

# The Citizens' Budget



A simplified version of the National Budget 2010/11.



**policy forum**

Plot 270 KIKO AVENUE Mikocheni B  
P.O. Box 38486 Dar es Salaam Tanzania  
Tel: +255 22 2772611/+255 782 317434  
Fax: +255 22 2701433  
Email: [info@policyforum.or.tz](mailto:info@policyforum.or.tz)  
Website: [www.policyforum.or.tz](http://www.policyforum.or.tz)



**policy forum**

## **Acknowledgments**

This publication was prepared by members of the Budget Working Group of Policy Forum. The template was agreed upon with assistance from the International Budget Partnership. Information for specific sector chapters were collated by HakiElimu (Education), World Vision (Revenue), SIKIKA (Health), Policy Forum Secretariat (Agriculture and Water) as well as coordinating the overall editing of the booklet. The Cartoons were drawn by Nathan Mpangala. Special thanks go to SIKIKA for proof reading and content quality control and to Agenda Participation 2000 for overall leadership.

© Policy Forum 2010

Policy Forum,  
P.O. Box 38486 Dar es Salaam, Tanzania  
Tel: +255 22 2772611  
Mobile: 0782 317431      Fax: +255 22 2701433  
[www.policyforum.or.tz](http://www.policyforum.or.tz)® [info@policyforum.or.tz](mailto:info@policyforum.or.tz).

ISBN: 978-9987-9157-9-8

Any part of this document may be reproduced for educational or non-commercial purposes, provided attribution is made to source and a copy is provided to Policy Forum.

# The Citizen's Budget

## *A simplified version of the National Budget 2010/11.*

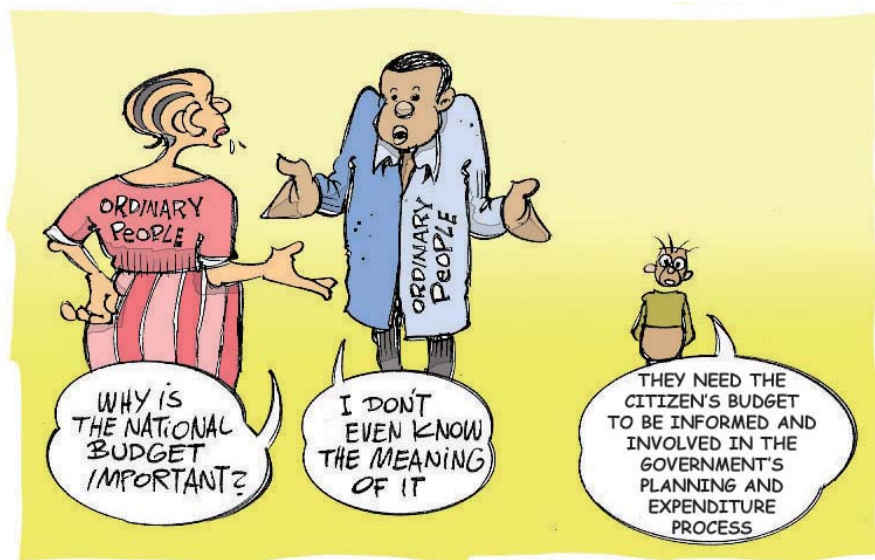
### 1. What is a Citizens' Budget?

A citizens' budget is a simplified digest of the national budget produced in a format that makes it easy for all citizens to understand the main features of what the government has planned for the financial year. A citizens' budget mentions in brief where the government is going to get its money and how it has arranged to spend it.

### Why is it important for Tanzania?

For years, Tanzania has not had a widely accessible document that gives a brief of the national budget in a manner that is meaningful and relevant to all citizens. This citizens' budget is a first attempt at making budgetary information in Tanzania more accessible and interesting to ordinary people as well as giving them the opportunity to be more involved in the government's planning and expenditure process.

Other countries like Uganda, South Africa and India have been producing citizens' budgets for some time now in an effort to make budgetary information more accessible to citizens and encouraging them to be more involved in how government spends their money.



## **2. The Budget Documents in Tanzania**

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

- Macro-economic Policy Framework: provides information about tax policies and reforms,
- Vision 2025, according to which by 2025, Tanzanians will be well educated and able to economically sustain themselves; government will serve the people and the economy will be strong and competitive.
- MKUKUTA II (2010 - 2015) focusing on using economic growth to address poverty and in particular emphasizes the role of agriculture in this.
- The Millennium Development Goals focusing on addressing hunger, education, gender equality, child and maternal health, fighting HIV/Aids, sustaining the environment and building a global partnership.
- Sector Policies & Strategies,
- Internal and External Agreements such as the Performance Assessment Framework,
- Ruling Party Manifesto,
- Recommendations of the Joint Finance Commission (JFC),
- Ministerial Budget speeches,
- 3 Pre-budget Statements originating from the Annual Public Expenditure Review Consultation,
- Medium Term Plans and Medium Term Expenditure Framework Budget Memoranda,
- National Budget Books: these are in four volumes,
- Appropriation Bill,
- Finance Bill,
- State of the Economy Speech,
- National budget survey, and
- Estimates of revenue and expenditure.

## **3. What does the government want to achieve in 2010/11?**

The National Budget of 2010/11 is based on the objectives of Vision 2025, the Millennium Development Goals and the second National Strategy for Growth and Reduction of Poverty or MKUKUTA II.

On the overall, this year's budget takes into account the effects of the global economic crisis and has consequently been referred to in the press as a 'stimulus'

or 'economic recovery' budget. This means that it tries to offer relief to low income earners, boost key sectors such as agriculture, land development, energy and infrastructure, and create jobs by reducing industrial production costs through tax cuts.

**Priorities of the 2010/2011 Budget:**

	<b>Sector</b>	<b>2009/10 budget (in billions)</b>	<b>2010/11 budget (in billions)</b>	<b>% change</b>
<b>A</b>	<b>Education</b>	<b>1,743.9</b>	<b>2,045.3</b>	<b>17.2</b>
<b>B</b>	<b>Infrastructure</b>	<b>1,096.6</b>	<b>1,505.1</b>	<b>37.3</b>
<b>C</b>	<b>Health</b>	<b>963.0</b>	<b>1,205.9</b>	<b>25.2</b>
<b>D</b>	<b>Agriculture</b>	<b>666.9</b>	<b>903.8</b>	<b>35.5</b>
<b>E</b>	<b>Water</b>	<b>347.3</b>	<b>397.6</b>	<b>14.5</b>
<b>F</b>	<b>Energy</b>	<b>285.5</b>	<b>327.2</b>	<b>14.6</b>

***Note:** Once the above sectors have been allocated resources, the next stage is to determine how much each ministry will get from the different sector allocations. Typically, some ministries bid for resources from various sectors while others only bid from one sector (e.g. a sector budget can include funds sent to ministries plus funds sent to the Local Government Authorities).*

A summary of some of the ministerial budgets for the above sector allocations is highlighted further below.

**4. Where is the money coming from and how much?**

The total amount planned for 2010/11 is Shs. 11, 112.419 billion or approximately Shs. 11 trillion. The Government plans to raise this amount through domestic revenue (tax and non-tax), domestic loans (Funds sourced internally) and external grants and loans from Development Partners (Funds sourced externally).

**Budget frame 2010/11**

<b>Revenue</b>	<b>Sub total</b>	<b>Total (in billions)</b>
Domestic Revenue		6,003.59
Tax Revenue ( TRA)	5,652.59	
Non Tax Revenue	351.00	
LGAs own source		172.58

Foreign Loans and Grants –General Support		821.65
Foreign loans and Grants –Basket & Project support	2,452.91	
(i) Project Loans and Grant	1,975.12	
(ii) Basket Loans and Grants	477.78	
External and Domestic Borrowing		1,331.212
Domestic Borrowing ( Roll-over)		797.62
Privatization Proceeds		30.00
<b>Total Revenue</b>	<b>8,456.49</b>	<b>11,609.56</b>

**i. Funds sourced internally: Shs. 5,652.59 billion**

A big percentage of the funds for the 2010/11 budget – that is Shs.5,652.59 billion - will be tax-generated income. Just Shs.. 351.00 billion is non-tax income, and Shs.30 billion from privatisation gains. This means that though part of this will be raised from companies through corporate tax payment, a significant amount will come from ordinary Tanzanians paying income tax, value added tax (VAT), excise duty, motor vehicle taxes and property tax and so on. So, this is **YOUR (the citizen’s) money**.



But this is money that the government has yet to raise. Experience from previous years has shown collections falling short of plans; thus some of the measures government intends to take to collect all the money it has planned for this year include to:

- Register new tax payers,
- Strengthen tax collection systems,
- Increase tourism revenue by improving hotel standards,
- Collect surplus funds generated by parastatals and other public institutions,
- Increase non-tax revenue collection, and
- Build capacity at Local Government level to strengthen assessment and collection of revenue.

**ii. Funds sourced externally (from Development Partners): Shs.**

3,274.553 billion

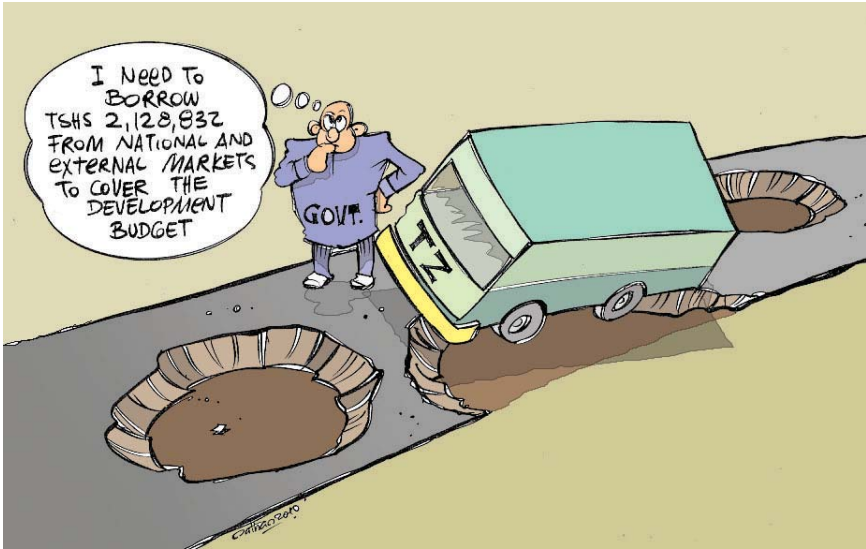
Money from sources outside Tanzania can be collected either in the form of General Budget Support (GBS) or loans and grants. GBS involves direct contributions made from development partners (DPs) to the Government of Tanzania, particularly for development activities. It can be withdrawn if DPs feel government is not meeting certain specified conditions, particularly with regards to good governance. This year the breakdown is as follows:

- Shs. 821.645 billion as General Budget Support, and
- Shs. 2,452,908 billion in loans and grants.

Tanzania's development partners include the United Kingdom, Denmark, Netherlands, Belgium, Canada, China, Finland, France, Germany, Ireland, Italy, Japan, Korea, Kuwait, Norway, Spain, Sweden, Switzerland, United States of America, the World Bank, African Development Bank, Arab Bank for Economic Development in Africa, the European Union, International Monetary Fund, Kuwait Fund, Nordic Fund, Organisation of petroleum exporting countries (OPEC) Fund, Saudi Fund, and the United Nations.

**iii. Borrowing from commercial institutions: Shs. 2,128.832 billion**

The government plans to borrow this amount from internal and external financial markets for development budget funding (particularly for priority infrastructure projects).



## 5. Expenditure:

- a. **Recurrent expenditure** is the total amount of money the government spends on running its operations. It includes items such as salaries for civil servants, interest payments on loans government has taken out, rent and fuel costs.

For the 2010/11 financial year, the government plans to spend Shs. **7,790.506 billion**. In 2009/10, the government spent Shs. **4,189.721 billion**.

- b. **Development expenditure** refers to money that is to be used for activities such as building schools, hospitals and roads which will result in improved service delivery to the ordinary Tanzanian. This expenditure is closely linked to observable changes in quality of life.

For the 2010/11 financial year, the government plans to spend Shs. **3,819.051 billion** or **33 per cent** of its total budget. **Shs. 1,954.197** was spent in 2009/10.

**It is important that this money results in development. Citizens should be able to see real changes in education, health, infrastructure and water and sanitation by June 2011.**

## 6. What has changed in the 2010/11 budget?

- 1) **Taxes:** In 2009/10, the plan was to broaden the tax base, reduce tax exemptions, curb tax evasion, raise awareness on paying taxes and streamline methodology for business tax assessment. Towards improving the tax regime, in 2010/11, emphasis is on finding new revenue sources and better collection methods. Most of the changes aim at boosting the agriculture and manufacturing sectors.
- 2) **Workers:** Income tax received a one percent cut and the minimum wage is apparently set to increase though when and how much by has not been announced.
- 3) **Farmers:** VAT on transport of agricultural goods within the country, agricultural implements, dairy industry (transport, packing and processing), fruit (packing) has been scrapped.
- 4) **The elderly and people with disabilities:** Property tax has been scrapped.
- 5) **Mining:** Setting limitations on ring fencing among others.
- 6) **Motorists:** An overall increase in all registration fees.
- 7) **Industries:** Reduced excise tax on heavy furnace oil. Reducing industrial productions costs could lead to more job creation.
- 8) **Construction materials:** special VAT relief to Export Processing Zone developers

## 7. Policy changes

With a view of broadening the tax base and strengthening revenue collection to finance its expenditure, the Government proposed the following changes:

### A. Changes in the Value Added Tax Act: Facilitating Kilimo Kwanza

- Exempt VAT on the transportation of Agricultural products.
- Exempt VAT on machines and equipment used in the collection, transportation and processing of milk and milk products.
- Exempt VAT on animal feeds or seed cake.
- Special VAT relief for the supply of equipment to a registered veterinary practitioner.
- Exempt VAT on agricultural implements e.g. combine harvesters, mowers etc.
- Exempt VAT on airfreight charges for transportation of flowers.
- Special VAT relief for green houses.

- Special VAT relief for the supply of goods and services to the organised farms and farms under registered cooperative unions for the purpose of building farm infrastructure in the farm.
- Exempt VAT on breeding services through artificial animal insemination.

**B. With a view to promoting investment and enhancing productivity in the industrial sector:**

- Special VAT relief to the supply of building materials and construction services to Export Processing Zone developers.
- Zero rate VAT on locally produced edible oil.
- Exempt VAT on the supply of packaging materials for fruit juices and milk products
- Reinstate the practice of classifying certain goods intended for use in specific investments as deemed capital goods to provide tax relief to investors.

These will altogether reduce government revenue by Shs. **2.391 billion**.

**C. Changes in the Income Tax Act:**

- Amend section 11 of the Income Tax Act to introduce ring fencing within mining areas.
- Reduce individual income tax rate from 15 to 14 per cent for employees.
- Extend the application of withholding taxes on goods and services to non-TIN holders supplying goods and services to all tax-payers.
- These will altogether reduce government revenue by **Shs. 4.468 billion**.

**D. Changes in the Excise (Management and Tariff) Act**

- Reduce excise duty rate on heavy furnace oil from 97/= to 80/= with a view to reducing industrial production costs.
- Adjust the specific excise duty rates by 8 per cent on non-petroleum products.
- Amendments on excise duty rates on cigarettes.

**E. Changes in the Local Government Finance Act**

- Exempt persons of over 60 years and disabled persons who have no reliable source of income from payment of property tax.
- Review cess tax chargeable on agricultural products to between 3 and 5 per cent of farm gate price.

#### **F. Changes in the Motor vehicles (Tax on Registration and Transfer) Act:**

- Motor vehicle registration fees increased from Sh120,000 to Sh. 150,000.
- Motorcycle registration fees increased from Sh35,000 to Sh. 45,000.
- These changes together will increase government revenue by **Sh3.19 billion**.

#### **G. Changes in the Road Traffic Act:**

Capacity of vehicle	Old tax (Prices per year)	New tax (Prices per year)
0-500.cc	30,000/=	50000/=
501-1500.cc	50,000/=	100,000/=
1501-2500.cc	100,000/=	150,000/=
above 2501.cc	150,000/=	200,000/=

These will altogether increase government revenue by Shs. **16.981 billion**.

#### **H. The Cashew Nut Act**

- Increase the export levy on raw cashew nuts from 10 to 15 per cent of FOB value or USD 160/MT whichever is higher.

This will increase government revenue by Shs. **2.613 billion**.

#### **I. The Gaming Act**

- Increase in Gaming Tax from Shs. 16,000 to Shs. 32,000 shillings and impose this tax on forty machines site at a rate of 13 per cent of gross gaming revenue.

This will increase government revenue by Shs. **500 million**.

### **8. Concrete spending plans with outputs**

Brief outlines of the spending plans for the education, health, water and sanitation and agriculture sectors are as follows:

## **Education**

#### **What is Government's overall objective for the sector next fiscal year?**

The total planned budget of the education sector for 2010/2011 is Shs. 2.045 trillion, which is a nominal increase from Shs. 1.744 trillion last year.

The table below explains how much of that money will be spent by the **Ministry of Education and Vocational Training (MOEVT)** in terms of recurrent and development expenditure and compares this with 2009/2010.

<b>BREAK-DOWN</b>	<b>2009/2010</b>	<b>2010/2011</b>
<b>Recurrent budget</b>	428,436,913,000	525,940,530,000
<b>Development budget</b>	129,283,697,000	139,632,007,000
<b>Total Budget</b>	557,720,610,000	665,572,537,000

For 2010/2011, the **MOEVT budget** is 32.5 percent of the total educational sector budget. Meanwhile, 67.5 per cent of money allocated for education will be spent by Local Government Authorities, which work closer to the people.

The rest of the information provided refers to the MOEVT budget.

### **Where is the money coming from?**

Most of the money that the MOEVT plans to spend this year – roughly Shs **582.15 billion** – will come from local sources. DPs will contribute Shs. **83.42 billion** to the MOEVT budget for 2010/2011.

### **What are the budget highlights?**

The government's policy priorities in primary and secondary education for this financial year are guided by the Primary Education Development Programme (PEDP II) and a newly launched second Secondary Education Development Programme (SEDP II). Some highlights for this year are:

#### **Primary education**

- Review PEDP II in order to inform the process of preparing PEDP III,
- Provide training to education coordinators at ward, district and regional level,
- Employ 14,501 primary school teachers in government primary schools,
- Sensitise communities about enrolling children for pre-primary education,
- Renovate some primary schools,
- Enrol 2,043,984 children at this level,
- Monitor resource use under PEDP II, and
- Capacity building to 200 teachers and education coordinators.

#### **Secondary education**

- SEDP II will begin to be implemented. It has a total budget of USD 470 million for five years and its object is to improve pass rates in mathematics, science and English,

- This first year of SEDP II implementation has been allocated Sh. 150 billion. Main objectives for this year include providing secondary schools with capitation grant for teaching and learning materials, to build laboratories and teachers' houses and to improve student performance in mathematics, science and English, and
- To employ 17,204 teachers in government secondary schools so as to increase the average number of teachers in each of these schools to five.

### Vocational Education

- To continue implementation of plans to construct 28 VETA colleges at district level and to complete construction of VETA colleges (Pwani, Manyara, Lindi and Dar es Salaam), and
- Pay for practical training for 700 students at the vocational training centre in Arusha.

### Tertiary Education

- Pay for further studies for 80 academicians in public higher learning institutions,
- Employ lecturers and administrative staff in public higher learning institutions,
- Construct offices and renovate the infrastructure of public universities,
- Increase students in higher learning institutions accessing loans to 89,617; Sh. 240 billion has been set aside for such loans, and
- Pay for 1750 students to undertake a first degree in medicine.

## Health

### What is Government's overall objective for the sector next fiscal year?

The total planned budget for the Health sector for 2010/11 is Shs. 1.205 trillion which is equivalent to a 25.2% increase from Shs. 963 billion allocated in 2009/2010.

The table below explains how much of that money will be spent by the **Ministry of Health and Social Welfare (MOHSW)** in terms of recurrent and development expenditure.

BREAK-DOWN	2009/10	2010/2011
Recurrent budget	218,393,211,000	229,978,968,000
Development budget	260,599,867,000	448,442,515,000
<b>Total budget</b>	<b>478,993,078,000</b>	<b>678,421,483,000</b>

For 2010/2011, the **MOHSW budget** is 56.2 percent of the total health sector budget.

The information that follows hereunder refers to the MOHSW budget:

### **Where is the money coming from?**

MOHSW has estimated to collect a total of Shs 2.486 billion from internal sources. The breakdown of the recurrent budget is such that Shs 105 billion is to be spent on other expenses while Shs 124 billion will be spent on salaries for staff of the ministry and staff of institutions under it. Of the amount to be spent on development expenditure (development budget), Shs 9.873 billion will be contributed by the Government while Shs. 438.5 billion will be contributed by development partners.

### **What are the budget highlights?**

The Government's priorities with respect to key issues in the health sector are categorised as follows:

#### **Malaria**

- Prevention services including mosquito net distribution to every household,
- Rehabilitation of laboratories for 10 district hospitals and purchase and distribution of various medicines and medical equipment to public hospitals.

#### **Maternal and child health**

- Purchase and distribution of medicine, maternity and family planning equipment.

#### **HIV/AIDS**

- To increase HIV/AIDS service centres from 909 to 1400 and people with HIV/AIDS receiving medication from 337,854 to 440,000,
- Increase prevention of mother to child HIV/AIDS healthcare centres from 3,626 to 4,200, and early HIV transmission centres for infected new-borns and women infected with HIV from 730 to 1,200.

#### **Social welfare**

- Social services including translating the law on people with disabilities, the Fire Act, the Law of the Child Act and the Human Trafficking Act into Kiswahili,
- Renovation of three universities providing training in social welfare,

- Construction of a juvenile court in Mtwara and a centre for the elderly in Morogoro,
- Continue building the office of the Social Services department in Dar es Salaam.

### Human resources and training

- Conduct capacity building for civil servants in the health and social service sectors to improve service delivery,
- Improve distance learning institute in Morogoro.

### Others

- Inspection of mines and the areas surrounding mines, industries and service centres at the country's borders, ports and airports,
- Establishing a laparoscopic surgery unit at Muhimbili Hospital,
- Purchase of heart surgery equipment for Bugando hospital,
- Construction of a house for the Minister of Health,
- Construct a juvenile court in Mtwara and a centre for the elderly in Morogoro,
- Renovation of the Ministry Permanent Secretary's House, the Health Ministry's headquarters in Dodoma and Dar es Salaam.

## Water and Sanitation

### What is the Government's overall objective for the next fiscal year?

The total planned budget for the Water sector for 2010/11 is Shs.397.6 billion which is a 14.5% increase from Shs 347.3 billion that was allocated in 2009/10.

The table below explains how much of that money will be spent by the **Ministry of Water and Irrigation (MOWI)** in terms of recurrent and development expenditure.

BREAK-DOWN	2009/2010	2010/2011
Recurrent budget	19,277,172,000	18,442,785,000
Development budget	245,656,445	233,092,607,000
<b>Total budget</b>	<b>264,933,617,000</b>	<b>251,535,392,000</b>

For 2010/2011, the **MOWI budget** is 63.2% of the total water sector budget.

The information that follows hereunder refers to the MOWI budget:

### **Where is the money coming from?**

The breakdown of the recurrent budget is such that Shs. 6.5 billion is to be spent on other expenses while Shs. 11.8 billion will be spent on salaries for staff of the ministry and staff of institutions under it. Of the amount MOWI plans to spend on development expenditure, Shs. 41.5 billion will be contributed by the Government while Shs. 191.5 billion will be contributed by development partners.

### **What are the budget highlights?**

Government's objective for 2010/11 remains to ensure that water resources are managed, developed and used sustainably and cooperatively to satisfy the needs of various sectors by putting in place appropriate institutional mechanisms to manage water resources, develop and improve infrastructure for the supply of water, sewerage disposal services as well as irrigation services.

### **The highlights for the 2010/11 water sector budget as per MOWI:**

- Improving the management of water resources including following-up on trends of the water resources by building water management stations as well as installing equipment to gauge the volume and quality of water,
- Looking for and preserving new water sources, drilling water wells and formulating joint strategies on the management and development of the same,
- Educating citizens on the sustainable use of water resources as well as the importance of having permits to use water,
- Improving water basin offices including identifying and preserving water resource areas and educating the public on the starting of small water basin committees,
- Educating citizens on the proper use of land and environmental conservation with the aim of protecting and safeguarding water sources,
- Improving water and environmental sanitation programs as well as water projects in rural areas,
- Implementation of water projects to build and expand clean water distribution and sewer disposal systems in rural and urban areas,
- Strengthening water utilities institutions and improving collection of water utility bills,
- Continue development of irrigation systems and the use of productive irrigation technology to facilitate agriculture that depends wholly on irrigation,
- Translate into Kiswahili and circulate the irrigation policy and undertake

information campaigns on the water policy, irrigation policy and water sector development strategies,

- Under the Water Development and Management Institute, train technicians in the water sector,
- Undertake capacity building for farmers and agricultural experts on irrigation.

## Agriculture

### What is the Government's overall objective for the next fiscal year?

The total planned budget for the Agricultural sector for 2010/11 is Shs.903.8 billion which is a 35.5% increase from Shs.666.9 billion that was allocated in 2009/10.

The table below explains how much of that money will be spent by the **Ministry of Agriculture, Food Security and Cooperatives (MOAFC)** in terms of recurrent and development expenditure.

BREAK-DOWN	2009/10	2010/2011
Recurrent budget	135,870,333,044	149,402,643,000
Development budget	92,694,254,000	103,952,371,000
Total budget	228,564,587,000	253,355,014,000

For 2010/2011, the **MOAFC budget** is 28% of the total agricultural sector budget.

### Where is the money coming from?

The breakdown of the development budget is such that Shs. 3.4 billion will be contributed by the Government while .TShs. 100.5 billion will be contributed by development partners.

### Budget highlights for the Agricultural Sector as per MOAFC

The Ministry will continue implementing the Agricultural Sector Development Program (ASDP) which aims at improving food security and poverty reduction. While implementing the ASDP, the Ministry will take into consideration the key elements of the Millennium Development Goals, MKUKUTA II and KILIMO KWANZA, all of which aim at economic development, poverty reduction and famine. The budget for 2010/11 has prioritised agriculture and livestock development as part of its 'Kilimo Kwanza' focus to make the sector attractive for investment and

supportive to other industries for bolstering productivity in the economy. In addition to the priorities for 2010/11 listed under part 3 above, the highlights in this sector this year are:

- In the spirit of facilitating “Kilimo Kwanza”, Value Added Tax is exempt on transportation (intra-transport) of agricultural products like sugar cane, sisal and tea plantations from the farm to the processing industry. However this will apply to organised farming only.
- VAT is also exempt on animal feed, agricultural implements like combine harvesters, and those used in breeding services.
- Horticulture farming will also benefit from exempting VAT on airfreight charges on transportation of flowers as well as Grant VAT special relief on green houses.
- Increase in export levy on raw cashew nuts from 10% to 15% or USD 160 per tonne, whichever is higher. This is intended to encourage value addition activities at home and to revive cashew nut processing industries which can in turn help create jobs
- Extend the application of a 10% tax rate on wheat grain for 1 year instead of the 35% rate.
- Exemption on import duty on tractors, parent stock for the poultry industry

The others include:

- Implementing the ASDP Program that focuses on executing the Decentralization-by-Devolution policy which will see the allocation of about 75% of agricultural sector resources going to districts and villages,
- Implementation of the DASIP capacity building for Local Government Authorities in 28 districts, starting up irrigation projects, market access projects, strengthening project management capacity and education locals on best practices in the agricultural sector,
- Continue research into soil fertility by means of advancing integrated soil fertility management options and promotion of the use of manure,
- Increase the distribution of hybrid stems for coffee and Tea,
- A total of Shs. 3.8 billion has been allocated towards the agricultural equipment basket fund to be used as soft loans to small farmers,
- Continue promoting investment in the agricultural sector in collaboration with TIC and TNBC. In collaboration with the BOT, start an Bank to support agriculture,
- Prepare and review laws and regulations governing the agricultural sector to

ensure that they the present requirements and and objectives for which the policy and laws were formulated,

- Putting in place the Cooperatives Commission for which the Ministry requests Shs. 6.5 billion shillings for recurrent expenditure and Shs. 100 million shillings for development activities,
- On the overall, the KILIMO KWANZA policy has prompted the boost in allocation to the sector. The 'Kilimo Kwanza' initiative is now the tool being used by government to lead the country to attain an agricultural green revolution and modernise the sector.

## 9. What can you do with this information?

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

- The **budget documents of Tanzania** (see section 2 for a list of these) and in particular, the **four volumes of national budget books**.
- The Ministry of Finance and Economic Affairs, P. O. Box 9111, Dar es Salaam (Website: <http://www.mof.go.tz>)
- Local government offices and/or officials in your area such as the village executive chairperson.
- Policy Forum, P. O. Box 38486, Dar es Salaam (website: <http://www.policyforum.or.tz> / Tel: (022) 2772611 / fax: (022) 2701433).

Remember, it is **your right to know** how the government plans to spend **your money**. Talk to your leaders about this information and share it with other people in your community!

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

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

Is there anything more you would like us to know?

Was this booklet useful  Yes  No  Somewhat

Was the booklet easy to read and understand?  Yes  No  Somewhat

