business Councils, District Business Councils, and the specific sector Private

Sector Organisations (PSO's). TNBC meetings are held once a year and are mostly agenda driven.

In Ricardo (2015), with all the efforts and good intention towards functional PPD in Tanzania for over 25 years, the process has remained at Level 2 where formal consultative meetings are held with formal presentations, questions are asked, views and feedbacks are calculatedly shared.

The Covid 19 pandemic, like all other pandemic in history, leaves us with a different world order in many senses including the way we meet and communicate for various reasons like PPDs. Amongst the many take away is the maximised use of ICT tools for our day-to-day life errands including transacting the most official businesses. Pilot 4 Research and Development (P4RD) project in Tanzania was caught off-cuff and had to use web conferencing facilities to implement the dialogues which constituted part of the key deliverables. In doing so, the results seem to be even better than it would have been with physical in-person workshops and dialogues. A thorough unexpected web conferencing pilot for official meetings was successfully implemented.

It is therefore imperative that, for PPD in Tanzania to move to the next level, Level 3 and eventually Level 4, use of ICT tools including web conferencing must be considered. The advantages include creation of a 'market' place where 'demand' and 'supply' meet seamlessly. This would save time, money and fatigue while stimulating trust for dialogue and partnership.

### 1.1.3 Reflections on Eliciting Public-Private Dialogue Using Online Tools

#### **Background and Objectives**

The Pilot 4 Research and Dialogue project initially aimed to hold all its dialogue sessions in physical localities in Tanzania. The dialogues were intended to provide a platform for stakeholders to exchange knowledge, experiences, and views on specific policy areas within the broad theme of the project. Such dialogues were expected to develop common understanding and trust as well as eventually influence policy directly or indirectly. Due to the COVID-19 pandemic and the ensuing travel restrictions, however, the

project was forced to move all planned dialogue sessions to an online format. While this could have hampered our objective to support direct and interactive dialogue on economic and fiscal policies in Tanzania, this situation inadvertently gave us the opportunity to test online tools as a way of supporting public-private dialogue (PPD) in Tanzania, and to assess some of the advantages and shortcomings of using these tools. The purpose of this note is to document our experience and the lessons as well as the advantages and shortcomings of online dialogue as compared to on-site dialogue.

Before listing these, it is worth underscoring the fact that it is hard for us to identify measurable indicators for evaluating the effectiveness of PPD itself when using these online tools, notably because of the limited time span of our project (two years), which automatically limits the pertinence of the findings. In addition, the format of the dialogue events we organized did not allow us to plan breaks for the participants to fill in anonymous evaluation forms in order to evaluate their experience – although we encouraged them to provide feedback thanks to the built-in chat functionality. That being said, some of the lessons learnt seemed to stand out.

## **Participation and Inclusiveness**

First, the online format does not seem equally attractive to all participants, although the project and providers ensured a very successful engagement with figures reaching between 80 and 200 participants for each online panel, which is a large number for such events, and which could not have been achieved for on-site events because of logistical challenges and costs. The participation was however unequal: during the preparation process, for instance, we noticed that it sometimes proved difficult to secure the engagement of official representatives from the government to participate as speakers, whereas participants from the civil society and the private sector seemed more enthusiastic. Added to this, it was not easy to find panellists and keynote speakers, and we encountered several last-minute cancellations and changes in panellists, which taught us that it was advisable to keep the programme flexible.

In general, we observed a good representation of women and youth during our online panels, both as panellists and as attendees, thanks to the work of a strong and professional provider. It was, however, difficult to assess the actual participation and engagement of attendees during the

event – a problem faced by on-site dialogue events as well. While some attendees were very active on the events' parallel chat channels, many others were “silent” participants. We noticed, for instance, that comments or questions in the chat, or questions directly addressed to the panellists or keynote speakers, often came from a small group of people. In the same manner, it is difficult for us to assess whether the events allowed for a good participation of minorities both in terms of attendance and active participation. What is clear is that the online format allowed the participation of attendees from very diverse geographical locations, both within Tanzania and also from neighbouring countries and beyond, something that an on-site meeting could only have achieved with significant financial resources and time investment in travel.

### **Publicity and Technological Issues**

In terms of publicity for the events and for attracting an audience, there does not seem to be a great difference between online and face-to-face dialogue events. Just like we would have done for face-to-face events, the audience was invited through email, WhatsApp, and Twitter, with recipients asked to communicate the events within their networks. However, we noticed a discrepancy between early registrations and actual attendees during the events as there were many last-minute registrations, but also cancellations. It was therefore difficult to predict who and how many people would eventually attend. In that sense, the online format seems to generate more flexibility in participation, allowing for last-minute decisions, which can have a both positive and negative impact on the event itself.

The shift from a physical location to an online setting also meant that the organization of the events took a different form and required different sets of skills. In other words, online events have to be planned differently from physical ones. It would be easy to assume that online events require less preparation time as they help save time on logistics and travel arrangement issues and on tenders for venue rentals, catering, and hospitality. But other factors, perhaps less obvious but no less important, need to be taken into account, as, for instance, times when the quality of internet access is likely to be at its best, or the necessity to ensure the simultaneous diffusion of the event on platforms such as YouTube, which requires specific technical skills. For instance, we had to drop the initial plan to have the face-to-face

dialogues broadcast on television simply because an online event is not suitable for TV broadcast. Since maintaining one's focus during online panels appears to be more difficult than during face-to-face events, we also had to cut down on the length of the events, opting to have shorter, but more numerous online panels.

During the online events, internet stability sometimes proved to be a problem in terms of video and sound stability, which meant that some participants, including some panellists, could only use audio. This is likely to have had a disincentivizing effect on the dialogue. Another limiting factor that we identified was the language used during the sessions, which were held in English. Since not all Tanzanians are fluent in English, this was certainly a limiting factor in the discussions.

### **Management of the Dialogue**

In terms of format, thought-provoking and not too lengthy keynote addresses followed by panel discussions seemed to work well for eliciting debates between the panellists, and also between the panellists and the audience. There was a need, however, for extra people to monitor the chat channel of the online event, as well as on YouTube, and to filter and relay the questions and comments to the moderator for take-up into the ongoing dialogue. In addition, it proved difficult to maintain a balance between the need to keep these online sessions short, as was explained above, and to leave enough time for question and answer sessions following the presentations and discussions. In that sense, online dialogue sessions that focus on specific issues and topics are likely to work better than sessions covering broader topics because these are likely to evoke less focused and not so well delineated debates. Interestingly, certain topics, like women's inclusion or the SDGs, seemed to attract an unexpectedly limited interest and participation. The somewhat lower appeal of certain topics is unlikely to be related specifically to the online format of the dialogue sessions, and would perhaps be more convincingly explained by the fact that these topics have been the focus of many online and face-to-face events over the past years.

## **Fostering Dialogue during Online Sessions**

During the sessions, the audience was invited to write comments and ask questions using the built-in chat functionality. In general, the chat worked well and was found useful in supporting bilateral exchanges and even generating more general discussions, as well as for sharing links and for pointing to specific examples. However, exchanges via chat cannot replace face-to-face dialogue, notably because the written format generates its own constraints in terms of writing proficiency, ability to convey an argument or a question in a few sentences, and a lack of spontaneity and instantaneous interaction. The online format also proved unsuitable for providing networking time slots for the participants, as well as informal exchange possibilities between the audience and the panellists. In addition, sometimes, the panellists would take up too much time and would not leave the audience enough time to ask questions or provide comments. At those times, the moderator played a fundamental role in guiding the discussions, as, for instance, by keeping time and by drawing the panellists' attention to questions that arose in the chat.

Online dialogue was also impeded by the fact that during exchanges, especially when video could not be used because of a poor quality internet connection, it was difficult to study the body language of the participants. In face-to-face events, a good speaker notes the "breathing" of an audience, notes limited attention spans, and adjusts their talk accordingly, which is difficult to achieve in an online format. The absence of a physical audience reduces the interaction between the presenter and the audience to an interaction with the other panellists and the moderator, and maybe a few active participants with good internet connections. An experienced moderator can partly mitigate this by trying to encourage more participation from the audience, and by summarizing some thought-provoking points or ideas put forward by the speakers.

## **Potential to Influence**

Physical dialogue is often more attractive to public sector officials who can be present to listen to and respond to issues. It also provides the opportunity for informal interactions and even for lobbying with public officials during refreshment breaks or when seated next to them. Such officials are also often

given the opportunity to speak at the beginning and end of the dialogue, for which they need to prepare, and at which time they may indicate what they have gained from the interaction, and what they might do to move the agenda forward.

There was, however, no time for such informal networking during the online sessions, which restricted the possibility of creating future partnerships. Undoubtedly, the lack of physical interaction hindered further dialogue and informal conversations, as online events are also less likely to generate exchanges and trust, especially when video cannot be used, as mentioned above.

### **Sustainability of the Dialogue**

Finally, it is important to discuss how dialogue can be sustained beyond these online dialogue sessions. From this perspective, a well-designed social media strategy can serve not only to advertise the events, but also to sustain dialogue during and after the online sessions. We noticed that during and immediately after several of the online events, commenting and discussions continued on Twitter. However, it remains doubtful whether these online interactions on social media can really compete with the social interaction and networking that usually follow physical meetings. This raises the more general question of what strategies can be used to sustain dialogues beyond specific organized events, whether online or physical; and what advantages the online dialogue format could provide to sustaining a dialogue on a particular topic beyond the event. One of the advantages of these online events was that online registration better facilitated the proper registering of contact data and thus the distribution to all attendees of the documents used by the panellists and keynote speakers, as well as the creation of email lists. In many cases, attendees also sent us additional questions after the event, which allowed for some further dialogue and networking, albeit in a limited fashion.

All in all, our limited but intensive experience demonstrates that these online panels need to be carefully planned and cannot be organized in the same way as face-to-face ones. Their organization presents its own specific challenges and requires particular skills. And if online tools undoubtedly offer opportunities and advantages as compared to face-to-face events – for instance, in terms of reduced costs or a wider geographical reach for broad

participation – it is clear that online events cannot replace physical PPD events. Nevertheless, it is worth noting that used in combination with physical events such as seminars, workshops, and conferences, online exchanges can certainly further support and broaden the scope of PPD. Also, both online and physical PPD events face the same challenges, in particular the fact that dialogue needs deep, active engagement from all parties, as well as ample time for outcomes to materialize.



## 2 FIRST STUDY: “MACROECONOMIC POLICIES AND FISCAL REFORMS IN TANZANIA: POSITIVE DEVELOPMENTS”

The main goal of the first study was to perform an in-depth analysis of the macroeconomic and fiscal reforms in Tanzania amid the implementation of FYDP II. The study explored the current situation in relation to the implementation of the right and adequate macroeconomic and fiscal policies and reforms. In doing so, the study highlighted three key areas that inform the macro-financial performance of the Tanzanian economy, focusing on achievements and vulnerabilities. The study also suggested ways to deal with these issues, particularly through policy dialogues. These broad areas are the monetary banking sector performance, the fiscal and budgetary framework, and the external sector performance. Accordingly, the review team examined the main assumptions and drivers behind the macroeconomic and fiscal reforms made at mid-term of the Second FYDP in order to analyse the main achievements and gaps in the implementation framework.

This study built on a review of relevant documents and research. Evidence assessed during the review process included national surveys and reports, sector reports, annual reports from different stakeholders, studies and information issued by the World Bank, International Monetary Fund (IMF) databases, and different FYDP reports. Apart from that, for triangulation purposes, the review team made field visits to the regions of Mwanza, Shinyanga, Moshi, Dodoma, and Dar es Salaam to check on the reliability and consistency of the secondary data and reports.

The first study was conducted by a research team led by Dr Kaihula Prudensia Bishagazi, who is a lecturer at Saint Augustine University of Tanzania (SAUT) and a consultant in policy reforms. She has been involved in several consultancies on policy advocacy and PPDs.

## 2.1 The Panel of Experts on Macroeconomic Policies and Fiscal Reforms in Tanzania with a Presentation of the Project's First Research Study and Related Findings

The Pilot 4 Research and Dialogue project organized a meeting of the panel of experts to present the progress of the first research study and discuss the initial findings. The panel's objective was to examine the methodology and the findings of the first project study's interim report, *Macroeconomic Policies and Fiscal Reforms in Tanzania: Positive Developments*. The research team of Dr Kaihula Bishagazi and Dr Kennedy Wainyaragania presented the research methodology in depth, followed by a presentation of the study's first findings. The partners looked into the methodology, highlighting the steps as also the difficulties in comparing secondary data (from the NBS and other sources) and the difficult timing before and after the national elections, which generated suspicion among the key informants. The importance of analysing the assumptions behind the data to illustrate better how we reach these figures was underscored. At the time, the data for 2020 was not entirely available, but it could be used for the outlook or forecast. The importance of indicating clearly which figures were relevant before and after the COVID-19 crisis was stressed. In this area, making forecasts is difficult as some sectors like the tourism sector have been more affected than others. Still, no important economic sector has been *a priori* excluded.

Regarding the content of the study, Bishagazi and Wainyaragania presented the main findings, highlighting the achievements and the gaps. The participants raised questions and commented on the communication of the FYDP II to the Tanzanian population (as many people were not informed about its objectives) and raised the question of whether the government would work on a national information system among the tiers of administration on the implementation of FYDP II. The participants and experts had additional questions and recommendations on the business environment, which has deteriorated, and the agricultural sector, which makes a slow contribution to the GDP. These sectors will also be affected by the COVID-19 pandemic. In this regard, recommendations on the technology uptakes could be examined. Questions arose on the FDI as well as on flagship projects and on how to explain why some of them could not be completed. The question of how to integrate the informal economic sector in the approach was discussed. At the same time, the research team highlighted the

need to revise the set of indicators for a better fit with reality and with actual needs.

A main cross-cutting priority was identified in the question of youth employment, which was highlighted by Dr Donath Olomi from The Institute of Management and Entrepreneurship Development (IMED) with a question on how to bridge the gap between the number of graduates (which is an achievement/outcome) and needs in terms of opportunities for youth. Youth unemployment is not only dependent on financing but also on skills, opportunities, and mindsets. The digital economy may be a game-changer in this. Finally, the project examined how to plan, replicate, and scale up reforms, and see what was working and what was not for future developments (and indicators) and to inform future dialogues.

The afternoon session focused on the presentation of two interesting case studies: the fiscal reforms in the extractive industries and the implementation of the SDGs in the FYDP. The first case study on extractive industries put forward an example of how a multi-stakeholder dialogue could lead to efficient tax reforms and bring positive results to the surrounding communities while also considering security, external environmental impacts, and the economic potential link with other economic sectors. The second case study illustrated the difficulties in assessing the implementation of the SDGs, especially also because of the 2020 global context, and due to these difficulties, it was decided to integrate it as a key section and to highlight the recommendations on the stakeholders' engagements, conclusions, and recommendations to include them in the third FYDP.

## 2.2 The Importance of the First Study According to Experts

In light of the first study, several experts were contacted and asked to give their professional opinion on several topics that were part of the research. For the first study, three people with extensive experience in policy advocacy and their work with civil society in Tanzania were invited to answer questions. The questions the experts asked and the answers provided by the research team are listed below.

**Question:** How can the government improve the population's trust in its economic growth efforts?

**Answer:** First, for this to happen, people's lives will have to change in tangible ways, including whether poverty reduction is noticeable. People's consumption is also key in this – the ability to purchase goods consumed at home or to produce them, including food, household equipment, clothes, personal effects, and fuel. Others can participate in recreation and make family contributions to weddings, funerals, and health-care costs. To this end, the government needs to work harder at reducing income poverty for most people through the creation of more high-value jobs, particularly for youth and women. This means growth is driven by a vibrant private sector and an improved business climate.

Second, allocate sufficient resources for skills development for youth and put in place mechanisms to implement a comprehensive long-term strategy for financing technical and vocational skills development, working as close partners with the private and voluntary sectors which may fill the gap left by insufficient financing. Make provision of loans to youth willing to undertake technical and vocational skills development training a priority.

**Question:** What policies could better protect and strengthen the position of small-scale mining activities, and what role could gender equality play in this field?

**Answer:** First, foster the regulated, safe, sustainable development of the small-scale mining sector in Tanzania that operates within the rule of law and with respect for human rights. This can include conflict resolution that reduces tension between large-scale miners and small-scale miners, integrating ASM [artisanal small-scale miner] activities into the district administrative structure, promoting gender-sensitive community development in artisanal mining locales, provision of grants to small-scale miners for diversification projects, environmental, health, safety, and gender issues.

**Question:** What is the importance of the implementation of the SDGs in the FYDP, and how should this be communicated to the target audiences?

**Answer:** The FYDP mainstreams global and regional agreements (Africa Agenda 2063 and SDGs) which align well with the plan, given its focus on ending poverty, [and achieving] agriculture and food security, health, and education and gender equity, among others. In other words, implementing the FYDP equates to implementing the SDGs. Country and domestic

stakeholder ownership of the SDGs through their embedment in the FYDP is the best way to communicate them to target audiences.

**Question:** How can civic actors be engaged to better monitor the implementation and the outcomes of the policies linked to the FYDP?

**Answer:** Set up an effective coordination mechanism that is voluntary, which acts as a platform for civil society organizations (CSOs) in Tanzania to self-organize and follow up and review SDG implementation. This platform can be coordinated as a CSO umbrella.

**Question:** What should be done to better align the FYDP with gender equality? What can be done to create a fertile ground to further cultivate the resilience of women?

**Answer:** Although one of the goals of the FYDP was to enhance women's economic empowerment and gender equality to ensure that the country becomes an industrial economy by 2025, this, however, has not been fully achieved. A field study that was carried out in Mwanza during the data collection process involving more than 200 women in urban and rural areas shows that 60% of women do not know anything about the FYDPs, and that they have not been involved in an industrial economy, 30% have heard about it but do not know what it means, and only 10% have participated in an industrial economy mainly through small-scale industries. This provides evidence that key stakeholders, including the government, have not been able to align well gender issues with the vision and objectives of the current FYDP.

The successful integration of mainstreaming gender into the FYDP requires a series of combining and intersecting factors. The most important determinant of gender mainstreaming is political will, which will help create a consensus on the need to question the current gender relations in public and private spheres and create a culture of gender equality. Other strategies include a national forum for gender equality and sensitization; institutionalizing gender mainstreaming into government agencies, particularly from the grassroots and local levels; developing instruments and methods for gender mainstreaming; creating linkages between the government and CSOs; and strengthening women's NGOs and partnerships with the government.

This alignment should be informed by research, using sex-disaggregated data that establish a baseline and make the projections for the desired outcomes, as well as by analyses that include cost-benefit analyses, gender

impact assessments, and gender-responsive budgeting to provide the evidence base for decision-making. Related to this, there is a need to allocate corresponding technical, financial, and human resources to ensure medium- and long-term achievements of gender equality and its integration into sustainable development efforts.

Apart from that, in order to increase women's resilience and to reduce their vulnerability, women CSOs, local government authorities, and the Small-scale Industries Development Organization (SIDO) should continue to facilitate women with training in small-scale industries like tomato sauce spices, flour, detergents and soaps, etc. This also involves facilitating them with loans in small groups with close monitoring. Most important, in order for all this to be achieved, women's mindsets must also be changed. Most women, especially in the rural areas where most women are found, do not have the confidence that they have what it takes to participate in the industrial economy. Other strategies include facilitating and supporting women's leadership and equal participation in decision-making; improving women's access to land, credit, and information that supports productive and marketing activities; ensuring that women are included in the early warning and disaster response system; advancing women's access to education and other knowledge-generating systems; and committing more resources to research to better understand the links between climate change, gender inequality, and adverse impacts including resilience and vulnerability.

**Question:** What approaches could the government take to improve and maintain the population's trust in its efforts to grow the economy?

**Answer:** Continuing to improve the economic performance: negative assessment of the national economy by the public may fuel loss of trust in the government. This involves a high percentage of youth unemployment, a poor business environment that may discourage further investment, a high inflation rate, a high cost of living, and low per capita income.

Reducing corruption: corruption is one of the biggest threats to political institutions, which reduces the effectiveness of the public sector, degrades the quality of life of people, and hampers the flow of economic growth. Because of these circumstances, the public becomes alienated from the political process.

Respecting checks and balances: checks and balances in the government are crucial in maintaining the public's trust. They help abolish autocratic

decisions, keep all organs of the government accountable, and dispel the use of absolute power.

Continuing to improve on the provision of social services: the public usually extends positive expectations toward the government to produce beneficial outcomes for the society at large. People tend to distrust public institutions when they perform poorly by providing inefficient and ineffective delivery of service, bureaucracy, and embezzlement of public funds.

**Question:** What are the reasons for the agricultural sector growing slower than the GDP?

**Answer:** Two main reasons contribute to this phenomenon: rural-urban migration and fewer households engaged in agricultural activities. For example, the share of rural households fell from 74% to 66% between 2008 and 2014. This was accompanied by a similar decline in the percentage of households engaged in agricultural activities (from 82% to 73%) and even a decline in the percentage of rural households engaged in agriculture (from 97% to 91%). This transition in the rural economy suggests that non-farm opportunities are becoming increasingly available. This pivot away from farming is also reflected in individual-level occupational choices, with both men and women less likely (by 5% and 6%, respectively) to identify agriculture as their main occupation. Not surprisingly, household income portfolios are also increasingly leaning away from agriculture, with the average percentage of income derived from crop production falling from 36% to 29%. Sadly, a large part of this income is not reflected in the GDP because these activities are mostly found in the informal sector. Women and youths usually migrate from rural areas to urban areas to be involved in street and food vending, masonry, shopkeeping, etc. Other factors contributing to the slow growth of the agriculture sector include dependency on rainfall, low production levels, productivity, and quality; low level of mechanization; access to agriculture credits; and poor infrastructure.

**Question:** What should be prioritized regarding the tourism industry in light of the pandemic and travel restrictions? What should be done to keep the tourism industry alive?

**Answer:** Currently, the government is already doing a number of right things. Building on that base, it may be possible to open up special market sections that are still underserved:

- It is promoting local tourism with its 24/7 Tanzania Safari Channel, in which they are providing rich information about destinations in

Swahili (interviews with rangers and wardens, wildlife caretakers, as also episodes about cultural festivals, etc.); the material can actually be synchronized in foreign languages for international promotion purposes (in-country expertise in lip-sync film translation has grown over the past five years, albeit more from foreign languages to Swahili). This could be undertaken fairly easily for international destination marketing; the filmic quality has gone up considerably over the past few years.

- The Ministry of Natural Resources and Tourism intends to broaden the scope of visitors beyond the usual North Atlantic and Australian visitor groups (there is potential in India, Russia, China, Turkey, former East-bloc countries, and the Middle East, and also among the growing middle class on the African continent).
- If the pandemic continues to restrain intercontinental travel over a longer period of time, maybe it would be possible to offer exclusive virtual visits to the parks and other destinations on request? One could think of virtual walking safaris with experienced rangers and guides (taking along the usual whispering interpreter); this could be done in a range of foreign languages. There might be a high-end market option for real-time virtual safaris with a certain level of exclusivity and intimacy, including special requests such as wildlife giving birth, events that might otherwise be approachable only by very experienced rangers with whom the wildlife population is familiar.

**Question:** What needs to be done to bring a digital economy to, for instance, the agricultural sector, the private sector, and the tourism sector? What benefits would this bring about?

**Answer:** Internet connectivity, capacity, and speed are still to be resolved; maybe that will only happen when the worldwide mini-satellite internet comes into use. Besides that, the farmer listens to the radio, preferably local radio. A farming family working on the land will not consult their (likely not so smart) phone, but they tend to listen to (local) radio stations; they may use their ten-dollar phone for listening to the local FM station. Streaming information via the good old non-smartphone is an option, provided there is some electricity source to charge its battery. If not while at work in the field, the farmer listens back at home when resting. The deepest penetration is reached by pushing (market, technical, etc.) information via local radio. If you wish to get feedback or collect data, inviting free-of-charge text message



responses to carefully selected questions is a great option – we tend to forget to exploit that option. Those with internet access can respond online to the same information, as local radio can be streamed at the same time via social media. The average farmer lives in an exo-information silence, broken only by conversations around the local market or bar, or an occasional visit by government extension workers. When pouring information into that relative void, one has to be careful to avoid the risk of response overload. These are lessons from Femina Hip (a civil society multimedia platform in Tanzania): they had to hire extra staff to respond to the hundreds of feedback SMSes on the information they aired via local radio stations. Radio episodes, question and answer sessions, popular radio presenters, twenty minutes' airtime with the local extension worker, all work very well provided there is continuity, respect for answering incoming questions, and horizontal programming at a suitable fixed day and time of the week. As for the digital revolution, for the peasant farmer, phone-based electronic payments are already a revolution in their modest economy. It saves importantly on the cost of transport.

In agricultural zones, secondary (trunk road) and tertiary (feeder) market centres usually have some level of internet access. Still, capacity and reliability remain a challenge at virtually all upcountry locations. For the improvement of internet penetration for the upcountry masses, and thus its pertinence for growing the economy, the cost-benefit aspect is an issue. For the providers, the investment in the hardware for improved speed and bandwidth is not all that attractive because little monetary weight rolls through such market centres, which are largely coin economies. Another more expensive cell-phone competitor can serve the limited social class of successful traders and transporters, and the very limited number of salaried families, all with narrow higher-speed internet (one has to deal with virtual rush hours); the better-off can afford a more expensive, higher-quality bundle as there is usually a choice of different providers. This means that for the average upcountry user, the internet may remain of limited influence as most markets, even those along the trunk roads, are low currency flow centres. The role of the internet may best be compared to the phenomenon of hairpieces, wigs, and hairdressers.

At the moment, the emerging role of the internet for emerging market dynamics for emerging youth entrepreneurship can best be understood and approached from the Instagram perspective. Yet, M-pesa, a mobile phone-

based money transfer service, payments and micro-financing service, has surprised everybody in its rapid uptake and its reliability, so it is unpredictable whether or when the internet will also become more reliable and affordable enough to replace the local radio + SMS + cheap phone market access revolution that has taken place over the past decade.

**Question:** Trust in the government's efforts to grow the economy is important. How can the government cultivate this trust among the population?

**Answer:** Consistency in policy; honesty and respect in dialogue; honesty with facts and figures; courage to take responsibility, also for trials; clarity in actions; reliability in planning; transparency about budgets and cost; openness, also about poor results; focus more on the notion of a learning society; give youth space to experiment, longer grace periods, stop punishing start-ups honesty and also modesty in presenting results; allow more room for trial and error, and piloting; stop acting like the omniscient mom and dad; stop ignoring major problems with the whole notion of industrialization, it all needs to be managed, and that is where it goes astray; we miss the Confucian attitude and work ethos here. After more than fifty years of governing with a pretence of omniscience, the Tanzanian economy is still kept afloat on the country's extractives income – that tells a story that is largely ignored.

**Question:** How could the Ministry of Education better promote vocational training to bridge the gap between graduating youth and employment opportunities?

**Answer:** Give vocational learning a much higher status. Working for the Vocational Educational and Training Authority (VETA) should be perceived as a desirable career option. Introduce more flexibility, tailor learning to the pupil's needs. Integrate such learning more into the everyday practices of workplaces; make apprenticeships financially attractive for both entrepreneur and apprentice; experiment with a two-day school, four-day work rhythm, or one-four or three-three, as kids, skills, and trades all need different matches; incorporate more live projects into the curricular cycle; use abandoned premises for exemplary practice projects. Soft skills such as service focus awareness. Diversify training; some may need a more substantial basis in financial literacy, others in planning and execution monitoring; tailor work more at an advanced stage of education. Evaluate not on output but satisfaction, learn how to monitor soft accomplishment indicators.

## 2.3 The Results of the First Study on Macroeconomic Policies and Fiscal Reforms in Tanzania<sup>1</sup>

The study provided an in-depth and detailed analysis of Tanzania's macroeconomic developments and fiscal reforms mid-way through implementing the country's current FYDP. The study provided examples of achievements, best practices, and lessons relating to private sector development policies, the implementation of SDGs, and the implementation of the FYDP. The study adopted the following structure: (1) review of literature: this included a state-of-the-art review of the relevant background data and an in-depth review of the main relevant theories and concepts; (2) background documentation: the background documentation included information on the population, risks, disparities, current local policies and legal frameworks, stakeholders and stakeholder interests, challenges, and different scenarios to be analysed; (3) identification of good practices: this facilitated peer learning and knowledge exchange and constituted the most important part of the study; and (4) main conclusions and recommendations: this section summarized the key findings and presented key recommendations.

### 2.3.1 Introduction

The main goal of the first study was to present the findings of the interim review, which sought to perform an in-depth analysis of the macroeconomic and fiscal reforms in Tanzania amidst the implementation of FYDP II (2016-17–2020-21). The study explored the current situation in relation to the implementation of the right and adequate macroeconomic and fiscal policies and reforms. In doing so, the study highlighted three key areas that inform the macro-financial performance of the Tanzanian economy, focusing on achievements and vulnerabilities. The study also suggested ways to deal with these issues, particularly through policy dialogues. These broad areas are monetary banking sector performance, fiscal and budgetary framework, and external sector performance. Accordingly, the review team examined the

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<sup>1</sup> The full version of the Study on Macroeconomic Policies and Fiscal Reforms in Tanzania can be found here can be found at: <https://pilot4dialogue.com/publications/study1/>.

assumptions and drivers behind the macroeconomic and fiscal reforms made at the mid-term point in order to analyse the main achievements and gaps in the implementation framework.

The study built on a review of relevant documents and research. Evidence assessed during the review process included national surveys and reports, sector reports, annual reports from different stakeholders, studies and information issued by the World Bank, IMF databases, and different FYDP reports. Apart from that, for triangulation purposes, the review team made field visits to the regions of Mwanza, Shinyanga, Moshi, Dodoma, and Dar es Salaam to check on the reliability and consistency of the secondary data and reports.

## 2.3.2 Key Findings

### 2.3.2.1 Intermediate Outcomes: Macroeconomic Performance

The average GDP growth during the reform period was significantly positive despite a slow start in 2015 due to the cumulative impact of a decline in net foreign budgetary inflows and weak private sector cash flows associated with subdued global demand and higher caution among banks arising from global uncertainties and higher regulatory standards. This also led to a massive credit deterioration to the private sector from 24.8% to 1.7% in 2017. This later improved to 11% but deteriorated further to 3% in 2020. Consequently, the annual change in extended broad money supply (M3) also decreased from 18.8% in 2015 to 5% in 2020. Strong signs of economic recovery started showing in 2016 and gained momentum in 2017 and 2018, with an average GDP growth rate of 6.7%.

Nonetheless, by the end of 2020, the average growth rate of the GDP had declined by 1.5%. This decline was largely due to the outbreak of the COVID-19 pandemic that stormed the world as of the end of 2019. Despite that, the country's inflation rate has been the least volatile and one of the lowest in the East African Community (EAC). In December 2020, inflation reached 3.6%, up from 3.4% a year before but still below the 5% medium-term target.

Moreover, by 2020, the Current Account Deficit (CAD) narrowed to USD 1.2 billion, down from USD 4.5 billion in 2015, whereby the value of exports reached USD 5 billion. By December 2020, exports recorded an annual

growth of 15%, which is 13% higher than the average export growth in the 2010–15 period. Moreover, official gross reserves reached USD 6 billion in 2020, up from USD 4 billion in 2015; they were enough to cover 6.4 months of imports of goods and services, above the government threshold of four months and the Southern African Development Community (SADC) and EAC requirements of 4.5 and six months, respectively.

In addition to that, the Tanzanian shilling has been stable during the reform period. Following the reforms in 2015–20, the Tanzanian shilling depreciated by only 1.6% relative to an average depreciation of 4% during the previous regime.

#### 2.3.2.2 Intermediate Outcomes: Fiscal Performance

During the reform period, the study team observed a notable increase in capital expenditure and a decrease in recurrent expenditure. In 2015–20, capital expenditure amounted to an average of 6% of the GDP whereby the largest share of development spending was directed to big infrastructure projects and the transport and energy sectors. With respect to deficit, the country has improved its financial position since 2015, whereby, on average, the budget deficit has been reduced by 2.5% of the GDP relative to the pre-reform period.

#### 2.3.2.3 Final Outcomes

Tanzania has achieved some major macro-fiscal and monetary improvements. A very notable achievement is the Tanzanian economy being upgraded from low to lower-middle-income status in 2020 with a Gross National Income (GNI) of USD 1,080. Domestic revenue was 14.6% of the GDP in the reform period. Tax revenue was short of the target by about 2.4%; however, that is much better than in the pre-reform period, when targets were missed by more than 10%.

Sector-wise, the reforms in the mining sector have tremendously improved the contribution of that sector to GDP growth, exceeding expectations by 14%. The tourism sector started very well with an annual average revenue of USD 2.6 billion. Unfortunately, by 2020, the sector's growth rate had declined by 80%, mainly due to the COVID-19 pandemic. The

manufacturing sector has underperformed contrary to expectations. This has also affected the rate of FDI flows into the country, whereby the government has met only 10% of its target FDI by 2020. Thus, there is a need to set policies that will improve FDI, boost the manufacturing sector's GDP contribution, and launch reforms to help the tourism sector recover. These are crucial sectors for economic development in Tanzania

With the exception of the maternal mortality ratio, social indicators have also improved tremendously. Before reforms, power capacity was just a third of what it is now. The country was literally in darkness. More than 28% of the country was under the poverty line. Poverty was down to 2% by 2019. This makes a palpable difference in people's standards of living.

### 2.3.3 Lessons Learnt

There has been a decline in the relative share of agriculture in the GDP over time, while the contribution of the service sector to the GDP has been increasing. On the other hand, the share of the manufacturing sector to the GDP is very low. The main characteristic of a growing economy is a fall in the GDP share of agriculture and a rise in the GDP share of the manufacturing sector, followed by an increase in the share of the services sector. In addition to that, the industrial sector in Tanzania did not grow over time, and the transfer of labour occurred mainly from agriculture to lowly paid services rather than industries.

Fiscal performance has still some way to go. The gross fiscal deficit came down from 3.4% of GDP in 2015 to 1.4% of GDP in 2020. However, this needs to go to 0.5% of the GDP by 2025 if the government is to be able to sustain the economy. Moreover, tax revenue has recovered to almost 15% of the GDP from 13.9%, but this needs much greater growth. According to the Economic Survey of 2019, 35–55% of the revenue in Tanzania is not taxed. Thus, the government should focus on untaxed sources of revenue. To increase government revenue, improving the business environment is also crucial.

There has been a reduction in the incidence of poverty, but the magnitude of the decline is moderate due to an increase in income inequality. The impact of the reforms on the distribution of income is negative. The

magnitude of income inequality, as measured by the Gini coefficient, has increased over time.

A surge in public investment in Tanzania in the 2015–20 period has prompted interest regarding the optimal scope of public investment. Critics have shown concern over public investment and worry that Tanzania could be investing too much in public expenditure at the expense of private investment and social services. Results derived from a two-stage least square estimates show that, on average, one extra dollar of public investment raises private investment by roughly USD 3 and output by USD 1.5. These results imply a strong degree of complementarity between private and public capital because of the high economic return from development projects and the fact that Tanzania still faces an infrastructure deficit.

#### 2.3.4 Cross-Cutting Issues

First, the effective implementation and localization of SDGs in Tanzania is constrained by a limited sense of ownership of the SDGs within the political arena. Specifically, the main gaps include limited involvement of the local government authorities (LGAs) in the implementation framework of SDGs; low level of awareness about SDGs among the public; inadequate involvement of CSOs and NGOs in the SDG implementation framework; and the fact that the current SDG implementation plan only considers a short-term perspective.

Second, field evidence shows that out of the ten constraints on the ease of doing business (i.e. enabling environment, starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, and enforcing contract resolving insolvency) in Tanzania, the private sector is most constrained by paying taxes, trading across borders, and getting credit.

Third, field data shows that more than 50% of surveyed traders use online forums to effect transactions that are not regulated and not subject to tax payments. Traders shared with the review team that when the Tanzania Revenue Authority (TRA) closes their businesses due to high tax estimations, they continue with online customers, which does not involve any disturbance from the government, including registration of business. This signifies how

crucial it is for the government to start seriously considering and properly documenting the digital economy.

And fourth, a survey conducted in the five regions of Mwanza, Shinyanga, Moshi, Dodoma, and Dar es Salaam shows that the level of successful participation of youth in agribusiness is still low. Based on the survey, the main barriers to youth's participation in agribusiness include lack of access to market information, lack of skills, lack of access to capital, and lack of access to land.

### 2.3.5 Policy Recommendations

The Study on Macroeconomic Policies and Fiscal Reforms in Tanzania provides twelve policy recommendations:

1. The government could use Township and Village Enterprises (TVEs), which involve the use of small-scale processing industries managed at the local level, to add value to agricultural products. These could later become big industries. This model has been very successful in China, and more than 70% of TVEs in China became very successful industrial plants twenty years later.
2. A new approach to hub development, agglomeration, and clustering will be deemed essential, with the focus on building sustainable, specialized parks that apply a plug-and-play model in order to boost industrialization.
3. The government could consider temporarily waiving the payment of TALA/licence fee of USD 2,000 in the tourism sector since most tour operators did not do significant business in 2021 due to the COVID-19 pandemic. This was a request of 95% of tour operators surveyed in the Moshi region.
4. The government could consider designing or formulating a Unified Enterprise Law (UEL) and a Common Investment Law (CIL) to reduce bureaucracy and improve the business environment.
5. The government should consider designing a proper digital economy strategy, including establishing a ministry of communication and digital economy.
6. The government could enhance effectiveness in the implementation and localization of SDGs by ensuring that:



- a. LGAs collaborate with the National Bureau of Statistics (NBS) to develop baseline segregated local data and indicators for local monitoring and adopt the available toolkits for the localization of the SDGs.
  - b. An awareness-raising strategy is made and tailored for targeted groups. It would be more effective than a general public approach in terms of promoting public support for the SDGs.
  - c. All SDG documents and materials are translated into Swahili to enable more public outreach.
  - d. A long-term national framework is developed, specific to the 2030 Agenda and complementing the national sustainable development strategy under the FYDP.
7. There is a need to advocate and adopt the Sokoine University Graduate Entrepreneurship Cooperative (SUGECO) model of engaging youths in agribusiness by the local government authorities and other stakeholders. This model has proven to be very successful in engaging youths in agribusiness in Tanzania. Moreover, this model should also be used in designing the new National Strategy for Youth Involvement in Agriculture (NSYIA) for 2022–26. To improve the model, it is important to link irrigation infrastructure and systems to block farming to enable an improvement of the whole value chain of agribusiness.
  8. Consideration should be given to establishing an integrated management information system for monitoring and evaluating FYDP implementation and the reform process in general.

### 2.3.6 Conclusion

During 2015–20, rapid economic growth enabled Tanzania to enter the level of a lower middle-income country ahead of schedule; poverty has been reduced; the external sector is comfortable. Moreover, all this has been achieved with stability in the country. As a consequence of all these momentous changes, there is a new respect for Tanzania. Even more importantly, other African countries are eager to use the Tanzanian model for macroeconomic stability.

## 2.4 Policy Briefs

There were three policy briefs produced which correspond to the first study. The topics of the policy briefs are in line with the topic of the first study as described above. These topics are the reforms in the mining sector, the sustainable development goals, and the empowerment of youth in agribusiness.

### 2.4.1 Two Decades of Reforms in the Mining Sector in Tanzania: A Way Forward<sup>2</sup>

#### 2.4.1.1 Key Findings

While large mining companies are mainly aggrieved by tax reforms, the Artisanal and Small-scale Miners (ASM) are currently constrained by numerous taxes, high costs of formalization, inaccessibility of loans, ban in exportation of raw minerals, too high research costs, high license costs, and a lack of advanced technology for mining activities. Because of lack of education and traditionally influenced legal constraints to owning or inheriting land and mineral rights, most women in the mining sector end up operating unregistered, particularly in informal activities.

#### 2.4.1.2 Key Policy Recommendations

##### **Artisanal and Small-scale Mining (ASM) Sector**

- Increase the formalization of the ASM sector;
- Provide artisanal and small-scale miners with geological information to support more efficient mining;
- Create space for effective participation and engagement of different ASM stakeholders in policy-making that impacts them;
- Provide or support access to capital and equipment;
- Build processing units for mineral beneficiation; and

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<sup>2</sup> The full policy brief on Two Decades of Reforms in the Mining Sector in Tanzania: A Way Forward can be found at: [https://pilot4dialogue.com/publications/policy\\_brief\\_1/](https://pilot4dialogue.com/publications/policy_brief_1/).

- Develop local capacities in resource management.

### **Large Mining Companies**

Before embarking on further reforms, comprehensive and deep assessment or analysis must be carried out by a team of experts from different socio-economic fields to set long-term policy strategies to find a win-win solution for both sides.

### **Gender Mainstreaming**

- Encourage more formalization of women miners;
- Develop a partnership between the government and other stakeholders to offer technical training;
- Increase gender mainstreaming in local policies and incentives in the mining sector;
- Organize sensitization campaigns to encourage more women in natural resource governance; and
- Increase support to the ASM women with capacity building in emerging technologies, machines, and equipment that are suitable for women's physique.

## **2.4.2 Localizing Sustainable Development Goals (SDGs) in Tanzania: Redefining Responsibilities<sup>3</sup>**

### **2.4.2.1 Key Findings**

There is a shared understanding among stakeholders in Tanzania of the urgency of addressing the many socio-economic and environmental issues standing in the way of sustainable development. A crucial step in achieving this was adopting the United Nations' (UN's) Sustainable Development Goals (SDGs). To ensure the development of a sustainable and inclusive economy, the government has taken several steps to localize the SDGs and create awareness of these goals among key stakeholders. Despite that, a sense of ownership of the SDGs within the political arena is still limited.

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<sup>3</sup> The full policy brief on Localizing Sustainable Development Goals (SDGs) in Tanzania can be found at: [https://pilot4dialogue.com/publications/policy\\_brief\\_2/](https://pilot4dialogue.com/publications/policy_brief_2/).

Based on primary and secondary data, this policy brief concludes that government officials, CSOs, NGOs, and other key stakeholders are aware of the SDGs and have aligned their policies and frameworks (such as the FYDP) with the SDGs. However, at the community level, awareness of the SDGs is very low and mainly confined to the elite. Moreover, localization and attainment of the SDGs faced many challenges, including lack of localized action plans, weak collaborations between key partners, as well as limited human and financial resources. In addition to that, the study found that monitoring and evaluation of the SDGs at the local level are critical but limited by a lack of up-to-date data and limited skills in monitoring, evaluation, and reporting of the SDGs.

#### 2.4.2.2 Key Policy Recommendations

- Allocate responsibility for local SDG implementation activities to relevant LGA departments;
- Conduct research studies and build databases, tools, and methodologies on SDG localization with the support of the local governments and development partners;
- Enhance collaboration on SDG policy with the central government and members of Parliament (MPs) in order to secure political support for SDGs-related advocacy work and obtain domestic resources for SDG implementation and activities;
- Available SDG localization toolkits and resources should be adopted and tailored to local content;
- CSOs should promote communication, partnership, collaboration, and sharing of experiences between entities working in the same local areas to avoid duplication of efforts;
- Promote participation of the community, especially women, uneducated and other marginalized groups, in the development, planning, and implementation of SDG localization;
- Create a nationwide SDG awareness and advocacy programme through radio, TV, and social media;
- Incorporate the localization of the SDG agenda in FYDP III; and
- Translate all SDG documents and materials into Kiswahili to enable more public outreach.

## 2.4.3 Empowering Tanzanian Youths in Agribusiness: Lessons from the SUGECO Model<sup>4</sup>

### 2.4.3.1 Key Findings

For the past two decades, there has been a great deal of effort to engage youths in agribusiness in Tanzania. Despite these efforts, to date, the level of successful youth involvement in agribusiness is still low. A survey conducted by the review team in the five regions of Shinyanga, Mwanza, Moshi, Dodoma, and Dar es Salaam shows that youths are still constrained by lack of access to market information, capital, and land, as well as inadequate skills. More specifically, a significant challenge for those who engage is maintaining a marketable quality of agribusiness products.

Moreover, the main gaps in the current interventions to engage youths in agribusiness include: (1) a focus by stakeholders on technical training in agricultural production while overlooking other capacity-building aspects such as business skills, mindset change, and monitoring and evaluations of agribusiness; and (2) ineffective methods of identifying appropriate youths for agribusiness projects.

This policy brief uses a case study of SUGECO's project titled "Youth Special Incentive Schemes in Agribusiness in Tanzania (2014–19)" to advocate for an effective model of engaging youths in agribusiness. BEST-Dialogue, a project that provided grants and access to capacity development services for Tanzanian private sector membership organisations between 2004 and 2019, financed the project, and most of the information for this brief is based on the end-of-project evaluation report.

The popular model involves five phases: (1) changing mindsets; (2) technical capacity building, including an understanding of the entire value chain; (3) entrepreneurship and business planning; (4) internship and apprenticeship attachments; and (5) incubation. The model has led to 10,000 capacity building actions, around 5,000 successful agribusiness start-ups, and more than 15,000 new and decent jobs over a period of three years. This is equivalent to a total annual income of 60 billion Tanzanian shillings (approximately USD 30 million).

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<sup>4</sup> The full Policy Brief on Empowering Tanzanian Youths in Agribusiness can be found online at: [https://pilot4dialogue.com/publications/study1\\_overview/policy\\_brief\\_3/](https://pilot4dialogue.com/publications/study1_overview/policy_brief_3/).

### 2.4.3.2 Key Policy Recommendations

The key policy recommendations included advocating for the adoption of the SUGECO model by other stakeholders engaging youths in agribusiness, and to include the SUGECO model while drafting the new National Strategy for Youth Involvement in Agriculture (2022–26).

## 2.5 Online Dialogue Related to the First Study

Over the course of the First Study, three dialogue events were organized to discuss the three main topics of the study in a panel discussion. Due to COVID-19, all these events took place online.

### 2.5.1 Prospects of the Mining Sector in Tanzania (10 March 2021)<sup>5</sup>

A total of 175 registered participants took part in the discussion on the Prospects of the Mining Sector in Tanzania, which was moderated by Dr Blandina Kilama. The event started with a keynote address by Dr Abel Kinyondo, senior lecturer at Dar es Salaam University College of Education (DUCE). The panellists spoke after the keynote presentation and addressed several key issues regarding the mining sector in Tanzania. Following the panellists, the participants were given the opportunity to ask questions and further the discussion.

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<sup>5</sup> The full report on Prospects of the Mining Sector in Tanzania is available at: [https://pilot4dialogue.com/wp-content/uploads/2021/04/Report\\_Mining\\_Prospects\\_27\\_April\\_2021.pdf](https://pilot4dialogue.com/wp-content/uploads/2021/04/Report_Mining_Prospects_27_April_2021.pdf).



Figure 1:  
The poster  
created to  
advertise  
the panel  
on the  
Prospects  
of the  
Mining  
Sector in  
Tanzania

### 2.5.1.1 Keynote

The keynote presentation traced the history of mining activities in Tanzania all the way back to the pre-independence era and right through to the present changes in the mining sector. It also highlighted the country's mining prospects and how the mining sector is trying to be more inclusive. The keynote address concluded with some take-home thoughts on the gains that the Government of Tanzania has scored and the pending issues in the mining sector in the country that need to be addressed. In the end, the keynote speaker raised the following key issues and urged participants to discuss them during the course of the dialogue:

- Why aren't production sharing agreements (PSAs) happening in the mining sector?
- What can we do to make sure the mining sector is integrated into the rest of the economy?
- Now that Tanzania has put in place resource nationalistic laws and policies, can the State Mining Corporation (STAMICO) play a greater role?

- Are there ways of executing mineral beneficiation laws? Is there scope for mineral beneficiation in Tanzania, and does the country have a platform for this?
- Does the Government of Tanzania have plans to facilitate the graduation of artisanal and small-scale miners to medium-scale mining and, eventually, to large-scale mining operators?

#### 2.5.1.2 Panellists

Each of the four panellists was invited to contribute to the discussion in line with the keynote address. The first panellist, Lulu Olan'g, is an economist and researcher. Her talk touched on three issues: (1) the resilience of Tanzania's economy: effects of the COVID-19 pandemic on the economy and how the mining sector has contributed to the resilience of the rest of Tanzania's economy; (2) environmental concerns (pollution and greenhouse emissions) and how Tanzania is adapting to the changes that are taking place rapidly in the mining sector in the country, with a specific focus on climate change; and (3) attitudes of young miners: how the youth in Tanzania respond to the changes in the mining sector in the country (i.e. running into mining with the expectation of making quick money), thus making young adults non-effective participants in the sector.

The second panellist was Hilaire Diarra, a representative of a large mining company, Barrick Gold Tanzania. His talk was, therefore, from the perspective of the company, which was dubbed "Barrick...Bringing Mining Consolidation and Exploration Back to Africa". The discussion touched on not only revenue and employment, but also on the kind of investment needed for successful mining operations. Diarra first briefly traced the history of gold mining in Tanzania from colonial times when, in 1909, the first gold mine was established in Sekenke, in the Singida region, to the present (2021) and the establishment of the Kabanga Nickel Corporation, a joint venture between LZ Nickel Ltd (84%) and the Government of Tanzania (16%). He then proceeded to share with the audience Barrick's performance so far in Tanzania based on the framework agreement: (1) update on implementation (full-year gold production of 462,000 ounces from North Mara, Buzwagi, and Bulyanhulu, within the year 2020 guidance; North Mara water management); (2) investing in the future – purchase of heavy mining equipment and machinery;



(3) commitment to the national workforce – 96% of the total workforce is made up of Tanzanian employees; (4) in-country investment – USD 800 million paid in-country in the form of taxes, dividends, permits, infrastructure, salaries, and payments to local suppliers; and (5) corporate social responsibility (CSR): among other things, ensuring benefits get to the real community at the grass-roots level. Diarra concluded by stressing the importance of people and successful partnerships (between governments, NGOs, and regulators; mining companies and investors; and between employees and communities) in founding, developing, and running world-class mining operations.

The third panellist, Japhace Poncian, is a university academician and has reportedly “done fantastic work on relationships of various players in the mining sector” (how they interact and how they work together). He spoke about participatory mineral resource governance in Tanzania. The discussion centred on the fact that, despite the many economic gains from mineral extraction in the last thirty years, the mineral subsector has failed to transform the economy and inclusively benefit communities. This mismatch has raised several concerns, among which are limited fiscal benefits, lack of linkages with the rest of the economy, limited avenues for public and citizen participation in the mineral value chain and governance processes, and artisanal and small-scale mining issues. Hence, beginning 2006, the government has adopted resource nationalist reforms, including formulation of the mining policy (2009) and enactment of the mining law (2010), both of which made provisions for citizen and public participation in the mining value chain as well as enactment of resource nationalist legislation: (1) the Oil and Gas Revenue Management Act, 2015, and the Tanzania Extractive Industries (Transparency and Accountability) Act, 2015; (2) the Written Laws (Miscellaneous Amendments) Act, 2020; (3) the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, 2017; and (4) the Natural Wealth and Resources (Permanent Sovereignty) Act, 2017, which made provisions for local content, parliamentary oversight and participation in mineral development agreements, and public participation. Poncian concluded by posing some questions for the way forward:

- What does the government do to enable the mining industry to deliver in terms of local content and participation?

- What are we (as a government, a nation, and stakeholders) doing to develop the industry to enable it to deliver?
- Can the “resource nationalist” reforms deliver the expected “goodies” within the context of “securitised” mineral resource governance?
- How do we get to talk more as well as more openly about mining?

The fourth and last panellist was Shamsa Diwani, a small-scale female miner who shared her experience in the mining industry. She narrated the difficulties she encountered when she decided to engage in mineral extraction because of which she changed direction from actual mining to value addition (i.e. lapidary and jewellery making). She said the main challenges she encountered were lack of skills, expertise, and capital; she appealed to the government for support in these areas. Her significant achievement was the founding of an association called Mining Value Addition (MIVA) Tanzania, which aims, among other things, to support women and youth engaged in mineral value-addition activities. She has also been instrumental in establishing a shop for selling the ornamental jewellery that they produce.

#### 2.5.1.3 Participants

Apart from the keynote speaker, panellists, and Pilot 4 Research and Dialogue project partners, the online dialogue was subscribed to by individuals from a broad spectrum of experts and stakeholders in the mining sector, including research institutions; Ministries, Departments and Agencies (MDAs); academic institutions; NGOs; UN organizations, agencies, and programmes; private sector individuals; and CSOs. In total, 199 individuals registered online to participate in the dialogue.

#### 2.5.1.4 Key Messages

- Resource nationalism is a good thing for Tanzania. Still, for the country and its people to benefit from the country’s abundant mineral resources, there is a need to be more strategic and to engage in dialogue so as to: (1) exchange ideas and learn from each other; (2) develop more workable models and approaches; (3) address issues that need to be addressed, including capacity building (which has

been mentioned many times in different instances), beneficiation, improvement of regulatory frameworks to make them more predictable and more practical in attracting investors, while at the same time enabling Tanzania to reach her national goals; and (4) coordinate and monitor what is happening and to target the right audience. In the case of targeting the right audience, for example, it is very important to ensure that small-scale mining investors are Tanzanian nationals and not foreigners investing in that space by hiding behind Tanzanians;

- The mining sector has many opportunities beyond precious metals; therefore, Tanzania needs to look beyond precious metals and gemstones as one way of diversifying its economy. These are industrial-based minerals, rather than precious metals and gemstones, that can transform the national economy and increase the country's resilience;
- There have been positive developments in the mining sector, especially the increase in revenues and mining companies that are already working with the government (e.g. Twiga and Barrick Gold Tanzania) and which comply with Tanzania's new mining legislation and regulations;
- Youth participation in the mining sector: youth unemployment is crucial and still a huge challenge, so this is an area that needs a lot of dialogue, a lot of thinking and strategizing on how Tanzania's youth can take more advantage of the many opportunities in the sector and get gainful employment;
- Assisting artisanal and small-scale miners: how do we support artisanal and small-scale miners to graduate to higher levels? This goes together with the need to attract other interested parties (including local investors) to invest at different levels in the mining sector; and
- Integration of the mining sector: there is a need to deepen the integration of the mining sector into the rest of the economy so that it does not remain an enclave. Although there are positive reports that Tanzania is ahead in this aspect, much more can be done.

## 2.5.2 Progress in the Sustainable Development Goals (15 March 2021)<sup>6</sup>

A total of 212 people signed up for the discussion on the progress made in the Sustainable Development Goals in Tanzania. After the keynote address by Stephen Chacha, the panellists took the floor to share their experiences and discuss the topic in more depth. The audience was then invited to share their remarks with the speakers. The event was moderated by Dr Blandina Kilama.



Figure 2:  
The poster  
created to  
advertise  
the panel on  
Progress in the  
Sustainable  
Development  
Goals

### 2.5.2.1 Keynote

The keynote speaker, Stephen Chacha (co-founder of the Tanzania Data Lab and the Africa Philanthropic Foundation and co-convener of the Tanzania Sustainable Development Platform), shared a presentation that touched on four main issues of the Sustainable Development Goals (SDGs): (1)

<sup>6</sup> The full report on Progress in the Sustainable Development Goals is available here: [https://pilot4dialogue.com/wp-content/uploads/2021/05/Report\\_Progress\\_on\\_SDGs\\_27\\_May\\_2021.pdf](https://pilot4dialogue.com/wp-content/uploads/2021/05/Report_Progress_on_SDGs_27_May_2021.pdf).

background to the SDGs; (2) implementation of the SDGs globally, regionally, and locally; (3) successes and challenges; and (4) lessons learnt and recommendations. He took the participants through the historical processes and background of the Millennium Development Goals (MDGs) and the SDGs, drawing a parallel between the two development frameworks' goals, targets, and indicators.

*Table 2: Goals, targets, and indicators*

	Goals	Targets	Indicators
<b>MDGs</b>	8	21	60
<b>SDGs</b>	17	169	230

Explaining the relationship between the two frameworks, he said the MDGs (2000–15) were a precursor to the SDGs (2016–30), and that the main difference between them is the way in which they were formulated: while the MDGs were formulated through a top-down approach within the UN system, the SDGs were initiated by a group of twenty developing countries that were requested, through their ongoing local development agendas and strategies, to propose what they considered to be priorities for inclusion in the next global development framework (i.e. Agenda 2030).

He then went on to explain the link between the SDGs and global, regional, and national development frameworks, namely the Global Agenda 2030; the African Union (AU) Agenda 2063 – The Africa We Want; the East African Community (EAC) Vision 2050; and the Tanzania Development Vision 2025 (TDV 2025), as well as how SDGs were adopted and streamlined at each level.

Implementation of the Global Agenda 2030 at the continental, regional, and national levels has been cascaded into three levels. On the continental level, The AU's common position in Agenda 2063 – The Africa We Want has influenced the formation of SDGs by up to 70%, and the AU is implementing the SDGs through this agenda. Therefore, Agenda 2063 is the main vehicle for the African continent's development agenda. This also trickles down to Africa's regional economic communities (RECs), in this case to the East African Community (EAC) Vision 2050. On the regional level, the EAC Vision 2050 – The East African Community is one of Africa's regional economic communities that contribute to or complement Agenda 2063. Lastly, on the national level, Tanzania held local consultations in terms of its priorities along its Development Vision 2025 (TDV 2025), the Second Five-Year Development

Plan (FYDP II), and the Third Five-Year Development Plan (FYDP III), consolidated the priorities, and submitted them for inclusion in Agenda 2063. Tanzania's national development plans and strategies are the main implementation vehicles of the East African Agenda 2050 and the African Union Agenda 2063 in the country.

The planning framework for localization of these agenda within Tanzania is done through TDV 2025. Launched in 2000, TDV 2025 has been implemented through two main strategies (2005–15) and a long-term perspective plan (2011–12–2025–26):

- MKUKUTA I 2005–06–2010–11 [the First National Strategy for Growth and Reduction of Poverty (NSGRP I)];
- MKUKUTA II 2010–11–2014–15 [the Second National Strategy for Growth and Reduction of Poverty (NSGRP II)]; and
- The Long-Term Perspective Plan (LTPP) 2011–12–2025–26 has in turn been cascaded into three five-year development plans (FYDPs), each with a specific theme:
  - FYDP I (2011–12–2015–16): Unleashing Tanzania's growth potential;
  - FYDP II (2016–17–2020–21): Nurturing an industrial economy; and
  - FYDP III (2021–22–2025–26): Competitiveness-led export growth.

Implementation of the FYDPs was divided into annual development plans (ADPs). Implementation of the SDGs has scored some successes and has also faced a number of challenges.

- Global and regional successes include a high-level political forum (HLPF), the Africa Regional Forum on Sustainable Development (ARFSD), Voluntary National Review (VNR) reports, and Agenda 2030 and Agenda 2063 implementation reports by the ECA;
- National successes include:
  - National baseline reporting and data gap assessment conducted by the National Bureau of Statistics (NBS) in collaboration with DLab;
  - Tanzania Voluntary National Review (VNR) 2019;
  - Tanzania Civil Society Report on Sustainable Development Goals, a contribution to the National Voluntary Review 2019;
  - Agenda 2063 Report: Agenda 2063 – The Africa We Want;
  - Creation of the Tanzania Sustainable Development Platform;
  - Establishment of the Parliamentary Group on Sustainable Development;
  - Creation of the National SDG Coordination Framework in December 2020; and

- Progress on the implementation of the SDGs: according to the 2019 VNR report, Tanzania is doing reasonably well in addressing eight out of seventeen goals. These are goals 2, 3, 4, 5, 6, 8, 10, and 16;
- The main challenge at the national level is poor implementation of five of the seventeen SDGs: Tanzania has not done well in goals 1, 13, 14, 15, and 17; and
- Lessons learnt and recommendations:
  - Political commitment and leadership are crucial to achieving SDG targets;
  - Lack of data is still a big challenge, so there is a need to improve the availability of data and to find new sources of data;
  - Monitoring, evaluation, and learning are crucial, and they were also key limitations in the implementation of FYDP I and FYDP II;
  - Coordination of the three dimensions of sustainability (economic, social, and environment) still lags behind because too much emphasis is placed on the social and economic dimensions and very little on the environment;
  - Policy coherence: some policies do not match with the aspirations and ambitions of the SDGs, therefore, there is a need to review the policies to ensure they match the SDGs' aspirations and ambitions;
  - Multi-stakeholder engagements: the SDG coordination framework needs the engagement of all the various stakeholders to make it function;
  - Subnational implementation: in order to improve the implementation of the SDGs at the regional and district levels, all regions and districts have to develop and regularly update their strategic plans;
  - Financing: there is a need to devise non-traditional and innovative financing options, such as municipal bonds, impact investing, diaspora bonds, climate change funds, and other types of new sources of funding that are needed;
  - Conflicts and wars diminish the impact of SDG implementation in most African countries. This issue needs to be looked into in order to alleviate the negative impact on the implementation of the SDGs; and
  - Natural disasters and global pandemics, such as climate change, COVID-19, etc., impede SDG implementation: for example, the cost of responding to the COVID-19 pandemic is quite significant in the SDG implementation. Therefore, there is a need to establish mechanisms or strategies to enhance developing countries' preparedness in addressing the impact of natural disasters and global pandemics.

### 2.5.2.2 Panellists

The first panellist was Mwajuma Hamza, chief executive officer of the Tanzania Women Chamber of Commerce (TWCC). She discussed what the TWCC is and what it does, in line with the SDGs. She explained that the TWCC's work is advocacy for empowering Tanzanian women economically to access business opportunities. For that reason, TWCC works very closely with the government and private institutions to ensure that all laws and regulations provide a favourable environment for women-run businesses to grow. She said the TWCC makes sure that whatever it does supports the implementation of the SDGs and, although its work touches all the seventeen goals, it focuses on three specific objectives:

- **SDG 1 (No poverty):** TWCC believes it is very important to speak up about women in relation to poverty eradication; therefore, it aims to ensure that no woman in Tanzania is left behind since when it comes to eradicating poverty, one has to start with women;
- **SDG 5 (Gender equality):** TWCC empowers women and works to make sure women have access to equal opportunity in leadership positions; and
- **SDG 10 (Reduced inequalities):** TWCC is doing a lot of advocacy to make sure women have access to every aspect of social and economic life and the development of the country.

The second panellist, Reynald Maeda, was secretary-general of the United Nations Associations (UNA) in Tanzania and a co-convenor of the Tanzania Sustainable Development Platform (TSDP). His presentation centred on UNA's experience in influencing the SDG process in Tanzania. Reynald explained that UNA's basic role is to mobilize for action and that during a meeting between UNA, Tanzania Data Lab, and the Africa Philanthropic Foundation (DLAB) in 2015–16, it was realized that there had been no coordination of stakeholders during the implementation of the MDGs, because of which one could not tell what the stakeholders had contributed. Therefore, it was recommended that a non-state actor instrument be established to bring the stakeholders together, which is how the TSDP was set up. The platform's members are mostly civil CSOs – networks with more than 300 CSOs in the whole of the United Republic of Tanzania, including



community-based organizations (CBOs), NGOs, and international non-governmental organizations (INGOs).

Maeda stated that the TSDP had scored several successes since 2015, a notable one being the coordination of compiling a great and very inclusive CSO report during the VNR process. This report contains contributions from the civil society represented by more than 500 CSOs throughout the country. Another success was the launch of the Tanzania Parliamentary Group on Sustainable Development in November 2018 by Speaker of Parliament Hon. Job Ndugai, the establishment of which the TSDP had been trying to influence since 2016. The parliamentary group is composed of thirty-five parliamentarians who are SDG champions within Parliament. What is important for the TSDP is that the government and development practitioners align SDG targets (Agenda 2030), as well as those of AU Agenda 2063 and EAC Vision 2050, to their plans, programmes, and local plans, in order to facilitate monitoring.

UNA Tanzania is also working with the President's Office-Regional Administration and Local Government (PO-RALG), specifically in helping regional administrations and local government authorities (LGAs) to ensure that the original regional and district strategic plans reflect SDG targets and indicators so as to enable the TSDP to monitor implementation progress come 2030. The TSDP is in the process of developing a toolkit that will help in directing LGAs on how to align their respective strategy plans with the SDGs and other Africa regional commitments such as Agenda 2063.

UNA's largest target group is the youth, so it makes sure that young people get engaged in high-level national policy processes. At the moment, UNA has involved young people in the review of the 2007 National Youth Development Policy in collaboration with the Department of Youth in the Prime Minister's Office. UNA is part of the drafting committee. It made sure that different groups of young people got involved in the initial stage of drafting the policy and gave recommendations on what the guidelines should entail. So far, UNA has contributed to the review by developing guidelines for allocating 10% of LGA revenues to special vulnerable groups such as the youth, women, and people with disabilities. UNA is now waiting for PO-RALG to approve the guidelines.

UNA is also working with communities. Thus far, it has produced a pilot report titled "Citizens Report," which is the result of its surveys on how people perceive the progress of SDG implementation. The survey used

straightforward language that the people could understand and things they could identify within the community, for instance, access to social services. Examples of questions are: what is the quality of medical services? How do you access medical services at local health-care facilities? UNA then conducted feedback meetings with communities; so far, these have taken place in Dar es Salaam (Tandika in Temeke district) in the Kisarawe district.

Maeda concluded his discussion by defining the success of SDG implementation as he sees it: the willingness, no matter how slow the progress made at both ends, by different actors within Tanzanian society (the government, CSOs, young people, women, etc.) to embrace and align themselves with the SDGs.

Beng'i Issa, executive secretary of the National Economic Empowerment Council (NEEC), was the third panellist. She focused her discussion on four sustainable development goals (SDGs), as well as on what the Government of Tanzania is doing to ensure successful implementation and achievement of set targets:

- **SDG 9 (Industry, innovation, and infrastructure) and SDG 10 (Reduced inequalities):** these two SDGs relate to economic growth and inclusiveness, and Tanzania has made significant progress in implementing them, especially on economic infrastructure. For example, in rural electrification, access to water in rural areas, communication through mobile phones (about 95% of Tanzanians have access to mobile phone services), construction of roads and railway networks, etc., NEEC works in making sure Tanzanians are empowered to engage in all these infrastructure development projects by: (1) ensuring that construction materials (e.g. electricity poles and meters) are locally procured; and (2) local manufacturers have access to finance (more than ten million people are engaged in village community banks, i.e. VICOBA). NEEC also tracks the employment of Tanzanians in the various companies contracted to work in the said projects;
- **SDG 8 (Decent work and economic growth):** Tanzania is implementing a local content strategy/approach. Coordinators have been trained in local content issues and given very clear terms of reference on what they are supposed to do. These coordinators have been placed in every government ministry, department, institution, sector, and every region, where they must ensure Tanzanians benefit from all

government projects. Local government authorities monitor and ensure local content is embedded in all projects, for example, the Standard Gauge Railway (SGR), Mining Non-Homogeneous Poisson Process Modelling (MNHPP), mining, rural electrification, etc. Local content includes:

- Human resources (i.e. employment of nationals) and companies (involvement of local companies): so far, a total of 50,000 Tanzanians have been employed, and some 1,500 local companies have managed to access work as subcontractors in these projects;
  - Provision of goods and services: local suppliers supply building materials such as steel, gravel, sand, cement, etc., for the construction sector; and
  - Formalization of entrepreneurship: entrepreneurship does not only encourage self-employment, but also creates employment for others. Therefore, the government is trying its best to create a conducive environment for entrepreneurship development by, for example, providing working spaces for entrepreneurs; facilitating formalization of businesses (e.g. getting their products and goods certified by the TBS); providing entrepreneurs with national identity cards (to facilitate registration and tracking of entrepreneurs); and introducing special financial products for small businesses that possess special identity cards, thus helping them in accessing loans from banks and micro-finance institutions; and
- **SDG 5 (Gender equality):** the government of Tanzania has been working towards women's empowerment by raising awareness on the importance of both men and women in terms of local content and making people sensitive to gender equality in doing business. Now, between 68% and 70% of women access bank loans through empowerment funds, as opposed to only 36% prior to sensitization. In order to ensure everybody is included and inclusive growth is achieved in Tanzania, the NEEC has tools to track gender equality in all projects, i.e. the number of men and women employed in a project, women and men who have access to bank loans and empowerment funds, and women and men who are engaged in entrepreneurship/business.

The fourth panellist was Juma Badru Rajabu, who works for Restless Development, a youth organization that aims to address matters that affect young adults in Tanzania. He has earlier worked at UN Global Impact under the United Nations Development Programme (UNDP), where he was responsible for helping businesses to mainstream the SDGs and reporting on the progress of these businesses. Rajabu shared his experiences of working with the corporate world, i.e. with businesses, in terms of SDG implementation.

Rajabu observed that the corporate world is far ahead in the implementation of the SDGs because most corporate entities (companies, firms, etc.) were involved right from the beginning in formulating the development framework. Echoing what the keynote speaker had said earlier regarding the progress in implementation of the SDGs, Rajabu said the 2019 Tanzania Voluntary National Review (VNR) was a gradual process that involved various stakeholders, including CSOs, UNA, TSDP, and UN Global Impact. The VNR report was later submitted to high-level political forums: the world leaders at the UN General Assembly and the UN Economic and Social Council (ECOSOC). As mentioned in the keynote address, the report showed that Tanzania has done well in SDGs 2, 3, 4, 5, 6, 8, 10, and 16, but not so well in SDGs 1, 13, 14, 15, and 17. This is the main challenge in the progress of the implementation of the SDGs, more so because these are the goals on which there was no data and, as a result, Tanzania could not report on them. Therefore, Rajabu called upon stakeholders, including think-tanks, to provide data to track progress and report on these SDGs.

Rajabu also said the SDGs emphasize the importance of interlinkages and the integrated nature of sustainable development, acknowledging possible synergies and looking at trade-offs between sustainable development goals and targets. In terms of reporting from the business perspective, he informed the participants that there is a Tanzania sustainability portal where businesses and CSOs can post reports of their individual performance on SDGs. From another perspective, Rajabu mentioned that Stephen Chacha is championing a reporting portal for CSOs and the government, which will support SDG progress reporting and learning.

Finally, Rajabu shared a valuable lesson regarding the implementation of the SDGs by CSOs vis-à-vis the business arena: that CSOs are pro-active, are aware of the SDGs, and are creating synergies, but that they lack financial resources. On the other hand, businesses are not much in touch with

communities, but they have resources. Therefore, this is an area which, he thought, one needs to examine and see how to strike a balance between CSOs and business entities. He also pointed out that much has been said about the good work done by various actors in implementing the SDGs in Tanzania, but there is a lack of clarity on the role of non-state actors. He, therefore, advised that the role of non-state actors be made visible through reporting and by appreciating what they do.

### 2.5.2.3 Participants

In addition to the keynote speaker and panellists, participants of the online dialogue included interested individuals from a broad spectrum of experts and stakeholders in the sustainable development agenda globally, regionally, and nationally. These came from institutions of higher learning (11); research institutions (16); government ministries, departments, and agencies (MDAs – 11); local government authorities (2); NGOs, including CSOs, CBOs, youth foundations, associations, and development and social organizations (46); UN organizations, agencies, and programmes (6); the EU delegation (2); private sector entities and individuals (58); faith-based organizations (FBOs – 1); and the media (6). A total of 159 individuals signed up online to participate in the dialogue.

The online participants were very active in the chat room, asking questions and commenting on the keynote address and panel discussions. They also responded to each other's questions and comments and exchanged contacts for further communication and networking. Due to time constraints, the moderator of the dialogue, Dr Blandina Kilama, allowed only a limited number of questions to be put up during the dialogue while advising participants to get in touch with the panellists and with each other for responses to questions, comments, etc., and the way forward. The most interesting questions and responses are listed below.

**Question:** One participant raised concerns about: (1) the National Youth Development Policy in terms of engaging more young adults in policy review and other decision-making processes and organs, such as the National Youth Council; (2) youth empowerment – she wanted to know how one could ensure that multi-sector integration of issues related to youth is carried out – for instance, young adults' access to youth development funds at the local

government level being implemented by the PO-RALG; and (3) how CSOs, the government, and development partners can together leverage the implementation of SDG 17 so as to ensure intergenerational capacity development that would enable young adults to sustain their businesses and have access to financial assistance, mentorship and coaching, as well as to markets.

**Answer:** Responding, Reynald said the National Youth Policy has been in place since 2007, and UNA got in during the review process. He then pointed out that engaging young adults in meaningful policy decision-making and reviewing processes when they are not aware of the policy itself is a big challenge. To address this challenge, he said, UNA applies a youth-driven strategy by doing two things: (1) raising youth awareness; and (2) organizing youth-led national policy dialogues (as done in 2017, 2018, and 2019) towards the formulation of a new policy. To ensure they get quality recommendations, UNA works with youth networks, which are already working with young adults at the community level, and therefore know their priorities and concerns. For that matter, and as advised by the Ministry of Youth, UNA works with university students, young adults with disabilities through the Tanzania Federation of Disabled People's Organizations (SHIVYAWATA), young people in the diaspora through online consultations, young people employed in various sectors, etc., in order to understand young adults' priorities and concerns in communities and in the employment arena, and what should be recommended for the new policy. Regarding financial assistance to the youth, Reynald clarified that the youth development fund is not under the purview of the PO-RALG, but the Ministry of Youth at the Prime Minister's Office and that the 10% of the development fund comes in the form of a loan, and that is what is within the PO-RALG. UNA's concern about the formation of youth groups prompted it to conduct a study in seventeen districts in the country, after which it made recommendations to TAMISEMI (i.e. PO-RALG). A few of UNA's recommendations were taken on board, one of them being that of reducing the number of people in a group from ten to five and from five to two for people with disabilities (with the flexibility of having just one person) to access loans from the fund. Consequently, TAMISEMI made an amendment to the regulations for creating youth groups to qualify for loans. UNA has also designed templates to help the youth develop simple business plans that will be presented to local government authorities.

**Question:** A participant coming from a sports and dancing community said he is currently working to formalize break dancing as a sport, following its introduction and admission into Olympics competitions; he needed advice on the best approach to formalize the sports and dancing community.

**Answer:** Kilama advised him to link up with Mwajuma Hamza, CEO of TWCC, and requested her to guide this participant on how to formalize the said activity.

**Question:** A third participant had several questions: (1) Badru mentioned that Stephen had championed a portal: has it already been established or is it still in the process of being developed?; (2) are there any reports on SDG implementation or links on which reports are available?; and (3) in terms of building youth capacity, does the Government of Tanzania have any plans to establish vocational institutions to develop skills and build the capacity of youth to work in the manufacturing and industrial sectors in the country?

**Answer:** Kilama advised the participant to get in touch with the keynote speaker, Stephen Chacha, and Beng'i Issa and requested them to respond to her questions.

#### 2.5.2.4 Key Messages

The key points of the dialogue can be summarized as follows: (1) involvement of national high-level political forums, such as the Tanzania Parliamentary Committee on SDGs and all other Tanzanian SDG champions and forums involved in this dialogue, such as the Parliamentary Group on Sustainable Development, UNA, the Tanzania Data Lab and the Africa Philanthropic Foundation, and the TSDP; (2) the importance of dialogue with the civil society; (3) emphasis on the importance of the engagement of various stakeholders and multi-stakeholders, including the private sector, in the implementation of the SDGs; (4) the importance of giving equal weight and attention to the three dimensions of sustainable development, namely economic, social, and environmental; (5) important achievements through policies; and (6) the way forward.

Dr Pascaline Gaborit thanked the panellists for sharing how they have been grass-roots champions of SDGs and for introducing an additional goal ("Leaving No One Behind"), saying it is an important part of mainstreamed SDGs. Also, for pointing out the importance of youth inclusion in project

dialogue, the question of gender equality and climate, and their link to future policies and plans for industrialization. She noted the fact that data on SDG indicators is not sufficient and, therefore, supported the call for devising new sources of data as mentioned by Badru Rajabu, stressing the urgency of action to speed up SDG implementation, as there are now only nine years left of the UN Decade of Action. Gaborit concluded by recalling that the objective of Pilot 4 Research and Dialogue is to promote dialogue and more research as well as to disseminate research results on several topics.

Vidah Malle from the Ministry of Finance and Planning explained that the role of the ministry, as a recipient as well as a beneficiary of the grant for the Pilot 4 Research and Dialogue project, is to ensure that all contracted projects are aligned with national priorities as per Tanzania's FYDP II and are well integrated into sector strategies. Regarding the day's dialogue, Malle applauded the keynote speaker and panellists, as well as the participants, for a job well done and said she was "excited and very happy" about it. She said the project had come "to the right place and at the right time."

Malle informed the participants that Tanzania and the EU are in the process of preparing a EU-Tanzania Strategy for future cooperation for the period 2021–27 after the completion of the current framework of cooperation, namely the Cotonou Agreement among ACP-EU countries, the period of which had been extended to 30 November 2021. She said the formulation of the EU-Tanzania Strategy has considered the global development framework (i.e. the SDGs) and national development frameworks (i.e. Long-term Perspective Plans (LTPP), FYDPs II and III, and ZDV 50). Therefore, she was confident a policy brief (with recommendations) coming out of this dialogue would go a long way in assisting the ministry in identifying and preparing national plans and providing insights into the right course for the implementation of future projects and programmes such as the EU-Tanzania Strategy. Referring to the keynote address, she said it offered links between SDGs and national plans in both mainland Tanzania and Zanzibar. She expressed optimism that the overall objective of the Pilot 4 Research and Dialogue project would be achieved at almost 90%. She concluded with a reminder that FYDP III is well on its way, as it had already been tabled during the MoFP budget session in Parliament the previous week.



### 2.5.3 Opportunities for Youth in Tanzania (14 April 2021)<sup>7</sup>

In total, 384 individuals signed up for the online event on Opportunities for Youth in Tanzania. After the keynote, delivered by Dr Jacqueline Mkindi, the panellists took the floor to share their experiences and knowledge. Then the floor was opened to the audience to ask questions and pose comments. The moderator of the meeting was Dr Blandina Kilama.



Figure 3:  
The poster  
created to  
advertise the  
panel on  
Opportunities  
for Youth

#### 2.5.3.1 Keynote

The keynote speaker, Dr Jacqueline Mkindi, executive director of the Tanzania Horticulture Association (TAHA), spoke at length about the many existing opportunities for youth in the agriculture sector, stressing that the youth need to fully understand what is entailed in agriculture and the challenges involved in making the right moves for successful headway in the sector. Therefore, her keynote address centred on agriculture and space for youth in the sector, touching on the following seven issues:

- Context of agriculture: three sub-sectors, i.e. crops, livestock, and fisheries;

<sup>7</sup> s021/05/Report\_Opportunities\_for\_Youth\_24\_May\_2021.pdf.

- Youth space in the agriculture value chain: employment and entrepreneurship (social and business);
- Factors that trigger agriculture transformation in Tanzania and Sub-Saharan Africa: population and population growth;
- Existing opportunities for youth in agriculture: production and value addition;
- Challenges that still exist in the agriculture sector and which need to be addressed to create an enabling environment for youth participation: knowledge and skills gap; access to land and capital; access to markets; climate change; unpredictable legislation, policy and operational procedures;
- The way forward: a lot more needs to be done to attract, nurture, and sustain youth in agriculture; and
- Conclusion: key factors that need to be seriously considered to enhance youth engagement in agriculture.

### 2.5.3.2 Panellists

The panellists for this dialogue were Jumanne R. Mtambalike, CEO, Sahara Ventures; Anabahati Mlay, coordinator of the Female Future Programme, Association of Tanzania Employers (ATE); Joseph S. Nganga, director of the Tanzania Employment Services Agency (TaESA) in the Prime Minister's Office; and Arafat Lesheve, youth leader at the International Youth Foundation (IYF), Tanzania.

Each panellist was accorded seven minutes to contribute to the discussion in line with the keynote address. The first panellist, Jumanne Mtambalike, explained his company's work in start-up projects and incubation, highlighted the existence of new jobs, urban skills, an entrepreneurial ecosystem, and the need to have conducive legal and regulatory frameworks to better connect the private and public sectors to increase opportunities. He also highlighted the importance of facilitating knowledge for transformation and change of mindset. Mtambalike provided some statistics on the youth population and on access to technology while stressing that the digital economy is the future and that the youth need to be part of it, as it has enormous employment opportunities for youth not only in Tanzania but also

across Africa and the world. Therefore, he said, there is a need to build an innovation hub, a task that his company, Sahara Ventures, is trying to do.

The second panellist was Anabahati Mlay, who highlighted the importance of gender in the workplace and the challenges that women face in accessing employment opportunities. She spoke about what ATE does, specifically for women in formal employment, through the Future Female Programme, of which she is the coordinator. She said statistics show there is a global gender employment gap and that, during the COVID-19 pandemic, when people have been compelled to work from home, it has been realized there is also a gender divide in the digital working space. She said ATE works with other organizations to ensure that when it comes to agriculture, gender and skills gaps, as well as cultural issues, are addressed.

The director of TaESA, Joseph S. Nganga, was the third panellist in the discussion. He explained that TaESA is a unit under the Prime Minister's Office (PMO) responsible for labour and employment, whose basic task is to connect youth to employers and with the labour market. TaESA registers graduates from various institutions of higher learning and trains them in soft skills (through internships) to match employers' demands, then interviews them. TaESA also gives youth the opportunity to cultivate the right attitude to work and to be innovative.

The fourth and last panellist to share their views in the panel discussion was Arafat Lesheve, whose organization, the International Youth Foundation, Tanzania, works with youths. He explained that the organization's key area is to help young adults realise their potential in entrepreneurship skills, which they do in association with VETA, etc. He said youths should focus not only on available opportunities but also on the existing challenges facing them and how to turn these challenges into opportunities while aligning opportunities with the SDGs.

### 2.5.3.3 Participants

Participants in this dialogue included not only the keynote speaker and four panellists but also a large number of individuals from a broad spectrum of stakeholders interested in issues pertaining to the youth space in the country's development agenda.

Participants were encouraged to post questions through the chat room, which were then passed on to the moderator. The chat room was very busy (totalling fifteen pages) with a lot of discussion among the participants, including questions and answers, comments, advice, ideas, and opinions about youths and opportunities for them. Participation was high, primarily by women and young people from the agriculture sector; there was also good coverage of the education and employment sectors. Due to the large amount of content in the chat room and time constraints, only a few questions were taken up during the dialogue. The moderator, Blandina Kilama, accorded time for Dr Hassan Mshinda (TangaYetu, an initiative focuses on building a more youth-friendly city as the city of Tanga continues to develop) and Dr Anna Temu (SUGECO) to share what they do with regard to youth opportunities and, in so doing, respond to some burning issues raised by the participants.

Mshinda said digital and remote work through mobile smartphones and the internet is one very good opportunity for the youth, but Tanzania has not yet considered it. He, therefore, urged Tanzanian youths to seriously consider making their smartphones much more helpful, i.e. online training for digital and remote work and promote the idea as a job opportunity for the country's young population.

Temu drew people's attention to the fact that youths are, first and foremost, individual human beings, each one different from the other, with personal characteristics in terms of knowledge, skills, and attitudes, depending on each person's background (body constitution, ethnicity, upbringing, education). She, therefore, urged that youths should be understood in that light and managed accordingly, and that any interventions initiated for the youth must take into consideration these individual differences.

Kilama also urged the keynote speaker and panellists to get onto the chat room to respond to participants' questions, issues, concerns, comments, ideas, etc. Participants were encouraged as well to respond to each other.

#### 2.5.3.4 Key Messages

Dr Pascaline Gaborit said the online dialogue had been a fascinating and very interesting exchange, with lots of excellent ideas and a large number of

comments in the chat box that provided much food for thought. She thanked Kilama for doing an amazing job moderating the three dialogue sessions, Khadija Omari for logistical support, the project team, Dr Olomi from IMED and Professor Élise Feron from TAPRI, representing two of the four partners of the Pilot 4 Research and Dialogue project, for taking part in the sessions. She thanked the inspiring keynote speaker and the four panellists for presenting and sharing what their respective institutions were doing and briefly touched on the highlights of each panellist's discussion.

Gaborit also noted the participants' engagement in the dialogue, as witnessed in the very busy chat room. She acknowledged Mshinda's contribution regarding the importance of digital technology and the use of smartphones by young people to access information that they need to get ahead in life. Pascaline also acknowledged Anna Temu's assertion that youths are first and foremost human beings, and that one person is different from another depending on each person's body constitution and background.

### 3 SECOND STUDY: “FISCAL GOVERNANCE, BUDGET NEEDS AND PUBLIC EXPENDITURE IN TANZANIA”

The second study, conducted by the team of Professor Marcellina Mvula Chijoriga, Dr Neema Robert, and Dr Amina Abdul, focussed on the government’s budget as an important tool for the implementation of policy decisions to achieve social and economic objectives. The budget allocates resources among different needs and priorities in order to bring about economic stability and growth. It is a tool used to connect fiscal governance, budget needs, and expenditure management to achieve the Sustainable Development Goals (SDGs), including inclusivity and trust. Indeed, it is broadly agreed that inequalities undermine sustainable development, hence the inclusion of the fight against inequalities in the SDGs.

#### 3.1 The Panel of Experts on Fiscal Governance, Budget Needs and Public Expenditure in Tanzania with a Presentation of the Project's First Research Study and Related Findings

This panel of experts, with twenty-two participants, was dedicated to the second study of the Pilot 4 Research and Dialogue project. The second study focused on Tanzania’s fiscal governance, budget needs, and public expenditure, with an analysis on equality and trust. The discussions were based on the drafts of the study and the first of three policy briefs prepared by Professor Marcellina Mvula Chijoriga. The purpose of the panel of experts was to provide feedback to the study’s research team.

## 3.2 The Importance of the First Study According to Experts

In the context of the second study, the project's experts were asked to present their professional opinion on several topics that were part of the conducted study. For the second study, the experts on budgeting and public expenditure in Tanzania were invited to discuss the preliminary results of the research. The comments provided by the experts and the answers provided by the research team are listed below.

**Comment:** Tanzania is failing in the implementation of its budget. Also, regarding timely execution. Sometimes timeliness is not possible as it is the Minister of Finance who presents the budget in Parliament, but the minister also needs to get permission from the Parliament to collect the budget. Another focus of study could be on the Opportunities and Obstacles to Development (OOD) document. If this document could be updated and revised, it could prove useful. To implement the budget, we need money – we could think about expanding the tax base.

**Comment:** The youth does not know how to anticipate the budget. Most information is provided through offices around the country, and through announcements as to when the budget will be discussed. This information does not reach the youth. There is often no direct mention of the budget in those announcements, rather, they focus on the priorities of the allocations.

**Comment:** The key question for the Tanzania budget is whether it is realistic. Challenges faced regarding the shortage of resources leads to underperformance of the budget implementation. We need to see how this can be addressed. Support recommendations on youth involvement to the process.

**Answer:** There is a big difference between what has been approved and what was allocated, which is shown in our policy briefs (see Section 3.4). On the issue of youth and women and capacity building: there has been a long-term problem with youth in budget participation. There is a need for a sector-wide approach, an inclusiveness of the budget. The problem with many documents like the OOD document is not knowing where they converge. There is a need for a national plan and a national programme. The private sector should be invited at the preliminary stage of the budget discussions.

**Comment:** There is an ambition to have sustained platforms. Platforms around programmes work well at the interministerial level. The FYDP is one

of those programmes, but there are many more. The study's mission is to inform the community on issues around the budgetary process and the late stage at which the participatory process starts. In platforms, quarterly meetings could be instruments to examine the quality of the technical process in formulating the budget well before it goes to Parliament.

**Comment:** A source of the problem regarding the budget could be that we start by putting numbers together and then we balance the numbers, and we then go back and explain what the numbers could be doing. The budget is being shared every November, after which, in February or March, there is an indication given by the Minister of Finance and we do not know who comes in to discuss the expectations. When we propose dialogues, it is important to add this line of discussion. To start discussions in April or May is too late to be able to change anything.

**Answer:** When you have a programme approach, you are indeed more certain that the issues are more concrete in terms of the budget itself. You must be careful in the case of dialogue platforms. We had a thematic approach to dialogue platforms. Indeed, it is a problem that we only get involved when the budget has already been approved. The timing should be changed.

**Comment:** The importance of the efficiency of the budgeting process has increased a lot. The last OOD dates from fifteen years ago, so the challenges have changed. Involving the private sector is a keystone, but the involvement is only allowed at a very late stage of the budgetary discussion. A blueprint for business development would be good, though the government only uses that selectively. Another issue is the lack of feedback on how priorities are addressed. We need a continuous process on building capacity to analyse the budget.

**Comment:** On engagement of women: should it be limited to the budgeting process or should it include broader awareness-raising on policy-making? On youth: to what extent would you use digital media to engage the youth? How can we use digital transformation, also considering COVID-19? How could this improve communication on the budget discussions?

**Answer:** We discuss digital platforms to engage women and youth in the recommendations provided in the policy briefs (see Section 3.4). A good budget is only a reflection of a good plan. Youth and women should be engaged already in the planning stages. Social media is good to engage youth.



**Comment:** The budget is based on availability and not on needs. Worldwide, there is a shift towards basing budget on needs rather than on availability. Why is this not the case in Tanzania? Public expenditure might create more wealth and employment. How to get a budget with a deficit?

**Comment:** The issue maybe is how to check on the revenue. The budget is not in alignment with the projections, for instance in agriculture. On projected revenue, by how much percent do they correct the expected revenue? Is there openness?

**Answer:** You start with the needs, which is the plan which then needs to be translated to a priority. For the FYDP, there is a broad plan, and for every year, there is a more detailed plan. We need to look at the projected revenue topic. The investments will follow the money, not the other way round.

**Comment:** The answers we get from most of the ministers is that agriculture is not just agriculture. There are parts of agriculture divided over several ministries.

**Answer:** We are far away from the 10% in agricultural investments; we are at 2%.

### 3.3 The Results of the Second Study<sup>8</sup>

The government's budget is an essential tool for implementing policy decisions to achieve social and economic objectives. It allocates resources to different needs and priorities to bring about economic stability and growth. It is a tool used to connect fiscal governance, budget needs, and expenditure management to achieve the Sustainable Development Goals (SDGs), including inclusivity and trust. Indeed, it is broadly agreed that inequalities undermine sustainable development, which is why the fight against inequalities has been included in the SDGs.

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<sup>8</sup> The full version of the Study on Tanzania's Fiscal Governance, Budget Needs and Public Expenditure can be found here: <https://pilot4dialogue.com/publications/study2/>.

### 3.3.1 Introduction

Good governance should rely on accountability and transparency over the distribution of public resources. This study was aimed at providing an in-depth and detailed analysis of Tanzania's inclusiveness in the budgeting process and a critical review of the process. The study focused on assessing the government budget process' transparency and accountability with a specific analysis of inequalities and trust. The study used the budgetary framework process to show how different stakeholders are engaged in the budgeting process. Youth, women, the private sector, development partners, and members of Parliament were used to demonstrate their engagement and participation in the budgetary process. The study also assessed the budgetary alignment with the national long, medium, and annual plans. The findings brought interesting information and inputs for policy, decision makers, and other stakeholders from the desk reviews and the field data analysis.

The accountability mechanisms of the public sector can be reinforced through efficient monitoring and evaluation frameworks implying strong performance management measures in the civil service. This is in addition to economic and corporate governance frameworks enhancing trust among domestic and foreign investors, which implies a necessary delivery of goods and services from the public sector.

The study highlights the importance of trust in the central government's budgeting process. This trust depends on fiscal sustainability but also on the level of participation of the main stakeholders (political parties, Parliament, social and civil organizations, etc.). Currently, the role of stakeholders such as CSOs, CBOs, and NGOs, the media, and related others in holding the executive accountable remains insignificant.

On paper, the central government budget is highly participatory and guarantees that the national budget considers the concerns of the stakeholders. However, the lack of formal public-private dialogue (PPD) and advocacy platforms and mechanisms to influence such changes makes the participation process inefficient. Currently, the majority of the dialogue platforms lack good management systems, human and financial resources, as well as gender analytical capacity.

There is an alignment between the budget themes and priorities, particularly the realization of the objectives of FYDP II and TDV 2025.

However, the budget allocated for the respective sectors was insufficient to support the sector-based key interventions included in FYDP II. That is reflected in the underfunded agriculture sector compared to FYDP II's ambitions – this is further developed in a case study later in the study.

This study identifies key good practices for the budgeting process. Good budget management practices are accepted practices if they focus on policy-based budgeting; predictability and control in budget execution; credibility of the budget; comprehensiveness and transparency; decentralization; multiple years; and participation. Good practices and reforms in the budgetary process are expected to strengthen the government's fiscal governance, and thus enhance trust and accountability and ensure improved fiscal outcomes and economic development.

The study provides evidence-based policy recommendations to assist policymakers in making informed decisions for an effective and efficient budgeting process in Tanzania. The recommendations are meant to improve inclusivity and trust in the process by enhancing participation and accountability in the budgeting cycle. They also focus on enhancing budgetary execution, monitoring, and evaluation, and improving the alignment of the FYDP and the annual budget, while facilitating good practices in budget formulation, enactment, implementation, monitoring control, and evaluation. The recommendations also intend to improve the structures of dialogue platforms, networks, and associations for improved participation, inclusivity, and accountability, especially with regard to women and youth.

### 3.3.2 Key Findings

Here are the key summary findings from the stakeholders and from the review of the budgetary process:

Most women, youth, and other citizens are not aware of the government systems and budgeting process, and do not participate in the budget process. Women and youth agendas are not featured or mainstreamed in the national dialogue platforms' agenda. People in the rural areas follow the plans and budgeting process more than the elites and people in urban areas. Private sector organizations' participation through the Tanzania Private Sector Foundation have been successful in pushing some fiscal policy reforms.

Cultural issues inhibit the participation of women and youth and open discussions.

There is inadequate information regarding the budgeting process. Budgets and plans are not shared with the public and not easily retrievable (no internet or access to technologies). Media of communication limit the openness and accessibility of the budget. The needs of marginalized groups are not accommodated in the medium-term plans and budgets. There is a low level of trust in the structures and government organs which are responsible for budget approval and monitoring and evaluation (M&E) on behalf of the citizens, e.g. Parliament and the Controller and Auditor

General (CAG) office. The figures presented in the budget cannot be verified because it is difficult to access the data sources used.

Overall, the accountability system of the budgeting process – planning, approval, execution, and monitoring – is weak. There is little education on accountability mechanisms as well as low satisfaction with the laws, regulations, and guidelines designed to re-enforce accountability in the budget cycle. There is no clear women and youth dialogue and representation structure, hence it limits collaborations, coalitions, and cooperation to develop a common women and youth agenda and forge partnerships and strategic alliances among them. This results in a lack of accountability mechanism. The members of Parliament (MPs) are not accountable to the people; there are no feedback mechanisms from leaders of platforms and network organizations to their members on the budgeting process. There is no accountability system to enforce effective budget execution, monitoring, and evaluation. The establishment of a system like the Presidential Delivery Bureau (PDB) could facilitate in monitoring and evaluation.

Dialogue platforms and networks lack good management systems as well as financial and human resource capacity. They also lack analytical capacity to integrate and mainstream gender issues in the plans and budgets. There is a major capacity gap in the planning and budgeting process, especially alignment with long-term plans and the budget, and monitoring and evaluation. The lack of knowledge limits the citizens in following the budget execution, monitoring, and evaluation closely.

The approved annual budget is not comprehensive and does not align with the long- and medium-term plans' fiscal objectives, sector priorities, and budget execution. As a result, the budget is not well managed within clear,

credible, and predictable limits for fiscal policy and plans. This limits effective monitoring and evaluation and has an impact on the expected developmental results.

Existing structures for budget allocation mechanisms, such as local government youth empowerment funds, which provide group loans for youth, women, and people with disabilities, do not cater for the needs on the ground, especially supporting individual initiatives and ideas.

There is no alignment between the national priorities and the funds allocated to the various sectors. There is a major gap between the plans and fund allocations. Government budget allocations and expenditures remained above the overall FYDP II resource requirements. Government commitment to supporting gender equality, youth needs, and mainstreaming do not match the resources mobilized, allocated, and spent on these. The budget share of the agriculture sector declined from 5.28% in 2016–17 to 1.32% in 2020–21, which was lower than the Maputo and Malabo declaration target of 10%, with an actual average annual growth of 5.1% for the past five years. The 2018–19 to 2020–21 budget allocations to the agriculture sector and the Second Agricultural Sector Development Program (ASDP II) were not aligned. In addition, the resource requirement for supporting the implementation of ASDP II was underfunded.

The government uses the existing private sector organizations and other dialogue platforms in the initial budget formulation process, but it usually comes up with new ways of increasing the tax base without consulting the private sector dialogue platforms. There is no monitoring and evaluation framework. Currently, there is no consistency, nor a common monitoring and evaluation approach. Each ministry has its own system; for example, the Public Expenditure Review (PER), which was a tradition in the past, is not being carried out regularly.

While the Government of Tanzania follows key good budgeting practices, it shows low accountability to its citizens. Lessons from Kenya and Vietnam suggest that youth-led campaigns, youth workshops, and local government authorities (LGAs) that actively advertise calls for youth inputs, community-centred activities by the LGAs, and engaging youth in designing the solutions for addressing the participation challenge can be effective strategies in motivating and realizing youth engagement in public affairs, including the budgeting process.

Past work of the International Social Development Centre (ISODEC) in Ghana on the national budget has contributed to creating the space for public inputs into the budgeting process at the national level. It has also compelled the government to organize regional platforms to discuss the national budget with the citizens. Their work also provides the platform for tracking expenditure from the national level to the district and community levels and provides budget information services to promote equitable impact of the budget. Hence, peer-to-peer learning, collaborations, and exchange from Ghana and other international organizations can benefit the women, youth, and other dialogue platforms and networks in Tanzania.

### 3.3.3 Policy Recommendations

The study provided evidence-based policy recommendations to assist the policymakers to make informed decisions for an effective and efficient budgeting process in Tanzania. The recommendations are meant to improve inclusivity and trust in the process by enhancing participation and accountability in the budgeting cycle. They also focus on enhancing budgetary execution, monitoring, and evaluation, and emphasize improving the alignment of the FYDP with the annual budget. The recommendations also aim to improve the structures of dialogue platforms, networks, and associations for improved participation, inclusivity, and accountability, especially for special groups in society such as women and youth. Policy recommendations include:

Improved awareness, participation and inclusivity, accountability: The Government of Tanzania should develop campaigns to improve awareness, enhance understanding, and build capacity on mainstreaming gender budgeting at all levels. There is a need to motivate the central government and LGA staff to have gender-sensitive budgets and reward good performers. There is also a need to encourage the use of technology, to invest in digital platforms to increase participation, and to allow transparency in urban and rural areas and those outside the country; and to engage youth through compatible communication channels such as social media and blogs. Laws need to guide the accountability process and punishments, and these should be reviewed from time to time. More punitive measures should be taken to limit repeated cases of misdoing. There is a need to improve, increase, and

widen the participation of the private sector, NGOs, CBOs, and other stakeholders in the discussion and deliberation of the tax proposals to the task force on the Tax Reform Committee.

Enhanced budgetary execution, monitoring, and evaluation: the government should improve key performance indicators (KPIs) in the Medium-Term Expenditure Framework (MTEF) in terms of output, outcome, and impact in the budget monitoring and evaluation framework for different periods. The KPIs should link to the key priority sectors as well as the marginalized (women and youth) and special groups in the society. The government should improve the monitoring and evaluation process in budgeting. There is a need to enforce quarterly, semi-annual, and annual monitoring and evaluation. The government should strengthen the regulations and the conduct of the public accountability institutions and improve the monitoring and evaluation frameworks through performance management measures in the civil service. The government should develop a common monitoring and evaluation framework and reinstitute a monitoring and evaluation unit within the President's Office, like the former Presidential Delivery Bureau (PDB).

Alignment of the FYDPs and the annual budget and improving upon good budget practices in the budget: in order to obtain significant impact from the budget and ensure inclusivity, participation, accountability, and whether it meets the country's goals, there should be a mechanism to allow continuity and linkage of the annual budgets and with the FYDPs. Tanzania should comply and observe all criteria for good budgetary practices and improve public finance management (PFM).

Improved dialogue platforms, networks, and association structures for improved understanding, participation, and inclusivity: the government should support the establishment of national youth and women dialogue platforms and networks (National Youth and Women Councils) using cheap and creative resource bases such as the use of social media to involve more youths and women in the budgeting process. The government, in collaboration with other partners and PSO, CBO, and NGO apex dialogue platforms and networks, should improve and strengthen the institutional, organizational, and technical (financial, human resource) capacities of stakeholders in fiscal governance in budgeting. The Government of Tanzania should support, facilitate, and enhance the gender analysis and mainstreaming capacities of the PSO, NGO, and CBO dialogue platforms and

networks at all levels, and enable effective engagement in PPDs. It would be valuable to borrow from the experiences of BEST-Dialogue/BEST-Advocacy. There is a need to simplify the budget language, to use simple and popular language. National apex organizations such as the TPSF and TNBC, in collaboration with the government, need to support and build the capacities of women and youth coalitions and collaboration to improve coordination and create strategic alliances among women and youth. There is a need to have a holistic approach to PPDs. Apex dialogue PSOs should improve the PPD dialogue, coordination, collaboration, and communication structures among PSOs, NGOs, and CBOs for effective engagement with the public sector at all levels: PSOs with apex organizations, and PSOs with other stakeholders (development partners and the public). Dialogue structures should be inclusive, strategic, and non-partisan. Apex platforms such as the TNBC and TBC need to have focused agendas and commitment with regard to women and youth in their meetings. Usually, their agendas are too broad and, as a result, women and youth issues are easily lost.

### 3.3.4 Conclusion

A budget is an important tool for implementation of policy decisions to achieve socio-economic objectives. It is a tool for economic and financial management – it serves as a mechanism for allocating resources among different needs and priorities, as well as for bringing about economic stability and growth. Good practices and reforms in the budgetary process are expected to strengthen the government's good governance and, therefore, enhance trust and accountability to the electorate and ensure improved fiscal outcomes and economic development. Participatory planning improves governance of the budgetary process for all groups in a society, including marginalized groups like youth and women. This report presents key findings on Tanzania's fiscal governance, budget needs, and public expenditure with an analysis of inequalities and trust. The results are based on an in-depth and detailed analysis of Tanzania's inclusiveness in the budgeting process and a critical review of the process. Using different stakeholders' perceptions and perspectives, the results show that Tanzania's budgetary process and institutions do not comply with good governance practices in the budgetary process.



From the study's results, it can be concluded that governance is weak in the budgetary process in Tanzania. There is low understanding, participation, and inclusivity in the budgeting process by the majority of the stakeholders. Few participate in the budget preparations or at the approval stage, and none participate in the budget execution, monitoring, and evaluation. Often, the budget is made available to the public and to stakeholders when it has been prepared and approved, at which time the demands and needs of the public and the stakeholders have no value or impact. The results also showed that transparency and accountability mechanisms are limited. It is necessary that enough information be provided about the actions and decisions taken by those in positions of power to enable citizens to monitor these actions and decisions in the framework of the procedures and mandate that has been laid down. Accountability is also lacking due to the inability of the stakeholders to monitor and evaluate budget execution. There is a general distrust towards the budget process due to the lack of alignment between the planned, approved budget and the actual fund disbursements, and a discrepancy between the expenditure and the revenue collected. The budget has always faced a funding gap on domestic sources requiring external support. Participation and inclusion of the stakeholders in soliciting new funding sources and broadening the tax base are necessary to improve the revenue sources.

Overall, the results have shown that there is alignment between the budget themes and the priorities of the FYDP II objectives, and therefore those of the TDV 2025. However, the budgets allocated for the various sectors were not enough to cover the projected costs to support FYDP II's key interventions. It also showed that there was no alignment with the yearly budgets. Regarding gender issues, the government showed its commitment via several policies and strategies, but there is a mismatch with the resources raised, allocated, and spent. Findings showed more spending on government operations, which indicates a problem of accountability. Even though agriculture is a strategic sector, the budget share allocation to this sector declined from 5.28% in 2016–17 to 1.32% in 2020–21. The budgetary allocation to this sector has never reached the 2014 Maputo or the Malabo Declaration target of 10%.

To improve governance in the budgeting process and, therefore, participation, inclusivity, and accountability, there is a need to improve and strengthen stakeholders' dialogue platforms and networks at different levels

of society, especially the national, regional, and district levels, and to formalize the structures, especially those belonging to women and the youth. The government should strengthen its accountability system and, if necessary, reintroduce the Presidential Delivery Bureau (PDB) for focused, results-based, and effective monitoring and evaluation of plans, budgets, and execution.

## 3.4 Policy Briefs

Three policy briefs were produced corresponding to the first study. The topics of the policy briefs were in line with the study as described above. These topics are the reforms in the mining sector, the sustainable development goals, and the empowerment of youth in agribusiness.

### 3.4.1 Youth Engagement in the Budgeting Process: Our Voices or Void<sup>9</sup>

#### 3.4.1.1 Key Findings

Participation and inclusion of youth in public affairs, and specifically the budget process, is important in ensuring that their needs are understood and addressed, and in safeguarding public trust, peace, and stability. This policy brief analyses youth engagement in the budgeting process in Tanzania, focusing on their understanding of the budget process, engagement, representation, inclusivity, and trust. The findings are used as a basis for the policy recommendations.

There is minimal awareness, interest, participation, and inclusivity of youth in the budgeting process. Existing structured mechanisms such as local government youth empowerment funds, which provide group loans for youth, women, and people with disabilities, do not cater to ground needs, especially supporting individual initiatives and ideas. There is a low level of trust in the structures and government organs responsible for budget approval and monitoring and evaluation on behalf of the citizens, as, for

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<sup>9</sup> The full policy brief on Youth Engagement in the Budgeting Process: Our Voices or Void can be found at: <https://pilot4dialogue.com/publications/study2/policy-brief-1/>.

example, the Parliament and the CAG office. Satisfaction is low with the laws, regulations, and guidelines designed to re-enforce accountability in the budget cycle. Youth-friendly communication channels are not used to increase their participation in the budgeting process. Lessons from Kenya and Vietnam suggest that youth-led campaigns, series of youth workshops, LGAs actively advertising on calls for youth inputs, community-centred activities by the LGAs, and engaging youth in designing the solutions for addressing the participation challenge can be effective strategies in motivating and realizing young engagement in public affairs, including the budget process.

#### 3.4.1.2 Key Policy Recommendations

It is important to develop youth campaign programmes and engage them from the development and implementation stage to the exit stage for maximum effectiveness. There should be a series of workshops (in rural and urban areas) for opening dialogue intending to solicit youth opinion and provide them with the necessary tools and resources. There should be enhanced alignment of policy, plans, and budget with youth needs, specifically those falling within the priority sectors. Digital platforms need to be established under the respective ministries to collect views and innovative ideas from the youth for immediate attention. School curricula and pedagogy should be reviewed in order to engage learners in planning and budgeting processes from the lower education levels; education officers need to be motivated and trained for smooth transfer of the required knowledge. The LGAs should design and implement a community-centred approach in their activities. Government accountability systems around budget implementation, monitoring, and evaluation should be reviewed with a view to improving public trust.

### 3.4.2 Women Inclusion in the Budgeting Process: Comparison of Effectiveness of Women Networks and Dialogue Platforms<sup>10</sup>

#### 3.4.2.1 Key Findings

There is common understanding, participation, and inclusivity of women's dialogue platforms, networks, associations, and groups in the budgeting process. Women living in rural areas participate and are more aware of the budget process than those living in towns and urban areas. Platforms and networks connected with or established by the government are more effective than those operating without a connection to the government and national-level apex dialogue platforms. There is weak accountability of the budget process in terms of planning, approval, execution, and monitoring. Women's agendas are not featured or mainstreamed in the national dialogue platforms' agenda, and their voices are not heard. There is no clear women's dialogue structure for women's representation. This limits collaboration, coalitions, and cooperation to develop a common women's agenda and forge partnerships and strategic alliances. Dialogue platforms and networks as institutions lack good management systems and financial and human resource capacity. Representatives and staff of women's platforms and networks lack the capacity to analyse and integrate women's issues with other economic activities, limiting their ability to build a case on facts.

#### 3.4.2.2 Key Policy Recommendations

It is important to develop women-oriented campaigns to improve awareness, enhance understanding, and build capacity on mainstreaming gender budgeting at all levels; to motivate central government and LGA staff to have gender-sensitive budgets, and reward good performers; to enhance the institutional and organizational capacity of women's platforms, networks, and associations; and utilize the experiences and best practices of BEST-Dialogue. National apex organizations such as the Tanzania Private Sector Foundation (TPSF) and the Tanzania National Business Council (TNBC),

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<sup>10</sup> The full Policy Brief on Women Inclusion in the Budgeting Process can be found at: <https://pilot4dialogue.com/publications/study2/policy-brief-2/>.

in collaboration with the government, need to support and facilitate the capacity building of women's coalitions and collaboration to improve coordination and create strategic alliances among women. There is a need to have peer-to-peer learning among the dialogue platforms and networks and develop South-South collaborations with other international dialogue platforms and networks. The government should establish a centre which focuses on promoting equity, transparency, and accountability and engagement of women and youths in the budgeting process. There is a need to improve registration and compliance laws to allow the formalization of women's platforms, networks, and associations.

### 3.4.3 Is Tanzania's Agriculture Budget Aligned with the Country's Development Plans?<sup>11</sup>

#### 3.4.3.1 Key Findings

The agricultural sector in Tanzania is strategic for its economic growth and poverty reduction. The implementation of the country's development activities is financed through the government's budget and development partners. Comprehensiveness and alignment of the agriculture budget with the country's development plans and programmes is key for realizing the desired public demands and needs. This policy brief debates on the budget alignment with the development plans.

There is alignment between the agriculture priority interventions under the Five-Year Development Plan (FYDP), the budget, and the development programmes. Between 2016–17 and 2020–21, the budget allocation for the agricultural sector declined by 70%, from 5.28% to 1.32%, and it has remained significantly lower than the 10% agreed in the Maputo and Malabo Declarations. In the last three years, a resource gap was observed of 15–21% from the public sector to support the FYDP's agriculture-based intervention. Between 2018–19 and 2020–21, the ASDP II has remained underfunded. A resource gap was observed during the same period, from 74.7% to 76.7%.

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<sup>11</sup> The full policy brief on Tanzania's Agriculture Budget Aligned with the Country's Development Plans can be found at: <https://pilot4dialogue.com/publications/study2/policy-brief-3/>.

### 3.4.3.2 Key Policy Recommendations

There is a need to strengthen and support existing dialogue platforms focused on agricultural stakes and create awareness to enhance the participation and the inclusion of citizens in the preparation of the agricultural development plans and budgets; to adopt inclusive policies and approaches that will promote the use of the agricultural budget to leverage private capital without compromising inclusion or a pro-poor budget agenda; and to align annual agricultural sector budget allocations with FYDPs, the annual development plans, and sector plans and programmes. To attract youth to agriculture, there is a need to increase the agriculture budget allocations in line with the National Youth Strategy.

## 3.5 Online Dialogue Related to the Second Study

### 3.5.1 Participation of Women in the Budgeting Process, Tax Policies and Programmes (10 September 2021)<sup>12</sup>

A total of 171 participants joined the panel on the Participation of Women in the Budgeting Process, Tax Policies, and Programmes, which started with a keynote address by Dr Lucas Katera, after which the panellists discussed their experience and reflections on women's participation in the budgetary process. The audience was then given the floor to further discuss the topic and engage in a discussion with the presenters. The moderator of the meeting was Namwaka Omari.

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<sup>12</sup> The full report can be accessed here: [https://pilot4dialogue.com/wp-content/uploads/2021/11/women\\_participation\\_in\\_budgeting\\_process\\_and\\_tax\\_policies\\_and\\_programs.pdf](https://pilot4dialogue.com/wp-content/uploads/2021/11/women_participation_in_budgeting_process_and_tax_policies_and_programs.pdf).<sup>12</sup>



Figure 4:  
The poster  
created to  
advertise the  
panel on the  
Participation  
of Women in  
the Budgeting  
Process, Tax  
Policies and  
Programs

### 3.5.1.1 Keynote

Dr Lucas Katera presented the keynote address. He is an economist with experience in research and policy analysis, particularly on poverty, policy, governance, and service delivery. He was a co-team leader of the Local Government Reforms' Formative Research, which tracked the implementation of reforms to inform reform managers on lessons learnt during implementation. The project focused on service delivery, finance, and financial management and governance and accountability. He was also a member of a five-year research programme on "Tanzania as a Future Petro State," a collaborative research between Research on Poverty Alleviation (REPOA) and Chr. Michelsen Institute (CMI) of Norway, in which he served as the Governance component lead. He is currently a member of the research programme on Political Settlements and Revenue Bargains in Africa, funded by the Danish International Development Agency (DANIDA) consultative committee. He is also the director of Collaboration and Capacity Building at REPOA. Katera presented aspects of gender issues in relation to budget processes and resource allocations and reflected on Tanzania's trajectory.

Katera started by defining gender budgeting as mainstreaming gender into national budgets during planning, allocations, disbursements, implementation, and output levels. This needs inclusive participation at the various levels and should not be considered as merely creating a separate “gender budget.” Gender budgeting should be looked at as an approach or strategy for achieving equality between men and women while allocating public resources where fiscal policies and administrative procedures work together to address any inequality.

When women are not adequately included in the budgetary process, it directly impacts on their role in society and their critical role in human development. Women contribute significantly to the human development index from both a household level as users and managers of social services and through the income generation activities in which they engage. A gender-sensitive budget is important to reduce the burden on women by ensuring adequate allocations

- In social services:
  - The education sector, for example, needs adequate allocations to build sufficient numbers of schools to reduce distance travelled; provision of food at schools reduces the need for women to start their day before 4 am;
  - Improving health services reduces the time women have to spend at hospitals and taking care of those who are ill; and
  - In the water sector, the provision of adequate water supply to households at shorter distances reduces the time spent and safety risks women face to access clean and reliable water.
- Productive sectors that will empower women to have information and capacity in the agricultural sector and access to loans for small business enterprises so that they are not limited to smaller capital businesses with low economic returns.

The consequence of not having a gender-sensitive budget affects human development as a whole as a result of women’s increased safety risk and exposure to gender violence, poor performance of female students and females in employment due to fatigue, and the inability to participate in income generation activities compelling women to engage in productive sectors that have lower returns and no savings.

The national Gender Budget Initiative (GBI) that began in 2001 mainstreams gender in budgets at ministerial and various government



institutions. Other national frameworks like the MKUKUTA and FYDP have insisted on disaggregated data on gender that has contributed to policies that have increased gender inclusion in the national budget and the prioritization of women. Katera gave examples of how the prioritization of women has increased opportunities for scholarships for females and enrolment of female students in education.

Gender equality in enrolment in various education levels between 2012 and 2016 indicates comparable enrolment of females and males at the lower education levels, but lower enrolment of females as compared to males at the higher education levels. This is due to the legacy inherited from the previous education policies, which also translates into inequality in employment, opportunities, and achievements at the higher managerial levels. The Integrated Labour Force study (undated) indicates that an average of 17% of labour as legislators, administrators, corporate managers, and company directors are female. This is evidenced in the income earnings that indicate that the average Tanzanian wage for women is lower than that for men, and this is amplified in the higher income brackets. The national budget needs to be gender sensitive as it empowers women in society and addresses the inequality gaps. The benefits of a gender-sensitive budget impact the whole country because women play an essential role in human development. As a follow on from the keynote presentation on Tanzania's trajectory, the moderator asked the panellists whether Tanzania was moving in the right direction toward gender-sensitive budgeting. This was further deliberated through the next session of panellists, which involved representatives from civil society and the private and public sectors.

#### 3.5.1.2 Panellists

After the keynote address, four panellists presented their experience and reflections on women's participation in the budgetary process as well as the impact of tax regimes in hindering or facilitating gender inclusivity in development.

Semkae Kilonzo (Policy Forum) talked about the systematic and coordinated effort towards mainstreaming gender in the budgetary process. The country has twenty years of experience in developing tools and policies that provide for gender inclusion in budgeting. Kilonzo shared his opinion

that although there are some successes in civil society on gender-sensitive budgeting, there are still a number of tools and forums that are under-utilized, especially within civil society. As such, there is still a lot more that can be done. Although the nation has powerful vehicles to ensure that the budgetary process is gender sensitive, these vehicles do not seem to have meaningful influence in producing widespread and significant outcomes. Kilonzo gave the example of the women Parliament members who currently comprise one-third of the Parliament but do not effectively advocate for gender reforms or provide a multi-party voice for gender inclusion.

The analysis on allocations to education, health, and agriculture in national budgets in terms of numbers and use is not effectively communicated, nor is it publicly shared. Kilonzo informed the participants that often, budget allocation is understood as “money given to women,” rather than mainstreaming gender in public sector spending. Kilonzo strongly advocated that gender-sensitive budgeting should be seen as a strategic imperative for national development and should not be simply equated with addressing inequality. If 50% of the country’s population are women, then the nation’s development and poverty alleviation cannot be holistically addressed without gender inclusivity in the whole process from budgeting to implementing to monitoring. There are several known and unknown stakeholders involved in the monitoring and tracking of results from gender-sensitive budgeting. However, there needs to be systematic coordination to collect information and perform analyses to evaluate the progress and effectiveness of gender inclusivity.

Dr Neema Kiure (Ernst & Young) addressed gender inclusivity in the budgetary process which hinges on a coordinated national action plan. Kiure began her talk by reflecting on Tanzania’s status in achieving the SDG Goal 5 of Gender Equality by 2030. She asked how the GBI from 2001 and FYDP II has propelled the country to achieve the SDG targets that are set for 2030. According to data from the World Economic Forum Global Gender Gap Reports, in 2015, Tanzania was ranked 49 out of 145 countries, but in 2018, Tanzania was 71 out of 148, and in 2021, 82 out of 148, in the global ranking of gender participation in all four categories assessed. This indicates that the implemented efforts and actions are on a negative trajectory to achieve the SDGs in terms of economic participation and opportunity, educational attainment, health and survival, and political empowerment.

Kiure referred to the IMF Working Paper of 2016, which indicated that gender equality in budgeting efforts in Tanzania were spearheaded by non-governmental institutions like Tanzania Social Action Fund (TASAF), the UN Capital Development Fund (UNCDF), and the UNDP. She then repeated the question posed by Kilonzo: who are the stakeholders to be involved in ensuring a gender-inclusive budgetary process to move Tanzania's trajectory forward and how can coordinated efforts be obtained?

The gender-responsive guidelines produced by the SADC in 2014 highlighted key stakeholders who should be spearheading gender inclusivity in the budgetary process. The guidelines highlighted the stakeholders as ministries responsible for finance, local government, and gender, sectoral ministries, parliamentarians, and civil society. The guidelines further highlighted the need for countries to implement a coordinated national action plan on gender inclusivity within their macroeconomic and microeconomic frameworks.

The 2021 World Economic Forum (WEF) Gender Gap Report indicates it will take more than 100 years to achieve gender equality. This implies a whole generation will not realize gender equality. We, therefore, need to reflect and ask ourselves what we want for the country's human development? Kiure gave an example of how Ernst & Young has maintained a positive trajectory in gender inclusivity through the development of an action plan with targets and KPIs. Good examples from the private sector are evidenced by setting the respective KPIs on gender inclusivity and monitoring the achievements. However, public institutions do not have clear and consistent tracking of their achievements in terms of gender-sensitive budgets. Without setting clear targets related to gender inclusivity in the budgetary process and KPIs that can be easily monitored, Kiure believes that nothing will happen.

Gender-sensitive budgeting is not about allocating equal amounts in terms of figures to women and men, but ensuring that the amount allocated to women is adequate to empower them to participate in various economic activities and development platforms that place value on the non-budgetary activities that women undertake. The COVID-19 pandemic has increased the burden on women's unpaid work while squeezing most women out of the labour market. Therefore, gender-sensitive budgeting needs to acknowledge the contribution of women's unpaid work, which is currently not accounted for in the contribution to the GDP.

Gibson Bayona (Ministry of Water and Irrigation) said putting women in leadership positions will aid gender-sensitive public sector resource allocations. The District Full Council, where the budgets are deliberated for the whole district, are typically dominated by men at the local government levels. Although women are given special seats at the ward level, they are rarely elected to a seat in the Full Council, and therefore do not have an opportunity to provide inputs on gender-inclusive budgetary priorities. This impacts women when it comes to budgetary discussions related to water, agriculture, commodity prices, and education.

Historically, the resource allocations within the Ministry of Water and Irrigation in relation to infrastructure development were prioritized and determined by a male majority, even though availability and accessibility of water directly impact women's economic development and general welfare. Bayona appreciated the current administration's proactive placement of women in higher levels of decision-making within the public sector to ensure representative gender participation in the ministry's resource allocation process (examples within the Ministry of Water and Irrigation include the deputy minister, permanent secretary, and the head of the regional water supply authorities).

However, Bayona echoed the position of the previous panellists that more can be done to ensure women's participation in the government's budgetary process. Taking the water sector as an example, Bayona emphasized the need to groom women in technical and leadership skills to take on high decision-making leadership roles. Without building their capacity and increasing the number of women in leadership positions in the public sector, it will remain a challenge to ensure that women are included in the budgetary process.

Khadijah Kishimba (Bank of Tanzania) spoke on how the representation of women in the planning phases is critical to understand and include women's priorities in the budgeting process. Kishimba took the participants one step prior to budgeting and reflected on how the strategic planning processes could be conducted to ensure gender inclusivity. Kishimba noted that women are not adequately involved in the strategic planning where gaps and key priority areas are identified and agreed upon.

Women are not given room for representation or to build their capacity to learn to develop a budgetary process and participate in implementation. An example was of the women in the informal sector who are neither aware

of the budgetary process, nor empowered in the development of the budgets, nor given opportunities to contribute to decisions that impact their priorities.

The current national budget is presented in broad sectoral categories such as agriculture, water, agriculture, etc., but it is not clear on the direct initiatives that are being implemented to address women's priorities. The contribution of women in the productive sector is not known because the majority are in the informal sector (according to the Alliance for Financial Inclusion Report), with little access to finance. Therefore, the question is: how are women involved in the budget planning process and is it disaggregated enough to capture the informal sector? Kishimba identified an opportunity for women to be more involved in the existing formal channels at the local government levels to actively participate in the planning stages so that their priorities and needs are included.

### 3.5.1.3 Participants

Participants were then invited to pose questions to the panellists and the keynote speaker.

**Question:** Who are the key stakeholders involved in monitoring and influencing gender mainstreaming in the budgetary process?

**Answer:** There is a need to know who the stakeholders are that have the power to ensure gender mainstreaming throughout the budgetary process as well as how and when.

**Question:** Do women understand the budgetary process and the importance of their involvement?

**Answer:** Women are not aware of the concept of a gender-sensitive budget, or how they can participate in the process. Women in towns and cities are often not aware that it is their constitutional right to participate in budgetary discussions at their council levels as compared to women in the rural areas. This posed a further question of how knowledge can be shared to empower women and get them involved in budgetary processes.

**Question:** What are some of the activities and actions that can be undertaken to increase awareness and sensitization and create a critical mass?

**Answer:** Make policies relevant and understandable to the common person so that they can grasp the practical implications for their work and daily livelihoods. The government needs to review the tax regime to reduce the burden on vulnerable groups; for example, give tax exemptions to household goods rather than to multinational corporations. Do women understand the implications of taxes on the daily goods they purchase? Increase sensitization of men to gender equality and their role in making it happen; for example, increase male knowledge and understanding of maternal health and how that would benefit both men and woman.

**Question:** Are women's priorities adequately represented in decision-making?

**Answer:** Women in leadership positions are not adequately advocating for issues that affect women, and thus resource allocations are not sufficient to address inequalities.

**Question:** Who are the actors responsible for ensuring gender inclusion in the budgetary process?

**Answer:** The responsibility is shared amongst public, private, and civil sector organizations depending on their area of influence. What is more important is a coordinated effort and monitoring the progress. Development partners have an important role in ensuring that programme budgets have gender inclusivity, and the Monitoring, Evaluation and Learning (MEAL) for these projects and programmes need to examine the active participation of women in them.

#### 3.5.1.4 Key Messages

With the multiple roles women play in Tanzanian society, adequate allocation of public resources in education, health, and water is important. Gender-sensitive budgeting in these three sectors affects the society at the household level and the earning capacity of women at a personal level, and thereby their contribution to human development. This is evidenced by the inherited legacy in the education sector. Historically, low female enrolment in primary and even lower education levels has resulted in lower participation of women in higher managerial levels in the public and private sectors and lower average income levels than males.

In response to the question of whether Tanzania is moving in the right direction toward gender-sensitive budgeting, the discussions highlighted areas where more can be done. The main areas for further actions include:

- Maximizing the opportunities through existing vehicles in the government's structures at the Parliament and LGA levels to ensure women's participation in budgeting processes;
- Coordinating the efforts of the respective stakeholders through a national action plan geared towards gender inclusivity in the budgetary process and tax regimes with set targets and KPIs that are easily monitored;
- Active participation of women in the budgetary process from the planning phases at the local level to the District Full Council level and to the national and ministerial levels to ensure that priorities for women are adequately included in resource allocations;
- Building the capacity of women to hold leadership positions where decisions on public resource allocations are made at the local government to ministerial levels; and
- Raising awareness among women so that they can understand and participate in the overall women's empowerment movement not only in the financial aspect, but also the social and the environmental. This should be coupled with sensitizing men to become allies to ensure gender-sensitive budgets.

Gender-sensitive budgeting is more than addressing inequality. It is a strategic imperative for Tanzania that should be used as a catalyst for economic development. Gender-sensitive budgeting is about ensuring that gender issues are mainstreamed throughout the process from planning, implementation, and monitoring expenditure tracking. Women at informal, formal, and leadership levels need to be empowered to participate in the process. Both messages and actions from the nation's leaders must deliberately address gender inclusivity with targets and indicators tracked to measure progress.

### 3.5.2 The Engagement of Youth in Future Budgeting Plans and Programs (30 September 2021)<sup>13</sup>

A total of 204 participants took part in the panel on The Engagement of Youth in Future Budgeting Plans and Programs. After the keynote, delivered by Mariam Semfuke, the panellists discussed the importance of factoring in the youth's interests and passions in budgetary processes. The floor was then opened to the audience to ask questions and talk about their experiences. The event was moderated by Namwaka Omari.



Figure 5:  
The poster  
created to  
advertise the  
panel on the  
Participation  
of Youth in  
Future  
Budgeting  
Plans and  
Programs

### 3.5.2.1 Keynote

Mariam Semfuke is a development economist, social protections specialist, gender expert, and youth, who has been working with the International Labour Organization (ILO) for twelve years. She started off her presentation by highlighting that Africa is the youngest continent with the most significant

<sup>13</sup> The full report can be accessed here: <https://pilot4dialogue.com/wp-content/uploads/2021/11/youth-participation-in-budgeting-plans-and-programs.pdf>.



proportion of youth population in the world. In Tanzania, youth are engaged in numerous forums but not in the government planning and budgetary process. The government budget allocated at the LGA level to youth and women was referred to as an example of the impact of not engaging youth from the planning stages. Although these funds are available, the majority of youth do not have easy access to them. One reason for this is that the youth were not involved during the planning stages of these funds, and thus their priorities were not factored in during the implementation stages.

It is important to involve youth throughout the development programme or project cycle in order to ensure that their priorities are addressed. Semfuke highlighted that if the youth are not engaged from the planning stage itself, then the subsequent budgetary process is not going to address the pressing needs for youth development. One of the highest priorities for the youth is unemployment.

Tanzania has a high youth unemployment rate, and Semfuke cautioned that this is a “ticking time bomb.” Referring to recent events in countries with political unrest, Semfuke related some examples of political unrest stemming from frustrated unemployed youth. Youth unemployment is primarily due to few jobs and skills gaps; employers require a minimum number of years of experience in potential employees. However, youth cannot demonstrate their transferable skills after graduation.

The ILO, in collaboration with the government, is working on microeconomic policies that address youth unemployment challenges. These are primarily through the following interventions:

- Tanzania RPL (Recognition of Prior Learning) (since 2016): Tanzanians who have skills gained through work but do not have official certification are given an opportunity to enter certified programmes that are recognized by the government. These certificates can then be submitted when applying for employment; and
- The Quality Apprenticeship Programme in the hospitality sector, which is fully recognized by the Ministry of Labour, links youth to companies to work and develop their skills through industrial placements that help them gain practical training that complements the college courses. Participants in the programmes gain an advantage in being employed in some of the companies where they began as apprentices. This programme extends to Zanzibar and

applies a gender lens that offers equal opportunities to young females.

### 3.5.2.2 Panellists

After the keynote address, the moderator invited three young panellists who are actively engaging in youth participation in development forums. The moderator also invited a representative from ActionAid to share the activities the programme implements in the sphere of youth engagement at the national level.

Zildat Wahid Juma (founder of Environmental Development for Communities (ENVIDEC), Zanzibar) talked about the importance of factoring in youth's interests and passions in the budgetary process to create employment opportunities. Juma gave her perspective on the importance of engaging youth in budgeting plans and programmes. She highlighted that youth have a heightened self-awareness of their needs and the priorities for their development. Therefore, their engagement will give the government a better picture of how and where to allocate the right resources to meet their needs and create more opportunities to employ more youth. Juma emphasized that adequate budget allocation in entrepreneurship and employment is needed in sectors that directly relate to what youth are passionate about. Giving an example from Zanzibar where she has witnessed an increase in youth's interest in football, Juma said she believed that engaging youth in budgetary processes related to the growth of the football industry would enable more youth to earn an income and, perhaps as entrepreneurs, also employ others. Juma gave her testimony that although she is a graduate in Environmental and Geographical Studies, she could not get employment and decided to start an NGO to employ herself and other youth. She pointed out that if the government had sufficient allocations in the budget that youth could access in the environmental field, more youth would have an opportunity to employ others and earn an income.

Dixon Kamala (Pan African Youth ambassador) addressed the need for a national agenda that captures the diversity of youth. Kalama noted that Tanzania's population is increasingly falling under the youth category. Therefore, it is important to have a national strategy to have a common vision of how the youth are going to be involved in development. He

emphasized that the youth are the machinery in the nation's development and the future human resources. Therefore, it is important to engage the youth in productive sectors, acquiring their knowledge, and giving them opportunities to voice their opinions and shape future development to maximize their contribution to the nation's development. The challenge is that youth across the nation have different perspectives, goals, interests, and income levels. The Tanzania Youth Coalition (TYC) is a platform that strives to unite youth in the nation to engage in decision-making and development planning and create a joint agenda.

He quoted the words of the country's founding father, Mw. Julius K. Nyerere, and said that development should be people-centred: this means that the people should own the development process and progress by making sure they are involved in every step of the government's policies, plans, and budget. Therefore, Kalama defined youth engagement in the budgetary process as youth involved in how priorities are being set, what programmes and projects have been identified and approved, how the programmes are being implemented, how much money is allocated to the programme or project, and how much is actually disbursed to the programme or project.

Kalama posed the question: how are we creating the agenda and engaging youth to take ownership of the process and progressive development? Do the youth understand the government's development strategy, and where and how are youth engaged and where do they find opportunities? We need more youth groups that can be used to engage youth in the planning of programmes and projects and to train youth to understand project budget planning and monitoring. One of the reasons we hear of reports of misallocations of public funds is because citizens do not know how governments earn income, how it is budgeted, and how it is spent even at the village level. However, if citizens are engaged, and the budgets are set to address their priorities, they will most likely be more vested in the progress and help keep the government accountable.

Youth in Tanzania also need to change their mindset about fiscal planning and accountability. Kalama challenged the participants to rethink how we are training youth in planning, budgeting, and accountability from the family and household level. Without teaching the youth to have their financial plans in relation to their own goals and targets, ambitions, and vision for their future, what outcome can we expect from the government?

Tekla Schulte (country coordinator of the Faraja Africa Foundation) spoke on the need to invest in youth so that they become active citizens who participate in the country's development. Schulte spoke of her hands-on experience in bridging the gap between government planning and budgeting and youth engagement. Her organization provides a platform for youth leaders at the community, district, and regional levels to discuss their challenges and write papers to present their petitions at the national Parliament through the Vijana Assembly where the Parliament speaker is invited and receives the issues presented throughout the session. Direct engagement in development programmes and budgets creates in the youth a sense of ownership in their country's development, increases social responsibility, and increases government accountability for public expenditure on youth programmes. However, Schulte also presented three impediments she has experienced when youth are engaged; first, the youth are not aware of the government programmes and budgetary process. Second, when the youth are involved, they are not engaged in the budgeting process from the beginning and, therefore, often receive agendas that are not of their interest. Third, Schulte commented that when youth are engaged, they are not adequately trained or equipped in terms of information and skills, resulting in poor performance and low levels of achievement.

The air of suspicion and fear of a strong youth amongst government leaders hinders the government's efforts to engage with the youth. However, if the youth are not involved in the process, they cannot become citizens of the country in the true sense of the word. Furthermore, if the youth do not see the impact of their engagement in the budgetary process, they will not have any incentive to participate further. The government needs to invest in youth engagement using different platforms and provide training on the budgetary process in a digestible way according to different youth subcategories (education, gender, geography, age, and access to technology).

The need to involve youth can also be seen to prevent the loss of government resources. Schulte referred to the CAG report of 2019–20 in which budgets allocated to loans for implementing projects and programmes were not paid back. Schulte believes that if youth are engaged in the planning stages to understand the priority areas at which the loans are aimed, their criteria, and how to manage them, the government will obtain better returns.

Rahma Mwita (founder and executive director of Open Youth Opportunities, Tanzania) talked of the importance of creating meaningful engagement through various platforms that appeal to the youth. The government works better when the public is involved and has adequate information. In urban centres, youth engagement is poorer than in rural areas because residents of rural areas often participate in village council meetings where plans and budgets are presented and discussed. If youth are not aware of the issues discussed and decisions made by the government, this limits their opportunities to share their perspectives and needs. Mwita recommended that the government recreate a platform for youth in urban settings to participate in the Uuandaji wa Mpango (Action Plan at the Village/Street Level), which forms the basis of the national budgetary process. Mwita noted that youth do not know where to go to share their opinions during this process and, as a result, cannot keep their leaders accountable. Youth revert to social media rather than participating in village or ward meetings, which may not be the optimal platform to ensure that their voices are heard and taken into consideration.

Mwita highlighted the gender imbalance in youth engagement due to cultural barriers, which also needs to be addressed in engaging female youth in the development planning and processes. Most female youth still have a level of fear about holding leadership positions and about voicing their opinions and perceptions.

She also noted that the methods used for youth engagement are vital. Youth engagement should not be a tick-the-box exercise to record youth attendance, but a meaningful engagement process. It is not enough to be invited to seminars, workshops, conferences, and meetings if sufficient information on the policy, programme, or project is not imparted. The youth need to get access to information to improve the quality of participation in the various platforms to which they are invited. Mwita questioned whether the information presented by the government was in a language that catered to the diverse socio-economic spectrum of youth. The government should not underestimate the power of social media and should maximize the digital platforms that youth use to share information and offer easy access for youth to share opinions.

Arif Noorally Fazel (Youth Program and Global Platform coordinator at ActionAid) shared his experience of issues around youth engagement in the budgetary process through the work at ActionAid. Through ActionAid and

their partners such as the Tanzania Youth Vision Association (TYVA), youth are engaged from the LGA level to share their opinions and concerns and present them during parliamentary sessions. They advocate for gender-responsive budgeting processes that engage youth from the beginning.

Fazel elaborated that many citizens are unaware of and do not know how they can be engaged with the budgetary process. Public engagement of the government's budget occurs during January–March at the LGA level, where citizens can present their concerns and needs to be incorporated in the budget using a bottom-up approach. Budgets are composed of village and street level feedback and are compiled to the district, regional, and ministerial levels. However, youth are not aware of the nation's budgeting process (who, when, what), and are therefore unable to voice the youth's concerns to be adequately allocated in the nation's budget. This is more pronounced in urban areas where youth's level of understanding of the budgetary process and their level of engagement at the lower LGA level is less than in the rural areas.

Fazel also questioned how the LGA leaders are engaging the youth in this budget process at the village and ward level. He commented that various reports on their work at ActionAid indicate that most leaders at the LGA level do not know that they have a duty to engage various members of society during the budgetary process.

### 3.5.2.3 Participants

Participants were invited to engage in the discussion by making comments and asking questions.

**Question:** When should youth participation start?

**Answer:** The budget process should start from the ward level where LGAs compile their budgets that are submitted to the national level to ensure the social inclusion of youth, women, and people living with disabilities. But there is only a small window for this engagement to take place.

However, a participant commented that the national budget process is a highly technical exercise in the most complex settings with competing interests, delicate balances, vested interests, and political intrusion. Direct youth engagement in this politically sensitive arena can be justified, even

though it is difficult; therefore, how can youth be directly engaged in the process?

**Question:** The national budget cannot be approved without allocations to special groups such as youth, women, and people with disabilities, but is this enough?

**Answer:** Youth need to feel valued during the budgetary process and need to be considered and engaged in each stage of the development process.

**Question:** What does youth participation look like?

**Answer:** Youth participation should be done as a collective and not as individuals. Otherwise, youth will focus only on their own personal development without regard for community development. The creation and strengthening of meaningful youth networks rather than promoting individualized youth in prominent positions will have a better chance of growing future policymakers and implementers. There is also a need for more youth groups to push for a meaningful engagement at their LGA levels as a conduit for opinions, priorities, and concerns from youth to be captured at the LGA level. These groups should use existing government machinery through Community Development Departments at the LGA level who work with youth groups to register youth groups and provide training, education, and awareness opportunities. Mapping groups could help with participatory budgeting.

#### 3.5.2.4 Key Messages

One of the main issues in youth engagement and participation in the budgetary processes of plans and programmes is youth unemployment.

Recognising youth unemployment, the ILO is implementing programmes to address two common hindrances for youth to get employment, which are:

- A skills development programme that enables youth to obtain certification of skills applicable in a workplace, albeit acquired from other programmes that do not fall under the formal educational system from a registered institute of higher learning; and
- An apprentice programme that is nationally accepted, which also focuses on young females.

In keeping with the words of Mw Julius K. Nyerere, development needs to be people-centred and people-led, and it is imperative that the government

create an agenda for youth to be part and parcel of the progressive development of the nation. If the youth are not part of the process, they do not feel they are citizens of the country. Youth need to feel they have ownership of the development process so that they are also kept accountable for the success of a programme or project. To achieve this, youth need to understand the budgetary process and be engaged in it right from the planning stages. The speakers repeatedly noted that the window available to engage youth during the planning stages of the budgetary process is small, therefore the question is really how youth can be engaged in a meaningful way.

With an increasing population of youth in the country, the engagement of youth needs to factor in several things. First, the diversity of youth's priorities across age (18–35 years), social status, income levels, and education and literacy levels needs to be taken into account. Second, there are various social and digital platforms that youth use and have easy access to in order to share their opinions and contributions. These platforms will need to be different for urban and rural youth because urban youth neither understand nor use the existing budgetary process of using village and street level meetings to contribute their priorities and concerns. Third, the level and quality of youth's participation should be made meaningful by providing access to digestible information about the policy, programme, or plan so that the youth can make valuable contributions. Fourth, existing government machinery through the LGA Community Development Departments should be used to raise awareness, train, provide information, and work with youth groups that can act as a conduit between the government and youth.

The budget is a political tool and, therefore, in order to have the budget represent youth, youth need to be politically engaged and have a strong stance in Parliament to ensure that their priorities are taken into account. Youth should also not succumb to being invited to various meetings and workshops as a rubber stamp to validate inclusive participation. Rather, youth should get access to the right information, enquire about how youth have been engaged throughout the process, and provide meaningful inputs as a collective.



## 4 THIRD STUDY: “MACROECONOMIC POLICIES, FOREIGN DIRECT INVESTMENT AND EMERGING ECONOMIC SECTORS IN TANZANIA”

### 4.1 The Panel of Experts on Macroeconomic Policies, Foreign Direct Investment and Emerging Economic Sectors in Tanzania with a Presentation of the Project's First Research Study and Related Findings

This panel of experts, with forty-four participants in the session, was dedicated to the third study of the Pilot 4 Research and Dialogue project. The third study focused on Macroeconomic Policies, Foreign Direct Investment and Emerging Economic Sectors in Tanzania. The discussions were based on the draft study and the draft of the first of the three policy briefs prepared by Professor Kaihula P. Bishagazi. The purpose of the panel of experts was to provide feedback to the study's research team.

### 4.2 The Importance of the Third Study According to Experts

**Comment:** The study recommends increasing the budget allocated to horticulture – it would be efficient to keep horticulture as a priority sector, though there is a minimal focus on horticultural commodities. It could be interesting to look at Artificial Intelligence (AI) to keep up with the world in digitalization. The time to start a business needs to improve. For example, in Rwanda, it takes two days to a week. In Tanzania, it can take up to three months to start a business. Finally, it takes USD 265 to register a business in Rwanda, while in Tanzania, it costs more than USD 1,000. Multicultural policies are good but there are many value chains when you look at agriculture. The National Agricultural Policy is currently under review, and horticulture should be part of it. In addition, there were key reforms in the budget recently that promoted local investments – it could be interesting to

check on that. Regarding standards, best practices can be found notably in Zambia and other countries.

**Comment:** Regarding horticulture, the local market is quite huge. We should probably not focus only on exports. Regarding access to land, we must be careful when we talk about 12% of used land. There is a claim on a lot of land. Finally, regarding digital innovation, the production process should be more competitive in the farms. In 2017, a report was published on contract farming in Tanzania, which is available on the website of the Ministry of Agriculture. We can learn from India, too, which has also been influenced by the UK and has a number of guidelines regarding contracts farming. The strength of the blueprint is in the process to develop it, not the content that varies a lot, that is very dynamic. It is the process that is of critical importance. Regarding digital disruption, in the context of globalization, boundaries might not play the same role in the near future.

**Answer:** Concerning the focus on exports, international markets more than the local market – this is very true. Regarding land, the problem is more the formalization of access to land. There are some initiatives from NGOs, the Ministry of Agriculture.... Regarding the role of digital in agriculture, it does exist (example: Mobile Kilimo), but digital penetration in rural areas is still an issue.

**Comment:** There are challenges in a competitive horticulture sector – notably transport (more and more people prefer to export to Kenya), taxes that are very high, and a problem of storage capacity.

**Comment:** Benchmarks and comparisons with other countries are beneficial for us. Concerning horticulture and access to land, a few remarks can be made: what can we say about sustainable use of water resources, participative water management, and the need for irrigation? Also, what would be the impact on deforestation? The more you extend agricultural land, the more you affect deforestation.

**Comment:** It is always challenging to impact the grass roots. We need to think about the channels between banks and farmers. There are various potential actors – Savings and Credit Co-operative Society (SACCOS), Agricultural Marketing Co-operative Societies (AMCOS), off-takers, agro-dealers and trader.... These are very important entities. Also, the effect of decentralization must be taken into account – I think it is positive, but it involves many responsibilities on the part of the local authorities. These

entities are becoming very sovereign and have the potential to be very effective.

**Comment:** The problem with the blueprint regarding horticulture is that it needs to be implemented. Standards are an essential aspect of the horticulture sector (in its relationship to the international market). Laws and regulations must make the sector comply. There are a few contradictions on tax issues in the report – it says that fiscal incentives are not that important for attracting FDI, but also that our tax structure is not attractive for investors (they prefer Uganda and other such countries). Concerning sustainability practices, Green Economy (GE), etc., the recommendation is to implement incentives for businesses to make that transition. It is one of the SDGs, but the transition is good for businesses (it brings more efficient technologies and more efficient practices), so businesses will adopt it because they see the value of it.

**Answer:** Standards are very important in their relationship to the international market. FDI helped to improve the local sector – standards for international and local markets, spillover effect. Do businesses really need incentives? They have implemented GE without incentives. However, incentives appear efficient from other countries.

## 4.3 The Results of the Third Study<sup>14</sup>

### 4.3.1 Introduction

This report presents the findings of a study on the effect of macroeconomic policies on emerging sectors in Tanzania based on an in-depth analysis of the effect of such policies on foreign direct investment (FDI), regional integration, and the emerging sectors of horticulture, digitalization, and the green economy (see Figure 1.1). The aim was to document the main achievements, best practices, and lessons learnt. This study was largely built on a review of literature including national surveys, sector reports, annual reports from various stakeholders, and studies and information issued by the

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<sup>14</sup> The full version of the Study on Macroeconomic Policies, Foreign Direct Investment and Emerging Economic Sectors in Tanzania can be found here: <https://pilot4dialogue.com/publications/study3/>

World Bank, Bank of Tanzania (BOT), Tanzania Revenue Authority (TRA), Ministry of Finance and Planning (MoFP), and the National Bureau of Statistics (NBS). In addition, the study team made field visits to check on the reliability and consistency of the secondary data and reports and obtain additional and updated information. In the field, key informant interviews (KIIs) were conducted with stakeholders from the central and local government in the Dodoma region, TRA, NBS, and private sector representatives such as the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA). Apart from that, surveys and focus group discussions (FGDs) with horticulture farmers in the Iringa and Arusha regions, manufacturers, and SMEs, including women and youth in the Dar es Salaam and Mwanza regions, were also conducted.

## 4.3.2 Key Findings and Recommendations

### 4.3.2.1 Foreign Direct Investment (FDI)

#### **Framework**

The major framework for FDI is the Tanzania Investment Centre (TIC), which was set up in 1997 and which was followed by the passing of the Tanzania Investment Act, 1997. In addition, conflicting laws and regulations have been rectified and made easier to interpret. These include the Mining Act, 1998; the Tanzania Revenue Authority Act, 1997; the Land Act, 1999; the Financial Laws Miscellaneous Amendments Act, 1997; and the Investment Regulations of 2002. Moreover, the government has designed tax incentives to attract more FDI to encourage labour-intensive, export-oriented industrialization and employment generation, particularly in the mining sector. Several other related policies and programmes were also introduced, notably the Special Economic Zones (SEZs) to attract export-oriented FDI.

Until the mid-1990s, Tanzania played a leading role in the region in attracting foreign capital. This trend continued till 2000 because of which the value of FDI in Tanzania reached USD 463.4 million. FDI continued to play a decisive role in the performance of the Tanzanian economy, and in 2005, FDI contributed 5% of the GDP. From 2010 to 2015, the rate of FDI in Tanzania ranged between USD 1.8 billion and USD 1.6 billion, making it the leading country in the East African region in terms of inward investment.

Nonetheless, from 2016 to 2019, statistics indicate a significant drop in the volume of capital inflows. Tanzania's ability to attract FDI has declined both in absolute terms and in relative terms.

### **Gaps and Key Lessons**

- Tanzania's fiscal system is characterized by many taxes and tariffs in comparison to its neighbouring countries;
- Tanzania has restrictions on FDI in sectors considered strategic. These include aerospace, construction and heavy equipment, travel and tourism, energy and environmental industries, information and communication, and publishing, media, and entertainment;
- Costs of business initiation and operations can be high as they include investment related to infrastructure, export ability, labour issues, and tariffs;
- Despite several reforms made by the government to improve the country's business environment, including the implementation of a blueprint for regulatory reforms since 2018, foreign investors are still not satisfied with the current business environment;
- A survey by Jahari (2021) showed that foreign investors expressed general dissatisfaction with immigration and labour systems, tax administration, and the availability of specialist competencies; and
- Tanzania's investment regime for FDI focuses on the extractive industry. The danger of this is that these resources will get depleted; thus, to promote diversification, Tanzania should opt for targeted investment incentives, giving priority to the emerging sectors.

### **Recommendations**

- A complete overhaul of the tax system in Tanzania is required. This will enable the government to ensure the tax structure is competitive; widen the scope of tax incentives; ensure that only one institution provides incentives; improve tax dispute settlement mechanisms, especially with foreign investors; and streamline contradicting tax laws. This will also ensure fiscal policy stability;
- Establish a policy that will allow TIC to have land banks for foreign investors;

- Design and implement strategies and measures to promote outward FDI, especially in the EAC and SADC countries, to take advantage of the regional integrations;
- Harmonize and integrate all tax and tariff systems so that investors need pay tax to only one collecting agency such as the TRA; and
- Improve dialogue between the government, regulatory agencies, and the private sector – this is necessary given their mutual interdependence.

#### 4.3.2.2 Horticulture

##### **Framework**

Recognizing the important role agriculture plays, in 2006–07, the Agricultural Sector Development Plan (ASDP) was launched. For the implementation of the ASDP, Kilimo Kwanza, a holistic public communication project for Africa’s Agriculture was developed. Kilimo Kwanza aimed at fostering the modernization and commercialization of the agriculture sector for small-, medium-, and large-scale producers. Moreover, SAGCOT was designed as an important instrument to implement Kilimo Kwanza through the mobilization of private sector investment. Another important policy is the National Agriculture Policy (2013). Over a decade, the horticultural industry has been one of the most dynamic agricultural subsectors growing at a rate of 8–10% per annum and contributing more than USD 354 million per annum to the country’s economy. The horticulture subsector employs about 450,000 Tanzanians, the majority of them being women (about 65–70%). The value of horticulture exports has increased from USD 412 million in 2015 to USD 779 million in 2019. In order to harness the horticulture subsector, the government formulated the National Horticultural Development Strategy in 2012. Recent measures include exemption of import duty for import of cold rooms by a horticulture trader.

##### **Gaps and Key Lessons**

- One of the many burdens on the horticulture subsector is taxation. A comparative analysis shows that Tanzania’s horticulture subsector is highly taxed, which threatens its competitiveness. The tax burden for

the horticulture subsector in Tanzania is 30% higher than in Uganda and two times higher than that in Zambia;

- Securing land for commercial horticulture for large-scale farmers is one of the crucial gaps in the horticulture subsector, especially for foreign investors;
- Sanitary and phytosanitary measures are very important issues in the horticulture trade, especially for the European market. To get access to the European market, exporters must have a Global Gap Certificate which requires lab tests of the produce. However, most horticulture exporters use Kenyan labs because labs in Tanzania are inadequate and the few available ones like SUA and Mikocheni are not internationally accredited and produce inaccurate results;
- The horticulture sector is extremely technical and thus requires a lot of technical knowledge to enhance productivity and quality for export purposes. Low levels of education and literacy among most horticulture producers contribute to low production and low quality of produce;
- Horticultural exports account for less than 10% of the total horticulture production in the country; and
- Around 50% or more of horticultural produce is lost post-harvest, especially for smallholder farmers.

## **Recommendations**

- Improve airport services necessary to facilitate export of horticultural products. These include adequate availability of cold rooms, preservation facilities, aircraft, etc.;
- Expand international market opportunities other than EU countries;
- Revise the tax structure to remove uncompetitive taxes;
- Establish land banks at the Tanzania Investment Centre (TIC) to facilitate easy access to investment land by foreign investors;
- Strengthen the role of the Tanzania Bureau of Standards (TBS) by constructing more laboratories of a high standard and improving capacity on the inspection of the product at entry points and check-points;

- Improve monetary policy transmission channels by introducing legal mechanisms in contract farming, out-grower schemes, and warehouse receipt systems; and
- Upgrade domestic marketing infrastructure and facilitate services for the traditional participants in the system.

#### 4.3.2.3 Digitalization

##### **Framework**

Digitalization is an essential tool for a developing nation's economic success. The government approved a national Information and Communications Technology policy in 2001. The implementation of the policy started with the establishment of the National Information Technology Development Agency (NITDA). In the past decade, Tanzania is among the six second-tier (along with Ghana, Morocco, Senegal, Tunisia, and Uganda) countries, accounting for over 20% of Africa's total digital entrepreneurship activity. Moreover, Tanzania accounts for 29% of internet use on the continent. Internet users have increased from 17 million people in 2015 to 25 million people in 2019, accounting for 34% of the total population (Tanzania Communications Regulatory Authority (TCRA Tanzania) data). In part, internet expansion has been driven by the falling costs of mobile handsets. One reason is that in the financial year 2020–21, the government removed import duty on mobile handsets.

##### **Gaps and Key Lessons**

- Though, Tanzania is reported to have a fast and large internet penetration, individual internet penetration is relatively low at around 28.7% and mostly in urban areas, although the target is to grow the country's broadband penetration to 70% by 2025. Tanzania ranks 112th out of 137 countries in The Economist Intelligence Unit's Technological Readiness Ranking for 2018;
- The inefficiency of the broadband plan may be affecting the country's capacity to make reasonable progress in the current government's digital economy and diversification plan. Even after a span of five years, Tanzania continues to be ranked among countries with the lowest broadband penetration in the world;



- Although the situation on the ground is improving, internet connections in Tanzania remain relatively expensive, slow, and not always readily available. For example, Dar es Salaam offers one of the most expensive internet bandwidths in Africa both locally and internationally;
- In terms of local content and patents, Tanzania ranks 122 out of 137 countries surveyed by the Economist Intelligence Unit's Technological Readiness Ranking in 2018, with zero value of local content and patents;
- Tanzania's digital sector is growing; however, the government lacks coherent and clear digitalization strategies;
- An inadequate legislative framework fails to protect the rights of entrepreneurs and to support their business development. Burdensome regulations, opaque and time-consuming procedures, red tape, and high tax burdens hinder the capacity of SMEs to flourish, grow, access funding, and digitalize;
- The size of the shadow economy is an important factor that is inhibiting digitalization efforts. As pointed out by some interviewees, many SMEs do not wish to be formalized and prefer to remain in the informal sphere so that they do not have to pay taxes and deal with the state bureaucracy. Consequently, they do not want to go online in order to remain outside the purview of the state's supervision. Those SMEs that might wish to digitalize often face difficulties accessing funds; and
- Due to low levels of tax revenue, the government sees the ICT sector as a source of tax revenue. Internet penetration, smartphone subscriptions, and online transactions increase. However, the government must ensure its approach to taxing ICT is consistent and transparent, and its need for public revenue is entirely legitimate. The question is whether it can raise revenue without deterring capital investment. In Africa, the main focus has been on taxation of internet and mobile money users. While this kind of taxation may be attractive, it can result in a decline in economic activities by reducing the number of active internet users.

## Recommendations

- The government should increase e-government and e-administration services and the digitalization of public administration, which would help to simplify and increase the transparency of administrative procedures and facilitate access for populations residing in remote areas or having mobility problems;
- Create incentives for SMEs to digitalize, e.g. by moving their invoicing online. This could be done through the creation of tax incentives (lower tax rates for SMEs going digital) or offering grace periods for previously unregistered SMEs that choose to exit the grey economy and go digital. It is also important to ensure that e-services are easy to use and do not require the purchase of expensive equipment or software;
- While working with the government on digitalization-related projects, development partners should promote the inclusion of LGAs, e.g. by conducting pilot studies at the governorate or municipality levels in coordination with the relevant subnational authorities;
- The government should facilitate the process of creating or strengthening adequate social and regulatory protections for workers engaged in non-standard work practices based on digital technologies. This includes producing guides to registering and licensing small businesses such as micro-entrepreneurs selling their homemade meals via online platforms or maintenance service providers advertising to clients on dedicated online platforms;
- Intervene in the local educational system: update educational programmes or provide specific training on subjects like communication, critical thinking, customer service, STEM (science, technology, engineering and mathematics), and coding;
- Launch a National Artificial Intelligence Strategy (NAIS) in Tanzania to strategize and help the country to move towards an industry economy and beyond as envisioned by TDV 2025; and
- Improve connectivity and access to fast, reliable, and affordable broadband in the country, including in rural areas and other regions and municipalities with non-existent or slow broadband connections.

#### 4.3.2.4 Green Economy

##### **Framework**

The concept of a green economy has emerged recently and it advocates a holistic and programmatic approach between the three pillars of sustainable development: economy, social welfare, and the environment. Tanzania has no formal specific national policy or strategy on a green economy. However, the country has a significant number of development frameworks and sectoral policies, plans, and strategies which address many of the elements of a green economy sustainably. These include: the National Environment Policy (NEP), 1997; the Environmental Management Act, 2004; mainstreaming the environment into national strategies such as the Five-Year Development Plans (i.e. FYDPs I, II, and III), the former national strategy for growth and reduction of poverty (MKUKUTA); mainstreaming the environment into sectoral legislations, policies, and strategies; and ratifying various global and regional conventions of relevance to the environment and sustainable development.

##### **Gaps and Key Lessons**

- The National Environmental Act is a milestone in the national environmental policy, and it is a major effort to systemize and improve the nature protection regime in the country, laying out the frameworks, mechanisms, and aspirational targets. However, follow-up to the National Environmental Act has been much slower and less ambitious;
- The government has not been able to meet FYDP II environmental targets such as: (1) energy driven from renewable resources should be 50% or higher by 2021; and (2) natural forest cover should be 130,000 hectares or larger by 2021. For example, by 2019, Tanzania had the highest annual forest net loss in East Africa and the fifth highest annual forest net loss in the world with an area loss of 372,000 hectares per year;
- Another existing policy gap is the inadequate involvement of micro, small and medium enterprises (MSMEs) in the green economy agenda;
- Tanzania is endowed with abundant, high quality renewable resources, much of which is untapped. Despite that, renewable

energy accounts for only about 4.9% of generation capacity of which the major share derives from biomass;

- The present-day economy is heavily based on the predominantly industrial development, with disproportionately higher incentives in traditional economic sectors such as oil and gas. Since the government has now decided to choose a greener path, that structure of incentives (direct and hidden) will need to change;
- The level of public awareness regarding green economy transition is very low in Tanzania; and
- The GE concept does not fully cover government expenditure reforms and does not outline a path for the restructuring of subsidies in key economic sectors.

### **Recommendations**

- Subsidies and other incentives will need a thorough review. Tariffs and subsidies should be restructured so that the economic signals are right for green growth, addressing social impacts as well as environmental, and integrating necessary social protection mechanisms and green reinvestment;
- Integrate the Extractive Industries Transparency Initiative (EITI) approaches into a wider range of economic activities;
- Promotion of “green” products is also important. The schemes need to be backed with a strategy to boost demand for certified products while retaining the appropriate degree of rigour in the standards and assessments;
- Undertake adequate advocacy programmes to change the mindset of the public, investors, and decision-makers; and
- Create standards, enabling technology access.

#### **4.3.2.5 Regional Integration**

##### **Framework**

Regional integration in Tanzania has developed over a number of years, and Tanzania is now a member of two main integrations: the East African Community (EAC) and the Southern African Development Cooperation (SADC). In addition, Tanzania is a member of The Tripartite Free Trade Area

(TFTA) Agreement and the Continental Free Trade Area (CFTA). At the political level, the government is supportive of regional integration initiatives. The Ministry of Foreign Affairs and the East African Community are key players in fostering implementation of the regional cooperation agreements. Tanzania has been generally successful in achieving the macroeconomic convergence targets for deepening integration. The country has already pursued a sound monetary policy that has kept inflation at low and stable rates. The country's inflation target has been set at 3–4% in the last five years. This target, which is less than the EAC targets, has met SADC targets over most of the period. The country has also maintained a sound fiscal policy stance geared towards having low budget deficits and low debt to GDP ratio. The country has maintained a strong balance of payments with the level of international reserves well above the four months imports cover target. The current account deficit has never been greater than 9% of the GDP target limit. The country's external debt as a percentage of GDP has been declining over time. Tanzania has also been able to achieve the 25% of GDP target for saving, with a current savings ratio of about 34%.

### **Gaps and Key Lessons**

- Most of the macroeconomic convergence activities are scattered amongst the different institutions, leading to coordination problems;
- Tanzania's economic performance depends on a few sectors, and the mining sector in particular. As such, Tanzania's macroeconomic convergence programme is quite sensitive since changes in many of the other variables are highly aligned to the mining sector's performance. Diversification is highly recommended;
- The objectives of regional integration in the various agreements overlap and, as such, it is imperative that research be carried out on the possible benefits and the impact of the agreements on the country's long-term trade aspects and developmental aspirations; and
- Weak capacity for advocacy and public relations on issues related to regional macroeconomic integration.

### **Recommendations**

- The government's efforts to promote investments, both local and foreign, should be more selective, focused on investments that are

based on local resources or whose outputs are targeted at export markets;

- Prioritize the regional integration agenda in FYDP III (2021-22–2025-26) in order to increase the country's response mechanism to study regional laws, protocols, and policies to reduce the time needed to decide on each framework and ensure timely signing, ratification, and domestication;
- Industrial development should also form one of the priority areas for Tanzania. This can contribute to more production and products in the market and enhance Tanzania's export profile, which is imperative if Tanzania is to compete successfully in the regional integration process and benefit from trade;
- Formulate an independent Ministry of Regional Integration which can effectively coordinate and popularize the integration agenda in a succinct manner and enable Tanzanians to take advantage of the opportunities this creates; and
- Eliminating tariffs on intra-African trade in agriculture through the CFTA would be a key factor as trade in agriculture faces a higher rate of protection than non-agricultural sectors.

#### 4.3.3 Conclusion

The COVID-19 pandemic will have lasting effects on national, regional, and global investment policy-making. It is important for the government to figure out how to tailor investment policies so that FDI can be most effectively harnessed to enable economies to get back on the path to sustainable development.

Given the technical nature of horticulture, investment in research, extension services, and human capacity building is of paramount importance. Only from this base can economic growth in horticulture be sustained.

While the digital revolution is inevitable, the outcome will depend on policies. To realize the potential of the digital revolution, comprehensive policies and fresh thinking are needed. For policymakers, the first hurdle is to accept that the digital revolution is inevitable. Policy responses will need to strike the right balance between enabling digital innovation and addressing digitalization-linked risks.

Policies to harness digital dividends include revamping education to meet the demand for more flexible skill sets and lifelong learning, as well as new training, especially for the most adversely affected workers; reducing skill mismatches between workers and jobs; investing in physical and regulatory infrastructure that spur competition and innovation; and addressing labour market and social challenges, including income redistribution and safety nets. But considering the inherent global reach of these technologies, regional and international cooperation will be key to developing effective policy responses. Policies to soften the impact of new technologies on the labour market can improve welfare. The more willing society is to support the necessary transition and those who are left behind, the faster the pace of innovation that society can accommodate, while still ensuring that the outcomes improve welfare, with all members better off. With the right policies, the digital revolution could be a new engine of growth and prosperity for Tanzania.

A broader analysis must consider both the static, short-term effects of policies and changes in macroeconomic scenarios and the dynamic, longer-term results, considering these emerging sectors of the economy. Ideally, the impact of different macroeconomic conditions and policies on economic activities and rural incomes are embedded in an appropriately specified macroeconomic general equilibrium model.

E-commerce has the potential to support growth and rebalance economies. For consumers, e-commerce may translate into better access to a wider range of products and services at lower prices, ultimately boosting consumption. For firms, e-commerce could also provide new business opportunities and access to larger markets and might thus support investment.

The economy pursues policies that are in line with the SADC vision of promoting sustainable growth and promoting more productive systems. Policies have also been formulated to address low investment, boost GDP growth and promote the growth of the non-mining sectors, and enhance private sector development. It is a commonly expressed view in Tanzania that the problems that exist are not the result of poor policies, but the result of failure to implement existing policies. For Tanzania to realize its vision, it will need to address implementation problems, and to introduce stringent monitoring mechanisms at every level of the public sector.

Finally, an important objective of macroeconomic policies is to avoid economic crises, which impact growth, poverty, and food security. In particular, a high degree of macroeconomic volatility can also cause poverty traps, not only because of the negative impact that crises can have on the human capital of the poor but also because the risky environment leads the poor to engage in low-return activities. For instance, the Inter-American Development Bank (IADB) (1995) estimated that if Latin America and the Caribbean had a level of macroeconomic stability similar to industrialized countries, the poverty headcount would diminish by a quarter.

## 4.4 Policy Briefs

There were three policy briefs produced which correspond to the second study. The topics of the policy briefs are in line with the topic of the first study as described above. These topics are the competitiveness of the export of horticulture products, tax policies, and foreign investment, and the promotion of a green economy in Tanzania.

### 4.4.1 Enhancing Export Competitiveness of the Tanzanian Horticulture Sub-Sector: Addressing Key Challenges<sup>15</sup>

#### 4.4.1.1 Key Findings

There is inadequate availability of reliable and effective transport networks from farm gates to export gates (i.e. airports and seaports), and ineffective trade logistics of horticultural products from farms to the points of exit. The long trade logistics procedures include prolonged time consumed at check-points and weigh bridges, and slow custom clearance. Inadequate numbers of specific cargo freighters for horticultural products and limited cargo storage facilities are another problem. In addition, there is the uncompetitive

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<sup>15</sup> The full policy brief on Enhancing Export Competitiveness of the Tanzanian Horticulture Sub-Sector can be found at: <https://pilot4dialogue.com/publications/study3/policy-brief-1/>.



tax structure, especially for export produce, such as the fire levy and radiation fee which are not charged by other competitive countries.

Due to the bureaucracy, it is difficult, especially for foreign investors, to access land. There are only two testing laboratories in Tanzania (i.e. Mikocheni and SUA Lab). These labs are not internationally accredited and often produce inaccurate results. There is also a limited market strategy and information gaps, and limited knowledge on international standards, especially among small-scale farmers.

Other problems include the inadequate harmonization of different institutions that deal with the horticulture subsector, inadequate digitalization of the marketing channels, and not enough irrigation schemes for smallholder producers to cater to demanding horticulture crops which require irrigation through the year.

Post-harvest losses occur due to poor handling techniques, limited packaging facilities, poor transport, and poor storage facilities and market processing. The horticulture subsector is extremely technical and requires a lot of technical knowledge to enhance productivity and quality for export purposes. However, extension and advisory services are not freely available, and inputs such as fertilizers and credit facilities are also not enough.

#### 4.4.1.2 Key Policy Recommendations

- Fast tracking logistics of horticulture products from producers to the point of exit;
- Improving airport services necessary to facilitate export of horticultural products. These include adequate availability of cold rooms, preservation facilities, aircraft, etc.;
- Expanding international market opportunities other than EU countries;
- Establishing processing facilities for value addition of horticultural products to expand international markets;
- Revising the tax structure to remove uncompetitive taxes;
- Establishing land banks at the Tanzania Investment Centre (TIC) to facilitate easy access to investment land by foreign investors;
- Formulation of a Horticulture Crops Policy whereby the Ministry of Agriculture (MoA) should coordinate with other ministries in laying

down strategies to implement policy statements geared towards attaining improved horticulture;

- Improving access to credits for horticulture farmers and processors through the establishment of an Agricultural Bank with branches in regions leading in horticulture production, such as Iringa, Arusha, Moshi, and Morogoro;
- Increasing capacity building programmes for better innovative farming practices;
- Investing in research and development;
- Digitalizing the horticulture subsector to improve access to international markets and market information;
- Scaling up business-oriented extension services and using ICT-based services to complement face-to-face extension services;
- Improving coordination, communication, and collaboration between government institutions and ministries dealing with the green economy agenda;
- Strengthening the role of the Tanzania Bureau of Standards (TBS) by constructing more laboratories of high standards and improving capacity on the inspection of the product at entry points and check-points; and
- Expanding the Tanzania Horticultural Association (TAHA) activities to reach out to all horticulture farmers countrywide.

#### 4.4.2 Tax Policies and Foreign Direct Investment in Tanzania<sup>16</sup>

##### 4.4.2.1 Key Findings

There have been frequent changes in tax policy in Tanzania, especially in the past five years. Investors look for certainty, predictability, consistency, and timeliness in the application of tax rules, and in many cases, these considerations are as important as the effective tax rate paid. Inadequate domestic revenue collection haunts Tanzania's tax system. This challenge hinders provision of adequate tax incentives to boost the economy. The

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<sup>16</sup> The full policy brief on Tax Policies and Foreign Direct Investment in Tanzania can be found here: <https://pilot4dialogue.com/publications/study3/policy-brief-2/>.

average tax to GDP ratio in Tanzania is only 14%, which is much lower than the estimated level of 25% required for financing development needs.

There is a limited scope of incentives in the absence of specialized tax incentives as in other countries in the automotive manufacturing industry; areas with logistical challenges; expansion projects and priority sectors including ICT, small investors and the blue economy. There is also a limited focus of non-tax incentives

The Special Economic Zones (SEZ) plan has not been implemented due to contravention of the East African Community Customs Tariff Act. The Investment Act of 1997 further protects a special investor by specifying that the tax incentives imposed on the investor will not change or be adjusted in a manner that will affect the investor for a period of five years. The National Investment Steering Committee's (NISC) authority to approve additional tax incentives that are being proposed by the minister responsible for investment has been ineffective as they are outside the scope of the tax laws of the country. There are more than nineteen projects that have failed to find additional special attractions approved by the NISC.

The current tax incentives do not consider the importance of other taxes such as payroll taxes and non-profit-related business taxes, which are increasingly under the spotlight by investors and policymakers. Despite the significant efforts that the government and other stakeholders have made to improve the business environment, the growth rate of business environment is still low. Efforts include preparation of the Blueprint for Business Environment and the successful execution of the BEST-Dialogue project. Costs of business initiation and operations can be high, as they include investment related to infrastructure, export ability, labour issues, and tariffs. Some of these costs are hidden fees that investors only learn of upon arrival and during production rather than prior to commencement of the project.

#### 4.4.2.2 Key Policy Recommendations

- The government must conduct a complete overhaul of the country's tax system;
- In doing so, a cost-benefit analysis should be carried out in order to find a balance between the interests of both the government and the investors;

- Design appropriate policies to improve domestic revenue mobilization based on the country's revenue capacity;
- Create a more powerful commission in place of the TIC under the Prime Minister's Office with the mandate to offer incentives as it sees fit. Broaden the criteria to be covered by the incentives of this new commission, i.e. education, aviation, investing in low-income regions, health care, etc.;
- Allow tax incentives for existing investors when they reinvest or start new investment within the current investment;
- Centralize tax collection to one main platform;
- Design appropriate financial incentives for foreign investors;
- The Immigration Department may put in place a mechanism to attract investors who contribute significantly to the economy to remain in the country and invest more by granting residency permits for the period;
- The Ministry of Finance and Planning should prepare and submit proposals for amendments to the East African Customs Act;
- It is recommended that this point be included in the Monetary Policy;
- Define NISC's role as approving the proposed additional tax incentives for BLM, rather than its current role of approving the attractions;
- Establish a condition that will enable the financial laws to implement BLW decisions regarding the provision of additional tax incentives;
- Increase the scope of tax incentives to consider payroll taxes and non-profit-related business taxes;
- Increase the rate of implementation for the Blueprint for Business Environment;
- Revisit the recommendations made in the Blueprint to revise them based on the current investment climate;
- Increase dialogue and engagement with the private sector to understand inception barriers;
- Provide clear guidelines on fee structures; and
- Ensure accountability for regulations.

### 4.4.3 Promoting Green Economy in Tanzania: A Pathway to Sustainable Development<sup>17</sup>

#### 4.4.3.1 Key Findings

There is inadequate implementation of the existing laws and policies relating to a green economy with poor coordination between the different institutions and ministries dealing with environmental issues. The green economy has not been fully integrated into business models and there are no policies to harness local green technology. There is also not enough inclusion of marginalized groups in the existing green economy related policies.

The existing rules and policies on public procurement have not incorporated elements of environmental screening, and there is inadequate mainstreaming of micro, small, and medium enterprises (MSMEs) in the green economy agenda.

Local content policies, especially in the extractive industry, have not incorporated the green economy agenda. The current incentives and subsidy frameworks do not consider green economy issues. While the Extractive Industries Transparency Initiative (EITI) has been instrumental in promoting the sustainability of natural resources, it has only focused on the extractive industry. There is also low level of public awareness regarding the green economy.

#### 4.4.3.2 Key Policy Recommendations

- Formulate a comprehensive and practical Green Economy Policy;
- Design implementation strategies for the existing policies relating to environment and the green economy;
- A thorough review is needed of subsidies and incentives to integrate green economy strategies and ensure green investment;

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<sup>17</sup> The full policy brief on Promoting Green Economy in Tanzania can be found at: <https://pilot4dialogue.com/publications/study3/policy-brief-3/>.

- Since the EITI promotes utilization of natural resources for sustainable development, the initiative should be replicated in other sectors such as manufacturing and agriculture;
- Promotion of “green” products is also important;
- Open the power generation sector to independent power producers (IPPs) to promote green and decentralized private sector-led solutions to energy access;
- Revise financial sector regulations so that large investment projects that harness green economy can access private funding;
- Promote academic partnerships and cross-border higher education exchange programmes to facilitate technology transfer;
- Promote tourism because evidence shows that global spending on ecotourism is increasing at a higher rate than the industry-wide average growth;
- Construct meteorological monitoring telemetry stations that could support national and regional weather forecasting capabilities, which would help farmers to determine the best times for planting, fertilizer application, harvesting, and other critical weather-sensitive activities. These will also increase climate adaption in areas affected by floods or drought;
- Increase the use of sustainable water use strategies such as drip irrigation systems, pressurized water pipe and sprinkler systems, and the use of manual treadle pumps in order to increase water reservoirs and reduce water scarcity;
- Rules and policies on public procurement should incorporate elements of environmental screening;
- Revise the local content policies, especially in the extractive industry, to incorporate the green economy agenda;
- Enhance coordination among institutions dealing with green economy issues in both the central government and the LGAs;
- Collaborate with business and trade associations to clarify regulations and stimulate adoption of green practices among MSMEs;
- Provide young people with the right training schemes to work in conservation programmes (both land and marine) for job creation and inclusive resource management; and

- Conduct advocacy programmes to promote the green economy and green growth agenda among the public and marginalized groups, particularly women and youth.

## 4.5 Online Dialogue Related to the Third study

### 4.5.1 Public-Private Dialogue in Tanzania: Improving Monitoring, Coordination and Communication (12 November 2021)<sup>18</sup>

A total of 168 participants joined the panel on Public-Private Dialogue in Tanzania, which was held online on 12 November 2021. The event started with keynote speeches by Dr Donath Ulomi (CEO of IMED) and Professor Andrew Temu (agricultural economist and retired university lecturer at SUA), followed by a panel discussion. Following the panellists, the floor was opened to the audience to ask questions and engage the speakers in discussions. The event was moderated by Namwaka Omari.



Figure 6: The poster created to advertise the panel on the Public-Private Dialogue in Tanzania

<sup>18</sup> The full report on the online dialogue on Public-Private Dialogue in Tanzania can be found here: [https://pilot4dialogue.com/wp-content/uploads/2021/11/Public-Private\\_Dialogue\\_in\\_Tanzania.pdf](https://pilot4dialogue.com/wp-content/uploads/2021/11/Public-Private_Dialogue_in_Tanzania.pdf).

#### 4.5.1.1 Keynote

The keynote speaker, Dr Donath Ulomi, spoke at length about the background of PPD in Tanzania. He said that Tanzania needs to sustain and improve the rate of inclusiveness if it is to meet poverty reduction, employment generation, and other goals. He showed how PPD is a key tool being used to inform and facilitate the business environment. His keynote address touched on a few major issues:

- The background of PPD: he stipulated that the PPD aims to improve the business environment and to use PPD as a tool to facilitate and inform business environment reforms;
- The agendas of PPD: to examine its structure and processes. Also, to focus on coordination, monitoring, and communication. He reflected on lessons learnt in the last twenty years and pointed to areas of improvement such as building the culture, practice institutions, as well as capacity. His presentation was based on research prior to and during the project and experience in supporting the project;
- Business environment reforms: Ulomi said business environment reforms were a catalyst for a conducive environment to attract investments in Tanzania, such as easing the cost for compliance, reasonable taxes, issues of government policy and macro economy, access to land for investments, administration, infrastructure, corruption, commercial justice, and contract enforcement as well as protection of intellectual property rights; and
- Initiatives: Ulomi mentioned a few initiatives for improving the business environment such as emphasis on regular contacts, promoting of mutual understanding and trust, adherence to modes of communication and feedback, as well as participatory monitoring and evaluations which might help in dealing with vested interests and corruption.

A brief for structured PPD was presented, showing it to be regular, organized communications, exchanges of views, and consultations between the public and the private sector seeking to improve the business environment and stimulate innovation, competitiveness, and growth of the economy. PPD can be at different levels from the local government level to the national level, and it takes an effective PPD to ensure effective and efficient implementation at the lower level. Ulomi presented the formal PPD



structure in Tanzania (TNBC) in different industries from the national to the local level. He further explained why, despite some reforms, there are still no improvements. Some reasons for this were:

- History of the state, business relationships, attitudes, and mutual suspicions leading to lack of trust among the parties;
- PPD mechanisms not being established by law, not being budgeted for, hence no respect for such bodies;
- Inadequate coordination, monitoring, and communication at all levels; and
- Duplication or multiplicity and limited resources.

He ended with his reflections on twenty years' experience of using PPD as a mechanism to improve the business enabling environment, lessons learnt, and an assessment on where and how we can improve monitoring coordination, communication, and hence effectiveness, and how we can leverage ICT to do that. He ended by asking some questions: should TNBC and some other select PPD platforms like TFTR, RCC, and DCC play a legally defined role? Where should the TNBC report for effectiveness be presented – the PMO, Parliament, or the PO?

The moderator then allowed the participants to ask questions through the chat room of the Zoom session.

#### 4.5.1.2 Panellists

The discussion started with the discussant Professor Andrew Temu, who talked briefly about the paper presented by Ulomi and congratulated him for the good work done on the preparation of the Pilot 4 Research and Dialogue concept note. In his view, he saw three weak points that needed to be addressed:

- Consistency over time and mechanisms to avoid policy reversals wherever they happen: he argued that if we dug a little deeper into the examples of the different PPDs and policies that had been used, we would be able to mark some policy reversals which were not good in terms of our business environment (BE);
- The linkage between the national level policy and the subnational-level issues impacting the BE: he admitted that in recent years, he had almost given up on the subnational level of PPD in terms of

policies. He observed that there are few foreign direct investment coming into the country etc., he thinks that they might be able to appreciate the changes that are being advocated at the national level, but for the majority of medium and small enterprises, local farms, etc., he feels that there is a strong weakness in terms of how those PPDs and policy reforms are conducted at that level as also the linkages to the national level.

- Digitalization: Temu's concern was for how to deploy technology. How could technology be used to digitalize the PPD process? How can we link the subnational processes with the national level? And digitalization itself was another concern.

Temu also talked about the focus on improving monitoring, coordination, and communication within the PPD and policy reforms to improve the business environment. As a result, USAID, Digital Consulting Ltd (which was a partner in implementing the program called ENGINE), IESC, and VEGA among others ended up developing a digitalized tool for facilitating PPD and for policy reforms with inbuilt monitoring and evaluation at the subnational level. The tools developed were the Policy Reform Priority-setting Tool (PRPT) and the LGA Competitiveness Index (LGACI). He then explained the framework of the PRPT and LGACI tools in depth and how the tools were developed. The essence was to look at the "World Bank Ease of Doing Business Index". So, they captured ten BE indicators at that level.

The process cascaded downwards to the subnational level. And in that process, they developed the PRPT and LGACI tools. For the PRPT, they had twelve dimensions, thirty-six sub-dimensions, and seventy-three indicators. Then he explained all three briefly. He talked about the PRPT action plan and the PRPT steps. He then explained the LGACI tool briefly and concluded with how to improve monitoring, coordination, and communication. He suggested the following to improve the structure of policy reforms at the subnational levels linking the subnational policy reforms and national-level policy processes; designing policies and penalties for non-compliance with basic principles of creating Business Environment (BE); and digitalizing the facilitation and monitoring and evaluation of PPD and policy reforms to improve the business environment.

The first panellist, Audax Rukoye, executive director of ANSAF, explained his views on what Ulomi and Temu had said. He was of the view that PPD is not missing structures, for the structures are there from the national and

subnational levels. He also appreciated the fact that it was very clear that we have a substantial number of tools developed by different scholars and practitioners. He said we could still leverage such tools to monitor, communicate, and even coordinate among ourselves. He also brought to the group's attention three fundamental areas:

- Clarity and priority about what we are monitoring, what we are communicating, and what we are coordinating and for what purpose when discussing any issue such as the Blueprint for Business Environment, the FYDPs or the National Development Vision 2025. He wanted that to be clear to scholars, and also for the majority of citizens to have awareness which in turn would engage the interested private sector segments at the national and subnational levels;
- Identifying who is who and plays what role when it comes to PPD: he said it was very easy to say that the private sector is one entity and homogenous, but this could lead to many mistakes. He wanted to bring everybody on board to coordinate so that no one would miss the coordination part as well as the bigger picture; and
- He wanted the establishment of the common denominator of players in different elements. Also, the need to have some groups that reconvene and feed to larger groups and have some sort of ownership of the issues.

He also talked about the slow consistency in terms of engagement, research and analysis, and division within the public sector. For instance, the agricultural analysis policies group that convenes every year to hold an agriculture conference.

The second panellist was Professor David Nyange, who highlighted the importance of mutual trust in policy dialogue mainly because there is a political economy angle to policy. He argued that some stakeholders may use policies to achieve their political objectives. Therefore, building mutual trust is very important. Mutual trust is the result of a long-term partnership where you assess your partner's motives until you reach a point where both of you have a common understanding. He said he knew that achieving this mutual trust was very challenging because, in recent past years, the country's leadership has seen a high turnover. It takes a lot of time to build a relationship of mutual trust and when you are at the point of moving to the next step, you are forced to go back to square one because the leadership

has changed. Nyange also talked about how leadership has huge implications for policies. He said leaders may come from different backgrounds, which resulted in them having different priorities, which is very challenging. That is why under the Policy Analysis Group (PAG), Nyange and his colleagues have made sure to put in a lot of effort to bring any new leadership up to speed on ongoing policy issues or reforms. They have also tried to institutionalize policy dialogue by not targeting any one individual – for example, in the ministries, there are ministers, the Permanent Secretary (PS) and other senior leaders, so instead of only dealing with the ministers, they deal with the whole leadership team. That way, even when there is a change in leadership, there are still advocates within the leadership.

Nyange argued that dialogue by itself was not self-sufficient, it was necessary to think of going beyond the dialogue. Their approach has been to start with research to produce evidence, then to use that evidence to build a case for policy reforms, etc. Then they support policy reform processes throughout until the reforms are complete. But they also went beyond that point into monitoring and evaluation to learn the results and impacts of the reforms that were implemented. He talked about the close linkage between leadership (governance) and policies. Their motto at PAG is: “Good governance can bring better policies but also better policies can make governance more effective.” Nyange ended by thanking the government for prioritizing the Uongozi Institute which had helped strengthen the leadership and was good in supporting policies.

The third panellist was Judith Valerian (agriculture specialist, SUA). She talked about PPD through an academic angle, mainly that of research. She suggested looking at PPD on the subnational level, starting from the villages and going down further to Nyumba Kumi. She talked of how all these issues can be transferred to the national level and said she believed that good coordination between the subnational and national levels was necessary. She said this could be achieved through good communication between these levels.

The fourth panellist, Revocatus Kimario (executive director, SUGECO), talked about the inclusive engagement of youth as well as documentation. He said there was a need for a reporting system from the village, district, and regional to national level. He also addressed the issue of technology and innovation and how ICT could be accommodated in policy dialogue. He talked of monitoring and evaluation and said a proper curriculum should be

developed to train experts so that they can showcase the impact of PPD to the public.

The fifth speaker was Junior Ndesanjo, programme officer at the Eastern African Grain Council. He talked about the impact of the government's decisions on common people through effective monitoring and evaluation. He also talked of how to showcase success stories of reforms through PPD.

The sixth speaker was G. Kirenga (CEO, SAGCOT). He shared his views and stressed that serious work needs to be done to implement policies through PPD. He also said that all relevant information needed to be put on the table for deliberation. Also, giving up on pushing for reforms was not an option.

The last speaker, Gilead Teri (researcher, World Bank Group), addressed three issues:

- The need to restructure the PPD platforms and the need to look at their own structure and redesigning them;
- The need to strengthen the quality of inputs that come from the private sector; and
- The role of the government on issues concerning PPD because all PPD platforms are not backed by the law.

#### 4.5.1.3 Participants

Participants were encouraged to post questions through the chat room, which were then passed on to the moderator. The chat room was very busy with a lot of discussion among the participants, including questions and answers, comments, advice, ideas, and opinions about the youth and opportunities for the youth. Participation was high, mostly by women and young people from the agriculture sector; there was also good coverage of the education and employment sectors. Due to the large amount of content in the chat room and time constraints, only a few questions were taken up for response during the dialogue. The moderator, Namwaka Omari, accorded time to Olomi and Temu to share their insights on PPD and, in so doing, respond to some burning issues raised by the participants.

Omari also urged the keynote speaker and panellists to get onto the chat room to respond to participants' questions, issues, concerns, comments, ideas, etc. The participants were also encouraged to respond to each other.

Due to a huge volume of chat room discussion and limited time, the moderator allowed Olomi to respond to Kilama's question on the inputs needed to revamp the Tanzania National Business Council (TNBC). In his quick rejoinder, Olomi urged the government to create new laws to establish functions, structures, and mechanisms for information flows.

#### 4.5.1.4 Key Messages

Just as there are abundant benefits and opportunities around PPD, there are also some challenges in its institutionalization. Some notable challenges include:

- Lack of clarity on priorities: Tanzania devises pro-investment policies such as a business climate blueprint, the FYDPs as well as the National Development Vision 2025. However, these well-thought-out development plans are not clear to the citizens who should be well positioned to grab opportunities and play their roles effectively in attaining the country's development plans at full speed through PPD;
- Absence of institutionalized PPDs: when there is a lack of institutionalized policy dialogue, PPD becomes a daunting challenge because we keep pushing for dialogue singlehandedly without focusing on a holistic approach of inclusive engagement with the leadership as a whole;
- Inadequate engagement and participation: PPD still locks out the majority of people who are part and parcel of the process to shape PPD at the grass-roots level. Instead, Tanzania is not coordinated well enough to grapple with the marginalization of key stakeholders at the bottom level; instead, the focus is on the national level;
- Monitoring and evaluation: Tanzania is not doing well on championing PPD because of a shortage of skilled monitoring and evaluation experts concerned with the proper packaging of information, documentation, and reporting systems from the grass-roots level to the national level;
- Mistrust: PPD is not growing at a desirable pace because of entrenched mistrust between the public and the private sector because the government's policies and laws concerning the business

climate are not consistent or predictable, thus negatively affecting Tanzania's world ranking for ease of doing business; and

- PPD platforms are not legally based: PPD platforms are not legally backed, they are merely presidential decrees, so the concreteness and effectiveness of PPD hang in the balance.

While acknowledging and commending all that has already been done to facilitate PPD in Tanzania, Gilead Teri pointed out that a lot more needs to be done to attract, nurture, and sustain PPD in Tanzania. He counted off four top priorities that need to be addressed to enable a flourishing PPD in Tanzania:

- Restructuring PPD reforms: Tanzania should redefine its PPD reforms so that they are pro-engagement and enable all stakeholders from all walks of life to participate;
- Strengthening quality inputs from the private sector: the Government of Tanzania should moderate most quality inputs from the private sector that aim at fostering mutual cooperation and understanding on priority areas where PPD would act as a catalyst to spearhead those agendas to full realization;
- The role of the government must be clear: the government should play a pivotal role in championing its agenda by solidifying PPD as a gateway for improving monitoring, coordination, and communication alike. This means that the government should bring key stakeholders to the drawing board for consultation; and
- Consistency: there is need for cultivating and maintaining consistency for mutual understanding between the public and private sectors for enhancing institutionalization, restructuring, and engagement.

Nyange concluded that mutual trust is an important ingredient in policy dialogue. However, he sounded a warning to the stakeholders to not use PPD as a platform to further their political aspirations. Laseko ended the meeting by saying that the online dialogue had been educative, informative, and very interesting, with excellent presentations and lots of splendid ideas that provided much food for thought.

#### 4.5.2 Moving towards a Green Economy in Tanzania (30 November 2021)<sup>19</sup>

In total, 224 individuals signed up for the online event on Moving towards a Green Economy in Tanzania. After the keynote address delivered by Tajiel Urioh, the panellists shared their experiences and knowledge. Then the floor was opened to the audience for questions and comments. The event was moderated by Namwaka Omari.



Figure 7:  
The poster created to advertise the panel on Moving Towards a Green Economy in Tanzania

##### 4.5.2.1 Keynote

In the keynote address, Tajiel Urioh from Climate and Energy Nexus reflected on Tanzania's efforts to move toward net zero by 2050 and showed why we should move to net zero. Net zero indicates the goal for the balance of greenhouse gases emitted from economic, social, and other activities.

<sup>19</sup> The full report on the online dialogue on Moving towards a Green Economy in Tanzania can be found here: [https://pilot4dialogue.com/wp-content/uploads/2021/12/Green\\_Economy\\_in\\_Tanzania.pdf](https://pilot4dialogue.com/wp-content/uploads/2021/12/Green_Economy_in_Tanzania.pdf)



Looking at the trend of global warming and the need to limit global temperature rise to at least 1.5 degrees or below 2 degrees by 2050, he said that a green economy is the result of well-balanced environmental, social, and economic well-being. It denotes the well-being of human beings by balancing economic growth, social accountability and sustainability, as well as resources.

When we talk about a green economy, we're basically talking about growth all along the low carbon pathway which is in line with the global movement as well as the means of responding to climate change and global warming. It is important to make sure that the three base elements of the economy are well balanced against social sustainability and to make sure that the social component of a functional society is well balanced and that it grows in a way that is sustainable. Also, economic sustainability means making sure that we are building our economic model, households, and the national economy in a sustainable way. Balancing the impact of economic growth with the environment as well as integrating care for the environment into our social functions are both essential.

Urioh addressed several principles, including the well-being principle that creates an opportunity for people to be able to create and enjoy prosperity so that when there is an opportunity within the community, they can create worlds that they can enjoy. His point emphasized investing for the future, making sure that as long as we share one planet and there is no way one can move to another planet, we need to take care of this planet which supports our businesses and our livelihoods.

The second principle was assistance and sufficiency. Here, he presented sustainable production and sustainable construction within a green economy and stated the elements that are very important from the individual, corporation, and social perspective.

He argued that based on how we consume products and services, it's very important for the people who are within the green economy to have a conscious consumer who cares about what they are buying, what they are consuming, as well as the process of making the product. And thinking further about questions such as: is it sustainable? is it nearing zero or low carbon pathways? For a green economy to be sustainable, it needs to look at all these principles and make sure that we pick all of them because they are all important.

Urioh then asked about the green economy and from where it had come. The concept of a green economy gained momentum during the 1990s. He recalled that in 1992, during the UN conference on environment and development, they came up with three conventions, UN from a conventional climate change have a CBD (convention biodiversity).

After Rio, the global community started to look at development in terms of balancing growth and the environment as well as social sustainability. If you look at the data related to global warming which relates to the changing climate, we really need to achieve a green economy as a solution to climate change. This is to say that the concept evolved in Rio and it has been taken up since then by different countries. In Tanzania, it was in 1997 that our first environmental policy was established and took the environmental elements towards the growth of Tanzania.

In 2004, the Environmental Management Act was created, which strengthened the environmental policy in the form of enforcement and having a legal instrument, including institutions like the National Environment Management Council (NEMC), to make sure that all these are in place and can be enforced.

Now fast forward to 2015, and we had the Paris Agreement which is a global record for response towards climate change to make sure that we are growing towards a low carbon pathway. One of the goals of the Paris Agreement is to make sure that we promote financial flows and investment towards low carbon pathways.

Urioh stated that Tanzania is considering economic growth as well as social sustainability and a number of frameworks have been developed to make sure the country keeps pace with the world.

In the first and second agreements with the National Determinant Contribution (NDC) submitted in July 2021 to the it is said that we are going to reduce our greenhouse gas emissions between started 35 percent by 2030 based on a business. There is a conditionality on part of it being subject to the availability of funding technology and technical support from developed countries as per climate finance responsibilities. So, it will depend on how we can really get those resources to make it happen as per our NDC. But looking at the whole framework of green economy in Tanzania, despite all the efforts such as the Southern Agricultural Growth Corridor of Tanzania and Bus Rapid Transport (BRT) initiatives, and other investments in different sectors that promote the essence of the green economy, we still have gaps, particularly

on the policy front and in the framework for achieving a green economy in Tanzania.

Urioh argued that thus far, Tanzania doesn't have a dedicated policy, strategy, or roadmap to guide the national development towards a green economy. He argued that it is important to know that in failing to go with the global community in the transition to a green economy, we are preparing ourselves to fail in the future. And that, in the context of Tanzania, we really need to speed up and make sure that we have in place the legal and institutional frameworks necessary to guide our economy towards a green economy. And this has to be owned by the people and it is equally important that it be owned by the trade unions, too.

It is also vital to look at the political leadership, its willingness to make low carbon pathway investments for economic growth, as well as the will for political commitment and leadership to transition the country to a green economy. He emphasized that a country with a good framework will find it easier for the general public to move towards a green economy.

He said further that there is debate on how we can promote economic growth with minimum environmental impact and evidence of how it can be done. He stressed that the belief that we can pollute now and clean later has proved deleterious for the country. For Tanzania there is a lot of opportunity to embrace the green economy, particularly in the energy sector. The country has a lot of opportunities to promote public-private investment in the energy sector, looking at the current status of energy production.

He also appreciated the fact that Tanzania has done a lot in rural electrification, but missing still is the productive use of energy in rural settings. We bring energy to them, we connect them to power, but we don't really invest to make sure that they know about the productive use of energy because of which they end up using energy merely for lighting and powering their devices.

He said that we should also promote the sustainable and productive use of energy, particularly the settings for the rural and urban areas as well as in a way that it generates more income in environmentally friendly ways but also in socially sustainable ways. And we should also promote inclusive economic growth in rural settings and look at the issue of waste management. He also perceived a number of opportunities in subsectors to embrace a green economy, as, for instance, looking at the transport sector to reduce emissions. He summed up by saying that to achieve a green

economy, we really need to have a good policy framework and a very genuine will to work towards a green economy. He advised the government to be at the forefront in making sure it provides a clear direction to achieve a green economy.

#### 4.5.2.2 Panellists

The discussion started with the first panellist, Marc Baker (Carbon Tanzania), thanking the Pilot 4 Research and Dialogue team and then Tajieli Urioh for providing an excellent overview of the topic. He said that they have worked at the top policy levels and are now moving towards the ground level, which, he felt, was the most important place for the conversation. He said that Carbon Tanzania is a business that works with village governments, with wildlife management exponents, and with the district regional government in three districts in Tanzania.

In 2021, Carbon Tanzania has transferred 4.4 billion Tanzanian shillings to 70,000 people within those three districts, which has been spent on health, education, and the development of community conservation banks. In some cases, the funds have been used to help with food requirements and also meet the cost of business to slow and stop deforestation. He then talked briefly about “deforestation.”

He said that when they talk about deforestation, a lot of people think about charcoal and timber. In Sub-Saharan Africa, about 90% of deforestation is driven by shifting agriculture, and in the case of Tanzania, the figure is about 85–90% based on available literature. According to him, deforestation is driven by poverty, inequality, lack of social justice, and generally poor governance. And that really speaks to what the green economy is.

He then argued that the green economy is about social inclusivity and social justice. It should be built on genuine shared prosperity and linked directly to the ecological environment. That is what separates the green economy from what we call the standard economy. Carbon Tanzania creates verified emission reduction. So, what it sells to the external world is called “verified emission reduction,” and that is based on third-party validation of what they call carbon assets (the forest). He continued by saying that the asset itself is built based on the carbon being there in the forest and that’s

only about a third of it, the rest is built on genuine social inclusivity and social justice.

As a business, they transfer 60% of gross revenue to these communities and that is social and economic justice, which is what a green economy can really mean for Tanzania. This can change the dynamic of how we think about what the business does in the context of a country like Tanzania, where perhaps 2% or 1% of that revenue filters down to the people who need it the most. They are reversing that, for which they have built an economic model that ensures that at least 50% – and their target is 60% – of that revenue goes to people on the ground (including district, community, village, and ward governments).

Another point Baker brought up was the question of restrictions or limits on the availability of finance in this sector: he said there are no restrictions and they are being contacted by people who want to invest in Carbon Tanzania, in the Tanzanian people, and in their forests.

Reflecting on Tanzania, looking at money from the Forestry Act and the implementation of forest rights, Tanzania is probably one of the leading countries in the world in terms of being able to engage with village governments and transfer revenue to people at the village level. He summed up by saying that we all need to move beyond dialogue to action, and he thought that was the key role that Carbon Tanzania is playing in Tanzania.

The second panellist, Kamala Dickson (East Africa Champion), said he wanted to contribute to the youth as per the other speakers who spoke before him. He could see that climate change had affected the availability of water, which had in turn led to shortages in electricity supply. Since Tanzania depends on only hydro-electric power sources, he saw this as a challenge especially for the youth who depend on daily production activities to sustain their daily lives, such as those who sell CDs in town as well as web developers.

Dickson called upon the youth to participate directly or by raising their voice, especially when there are sustainable development conferences such as those on climate change. He advocated for youth to get the chance to directly engage in the green economy and not be represented by other groups. He advised the government to give the youth opportunities to participate so that they can gain knowledge and also share their ideas about a green economy. He concluded by sharing his concerns about the increase in global temperatures and food security issues in Tanzania as a result of global climate change.

The third panellist, the Hon. Zitto Kabwe (party leader, Alliance for Change and Transparency, or ACT-Wazalendo), said he had learned new things to look after in the future. He said Dickson had talked about the threat to food security, which is really happening this year. The Minister for Agriculture, quoting the meteorological authority, had said that “we are going to have drought,” and obviously in 2022, we are going to have food shortages like we have now; we have now experienced shortages of water, and this clearly is not due to climate change, but also the behaviour of people and the competition between livelihoods and their needs.

In terms of ecological stability, all these things are happening before our eyes – it’s not like we are theorizing, these are practical things that are happening in the country and the threats are obvious. Kabwe advised the audience on the dedicated policy to guide national development and offered his thoughts. He referred to the six points that Omari had also but urged to look at the opportunities. One participant spoke about how the world was now moving into electric vehicles (EVs) which could be an opportunity for a country like Tanzania to tap into and benefit from participating in the supply chain for making electric vehicles. So, all these things have to be taken into consideration in the development of a policy to guide national development in the direction of mainstreaming a green economy.

Kabwe wanted a discussion with financial institutions regarding green finance. He said he understood that there are such initiatives globally, and he talked of a local bank that had received financial aid to support smart agriculture and things like that. He argued that we need to build more to have more green assets in the portfolio of financial institutions. These will add a lot because all of us understand that there is a huge cost of transition, and we are told that funds are available globally.

He posed some intriguing questions on how we can turn these plans into reality and make sure that we move towards a green economy. There was a discussion on the use of charcoal from other participants in the chat room: there have been efforts to massively reduce the use of charcoal, but these have not borne fruit, not achieving even 1% success because of the costs involved. Charcoal is a reliable source of fuel and wood is one of the largest sources of energy for people in rural areas. How do we get them to transit to other options, some of which are a little cheaper, as, for example, cow dung? Another would be to use waste to make charcoal and reduce the cutting of trees for the purpose. But all these need to be mainstreamed into a

dedicated policy to spur national development. There are also efforts to increase the use of LPG (liquefied petroleum gas). LPG is not zero carbon emission, but vastly better than cutting down trees.

Kabwe summed up by reiterating the need to have a dedicated policy that would address all these issues and that would enhance the collaboration between the private sector, the public sector, and communities for the desired outcomes.

The fourth panellist, Dr Fredrick Mulinda (Environmental Management Council), voiced his appreciation of previous speakers such as Urioh, Baker, Dickson, Valerian, and Kabwe. He quoted approvingly from Baker's presentation: "Much of the policy has been done, we need to move to action." He said Tanzania doesn't have a specific policy on a green economy, nor does it have an operational definition of a green economy at the national level. But, he said, there have been ongoing processes from all the way back to the Stockholm Conference in 1972 to the Rio Summit in 1992. Till now, the government has done a lot in working towards a green economy. From his position in the Environmental Management Council he speaks to all major investors in the country and said that they will operate in an environmentally responsive manner that will ensure that degraded ecosystems are restored; biodiversity is protected; emissions are reduced; and water and air pollution are mitigated. He said the Environmental Management Act which NEMC established provides for environmental audits that go back to the investments that were made even before the enactment of the Act. He said that all such efforts will lead Tanzania towards a green economy and a low carbon pathway. He argued that a green economy presupposes a low carbon pathway, resource efficiency, and social inclusivity. He said he had shared what is already available on the ground and we may have to leverage on that as we continue to grow towards reduced emissions or low carbon pathways. He also talked of the number of activities that are reflected in the programme that are carried out by the country, including more policies in the agriculture sector like the agricultural climate resilient plan and the climate smart agriculture programme and guidelines.

The NEMC also has a programme called RED (Remission and Reduced emission from deforestation and forced degradation). RED has given rise to other initiatives like participatory forest management through community-based forest management, which has helped to put in place relatively advanced institutions and policies and strategies that foster sustainable

forest management. Tanzania has a number of other policies like the Development Vision 2025, the FYDPs, and the national strategies for growth and poverty alleviation.

He summed up by saying, “I would encourage everyone to leverage on the already available legal and institutional framework to contribute from their point of operations towards a green economy.”

#### 4.5.2.3 Participants

Participants were encouraged to post questions through the chat room, which were then passed on to the moderator. The chat room was very busy with a lot of discussions among the participants, including questions and answers, comments, advice, ideas, and opinions about the youth and opportunities for the youth. Participation was high, mostly by women and young people from the agriculture sector. There were also debates on the education and employment sectors on some burning issues raised by the participants.

Omari urged the keynote speaker and panellists to get onto the chat room to respond to participants’ questions, issues, concerns, comments, ideas, etc. Participants were also encouraged to respond to each other. She requested Judith Valerian from SUA to give her insights and thoughts based on the work that she is doing. Valerian started by greeting everyone and then thanking the keynote speaker for his inputs. She said she saw a green economy as a model of economic development. It has been a long time since Tanzania embarked on the journey towards green transformation. She said it was necessary to look into the different agricultural value chains in Tanzania. We mainly focus on manufacturing and consumption, she said, we tend to leave out the waste that is produced through the whole value chain activities, that is from production of seeds to the food we place on our tables.

Some of this waste is contributing to environmental burdens which are actually working against the national efforts towards a green economy. She shared with the audience the concept of a recycle economy, which SUA has started to use in economic as well as agricultural terms to reduce environmental risks by managing natural resources more efficiently and effectively. She gave the example of the processing of sisal from the farmers to the decorticating companies to the bigger processing factories. She



pointed out that when the sisal is being decorticated, there is a lot of waste left to rot in the pits since only 10–12% of the sisal leaves are used.

She said there are technologies that will help to convert that waste into electricity that might help the national grid, instead of letting them rot and produce polluted gas. This had been done successfully in Hale, in the Tanga region, some years ago.

Omari then thanked Valerian for her valuable contribution and briefly explicated on what she had said. Next, she welcomed Shose Sinare (Kuzeni, a start up focusing on alternative cooking energy) to contribute her views on a green economy. Sinare argued that we have to balance affordability for the masses, accessibility and sustainability as well as inclusivity and obviously growing everyone's economy. To really grow the economy at the grass-roots levels, she advised setting up a behavioural change campaign. As mentioned before, if you look at the statistics, we see that Tanzania is one of the highest consumers of charcoal in the world. She then pointed out that two million tonnes of charcoal is consumed in Tanzania, 50% of which is used in the capital of Dar es Salaam alone. So, you can see that we need to have an alternative fuel source. She recalled a time in 2006 when the government had introduced a ban on the use of charcoal. However, some time later, they had to remove the ban because there was no affordable alternative to charcoal. That's where the opportunity comes, she said. There is talk of using agriculture waste. Kuzeni was one of our primary focuses, Sinare said, because we really are more focused on the agriculture sector and want to use this massive waste that is being thrown away. Tanzania produces thousands of tonnes of maize, sugar cane, and sisal, and yet we burn or throw away most of it. She was of the opinion that if we are able to set up partnerships with low-cost sustainable factories and then link them up with good distribution for accessibility, then we will be able to provide alternatives.

The challenge would be affordability and accessibility and then sustainability, meaning that if we include the same farmers who actually employ 75–80% of our youth and women to be participants, it will give them an alternative source of income instead of burning their crops after harvest. It will also reduce carbon dioxide emissions in the air. So, I think the key will be having an ecosystem that is inclusive and that is really turning waste into gold, said Sinare.

#### 4.5.2.4 Key Messages

Omari wrapped up by reiterating the key issues that had been discussed during the session. She stressed on the urgent need for political will to use processes that would lead to review and improvement of the existing policies and legal frameworks with a view to having a green economy across the board. Equally, she reminded the audience of the need to work collaboratively as we cannot operate in a vacuum, we need to move together towards a green economy. Finally, she thanked all the people who had participated in the event and said that the discussions had been very illuminating.

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This handbook serves as a guide for practitioners who engage in dialogue on fiscal and economic policies in Tanzania. It focusses on the dialogue that was conducted within the frame of the Pilot 4 Research and Development project, which aimed to promote dialogue on economic and fiscal governance in Tanzania, and which created a platform for sustainable dialogue including public and private stakeholders from different Tanzanian regions. This handbook is based on the three studies and nine policy briefs that were published, as well as on the dialogue that took place between the various stakeholders during the seven consultation events that were organized during the project.

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