

Annex I

Table I: Budget Framework, 2000/01 – 2004/05

	2001/02	2002/03	2003/04	2004/05
	Actual	Budget	Projection	Projection
	(In billions of Tanzania shillings)			
Total Resources	1,626.5	2,219.2	2,210.9	2,314.3
Domestic revenue	1,042.9	1,172.3	1,295.9	1,455.2
Budget support loans and grants	216.2	289.1	306.4	321.4
Project loans and grants	294.4	624.5	530.8	451.2
HIPC relief (ADB, IMF, WB)	60.3	80.1	77.7	86.4
Drawdown of deposits	-	21.3	-	-
Borrowing	(22.6)	9.0	-	-
Privatisation funds	-	18.0	-	-
Adjustment to cash	35.3	-	-	-
Recovery of NBC bond	-	5.0	-	-
Total Expenditure	1,626.5	2,219.2	2,210.9	2,314.3
Recurrent expenditure	1,281.8	1,499.1	1,619.8	1,797.8
Consolidated Fund Service (CFS)	271.3	323.5	328.1	351.1
Debt service	191.6	244.5	251.6	272.1
Interest	121.1	131.6	132.2	139.4
Amortisation	70.4	112.9	119.4	132.8
CFS others	79.8	79.0	76.5	79.0
Salaries and wages	342.0	411.5	452.6	510.9
Designated Items	77.6	193.6	319.4	406.8
Other charges	497.7	570.5	519.7	529.1
Payment of arrears	59.1	-	-	-
Expenditure float	34.1	-	-	-
Development expenditure 1/	344.6	720.1	591.1	516.5

Source: Ministry of Finance

1/ Development expenditures in the outer years of the MTEF are falling on account of lack of information on donor commitments.

Annex II

Table 2: Budgetary Allocation for Priority Sectors, FY 2000/01 – 2002/03 (July – June)

	2000/01	2001/02	2002/03
	Actual	Actual	Budget
(In billions of Tanzania shillings)			
Education	254.9	344.9	414.8
Recurrent	189.2	282.1	400.0
Development	65.7	62.8	14.8
Health	100.7	142.1	172.3
Recurrent	70.3	90.9	128.6
Development	30.4	51.2	43.7
Water	18.3	32.5	58.5
Recurrent	8.1	15.5	16.9
Development	10.1	17.0	41.6
Judiciary	9.2	18.8	23.8
Recurrent	8.8	14.8	18.9
Development	0.4	4.0	4.9
Agriculture	19.1	31.9	62.6
Recurrent	10.3	17.2	34.2
Development	8.7	14.7	28.4
Roads	92.5	179.6	208.4
Recurrent	60.7	65.7	73.6
Development	31.7	113.9	134.8
HIV/AIDS	-	7.3	15.6
Total Expenditures in Priority Sectors	494.6	757.1	956.1
Total Expenditures as percent of GDP	6.4	8.8	10.1

Memorandum Item:

GDP at market prices

7,727

8,613

9,498

Source: Ministry of Finance

Table 3: Priority Expenditures Within Priority Sectors, 2000/01-2002/03

	2000/01	2001/02	2002/03
	Actual	Actual	Budget
(in billions of Tanzania shillings)			
Education	254.9	344.9	414.8
Basic Education	76.5	116.6	171.3
Health	100.7	142.1	172.3
Primary Health	42.3	101.0	100.3
Water	18.3	32.5	58.5
Roads	92.5	179.6	208.4
Rural Roads	18.2	21.5	24.2
Judiciary	9.2	18.8	23.8
Agriculture and Food Security	19.1	31.9	62.6
HIV/AIDS 1/	-	7.3	15.6
Total Priority Sectors	494.6	757.1	956.1
Total Priority Items	146.2	265.2	335.2

1/ Expenditure on HIV/AIDS is incorporated within ministries and departments. The amount reflected here is for specific interventions.

Source: Ministry of Finance

Table 4: Central Government Expenditure on Priority Sectors, 1998/99 - 2002/03

	1998/99	1999/00	2000/01	2001/02	2002/03
	Actual	Actual	Actual	Actual	Actual
(In billions of Tanzania shillings)					
Total expenditure in priority sectors	342.3	418.6	499.7	715.2	956.1
Education	164.9	218.0	254.9	294.9	414.8
Health	72.5	81.2	100.7	142.1	172.3
Water	14.4	14.5	18.3	32.5	58.5
Agriculture	14.9	21.6	19.1	31.9	62.6
Roads	66.7	70.8	92.5	179.6	208.4
Judiciary	5.5	8.3	9.2	18.8	23.8
TACAIDS 1/	0.0	0.0	0.0	7.3	15.6
Recurrent expenditure in priority sectors	233.0	282.0	347.5	440.3	676.8
Education	117.6	158.9	189.2	232.1	400.0
Health	50.7	53.9	70.3	90.9	128.6
Water	7.1	5.4	8.1	15.5	16.9
Agriculture	8.6	13.7	10.3	17.2	34.2
Roads	43.9	42.2	60.7	65.7	73.6
Judiciary	5.2	7.9	8.8	14.8	18.9
TACAIDS	0.0	0.0	0.0	4.0	4.5
Development expenditure in priority sectors	107.5	134.4	149.4	266.8	279.3
Education	47.3	59.1	65.7	62.8	14.8
Health	21.9	27.3	30.4	51.2	43.7
Water	7.3	9.1	10.1	17.0	41.6
Agriculture	6.3	7.9	8.7	14.7	28.4
Roads	22.8	28.6	31.7	113.9	134.8
Judiciary	0.3	0.4	0.4	4.0	4.9
TACAIDS	1.7	2.1	2.3	3.3	11.1

Source: Ministry of Finance

1/ Government agency formed in 2001 to coordinate AIDS related priority interventions

ANNEX 5: POLICY MATRIX FOR POVERTY REDUCTION STRATEGY, 2002/03 – 2004/05.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
<i>I. Reduce Income Poverty</i>		
Agriculture		
<p>Create an enabling and conducive environment for improving profitability of the sector, and ensure food security</p>	<ul style="list-style-type: none"> • Action programme completed • Rural Development Strategy developed in 2001 • Problems impeding agricultural growth are being addressed. • Agriculture Sector Development Programme framework and process document completed • Restrictions on internal trade on agriculture products removed 	<ul style="list-style-type: none"> • Formulate phase II of ASDP. • Undertake sample census of agriculture survey 2003/04. • Formulate Food Security Policy. • Intensify Private Agribusiness Sector Support (PASS). • Develop a monitoring and evaluation system for ASDP. • <i>Review and propose options for a unified tax collection system for agricultural exports consistent with the ongoing work on harmonization of local government taxes and levies.</i> • <i>Review the role and funding arrangements of Crop Boards to limit their functions to regulatory activities.</i> • <i>Assess the effectiveness of coordination mechanisms for ASDP implementation.</i> • <i>Prepare a viable prioritized strategic plan for implementation of the Land Act and Village Land Act.</i>
Roads		
<p>Improve rural and district and cross border road network to enhance access to farm and agriculture markets</p>	<ul style="list-style-type: none"> • Somanga-Masanninga including construction of Matandu bridge, Nangurukuru-Mbwemkulu, Mbwemkulu-Mingoyo, Dodoma-Manyoni and Manyoni-Singida road sections: • 34% increase in budget allocation for FY 2002/03 to finance rehabilitation and maintenance of 4,500 km roads. 	<ul style="list-style-type: none"> • Allocating 1.8 billion monthly for the north-western and southern regions linkage. • Enhancing budgetary allocation to road rehabilitation and periodic maintenance and spot repairs. • Mobilize communities in maintenance of footpaths,

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
	<ul style="list-style-type: none"> • Routine maintenance, emergency repair and spot improvement carried out in all 20 regions. • Rehabilitation of regional roads in progress. • Undertake periodic maintenance of 10,120 kms of the rural roads network 	<ul style="list-style-type: none"> • tracks and trails. • To carry out emergency repair and spot improvement in all district roads. • "Urgent Road Rehabilitation Programme" (URRP) for district, feeder and urban roads will be developed. • Strengthen capacity of District Engineers.
Employment		
<p>Enhanced productivity and competitiveness, elimination of child labour and increased availability of credit facilities for micro enterprises.</p> <p>Reduce prevalence of Poverty in urban areas.</p>	<ul style="list-style-type: none"> • One project has been undertaken i.e. demand driven skill development programme. • Project areas have been identified and training have been undertaken in 19 districts. • Steering committee established. • National Employment Policy is being revised. • Occupational Service and Health Agency has been established. • About 4000 children have been withdrawn from worst forms of labour under the time – Bound programme. • Child labour survey has been finalized. 	<ul style="list-style-type: none"> • Operationalization of the action plan as stipulated in the programme documents. • Complete the review of National Employment Policy by June 2003. • Establish labour Exchange offices in each region. • Finalize National Elders Policy • Construction of three remand homes • Revision of outdated labour laws • Finalize Child Labour Policy • Review micro-credit schemes for youth, women and other groups • Complete structures and provide equipment to workshops designed for people with disabilities in Kinondoni (Dar es Salaam) and Sasanda (Mbeya)
Extreme Vulnerability		
<p>Improve the welfare of vulnerable groups through upgrading their residential areas, provision of financial and technical services, enhancement of their property rights and adoption of safety nets.</p>	<ul style="list-style-type: none"> • PPA analysis ongoing • Analysis of Population and Housing Census ongoing 	<ul style="list-style-type: none"> • Detail poverty mapping • Report on population census findings • Develop appropriate indicators on vulnerability • Set targets on the indicators

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
II. Improve Human Capabilities		
Education		
Raise gross and net enrolment and enhance the quality of basic education	<ul style="list-style-type: none"> • Gross enrolment ratio is at 100.4% and net enrolment ratio at 85% in 2001/02. A total of 12,868 classrooms have been built. • Development and capitation grant to the tune of Tshs. 73.036 billion were disbursed to the local authorities. • 82 districts have been school mapped and 53 districts micro-planned by June 2002. 	<ul style="list-style-type: none"> • Construct 13,396 classrooms, 7,732 teachers houses and toilet blocks. • Carry out school mapping in 38 districts and micro-planning in 68 districts. • Strengthen the primary school inspectorate system. • Develop a national strategy for Teachers Education and TEDP.
	The pass rate in the primary schools leaving examination has increased from 22 percent in 2000/01 to 28 percent in 2001/02	<ul style="list-style-type: none"> • Maintain the provision of US 10 per child per annum. • Upgrade 50,000 grade "C/B" teachers to grade "A" under a new upgrading programme. • Continue to strengthen community capacities in managing primary schools. • Improve availability of textbooks and teaching materials in primary schools. • Finalize the strategy for Non-Formal Education (NFE). • Revive Adult Education. • Develop a national strategy for secondary education and SEDP.
Health		
Strengthen Immunization services, malaria control, National Programme, reduced maternal and child mortality rate and reduce prevalence of HIV/AIDS.	<ul style="list-style-type: none"> • The integrated management of child illness has been increased from 31 to 93 districts in 2001/2002. • Number of children under 2 years immunized against measles and DPT increased from 74% to 79% in 2001/02. 	<ul style="list-style-type: none"> • Increase level and improve allocation of budget resources for basic health care from the current level of USD 5.4 per capita to USD 9.0. • Introduce IMCI programme in 46 councils.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
	<ul style="list-style-type: none"> • There is continuing increase in the utilization of MCH services which include reproductive health and family planning. The MCH services are accessed free of cost at the time of use. • Proportion of birth assisted by trained personnel has increased from 50 percent to 80 percent in 2001/02 • The legal framework of restructuring MMC is in place, the MNH board and management has been established, parallel with capacity building in management. 	<ul style="list-style-type: none"> • Intensify the HIV/AIDS awareness campaign, and • Implement PCDA for people living with HIV/AIDS. • Increase the percentage of children under 2 years immunized against measles and DPT from 79% to 85% by 2003. • Provide adequate and equitable maternal and child services, • Promote nutritional education control of communicable diseases and advocate good feeding practices for children. • Provide essential obstetric equipment to councils. • Strengthen and reorient secondary and tertiary services delivery to support primary health care services. • Develop a plan for rehabilitation of all health facilities at different levels. • Implement fully the malaria control programme.
	<ul style="list-style-type: none"> • Drug Revolving Fund is introduced in all district hospitals. 37 districts introduced Community Health Fund and National Health Insurance introduced for all civil servants. 	<ul style="list-style-type: none"> • Introduce CHF in 25 districts and review DRF and NHIF implementation. • Strengthen monitoring system for the health sector. • Develop a programme for capacity at sub-national level.
Water		
<p>Provide adequate, clean and safe water and sanitation – with targets to increase its coverage from 48.5 percent to 55 percent in 2004.</p>	<ul style="list-style-type: none"> ▪ E.g. the new Chalinze water supply scheme is around 50 percent complete. • 897 underground water areas explored and 540 boreholes drilled. 	<ul style="list-style-type: none"> ▪ Rehabilitate and expand the existing water supply schemes in rural areas by 2006. ▪ Increase underground water exploration to ease construction of new water schemes especially in dry areas. ▪ Ensure water boards are in place in all district headquarters by 2006.
<p>Rehabilitation and expansion of urban water supply to increase service levels from 68 percent to 78 percent by 2004.</p>	<ul style="list-style-type: none"> ▪ The study on pricing policy is on going. Rehabilitation and expansion of Sewerage System in Seven Municipalities is complete. 	<ul style="list-style-type: none"> ▪ Restructure urban water supply pricing by the year 2004 ▪ Complete phase II of urban water supply by 2005.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
Strengthen water resource environmental and pollution control network in order to reduce pollution levels from 20 percent to 10 percent by 2004.	<ul style="list-style-type: none"> ▪ Water samples were tested for standard amount of chemicals and for turbidity, advisory measures were taken. And industries were inspected to control industrial effluents. ▪ The Rural Water Supply and Sanitation Project took off since April 2002 in three districts. 	<ul style="list-style-type: none"> ▪ Increase activities for water resource environmental and pollution control. ▪ Disseminate the policy and put in place Water Sector Development Strategy and Development Plan by June 2004. ▪ Replicate intervention package to other nine districts during financial year 2002/2003.
To improve Management of Water Resources (RBM) (New)	<ul style="list-style-type: none"> ▪ Five water basin offices in five Basins are in place. ▪ 105 hydrometric stations were rehabilitated, 28 data loggers installed and one isotopic hydrometric station was built at Makutupora Sub-basin. 	<ul style="list-style-type: none"> ▪ Put in place basin offices in the remaining four basins by 2005. And rehabilitate the existing hydrometric networks and complete the network in all basins by 2005. • To build the capacity of Communities to initiate, plan, implement, operate and maintain their own Water schemes.
HIV/AIDS		
Reduce HIV prevalence and promote behavior change across the board.	<ul style="list-style-type: none"> • TACAIDS was formally established by Act of Parliament, HIV/AIDS has been included in PER/MTEF process, HIV/AIDS activities has been mainstreamed in all sectors • Awareness campaign conducted through media and public rallies. • HIV/AIDS campaign has covered all districts • TACAIDS is now operational following completion of structures and recruitment of key staff • Formation of a special DAC HIV/AIDS to work with government to address HIV/AIDS issues 	<ul style="list-style-type: none"> • TACAIDS Secretariat will be recruited before June 2003 • The National Multisectoral strategic framework for HIV/AIDS will be finalize before June 2003 • Advocacy and sensitization will continue in 2003
<i>III. Improve Social well-being</i>		
Local Government		
Strengthen the effectiveness of local government in the delivery of public services.	<ul style="list-style-type: none"> • In phase I reforming councils activities aiming at strengthening the effectiveness of LGAs in the provision of quality services continued to be implemented focusing on the following: 	To implement the activities identified in the LGRP Medium term Plan (July 2002 to June 2005) the following activities will be implemented during the year 2002/2003.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
	<p>(i) Good Governance concentrating on creating awareness about the reforms and principles of democracy, transparency, accountability and the need to uphold the rule of law.</p> <p>(ii) Financial decentralization underscoring the need for enhanced financial resources available to LGAs and improved management of those resources by councils.</p> <p>(iii) Restructuring of the LGAs so that they can acquire organization structures which will enable improved delivery of basic services to the people.</p> <ul style="list-style-type: none"> • The LGRP Action Plan and Budget (July 1999 to December 2004) was revised and a three year LGRP Medium Term Plan and Budget (July 2002 to June 2005) was developed and approved. The overall goal of LGRP now is focusing on the reduction of the proportion of Tanzanians living in poverty. The objective is to improve quality access and equitable delivery of public services particularly to the poor. 	<p>GOVERNANCE</p> <ul style="list-style-type: none"> • Prepare and disseminate booklets and posters. • Conduct awareness, sensitization meetings and workshops. • Develop and implement multi-media strategy for publicizing LGRP. • Assist LGAs to prepare local anti-corruption plans and monitor implementation with PCB. • Prepare guidelines on participatory planning and budgeting for LGAs. <p>RESTRUCTURING</p> <ul style="list-style-type: none"> • Revise the restructuring manual in light of experiences. • Assist LGAs to review their organizational structures and finalize implementation plan for new strategies. • Collect and compile the policies, guidelines, service and staffing standards to be used in LGAs restructuring.
		<p>FINANCE</p> <ul style="list-style-type: none"> • Identify bottlenecks to fiscal decentralization and propose strategies for clearing them. • Develop a formula-based method of allocating grants and a performance measurement system. • Design, test and introduce planning and reporting database to LGAs. • Facilitate and support implementation of Epicor (Platinum) based IFMS in the pilot. • Facilitate development of Local Government Procurement Regulations and Procurement Manual.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
		<ul style="list-style-type: none"> • Design a national coordination action plan for roll out of revenue enhancement programme. • Conduct training on revenue enhancement programme for ZRT Financial Management Specialists, and facilitation consultants, and provide backstopping support from the center.
		<p>HRD & MGT</p> <ul style="list-style-type: none"> • Identify problems and propose any revisions of the regulations and other practical measures to be taken. • Support LGAs in the new recruitment procedure under the Staff Service Regulations. • Assess specific staffing problems of peripheral councils and propose measures to redress the problems. • Agree on framework for programme of capacity building through learning by doing backed by counterpart institutes (including all support requirements). • Develop pay reform strategies for local government sector. • Submit pay reform proposals to government. • Design and implement capacity building programme for LGSC in the light of new institutional arrangements.
		<p>LEGAL AND INSTITUTIONAL FRAMEWORK</p> <ul style="list-style-type: none"> • Prepare detailed legislative drafting instructions. • Support preparations for a Bill of Amendments. • Draft legal instruments necessary to implement a policy on decentralization by devolution. • Prepare the bye-law database.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
		<p>PO-RALG</p> <ul style="list-style-type: none"> • Undertake restructuring assignment and review PO-RALG Strategic Plan in collaboration with CSD. • Conduct workshop to discuss draft report, proposed structure and implications for the Strategic Plan.
		<p>REFORM COORDINATION</p> <ul style="list-style-type: none"> • Po-RALG legal unit to document present status of LGR policy. • Identify areas requiring clarification and propose follow-up. • Identify key coordination issues and challenges pertaining to implementation of LGRP. • Support IMWG (LG) to address coordination issues.
<i>Governance</i>		
<p>Improve effectiveness in the delivery of public services and transparency in the accounting system</p>	<ul style="list-style-type: none"> • Revenue collection stations of TRA in Dar es Salaam are covered by the IFMS, including local government. • From July 2001, the government has been publishing in the newspapers the information on budget resource transfers to ministries, departments and agencies including local governments. • The government has been publishing budget execution reports partly drawn from IFMS, started with the first quarter of 2001/02. 	<ul style="list-style-type: none"> • Continue to involve the mass media in the fight against corruption. • Extend further IFMS to more TRA collection centers and the remaining local government authorities. • Enforce more local governments to present quarterly reports of their revenue by source and expenditures by sector from January 2003.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
	<ul style="list-style-type: none"> • Each sub treasury is on IFMS on stand alone mode. • Few local governments have been able to present quarterly reports of their revenue by source and expenditure by sector in fiscal year 2001/02. • The Office of the Controller and auditor General adopted a scheme of service. • Ethics secretariat has been authorized to receive anonymous complaints. • Good governance coordination unit was established in the Office of the Chief Secretary, State House. • MDAs have developed anti-corruption action plans that are incorporated into the broader strategic plans been put in place as part of Public Service Reform Programme. • A Country Financial Accountability Assessment (CFAA) was carried out for 2001/02 	<ul style="list-style-type: none"> • Process of report against the national anti-corruption strategy and action plan will be strengthen. • Anti-corruption strategy for LGAs, private sector, CSOs and media will be developed. • Capacity of CSOs, NGOs and the media will be strengthen to enable them to participate in war against corruption. • Extend IFMS further to more local government authorities. • To bring in line the fiscal year of the local government with that of the central government and to further increase transparency and political debate on the budget proposals.
<p>Legal and Judicial System</p> <p>Improve the efficiency of clearing cases through the courts</p>	<ul style="list-style-type: none"> • 22 Resident Magistrates, 26 Primary Court Magistrates and 16 State Attorneys were recruited in fiscal year 2001/02. • The budget for the Judiciary raised from Tshs. 8 billion in 2001/02 to Tshs.12.4 billion in 2002/03. 	<ul style="list-style-type: none"> • Strengthen the capacity of the Judiciary through recruiting further new 125 Magistrates, 70 State Attorneys and 135 Primary Court Magistrates. • Increase resource allocation to Legal and Judicial system. • Extend Commercial Court Sub-Registries in Arusha and Mwanza.

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
<ul style="list-style-type: none"> Preparation of a Development Programme for rehabilitation of facilities of the Courts and other houses. 	<ul style="list-style-type: none"> The pilot scheme in Arusha Zone under the Quick Start Project became operational. Under the preparation of the Proposed ATIP, recruitment process for the Consultants to design an infrastructure development programme began in April 2002. A level of 60% of actual Court of Appeal Sessions was achieved by 30th June 2002. A level of 63% of the decided cases was achieved by 30th June 2002. Construction of 2 Juvenile courts in Mtwara and Mbeya regions is in progress 	<ul style="list-style-type: none"> Ensure a fully documented pilot scheme under the quick start project is in order so as to provide lessons learnt from national community based programme to support improvement of judicial services at the lower courts. Develop appropriate management and coordination arrangements in place for implementation of the reform programme. Ensure priority areas for a fully costed civil works programme is identified. Ensure that the Legal Sector Reform Programme is appraised and development partners' funding is identified. Ensure effective functioning of the Independent Judicial Ethic Committees and strengthen supervision. Development of the infrastructure development programme under the proposed ATIP. Raise the actual Court of Appeal sessions to 80% by end of 2003. Speed up court decisions and raising the ratio of decided cases to filed cases from 63% to 70% by 2003. Finalize construction of 2 Juvenile Courts in Mtwara and Mbeya. Enhance capacity of Law Reform Commission, IJA (Lushoto) and the Legal Sector in general. Review and update the legal framework including progress indicators.
<i>IV. Strengthen Prospects for Growth and Development</i>		
Macroeconomic Stability <ul style="list-style-type: none"> Attain GDP growth rate of 6 percent Maintain low inflation rate in line with the average rate of inflation for trading partners Sustainable current account balance 	<ul style="list-style-type: none"> Real GDP growth increase to 5.6 percent by 2001 (compared to 4.9 in 2000) and is projected to rise to 5.9 percent in 2002 Inflation rate declined to 4.5 percent by June 2002 compared to 5.3 in the same period in 2001 By end December 2001, the gross foreign reserves had risen to six months of imports cover 	<ul style="list-style-type: none"> Sustain macroeconomic stability and enhance structural reforms Maintain gross foreign reserves above four months of imports cover

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
<i>Tax reform</i>		
Attain a sound taxation system	Further reform measure taken for 2002/03 budget <ul style="list-style-type: none"> • Re-introduction of VAT refund system for VAT paid by farmers on transportation, processing and packaging material for export crops. • Promotion of export processing zones • Extension of duty drawback application period from three months to six months. See Box 1: Highlights for the 2002/03 budget measures	Further reform measures in time for 2003/04 budget <ul style="list-style-type: none"> • The amendment made in the 2002 Finance Bill relating to capital expensing will be redrafted to clarify reference to TIC certificate holders. • The government is reviewing the exports processing zones legislation with a view to focusing it to taking advantage of export markets under the United States, AGOA and the European Union's Everything – But – Arms facility • The Government intends to review tax laws and exemptions.
<i>Business Environment</i>		
Provision of enabling environment for private sector investment	<ul style="list-style-type: none"> • The Government has successfully floated at the Dar es Salaam Stock Exchange 5-year Treasury bond in February 2002, 7 year fixed rate Treasury bond in August 2002. • Tanzania Investment Centre (TIC) restructured and transformed into a modern computerized investment facilitation center. • Enhanced government/private sector dialogue on development issues through the establishment of the Tanzania National Business Council (TNBC). 	<ul style="list-style-type: none"> • Float 10-year Treasury bonds by end October 2002. • Develop private sector Development Policy by end December 2002. • The Business Environment Strengthening in Tanzania (BEST) programme to be launched by March 2003.
	<ul style="list-style-type: none"> • Privatization of TRC and ATC are at advanced stages. The government has set aside Tshs 13 billion in the 2002/03 Budget to cover retrenchment costs of ATC, TRC and DAWASA • The process of unbundling TANESCO into autonomous commercial entities before privatization is on going. A private management company has begun to improve the finances of TANESCO. 	<ul style="list-style-type: none"> • Complete privatization of TRC, ATC and DAWASA during financial year 2002/03

OBJECTIVE	PROGRESS TO-DATE	PLANNED ACTIONS
Poverty Monitoring and Evaluation		
To improve information on poverty analysis and inform policy making process	<ul style="list-style-type: none"> • Processing and analysis of HBS 2000/01 and LFS was completed in June 2002. • The work plan and costing of the poverty Monitoring Master Plan activities was finalized by October 2002 • Poverty and Human Development Report (PHDR, 2002) was produced and discussed during Poverty Week October 2002 	<ul style="list-style-type: none"> • Finalize the analysis of the National Population and Housing Census – 2002/03. • Undertake Agricultural Survey in 2003. • Strengthening Admin. Data Working Group. • Finalize PPA exercise undertaken wide dissemination of the PHDR and results of the HBS 2000/01. • Enhance capacity for poverty analysis.
V. Other Issues		
<i>Gender</i>		
Enhance capacity for gender mainstreaming in plans, strategies projects and programmes	<ul style="list-style-type: none"> • A needs assessment on gender focal points in all ministries and public institutions has been done. • Preparation of a Strategic Framework for Community Based Protection of Women and Children against HIV/AIDS/STIS. • Sector development strategies and programmes were engendered • Inheritance and Marriage Act 1971 and Laws relating to children were reviewed • Draft National Strategy for Gender Development and its framework for implementation were developed. 	<ul style="list-style-type: none"> • Further Institutionalize gender through establishment and strengthening of Focal points. • Develop gender monitoring and evaluation tools and techniques. • Continue review of gender discriminatory laws. • Develop guidelines to integrate gender in various development programmes and in MTEF/PER. • Enhance capacity building of different actors through training on gender and development. • Mainstream gender in the PRS and its monitoring system.
<i>Environment</i>		
Integration of environment into the PRS process to support sustained economic growth and development.	<ul style="list-style-type: none"> • Potential partners and sources of environmental module in TSED were identified. • Comprehensive programme on integration of environmental concerns into PRS was formulated. • The DoE and NEMC developed an initial proposal for the integration of environment as a crosscutting issue into the PER/MTEF process 	<ul style="list-style-type: none"> • Capacity building of key government institutions to foster the integration of environment into the PRS process, and strengthen the institutional framework for environmental management. • Strengthened poverty-monitoring system by the integration of poverty-environment data, including the development of indicators. • Improved knowledge and awareness on poverty-environment linkages.