

Tax Equity

Training manual for Tanzania

Supported By:



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INTRODUCTION

1.1 Introduction to the Training Manual: Advancing Equity and Inclusion in Tanzania's Tax System

Tax systems are foundational to the equitable development of any nation, playing a critical role in mobilizing resources and delivering essential services. However, in many countries, including Tanzania, systemic inequities often hinder these systems from achieving fairness and inclusivity. Marginalized groups, including low-income households and women, frequently bear a disproportionate tax burden, while the benefits of public revenue are not equitably distributed.

The "Advancing Equity and Inclusion in Tanzania's Tax System" project, spearheaded by Policy Forum in collaboration with the International Budget Partnership (IBP), seeks to address these challenges. This initiative emphasizes transforming Tanzania's tax system into one that prioritizes the needs of the poor, reduces the burden of indirect taxes on vulnerable populations, and integrates gender considerations into tax policies. By fostering civic engagement, promoting evidence-based policymaking, and enhancing the capacity of stakeholders, the project aims to build a transparent and inclusive tax system that upholds fairness and equity.

This training manual has been designed to equip key stakeholders including civil society organizations (CSOs), the private sector, academia, researchers, and media organizations with the necessary knowledge and skills to actively engage in and advocate for equitable taxation practices. The manual provides a comprehensive framework, covering topics such as tax principles, legal and policy frameworks, monitoring and evaluation strategies, and the critical role of technology and innovation in promoting transparency.

Through this resource, we aim to empower stakeholders to collectively contribute to a tax system that not only generates sustainable revenue but also ensures that every Tanzanian benefits equitably. This manual is a step towards building a fairer, more inclusive fiscal future for Tanzania.

1.2 Training Manual for Project Stakeholders

1.2.1 Purpose of the Training Manual

The purpose of this training manual is to serve as a comprehensive resource for equipping project stakeholders with the knowledge, tools, and strategies necessary to advance equity and inclusion within Tanzania's tax system. It is specifically designed to:

- ④ **Enhance Stakeholder Understanding:**
Provide stakeholders with a clear understanding of tax equity principles, its significance, and its relevance to Tanzania's socio-economic development.
- ④ **Address Systemic Inequities:**
Highlight the challenges and disparities within Tanzania's tax system and propose actionable solutions to promote fairness and inclusion.
- ④ **Promote Collaborative Engagement:**
Foster dialogue and collaboration among Civil Society Organizations (CSOs), Private Sector, Academia and Researchers organizations, and Media houses/organizations to address shared goals in tax equity.
- ④ **Develop Practical Skills:**
Equip stakeholders with tools, frameworks, and strategies to monitor, evaluate, and advocate for equitable tax practices and policies.
- ④ **Encourage Stakeholder Action:**
Inspire participants to take proactive steps in promoting equitable taxation through their roles and responsibilities within their respective sectors.
- ④ **Support Policy and Advocacy Efforts:**
Provide guidance for aligning local initiatives with national and international standards for equitable and inclusive taxation.

1.2.2 Organization of the manual

The manual is organized into five Modules; Module one is About understanding of tax equity principle and its importance in the development of the tax policy in Tanzania, Module two Understanding stakeholders' roles in the promotion of tax equity in the development of the tax policy, Module three Strategies to overcome barriers for the enhancement of the equitable tax system and inclusion in taxation. Module Four Monitoring and Evaluating Tax Equity in Tanzania and Module Five describe monitoring, self-assessment, training and evaluation. Each contains several sessions which make a total of 13 training session plans. Each session plan includes information on:

- ④ **The objectives of the session;**
- ④ **The materials required to complete the session;**
- ④ **The amount of time that should be allocated;**
- ④ **The training steps;**
- ④ **And some comments about the training session.**

1.2.3 Training approach

The training will employ interactive methods, including expert presentations, case studies, group discussions, and practical exercises. A mix of theoretical and experiential learning will ensure participants gain both knowledge and actionable insights.

1.2.4 Profile of Trainers

To ensure the maximum impact of the training program, trainers should have the following qualifications, knowledge and experience:

- A minimum of eight years of experience with theory and practice on Tax issues.
- A minimum of five years' experience as an interactive trainer/-facilitator.
- Excellent interpersonal and communication skills.
- Country-based experience and language fluency if the training is being delivered in both language Swahili or English.
- Familiarity with taxation-related expertise preferably a combination of tax policy and administration-based experience, is helpful.

1.2.5 Design and Structure of this Trainers' Manual

This Manual sets out a four-day training modules. The content of the training combines materials on Advancing Equity and Inclusion in Tanzania's Tax System and brief case studies with tools that enable participants to apply the theory in practice. Participants' pre-course assignments are used to integrate their experience and knowledge into exercises throughout the training. Session plans will be tailored to participants from the different sectors.

At the end of the training, participants will have:

- A minimum of eight years of experience with theory and practice on Tax issues.
- A minimum of five years' experience as an interactive trainer/-facilitator.
- Excellent interpersonal and communication skills.
- Country-based experience and language fluency if the training is being delivered in both language Swahili or English.



At the end of the training, all participants will be asked to briefly explain:

- What they have learned are the most significant insights they gained about tax equity and inclusion.
- What they have learned as roles and responsibilities in promoting equitable taxation and how they plan to apply their learning.
- What they have learned as Key challenges in the tax system in promoting tax equity and proposed strategies to address them.
- What they have learned as individuals or organizations and steps they will take to advance tax equity.
- How they can collaborate and work with others to advocate for equitable and inclusive tax system.

1.2.6 Training materials and methodologies to be used during the training

Training materials	Methodologies
Presentation Slides	Interactive Lectures
Flip charts, Marker pens and Posters	Group Discussions
Printed Handouts and Guides	Role-Playing
Notebooks and pens	Case Studies
Masking tape	Brainstorming
Manila Cards	Demonstrations
Interactive Tools	Icebreakers and Energizers
Video and Audio Content	Icebreakers and Energizers
Role-Playing and Case Studies	Storytelling and Peer-to-Peer Learning
	Visual Aids and Tools
	Experiential Learning
	Feedback and Reflection
	Questioning Techniques
	Games and Gamification

MODULE ONE – SETTING THE SCENE

2.1 Introduction

The sessions in this module include exercises to allow participants to develop confidence in using an experiential learning approach to explore the concept of Advancing Equity and Inclusion in Tanzania's Tax System. It also guides trainers in how to introduce the training learning objectives, approaches used, and course content. Participants will have the opportunity to reflect on Advancing Equity and Inclusion in Tanzania's Tax System in their own situations and contexts.

2.2 Learning Objectives

At the end of the module, participants will:


- Be familiar with the course background, learning objectives, contents, work flow, and their own roles in the workshop training.
- Have shared what they expect from the training course and agreed on the ground rules that should be followed throughout the training process
- Have been introduced to the learning approach and how this training will use it to examine the concept of Advancing Equity and Inclusion in Tanzania's Tax System

SESSION



1

GETTING TO KNOW EACH OTHER

Table 1: Introduction and training setting	
LEARNING OBJECTIVES	
	<p>At the end of the session, participants:</p> <ul style="list-style-type: none"> ➤ Identify the other participants by their preferred names ➤ Know more about their backgrounds, their current work, and their role in advancing equity and inclusion in Tanzania's tax System ➤ Feel more relaxed with each other and the trainers
MATERIALS	
	<ul style="list-style-type: none"> ➤ Flip charts ➤ Marker pens ➤ Manila cards ➤ Masking tape ➤ Flipchart ➤ Notebooks and pens
TIME	<div style="display: flex; align-items: center;">  45 minutes </div>
STEPS	
	<ol style="list-style-type: none"> 1. The Trainer invites the representative from policy Forum to open the workshop training event. 2. The representative from policy Forum welcomes the trainer(s) to introduce him/herself. 3. Ask each participant to find a partner that she/he does not know and explore the following points: <ul style="list-style-type: none"> ➤ Name ➤ Organization ➤ How she/he is involved in advancing equity and inclusion in Tanzania's tax System ➤ A surprising fact about her or him which other participants do not know.
	<div style="background-color: #c00000; color: white; padding: 5px; margin-bottom: 10px;">Example A</div> <p>Allow five minutes for each participant to interview her/his partner, for a total of ten minutes for each pair of partners. After all partners have interviewed each other, ask each one to introduce her/his partner in turn until all participants and trainers have been properly introduced.</p>

Example B

This option for introductions is done by one or two volunteers from among the participants -- one woman and one man -- who interview the others, asking each person not more than three questions. The interviewers then introduce the participants to the whole group. Often the trainers can quickly spot participants who are active, or have a good sense of humor. If they can be invited as the volunteer interviewers, they can help to create a lively, relaxed atmosphere from the beginning of the workshop training.

Example C

This option for introductions is done individually by participants. Invite each to draw a self-portrait on a flip chart. Along with the picture, they should write their formal name, the name they would like to be addressed by, and one activity they enjoy in their free time. Give them 20 minutes to introduce themselves to as many people as they can. Hang the pictures on the wall for a day.

COMMENT

It is also important to remind participants that the feedback team will collect feedback and that membership of the feedback team will be rotated.

Remind participants that they are all involved in advancing equity and inclusion in Tanzania's tax System in some way and should use this training opportunity to maximize learning on how it operates in their own individual contexts

Some suggested norms.

- Time to start at... time to have lunch at time... to finish at...
- Every idea must be respected.
- Keep the training room clean.
- Switch mobile phones to silent mode or off.
- Participate actively and be punctual






SESSION



2

TRAINING INTRODUCTION AND PARTICIPANTS' EXPECTATIONS

Table 2: Training introduction

LEARNING OBJECTIVES	<p>At the end of the session, participants:</p> <ul style="list-style-type: none"> ➤ Understood the purpose, structure and objectives of the workshop training. ➤ Received clarification on initial queries about the purpose and focus of the workshop training. ➤ Expressed and noted their expectations for the training.
	<ul style="list-style-type: none"> ➤ Set of expectations to better align participants' expectations and training content and anticipated outcomes. ➤ Established agreed upon training orientation to be used as daily feedback activity during the training to ensure respect for agreed upon actions.
EXPECTED OUTPUTS	
	<ul style="list-style-type: none"> ➤ Flip charts ➤ Marker pens ➤ Manila cards ➤ Masking tape ➤ Flipchart ➤ Notebooks and pens ➤ Handout: training objectives and Time table
MATERIALS	
	<p> 45 minutes</p>
TIME	
STEPS	<ol style="list-style-type: none"> 1. Explain that this session talks about the WHY, WHAT and WHEN of the workshop training. 2. Explain first WHY, by posting the training purpose and objectives and explain how these were determined. Clarify any questions on these. Leave the objectives posted in a prominent place in the training room throughout the duration of the training. 3. Make a presentation that explains each module and session of the detailed training agenda –the WHAT and WHEN. 4. Take any questions about the training agenda.
	

5. After discussing the agenda, ask participants what part of the modules content they think will be most useful to them in their jobs.
6. Distribute two Post-it notes or index cards to each participant and ask them to write down two expectations they have about what they will learn from the training.
Explain that they can express their expectations generally, for what they hope to learn during the whole course, or express expectations about specific sessions in the agenda.
7. Collect the Post-it notes or cards and group them on a flip chart.
8. Discuss the general expectations and the ones that refer to specific sessions. If any expectations are beyond the context of this training, explain why. Leave the expectations posted in the training room, so that participants can refer to them throughout the training and when it is complete.
9. Finish by dealing with any logistical matters relating to meals, breaks, and any other information particular to the training agenda and venue that participants need to know.

COMMENT

**Definition of terms:**

- **Knowledge** refers to what you want to learn about advancing equity and inclusion in Tanzania's tax System and what you expect to know when you leave this course.
- **Skills** refer to the specific skills you hope to acquire in working with advancing equity and inclusion in Tanzania's tax System.
- **Changes** refer to what changes you would like to make as a result of your learning. This can be changes in yourself or changes in your organization or work situation.
- **Feelings** can refer to the way you want to feel in the course as well as you want to feel later on working with stakeholders in advancing equity and inclusion in Tanzania's tax System as a result of this training.





Note: At the end of each day, participants can refer to the posters to assess whether their expectations are being met.

SESSION



3

SETTING GROUP GUIDELINES AND MONITORING

Table 3: Group guidelines	
LEARNING OBJECTIVES 	<p>At the end of the session, participants:</p> <ul style="list-style-type: none"> ➤ Formed the first task teams that will support the group throughout the training ➤ Identified and agreed on guidelines for group functioning during the training
MATERIALS 	<ul style="list-style-type: none"> ➤ Flip charts ➤ Marker pens ➤ Manila cards ➤ Masking tape ➤ Flipchart ➤ Notebooks and pens
GUIDELINES 	<p>Examples of guidelines that can be written on a flip chart include:</p> <ul style="list-style-type: none"> ➤ Everyone has the right to understand ➤ Any question is a good question ➤ Everybody should have a chance to participate ➤ Everybody has a responsibility to participate ➤ We help each other to learn ➤ Arrive for sessions on time ➤ No smoking in the training room ➤ Mobile phones must be in silent mode.
TIME	 10 minutes

MODULE TWO - INTRODUCTION TO ADVANCING QUILTY AND INCLUSION IN TANZANIA'S TAX SYSTEM

3.1 Introduction

Equity and inclusion in taxation are foundational to creating an equitable tax system and promoting a sustainable economy. In Tanzania, the tax system plays a critical role in mobilizing resources for public services and addressing social inequalities. However, systemic challenges such as income inequalities, regional disparities, informal economies, and gender-based inequities hinder the achievement of an equitable tax system. This module introduces participants to the principles of tax equity and inclusion, emphasizing its importance in promoting fairness, transparency, and social justice. Through understanding the existing gaps and exploring collaborative solutions, stakeholders will be better equipped to advocate for and implement reforms that ensure the tax system benefits all citizens equitably, particularly marginalized groups.

3.2 Learning Training Objectives

At the end of the training:

- Equip participants with a clear understanding of tax equity and inclusion principles and their relevance in Tanzania's tax system and significance to the socio-economic context.
- Identify systemic inequities and challenges within Tanzania's tax system, including, gender and socio-economic disparities.
- Develop participants' skills to monitor, evaluate, and advocate for equitable and inclusive tax policies.
- Recognize the roles of various stakeholders and promote effective partnerships to address tax equity challenges.
- Guide participants in creating practical, actionable plans to implement tax equity initiatives in their roles and organizations.

SESSION



4

DEFINITION OF TAX, TAX EQUITY, AND OTHER CORE PRINCIPLES OF TAXATION (TRANSPARENCY, LEGALITY, CERTANITY, CONVINIENCE, ECONOMY, EFFICIENCY, NEUTRALITY, SIMPLICITY)

Table 4: Overview of Tax Equity**LEARNING OBJECTIVES****At the end of the session, participants:**




- Explain the concept of taxation and its purpose in a nation's social economic development.
- Explain the objectives of taxation.
- Identify and describe the core principles of taxation.
- Explain the principle of tax equity and its importance in a nation's socio-economic development.
- Identify and describe the key element of tax equity (vertical and horizontal)
- Differentiate between horizontal and vertical equity and their implications in a fair tax system.
- Assess how a tax system ensures resource mobilization without distorting economic activities.
- Relate the tax equity principle to the real-world examples in Tanzania's tax system and discuss areas for improvement.

EXPECTED OUTPUTS

- Have a clear and shared definition of taxation and its role in development.
- Be able to articulate the core principles of taxation and their significance.
- Demonstrate an understanding of how equity, transparency, legality, economy, certainty, convenience, efficiency, neutrality, and simplicity, apply to tax systems.
- Identify specific examples of where these principles are upheld or lacking in Tanzania's tax system.
- Develop preliminary ideas for promoting these principles within their roles and responsibilities as stakeholders.

MATERIALS

- Flip charts
- Marker pens
- Masking tapes
- Meta cards
- Handout: Notes related to Advancing Equity and Inclusion in Tanzania's Tax System.

<p>TIME</p>	 90 minutes
<p>STEPS</p> 	<ol style="list-style-type: none"> 1. Participants brainstorm on all terms of Tax equity, principles of taxation and their significance. 2. Participants reflect on their own definition and experiences on an index card 3. Place index cards on the poster and discuss and highlight the different terms, meanings, and principles of taxation and their significance. 4. Participants strive to agree upon a common term for defining tax equity. The trainer presents a brief definition of key terms concerning tax equity and the principle of taxation. 5. Based upon a common understanding of tax equity, participants should work in small groups to reflect through brainstorming on the importance of Tax Equity. 6. Groups share their outcomes of discussion with real examples of each from their experiences.
<p>COMMENT</p> 	<p>Suggested key terms to review: Concept of taxation, Tax equity core principles of taxation (equity, efficiency, simplicity, transparency, legality, the principle of economy, certainty, and convenience), horizontal and vertical equity and their implications in a fair tax system.</p>

SESSION



5

OVERVIEW OF TANZANIA'S TAX SYSTEM: TYPES OF TAXES, INSTITUTIONAL FRAMEWORK, AND TAX REVENUE TRENDS IN TANZANIA

Table 5: Overview of Tanzania's Tax System**LEARNING OBJECTIVES****By the end of this session, participants will be able to:**

- Explain the institutional framework of Tanzania's tax system, including the roles of national and local government tax authorities.
- Describe the main types of taxes in Tanzania (Direct and Indirect taxes), Direct taxes such as income tax (Personal Income Tax, Corporate tax, withholding taxes). Indirect taxes such as value-added tax (VAT), customs duties, and excise duties.
- Review and interpret historical and current trends in Tanzania's tax revenue generation, including sources and allocation.
- Identify key challenges in Tanzania's tax system and discuss opportunities for improving revenue collection and tax equity.

EXPECTED OUTPUTS



- Understand the institutional framework and components of Tanzania's tax system comprehensively.
- Be able to categorize and explain the various types of taxes their roles in revenue collection, and income inequalities reduction.
- Gain insights into tax revenue trends in Tanzania, including patterns, gaps, and potential growth areas.
- Develop initial ideas for addressing challenges in the tax system to enhance equity, efficiency, and revenue generation.

MATERIALS

- Flip charts & Marker pens
- Masking tapes
- Meta cards
- Handout: Notes related to Advancing Equity and Inclusion in Tanzania's Tax System

TIME

90 minutes






STEPS	<ol style="list-style-type: none">1. Trainer’s presentation of the structure of Tanzania’s tax system and review of various types of taxes and their roles in revenue collection.2. Participants divide into small groups to prepare role plays. Each group presents a given option of identifying key challenges in Tanzania’s tax system and discussing opportunities for improving revenue collection and equity.
	
COMMENT	<p>Suggested key terms to review: Concept of taxation, Tax equity core principles of taxation (equity, efficiency, simplicity, transparency, legality, the principle of economy, certainty, and convenience), horizontal and vertical equity and their implications in a fair tax system.</p>
	

SESSION



6

KEY TAXATION LAWS AND POLICIES, INTERNATIONAL STANDARDS AND BEST PRACTICES

Table 6: Legal and Policy Frameworks Governing Taxation in Tanzania	
LEARNING OBJECTIVES	
	<p>At the end of the session, participants:</p> <ul style="list-style-type: none"> ➤ Identify and explain key laws governing taxation in Tanzania, such as the Tax Administration Act, the Income Tax Act, the VAT Act, the Excise (Management and Tariff) Act, and the East African Customs Management Act. ➤ Examine national policies related to taxation, including fiscal policies and strategies for revenue mobilization and tax equity. ➤ Discuss the role of enforcement mechanisms, compliance requirements, and the effectiveness of these frameworks in promoting an equitable tax system in Tanzania.
EXPECTED OUTPUTS	
	<ul style="list-style-type: none"> ➤ Gain a clear understanding of the primary legal and policy instruments governing taxation in Tanzania. ➤ Be able to explain how these frameworks impact tax administration, equity, and efficiency. ➤ Identify gaps or challenges in the current frameworks and suggest potential improvements to strengthen equitable and inclusive taxation.
MATERIALS	
	<ul style="list-style-type: none"> ➤ Flip charts & Marker pens ➤ Masking tapes ➤ Meta cards ➤ Handout: Notes related to Advancing Equity and Inclusion in Tanzania's Tax System
TIME	 60 minutes
STEPS	
	<ol style="list-style-type: none"> 1. Trainer use the Interactive Lectures in this session 2. The trainer uses brainstorming with Q&A to the participants to get feedback discussion 3. The trainer uses the flipcharts to summarize the points

COMMENT



The Tanzania Revenue Act lists numerous laws that regulate the imposition, collection and administration of taxes in Tanzania . However, the laws which regulate direct and indirect taxes, the emphasis should be on the tax laws and policies that affect the implementation of Tax equity in Tanzania.





SESSION



7

**CHALLENGES IN ACHIEVING TAX
EQUITY IN TANZANIA: (INEQUITIES
IN TAX COLLECTION, DISTRIBUTION
AND TAX EVASION AND AVOIDANCE)**

Table 7: Challenges in Achieving Tax Equity in Tanzania

LEARNING OBJECTIVES	<ul style="list-style-type: none"> ➤ Understand the nature of inequities in tax collection and distribution across different sectors and income groups in Tanzania. ➤ Distinguish between tax evasion and tax avoidance and evaluate their impact on revenue generation and equity. ➤ Explore systemic, administrative, and socio-economic factors that contribute to inequities and non-compliance in taxation. ➤ Develop strategies to address the challenges of inequities, evasion, and avoidance to promote a fair and equitable tax system.
	
EXPECTED OUTPUTS	<ul style="list-style-type: none"> ➤ Have a clear understanding of the key challenges affecting tax equity in Tanzania. ➤ Be able to articulate the impact of tax collection and distribution inequities on national development and social justice. ➤ Gain insights into the causes and consequences of tax evasion and avoidance in the Tanzanian context. ➤ Propose actionable recommendations to mitigate these challenges and enhance equity in the tax system.
	
MATERIALS	<ul style="list-style-type: none"> ➤ Flip charts & Marker pens ➤ Masking tapes ➤ Meta cards
	
STEPS	<ol style="list-style-type: none"> 1. The trainer presents lecture information through PowerPoint presentation with interaction from Participants. 2. What are inequities in tax collection and distribution? 3. Distinguish between tax evasion and tax avoidance and evaluate their impact on revenue generation and equity. 4. What to do to mitigate these challenges and enhance equity in the tax system?
	

COMMENT



Understand the nature of inequities in tax collection and distribution across different sectors and income groups in Tanzania especially the pro-poor and minimize the burden of indirect taxes particularly on low-income households and marginalized communities and integrate gender considerations into tax policies, hence cultivating tax equity.






SESSION



8

**UNDERSTANDING STAKEHOLDERS'
ROLES, POWER, INTERESTS AND
INFLUENCE IN ADVANCING TAX
EQUITY TANZANIA**

Table 8: Stakeholders in Tax Equity

LEARNING OBJECTIVES	<ul style="list-style-type: none"> ➤ Understand the roles of various stakeholders in advancing tax equity, including government entities, civil society, the private sector, and citizens. ➤ Assess the power and influence of the different stakeholders hold within the tax system and how it affects decision-making and equity. ➤ Identify the diverse interests of stakeholders and how these align or conflict with the principles of tax equity. ➤ Explore how stakeholders' influence can be leveraged to advocate for and implement equitable taxation practices.
	
EXPECTED OUTPUTS	<ul style="list-style-type: none"> ➤ Have a clear understanding of the various roles and responsibilities stakeholders play in the tax equity ecosystem. ➤ Be able to analyze how power and influence dynamics affect tax policy design, implementation, and equity outcomes. ➤ Gain insights into the interests of different stakeholder groups and how these shape tax equity initiatives. ➤ Develop strategies to engage, negotiate with, or leverage influential stakeholders to promote equitable and inclusive taxation.
	
MATERIALS	<ul style="list-style-type: none"> ➤ Flip charts Marker pens ➤ Masking tapes ➤ Meta cards ➤ Handout: Notes related to Advancing Equity and Inclusion in Tanzania's Tax System
	
TIME	 40 minutes
STEPS	<ol style="list-style-type: none"> 1. The trainer to Present the table chart with different stakeholders showing the different stakeholders their interests, influence, opportunity and power in tax equity. 2. The participants to discuss in groups and make a presentation regarding their views from the table charts 3. Presentation of group work and outcomes, and discussion.
	

COMMENT



Participants present case studies from their organizations with vivid experience to demonstrate their influence, power, interests and opportunities regarding to tax equity.






SESSION



9

**ROLES AND RESPONSIBILITIES
IN PROMOTING TAX EQUITY
AND CHALLENGES FACED BY
STAKEHOLDERS IN PROMOTING
TAX EQUITY**

Table 9: Challenges faced by stakeholders in promoting tax equity in Tanzania

<p>LEARNING OBJECTIVES</p> 	<ul style="list-style-type: none"> ➤ Recognize the primary challenges stakeholders encounter in advocating for and implementing tax equity, such as limited resources, lack of data, and resistance to change. ➤ Analyze systemic issues such as weak enforcement mechanisms, corruption, and socio-political influences that hinder tax equity efforts. ➤ Assess the capacity gaps among stakeholders that affect their ability to effectively promote equitable taxation.
<p>EXPECTED OUTPUTS</p> 	<ul style="list-style-type: none"> ➤ Have a comprehensive understanding of the challenges stakeholders face in promoting tax equity. ➤ Be able to articulate how systemic barriers and capacity gaps affect the achievement of equitable taxation. ➤ Identify specific obstacles in their roles or organizations and discuss possible solutions.
<p>MATERIALS</p> 	<ul style="list-style-type: none"> ➤ Projector ➤ Flip charts & Marker pens ➤ Masking tapes ➤ Meta cards ➤ Handout: Basic tenets of conflict management
<p>TIME</p>	 60 minutes
<p>STEPS</p> 	<ol style="list-style-type: none"> 1. Project the key issues demonstrating challenges faced by stakeholder 2. Create group activity discussion (30-40 minutes) 3. Divide participants into small groups and assign each group a challenge to discuss. 4. Ask them to identify: <ul style="list-style-type: none"> ➤ Specific examples of this challenge in their experience. ➤ Potential strategies or solutions to address it

COMMENT









Challenges to be discussed should aim at advancing and promoting tax equity in the context of Tanzania, the Trainer can use table chart to demonstrate the challenges they might be facing to encourage discussion from the participants

SESSION



10

**KEY BARRIERS TO TAX EQUITY:
INFORMAL ECONOMY, GENDER
AND SOCIAL INEQUITIES, AND
INCOME INEQUALITIES**



Table 10: Key Barriers to Tax Equity	
LEARNING OBJECTIVES 	<ul style="list-style-type: none"> ➤ Explain the role of the informal economy in Tanzania and its implications for tax equity and revenue collection. ➤ Identify how gender-based disparities, such as income gaps and impact tax equity and inclusivity. ➤ To understand the impacts and the relationship between income inequality and tax equity.
EXPECTED OUTPUTS 	<ul style="list-style-type: none"> ➤ Gain a clear understanding of the informal economy's size, structure, and impact on tax policy in Tanzania. ➤ Articulate the gender and social inequities that hinder equitable taxation and inclusive revenue systems. ➤ The participants to able to mention the impacts and the relationship between income inequality and tax equity.
MATERIALS 	<ul style="list-style-type: none"> ➤ Flip charts & Marker pens ➤ Projector ➤ Masking tapes ➤ Manila cards ➤ Meta cards ➤ Handout: Process map
TIME	 30 minutes
STEPS 	<ol style="list-style-type: none"> 1. Brainstorming of the key barriers to tax equity regarding to informal economy, gender and social inequities, 2. Summarize the discussion points in flipcharts
COMMENT 	<p>The trainer must elaborate:</p> <ul style="list-style-type: none"> ➤ Informal economy, Gender and Social Inequalities to trigger understanding and discussion.

SESSION



11

POLICY INTERVENTIONS FOR TAX EQUITY (PROGRESSIVE TAX POLICIES AND INCENTIVES)

Table 11: Policy Interventions for Tax Equity:	
LEARNING OBJECTIVES 	<ul style="list-style-type: none"> ➤ Explain the concept of progressive tax policies and their role in reducing income inequality and promoting equity. ➤ Examine how tax incentives, such as exemptions or deductions, can be used to address inequities and support vulnerable populations. ➤ Assess the impact of current tax policies in Tanzania on equity, efficiency, and revenue
EXPECTED OUTPUTS 	<ul style="list-style-type: none"> ➤ Have a comprehensive understanding of progressive taxation and its importance in achieving tax equity. ➤ Identify existing tax incentives in Tanzania and evaluate their alignment with equity objectives. ➤ Gain insights into the effectiveness of current policies and propose areas for improvement.
MATERIALS 	<ul style="list-style-type: none"> ➤ Flip charts ➤ Marker pens ➤ Masking tapes ➤ Meta cards ➤ Presentation
TIME	 45 minutes
STEPS 	<ol style="list-style-type: none"> 1. The Trainer asks participants to explain their understanding of progressive tax policies and incentives) 2. Participants are divided into small groups based on the number available 3. The trainer asks participants in each group to explain the advantages of progressive tax policies and incentives related to tax equity 4. Allow each group to prepare each idea on a flip chart. After 15 minutes, ask each group to share their insights in a plenary discussion. Presentations should be followed by comments and suggestions from other groups. 5. The Trainer may add more ideas if important issues are missing. 6. Summarizes the findings from the group presentations

COMMENT



It is important to recall regressive and progressive taxation systems and their advantages and disadvantages in promoting tax equity and policy interventions for tax equity.







SESSION



12

TECHNOLOGY AND INNOVATIONS IN TAX COLLECTION: DIGITAL TAX SYSTEMS AND TRANSPARENCY TOOLS

Table 12: Technology and Innovations in Tax Collection






LEARNING OBJECTIVES	<ul style="list-style-type: none"> ➤ Explain the role of digital tax systems in improving efficiency, transparency, and equity in tax collection. ➤ Identify the advantages of adopting technology in tax administration, including reducing tax evasion and increasing compliance.
	
EXPECTED OUTPUTS	<ul style="list-style-type: none"> ➤ Have a clear understanding of how digital tax systems work and their contribution to effective tax administration. ➤ Be familiar with transparency tools and their role in promoting accountability in tax collection and expenditure. ➤ Identify the specific challenges and barriers to adopting technology in Tanzania's tax system.
	
MATERIALS	<ul style="list-style-type: none"> ➤ Projector ➤ Flip charts Marker pens ➤ Masking tapes ➤ Meta cards
	
TIME	 60 minutes
STEPS	<ol style="list-style-type: none"> 1. PowerPoint presentation showing the advantages of using Technology and Innovations in Tax Collection 2. What tools are commonly used in Tanzania and what challenges? 3. Participants be divided into small groups to brain storm on digital tax systems to improve efficiency, transparency, and equity in tax collection. 4. Volunteers present each of the above in a plenary 5. Discussions.
	
COMMENT	<p>Digital taxation can enhance tax equity and emphasize should be on the advantages of adopting technology in tax administration, including reducing tax evasion and increasing compliance.</p>
	

SESSION



13

IMPORTANCE OF MONITORING AND EVALUATION (M&E) IN TAX EQUITY

Table 13: Monitoring and Evaluating Tax Equity	
<p>LEARNING OBJECTIVES</p> 	<ul style="list-style-type: none"> ➤ Explain the fundamental concepts of Monitoring and Evaluation (M&E) and their relevance in the context of tax equity. ➤ Identify how M&E frameworks help assess the effectiveness of tax policies, programs, and practices in promoting equity. ➤ Learn to design and use key performance indicators (KPIs) to track progress and measure outcomes related to tax equity
<p>EXPECTED OUTPUTS</p> 	<ul style="list-style-type: none"> ➤ Gain a solid understanding of the role of M&E in ensuring equitable and effective tax systems. ➤ Be able to articulate the importance of monitoring and evaluating tax equity initiatives to stakeholders. ➤ Develop basic M&E plans, including identifying indicators and methodologies for tracking tax equity outcomes.
<p>MATERIALS</p> 	<ul style="list-style-type: none"> ➤ Projector ➤ Flip charts Marker pens ➤ Masking tapes ➤ Meta cards
<p>TIME</p>	 60 minutes
<p>STEPS</p> 	<p>Group Activity (20-35 Minutes)</p> <ol style="list-style-type: none"> 1. Divide into Groups and assign participants to small groups and give them a specific M&E-related task <ul style="list-style-type: none"> ➤ Explain the fundamental concepts of Monitoring and Evaluation (M&E) and their relevance in the context of tax equity ➤ Identify how M&E frameworks help assess the effectiveness of tax policies, programs, and practices in promoting equity. 2. Provide Resources or participants use online M&E framework templates or sample data to guide their activity. 3. Facilitate Discussions move between groups to offer support and answer questions. 4. Present Findings ask each group to present their outputs and discuss their thought process. 5. Facilitate a Plenary Discussion summarize key insights from the group presentations

COMMENT



Reflect and discuss opportunities, challenges and potential solutions for integrating M&E in tax equity initiatives in Tanzania.







SESSION



14

DEVELOPING AN M&E PLAN FOR TAX EQUITY (REPORTING AND ACCOUNTABILITY)

Table 14: Practical Session (reporting and accountability)

LEARNING OBJECTIVES	<ul style="list-style-type: none"> ➤ Identify the key elements of a Monitoring and Evaluation (M&E) plan, including objectives, indicators, data sources, and reporting mechanisms. ➤ Outline clear processes for reporting M&E findings to stakeholders and ensuring accountability in tax equity initiatives.
	
EXPECTED OUTPUTS	<ul style="list-style-type: none"> ➤ Demonstrate knowledge of the steps involved in creating an M&E plan specific to tax equity initiatives. ➤ Provide a list of actionable and relevant indicators for tracking equity in taxation policies and programs.
	
MATERIALS	<ul style="list-style-type: none"> ➤ Flip charts ➤ Marker pens ➤ Masking tapes ➤ Meta cards ➤ Printed case study
	
TIME	 90 minutes
STEPS	<ol style="list-style-type: none"> 1. The Trainer to demonstrate the importance of developing an m&e plan for tax equity (reporting and accountability) 2. Create two groups to develop measurable and relevant indicators to track progress toward achieving tax equity goals. 3. Presentation from the groups 4. The trainer to summarize the findings from the group presentations
	
COMMENT	<p>The emphasis should be on providing a list of actionable and relevant indicators for tracking equity in taxation policies and programs in Tanzania</p>
	

MONITORING, SELF-ASSESSMENT AND TRAINING EVALUATION

4.1 Introduction

Monitoring and training evaluation are important for both trainees and trainers. Training participants will get more out of the training through providing daily feedback during the training. Monitoring and training evaluation enables trainers to assess whether training objectives have been achieved and help identify ways to improve the training content and delivery.

Daily monitoring and feedback are required to make adjustments during the training, if necessary, and to recap what the group has learned each day. During Module 1, the group will form a daily feedback task team which will be responsible for monitoring and providing the feedback.

An evaluation at the end of the training is important to learn whether the training has achieved its objectives, from the participants’ perspectives. There are different ways to carry out an evaluation. The training evaluation makes use of an anonymous feedback questionnaire as well as a plenary discussion. The evaluation form is provided separately.

Notes

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4.2 Daily Training Evaluation

Please complete this evaluation by circling the number which you think is most appropriate.

- 1 – Very satisfactory
- 2 – Satisfactory
- 3 – Needs improvement
- 4 – Unsatisfactory

Please add specific comments about each session to help us refine each session before finalizing the training manual. Thank you for your participation and cooperation.

Session **Topic**

1. The method for this session was	1	2	3	4
2. The competence of the resource person was	1	2	3	4
3. My questions were answered	1	2	3	4
4. The time allocation was	1	2	3	4
5. This session was useful	1	2	3	4

Comments:

Session **Topic**

1. The method for this session was	1	2	3	4
2. The competence of the resource person was	1	2	3	4
3. My questions were answered	1	2	3	4
4. The time allocation was	1	2	3	4
5. This session was useful	1	2	3	4


Comments:

SESSION



15

TRAINING EVALUATION

Table 15:	Training Evaluation
LEARNING OBJECTIVES	To have participants evaluate the contents and process of the training workshop
EXPECTED OUTPUTS	The content and process of the workshop evaluated
TIME	 30 minutes
MATERIALS	<ul style="list-style-type: none"> ➤ Flip charts, ➤ Colored markers, ➤ Index cards, ➤ Post-its evaluation forms
STEPS	<ol style="list-style-type: none"> 1. Ask participants to reflect on the entire workshop 2. Ask them to summarize evaluative in the format provided 3. Individual reflection followed by small-group formation to exchange views 4. Groups share in plenary and open discussion

Annex 1: Sample Training Schedule

DAY 01	DAY 02	DAY 03	DAY 04
<p>Session 1: Setting the scene</p> <p>Session 2: Training introduction and participants' expectations</p> <p>Session 3: Setting group guidelines and monitoring</p> <p>Session 4: Overview of Tax Equity</p> <p>Session 5: Overview of Tanzania's Tax System</p> <p>Session 6: Legal and Policy Frameworks Governing Taxation in Tanzania</p>	<p>Session 7: Challenges in Achieving Tax Equity in Tanzania</p>	<p>Session 11: Policy Interventions for Tax Equity</p>	<p>Session 14: Practical Session (reporting and accountability)</p>
	<p>Session 8: Stakeholders in Tax Equity</p>	<p>Session 12: Technology and Innovations in Tax Collection</p>	<p>Session 15: Training Evaluation</p>
	<p>Session 9: Challenges faced by stakeholders in promoting tax equity</p>	<p>Session 13: Monitoring and Evaluating Tax Equity</p>	<p>Office logistics and announcement. (PF)</p>
	<p>Session 10: Key Barriers to Tax Equity</p>		

Annex 2:

Monitoring and Evaluating Tax Equity templates: Examples of Frameworks, KPIs, and Reporting Templates

5.2 Daily Training Evaluation

1. Logical Framework Approach (Log frame):
 - Outlines the goal, purpose, outputs, and activities related to tax equity.
 - Includes measurable indicators, data sources, and assumptions.

Example: Assess how equitable tax policies reduce the tax burden on low-income households.
2. Results-Based Monitoring and Evaluation Framework:
 - Focuses on desired outcomes and impacts of tax equity initiatives.
 - Tracks progress from inputs to outcomes using specific indicators.

Example: Monitor the shift in tax revenue distribution from indirect taxes to direct taxes.
3. Theory of Change Framework:
 - Maps the steps required to achieve equitable taxation, starting from stakeholder capacity-building to changes in tax policy.
 - Identifies short-, medium-, and long-term outcomes.
4. Balanced Scorecard:
 - Uses financial and non-financial metrics to assess performance in tax equity.
 - Covers dimensions such as stakeholder engagement, process efficiency, and social impact.

Sample Key Performance Indicators (KPIs) for Tax Equity

1. Revenue Distribution:
 - Percentage of tax revenue collected from direct taxes vs. indirect taxes.
 - Share of tax revenue allocated to marginalized communities or social services.
2. Inclusivity and Gender Equity:
 - Proportion of tax reforms incorporating gender-responsive measures.
 - Reduction in the tax burden on low-income households, disaggregated by gender.

3. Taxpayer Compliance and Awareness:
 - Percentage increase in tax compliance rates among informal sector workers.
 - Number of taxpayer education campaigns conducted and their reach.
4. Stakeholder Engagement:
 - Number of civil society organizations (CSOs) actively involved in tax policy advocacy.
 - Frequency and quality of public consultations on tax reforms.
5. Policy Effectiveness:
 - Reduction in tax evasion and avoidance rates.
 - Number of tax loopholes identified and addressed.

Templates for Reporting

1. Tax Equity M&E Plan Template

Component	Details
Goal	Define the overarching goal of tax equity (e.g., reducing tax burdens on marginalized groups).
Objectives	List specific objectives tied to equity in taxation.
Indicators	Define measurable indicators (e.g., percentage of progressive tax reforms implemented).
Data Sources	Specify sources for data collection (e.g., tax records, surveys, reports).
Methodology	Describe how data will be collected and analysed.
Reporting Mechanism	Outline how findings will be shared with stakeholders.

2. Tax Equity Monitoring Dashboard Template

Component	Baseline	Target	Current Status	Remarks
Revenue from direct taxes (%)	40%	40%	40%	On track
Taxpayer compliance (%)	60%	60%	60%	Requires awareness campaigns
Gender-responsive policies (%)	2	2	2	Ongoing review

Tax Equity Reporting Template

Report Title: **Tax Equity Monitoring Report**

Period Covered: Specify period

Key Highlights:

- Summary of achievements and challenges.
- Trends in tax revenue distribution.

Indicator Performance:

- List indicators and progress

Recommendations:

- Actionable suggestions for improvement

Annex 3:

About the Project and consultancy assignment: Advancing Equity and Inclusion in Tanzania's Tax System

In pursuing fairness and transparency in tax policies, IBP embarked on a mission to address the widespread injustice of inequitable taxation systems in many countries where it operates. The Tax Equity Initiative was born from this commitment, aiming to empower civil society to forge connections with a diverse array of stakeholders and influence domestic tax reforms.

Across numerous nations, particularly those with lower incomes, the daunting trifecta of burgeoning debt, pressing recovery needs, and widening disparities present a formidable challenge. Advocating for tax systems characterized by fairness and equity becomes imperative in mobilizing revenue and delivering essential services to all citizens.

Traditionally, the formulation of tax policies has been shrouded in secrecy, dominated by a select few policymakers and elite interests. However, a global shift is underway as grassroots movements employ innovative strategies to democratize tax systems. IBP and Policy Forum stand at the forefront of this movement, documenting effective approaches and cultivating partnerships to champion equitable taxation practices. By amplifying the voices of everyday citizens, Policy Forum endeavours to ensure that tax systems benefit all, enabling the government of Tanzania to fulfil its obligations to society.

About Advancing Equity and Inclusion in Tanzania's Tax System Project

Policy Forum in collaboration with IBP is now implementing a project on "Advancing Equity and Inclusion in Tanzania's Tax System" The project seeks to contribute to transforming the tax system in Tanzania into one that is pro-poor and minimizes the burden of indirect taxes particularly on low-income households and marginalized communities and integrates gender considerations into tax policies, hence cultivating into tax equity.

Project Objective

The main objective of the project is to effectively address the inequitable tax burden faced by marginalized groups in Tanzania, Policy Forum proposes a comprehensive, multi-faceted approach focused on advocacy, evidence generation, and fostering civic engagement. The aim is to create a fairer and more transparent tax system that alleviates the financial pressure on disadvantaged populations while ensuring sustainable revenue generation for the government.

The Project is aiming at the following outcomes;

1. Improved Collective Capacities by CSOs to engage in effective tax advocacy
2. Increased Government Responsiveness through meaningful civic engagements
3. Enhanced Gender Responsiveness
4. Increased Public Awareness and Engagement
5. Evidence-Based Policymaking
6. Collaborative Advocacy Efforts

About the Assignment

Policy Forum is seeking a consultant to develop a Tax Equity Training manual for Project Stakeholders in Tanzania. On the other hand, the consultant will train stakeholders on Tax Equity. These training sessions will include project stakeholders at the national level (except government institutions) and IBP Sub grantees in Tanzania.

Objective of the Workshop



These workshops are aimed at equipping project stakeholders on the necessary knowledge and skills on Tax Equity so that they can participate and engage effectively in the delivery of the project in Tanzania. Some of the proposed project stakeholders to be involved in the workshops are, Civil Society Organizations (CSOs), Private Sector, Academia and Researchers organizations, and Media houses/organizations.

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