National Five Years Development Plan II (FYDPII): How Do We Improve Implementation in the Local Government Authorities?
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EXECUTIVE SUMMARY

Early in 2016, the government launched the FYDP II, with the intention of addressing the shortfalls within the FYDP I and to provide a blueprint as Tanzania embarks on an industrialisation path in the next five years (2016 – 2021).

Referencing the FYDP I, the government recognized that the initial plan failed to achieve most of its targets. Whilst the government has determined that Tanzania’s industrialisation is a priority in the coming five years, shortfalls within the plan may set the country up for failure yet again if the issues are not adequately addressed.

Previous public private dialogues (PPD) conducted late in 2016, which sought to address the challenges and issues within the FYDP II have not garnered much traction. In order for Tanzania to succeed, a new approach and a new way of thinking is urgently required. The successful implementation of FYDP II will require a deeper understanding of why previous attempts at industrialisation have failed and adopt measures to ensure those mistakes are not repeated.

Baring in mind all efforts currently being taken by the fifth phase government of ensuring Tanzania becomes an industrialized country come 2020, the Second National Five Year Development Plan; Position of Local Government Authorities whose theme is ‘Nurturing Industrialization for Economic Transformation and Human Development,’ outlines new interventions to enable Tanzania becomes an industrialized country in a way that will transform its economy and its society.

The Plan incorporates unfinished interventions from the predecessor Plan and Strategy, respectively. It also implements aspects of Tanzania’s Development Vision (TDV) 2025, which aspires to have Tanzania transformed into a middle income and semi industrialized nation by 2025.

The Plan recognizes that effective development and poverty reduction need to be community driven as well as LGA supported.

Among others, the Plan aspires to: Build a base for transforming Tanzania into a semi-industrialized nation by year 2025; foster development of sustainable productive and export capacities, consolidate Tanzania’s strategic geographical location through improving the environment for doing business and positioning the country as a regional production, trade and logistic hub.

Promote availability of requisite industrial skills (production and trade management, operations, quality assurance, etc.) and skills for other production and services delivery.

Thus, the visualised path for Tanzania industrialisation and human development has been informed in detail that its promotion is high in development agenda since the early days of independence. The approach, however, had not been stable, being much influenced by changes in the socio-economic landscape.
The Five-Year Development Plan (FYDP II) is a product of the merger of the FYDP I and The National Strategy for Growth and Reduction of Poverty (MKUKUTA II) which is built on three pillars of transformation namely Industrialization, Human Development and Implementation Effectiveness.

The theme of FYDP II is “Nurturing Industrialization for Economic Transformation and Human Development” incorporates the main focus of the two frameworks, namely growth and transformation (FYDP I) and poverty reduction (MKUKUTA II). The Plan outlines new interventions to enable Tanzania industrialize in a way that will transform its economy and its society.

It also incorporates unfinished interventions from the predecessor Plan and Strategy, respectively. It implements aspects of Tanzania’s Development Vision (TDV) 2025, which aspires to have Tanzania transformed into a middle income and semi industrialized nation by 2025.
Objectives of FYDP II
The Plan aspires to:

i. Build a base for transforming Tanzania into a semi-industrialized nation by year 2025.

ii. Foster development of sustainable productive and export capacities.

iii. Consolidate Tanzania’s strategic geographical location through improving the environment for doing business and positioning the country as a regional production, trade and logistic hub.

iv. Promote availability of requisite industrial skills (production and trade management, operations, quality assurance, etc.) and skills for other production and services delivery.

v. Accelerate broad-based and inclusive economic growth that reduces poverty substantially and allows shared benefits among the majority of the people through increased productive capacities and job creation especially for the youth and other disadvantaged groups.

vi. Improve quality of life and human wellbeing.

vii. Foster and strengthen implementation effectiveness, including prioritization, sequencing, integration and alignment of interventions.

viii. Intensify and strengthen the role of local actors in planning and implementation, and

ix. Ensure global and regional agreements (e.g. Africa Agenda 2063 and SDGs) are adequately mainstreamed into national development planning and implementation frameworks for the benefit of the country.

Salient features of the FYDP II
The plan has the following distinct features:

i. Some of the interventions are packaged and aligned along development corridors, zones, clustering and improving enterprise efficiency through upgrading to provide investors with economies of conglomeration with the coordination and sequencing of their implementation done strategically to spur synergies, complementarities, and high impact.

ii. The Plan embodies a “business unusual” spirit, not only for fostering implementation effectiveness, but also for embracing and promoting strategic partnerships with the private sector, facilitating its development and competitiveness through upgrading and creating conducive environment for it to thrive and achieve sustainability; and

iii. The Plan entrenches the necessary policy and institutional reforms required for enabling its implementation with the private sector being called forth to lead in investments in industrialization and the Government to play a facilitative role mainly in terms of providing a conducive policy and quality regulatory framework, allocating land, and ensuring that a supportive infrastructure for industrial development is in place.
CHAPTER 2: SITUATION ANALYSIS AND ASSESSMENT OF FYDP I AND MKUKUTA II IMPLEMENTATION

This Chapter outlines Tanzania’s socio-economic status. It also highlights results from the assessment of FYDP I and MKUKUTA II implementation and provides insights on achievements and challenges for informing FYDP II strategic interventions.

Macroeconomic Developments

One of the achievement recorded during FYDP I and MKUKUTA II implementation, is the rising of per capita income from US$ 749.3 (2010) to US$ 1,043 (2014). Also, the Tanzania’s economy has recorded positive results on the annual average growth rate of seven percent.

Some of the biggest challenges is that agriculture sector has continued to lag in terms of growth rate as it has grown only by 3.4 per cent- despite the fact that it is the sector which employs majority of the people (at around 66.9 percent). It also provides the main income stream into the household, and supports nearly all the household activities.

1 FYDP II 2015/16-2020/21
The other challenges include: Low mobilisation of Local government authorities (LGA)’s own revenue and erratic allocation of subvention by central government; inadequate funding for priority investments and limited private sector participation. This state of affairs calls for effective strengthening public finance management in the on-going reforms.

Other social economic challenges mentioned are the persistence of large disparities between urban and rural areas, regarding access and quality of water and sanitation facilities and services. There are widening inequities between rich and poor regions in the services provided by LGAs. Inadequate financial allocations and human resources remain the primary challenges hindering further achievements in the provision of quality water, health and education services.

On the part of good governance and accountability, the plan has outlined some improvements such as the reforming of public finance management systems (internal and external audits), improving service delivery systems (health and education), strengthening institutional development (regulators, policies and laws), and enhancing accountability.

Furthermore, are the autonomy capacities of LGAs in determining their own development priorities in raising and managing their own resources. However, the occurrences of grand and petty corruption, weak accountability which lead to poor quality of public services delivery, weak public systems have remained to be a challenge.

Further to this, the plan is committed to empower the local communities through decentralization as it stated in its key message number four that, decentralization has not fully empowered the local communities, hence in this plan the government will work towards ensuring growth is broad-based and development is achieved through decentralization based on the principle of subsidiarity, which empowers the local communities and LGAs to sustainably utilize resources in their localities for inclusive socio-economic development.
CHAPTER 3: STRATEGIC REPOSITIONING FOR THE IMPLEMENTATION OF FYDP II

Structural transformation and human development in Tanzania are of considerable importance as they have substantial contributions to the economic growth, gross domestic product (GDP) in particular. Historically Tanzania has experienced a dramatic shift in early attempting of structural transformation and social development (i.e. industrial economy and human development) since 1960’s.

This chapter presents strategic repositioning for its implementation to nurture industrialization for economic transformation and human development in Tanzania.

The chapter further presents identified key lessons that will essentially inform the chosen path/modality of repositioning the framework for implementation in light of its FYDP II orientation (as outlined in chapter four).

The visualised path for Tanzania industrialisation and human development has been informed in detail that its promotion is high in development agenda since the early days of independence. The approach however, had not been stable, being much influenced by changes in the socio-economic landscape.
Earlier 1960’s, many African countries opted for rapid development both social and economic growth, in which at the initial stage the performance was remarkable, Tanzania in particular from independence to the Arusha Declaration had 186 industrial establishments including construction, electricity, gas, mining and quarrying in different regions, which employed a tremendous number of people and contributed significantly to the economic growth (providing about 200,000 employments, which contributed by 4.3 per cent to the country’s GDP) and increases the volume of trade to a large extent.

The establishment of NBC Bank in 1964 also contributed largely to this successful story in raising funds for the industrial projects that contributed largely in creating employment opportunities and significant effect in income generation.

Unfortunately, these good initiatives were constrained by the global socioeconomic and political environment in which between 1975 and 1981 growth rates was 0.6 per cent and fall more to negative 3.9 per cent in 1981 to 1985.

From 1980s to 1990s, the Government adopted various programmes such as Structural Adjustment Programmes (SAPs) and Economic Recovery Programme (ERP) with restrictive conditions to address the crises. Basing on what generated and advocated by the SAPs and the Western Donors, and the challenges brought by them, Tanzania needs to have a strong industrial base mechanism and strategies, which will uplift the current situation into realized ends, i.e. ‘Tanzania ya viwanda”, which literally means Tanzania’s industrialization as advocated by His Excellence President John Pombe Magufuli.

Further, the realization of the industrialization needs strong and committed institutions which involve prices and markets organization, firms and industrial organization, financial institutions, good governance and state to play a vital role in supporting development.

For Tanzania to be middle income country (industrial economy), central government should cooperate with local governments to monitor investment. Coherence of the national policies i.e. trade, industrial, agricultural, education and water, electricity, and employment, etc. is also important.
This chapter recognizes the need to rally people behind the implementation of the plan to attract and maintain citizen’s support from all levels. This will eventually fulfill the targets of the plan and expectations outlined in the Tanzania Development Vision 2025.

The FYDP II has mentioned 10 important messages as lessons learnt when implementing the previous FYDP I and MKUKUTA II so that they are considered for successful achievements of the current plan.

For the purpose of local governance, the message is number four which is “Decentralization and local economic development, have not sufficiently been empowered local communities.”

The message is clear that ‘Effective service delivery requires efficient decentralized systems that respond to local needs in a timely manner. Likewise, decentralization is key to ensuring that growth is broad-based and inclusive of all communities and larger part of the country’s population (including small scale farmers and micro business people.)

The plan strategically incorporates spatial disparities in development through decentralization
based on the principle of subsidiarity, which empowers the local communities and LGAs to sustainably utilize resources in their localities for inclusive social and economic benefits for all.

A wide description of the term industry encompasses activities such as mining and quarrying; manufacturing, electricity, gas, steam and distribution of air condition equipment, water supply, sewerage, waste management and remediation activities, and construction, manufacturing has been specified under this plan leads to the industrialization process.

Through this plan, Tanzania upholds this reality because of national and international reasons such as: Historically, the sector has been an important driving force to economic development; has been a knowledge-intensive sector of the economy and recipient of technological progress. It also exhibits higher productivity and scope for innovation; and that competitiveness of manufacturing is one of the basic determinants of long-run sustainable growth.

To attain the specific targets for manufacturing sub sector, the Plan will implement the following projects:

i. Create an enabling environment and strong system to support the manufacturing industry, this will include establishment of special economic and export zones, logistic centres, industrial parks, research and development institutions.

ii. Promoting small and medium enterprises and local contents.

iii. The plan intends to develop productive capacities in petro and chemicals, pharmaceutical building and construction, agro processing, coal, iron and steel.

It is important to note that there are four projects with regard to mining and metals extraction, these include:

i. Minerals beneficiation

ii. Conditional partnerships (foreign-local, large-small)

iii. Infrastructure support particularly rail, road and energy.

iv. Training and skills development.

For the case of construction industry which is one of the key economic activities in Tanzania; this sector has been dominated by foreign contractors who account for over 60% of the value even though they constitute hardly 10% of the registered contactors in the country. The plan therefore, focuses on mobilizing and strengthening domestic companies to effectively participate in the construction sector to enable them get a fair share in the anticipated construction boom.

The plan further describes agriculture as a central to Tanzania’s industrialization and is anticipated to contribute in total employment by 56.5% (by 2020) with the following strategies:

i. Increase productivity through the use of modern technology and extension services.

ii. Lengthening and deepening value chain with skills promotion

iii. Promoting innovation in research and development.

iv. Improve infrastructure

v. Promote producer groups, small medium enterprises.

vi. Alternative product marketing and access to financial services.

The plan has prioritized the following products in agriculture:

i. For crops- maize, rice, sunflower, pulses, floriculture, cotton, sisal, grape, simsim.

ii. For livestock – beef, diary, chicken, hides and skins iii. For fisheries and marine resources-fresh water fishing, sea and deep sea fishing as well as fish farming and aquaculture.
Regarding the natural resources management, environment and climate change, the Plan focuses on protecting wild life and participatory climate change adaptation measures at local level as well as directing large projects to comply with approved environmental impact assessment (EIA) and audit regulations. The key projects associated to this focus include: Conservation of natural resources, enhancing community based natural resources management systems, promotion of renewable green energy technologies.

With regard to growth and industrialization, the Plan has recognized tourism and the need to promote domestic tourism. It creates enabling environment for the sector so that it increases aggressive promotion and marketing of Tanzania as a unique tourist destination.

The sector is anticipated to contribute to total employment by 12% by year 2020. For tourism to flourish in Tanzania the plan devotes efforts to improve infrastructure to attract tourist, train her people to take up roles and maintain international standards in the industry.

Moreover, the Plan underpins human development as a central factor for the realization of growth and industrialization. It also intends to foster education, appropriate skills and improvement of health conditions for each individual and society at large. It is under this strategy that social services particularly at local level will be efficiently implemented.

In education for instance; teacher – pupil ratio at all levels, teaching and learning environment will be improved, and students at tertiary level will increasingly access the loans, use of ICT in teaching and learning will be expanded and remuneration as well as housing for teachers improved.

The plan also displays health intervention such as strengthening primary and referral health systems, equipping hospitals with modern equipment and offering training to health staffs and management to non-communicable diseases, improving remuneration and housing of health personnel as well as a deliberate focus on preventive medicine and effective control of epidemics. If this is done under five and maternal mortality rate, will be significantly reduced life expectancy increased to 66 years and prevalence of HIV/AIDS reduced to only 3%.

In support of the above, the plan is set to advance mechanisms for water supply and improved sanitation in that it will conserve and protect water resources and sources, construct water harvesting infrastructure and water laboratories, Construction of sewerage treatment plants, storage, treatment ponds, sewer lines; Rehabilitate water supply and sewerage infrastructure; as well as build skills capacity of staff at all levels of requirement (harvesting, transmission, distribution, and billing).

The plan has a number of strategic activities/plans to protect the vulnerable groups and ensuring food security for both rural and urban residents. It also follows the principles of good governance, which includes the rule of law, democracy and all other elements of good governance such as effectiveness, accountability, predictability, transparency (i.e. all LGAs post their public budgets, revenue and actual expenditures are easily accessible in public notice boards), participation and protection of human rights to all and in particular the vulnerable groups.

Ensuring national, personal security and safety of properties, promoting and preservation of the culture of patriotism, hard work, moral integrity, and self confidence while improving public service delivery to all with access to justice remain central to the Plan’s mission.

Therefore, the chapter sets a clear path to enabling environment for industrialization and human development through maintenance of economic stability, provision of good infrastructure and possibilities for ease of doing business as well as putting reasonable effort to advance flagship projects “that can catalyze the aspiring transition towards Tanzania’s industrialization and socio-economic transformation” across the country.
The chapter proposes complementary measures for effective and efficient budget execution and for fostering predictability of financial resources in order to enhance delivery on the Government’s financial obligations to the Plan. Successful implementation of the Plan depends, among other factors on the national capacity to mobilize financial resources, from both domestic and external sources, as well as ability to utilize those resources effectively and efficiently.

It is estimated that a total of Tanzanian Shillings 107 trillion is required for the implementation of the Plan. This is to be mobilized from government, private sector and development partners. The government expects to contribute around Tanzanian Shillings 59 trillion or an average of Tanzanian Shillings 11.8 trillion annually over the Plan period. The rest will be solicited from the private sector and Development Partners.
The Government is planning to spend in the margins of 30 to 40 percent of government budget for development activities, starting with TZS 11.8 trillion during FY 2016/17, with expectations that this figure will rise up to TZS 13.5 trillion during FY 2020/21 with improved resources mobilization.

In order to meet these targets, concerted reforms have been earmarked to facilitate the enhancement of domestic resource mobilization from current sources as well as through expanding tax base. Investment promotion has been emphasized with a view to improving project identification and preparation to woo private capital, both through direct participation and in partnerships.

Accordingly, the Plan introduces new financing policies and strategies in order to:

i. Scale up domestic revenue mobilization.

ii. Increase private sector participation, singularly or in partnership with the public sector.

iii. Ensure that priority investments secure smooth and full funding in order to ensure results.

iv. Develop the domestic financial market and in particular long-term development financing syndication and mutual financing/funding.

v. Leverage public sector resources to entice private sector participation in financing priority development projects.

vi. Build strong debt management

According to the Plan, the government will actively facilitate LGAs to put institutionalize mechanisms and practices to elevate property tax as key source of revenue by establishing comprehensive valuation rolls, setting realistic rates and reviewing them regularly; instituting performance linkages between enforcement of property taxes and transfers from the centre to incentivize LGAs to treat property taxes as principal source of revenue.

Government will review the existing retention schemes with a view to harmonizing them and introducing incentives for Ministries, Departments and Agencies (MDAs), to actively pursue sustainable growth in Non-Tax Revenues (NTR). Furthermore, the Government will set-up appropriate schemes that would incentivize LGAs to pursue revenue collection as a key performance indicator, both for individual officers and for relevant departments.
CHAPTER 6: IMPLEMENTATION STRATEGY

To ensure the engagement of Local Government in the implementation structure, the Plan has outlined the following:

To strengthen local participation through local economic development approach (LED).

In order to ensure the results are from economic growth and service delivery permeates to local levels and households, the Plan supports further decentralization of the Government system in order to respond to local needs in a timely manner. Local government must be increasingly empowered to make planning decisions in line with the priorities of Plan. This localization of Plan will also provide avenues to domesticate and localize the sustainable development goals (SDGs). This entails shifting mandates and resources to the local level as follows:

(i) Reforms to strengthen LED initiatives
Reforms need to be instituted for the transformation enhancement through greater decentralization, accountability and transparency. This has to go hand in hand with further
entrenching BRN methodology at local levels. Along with, efforts are to be directed at ensuring that there is effective coordination among actors in MDAs, RSs, and LGAs in order to deliver conducive business environment/enablers for private sector to participate and thrive.

This also entails implementing the unfinished business of the Local Government Reform Programme, which includes: Administrative (human resources management) and fiscal decentralization; as well as harmonization of laws at lower local government authorities (LLGA).

The role of LGAs in regard to this approach is critical for issues related to provision of land for investment, development of small and medium enterprises (SME) clusters, support of LED initiatives etc. The core aim of LED in the Plan is to ensure that practical approaches are used by RSs, LGAs, and communities in designing and implementing locally customized interventions.

Effective LED planning ensures that priority issues are addressed and limited resources are well targeted to promote local growth and poverty reduction. In order for growth and impacts of other projects to reach and benefit the grass-root, the Plan needs to be localized and localization needs strong capacities at local levels. In recognition of the inadequate capacity of LGAs, Plan recommends that their capacity be built and strengthened in line with the following key LED strategies:

- Regions and LGAs tendering and procurement procedures should be designed to favour small contractors and emerging businesses.

- Marketing of LGAs’ investment opportunities to local and international businesses, including supporting service centres that provide assistance and information to businesses that want to start operations in their respective areas of jurisdiction.

- Forge local alliance, which focuses on building institutions within LGAs and exploiting private sector resources that can foster and support policy reform for private sector development.

- Supporting the so called the Living Laboratory, which are demonstration centres aimed at providing practical demonstrations of what works better in respective localities and creating sustainable jobs and real community benefits.

- Supporting communities to develop their own economic solutions, including exploring new ideas for improving the creation of and distribution of work to disadvantaged groups and minorities.

- Ensuring that the local investment climate is functional for supporting local SMEs and encouraging new enterprises as well as attracting inward investments.

- Investing in physical (hard) infrastructure by improving roads, sewerage systems, airports, etc. for businesses; investing in soft infrastructure including human resource development, institutional support and regulatory issues.

- Supporting the growth of business clusters that target particular geographical areas for regeneration or growth (i.e. areas or spatial targeting as well as disadvantaged groups of the communities).

- Supporting primary specialized cooperatives, to be used to aggregate produce from small scale farmers or manufacturing micro and small medium enterprises (MSMEs) or assist in joint procurement as a way of ensuring forward and backward linkage and its attendant trickledown effects and poverty reduction.
In addition to that, the Plan recognizes that effective development and poverty reduction need to be community driven as well as LGA supported. A community begins LED strategy planning process by identifying the people, public institutions, businesses, community organizations and other groups with interests in the local economy.

The skills and resources that each of these stakeholders bring to the strategy planning process provide a critical foundation for success. LGAs and RAs will be responsible for ensuring conducive local business environment, particularly for MSMEs is in place. Progress in this aspect will be evaluated through local business enabling environment (BEE) survey. The Government will facilitate redress of challenges related to financing LED, since most LGAs often have limited resources to deliver on LED services.

Through this Plan, the Government will increase resources allocation to LGAs. This will also entail a need to devise an appropriate formula for LGAs subventions from central Government sources and putting up mechanisms of safeguarding LED expenditure from being out-competed by other expenditure items, in order to ensure LGA LED becomes a vehicle for local transformation.

Sources of funding for LED initiatives include:

(a) Local authority revenue raised from the usual own sources, with care being taken to avoid falling into the trap of introducing nuisance taxes.

(b) Central government transfers, e.g. the TZS 50 million for each village.

(c) Donor grants – including international NGOs, foundations, e.g. those aligned with environmental conservation.

(d) Private sector funding such as funds from corporate social responsibility.

(e) Foundations, especially for environmental conservation and improvements, human resource initiatives and poverty alleviation.

(f) Where applicable, LGAs and other actors at the local level will be encouraged to introduce own initiatives to access financial resources beyond the subventions from the central government. And

(g) Introducing regional development corporations as legal entities with similar functions to National Development Cooperation (NDC) in order to mobilize finances for projects in their areas of jurisdiction.

To ensure effective monitoring and evaluation of LED initiatives, LGAs will be facilitated to conduct the local business enabling environment (BEE) Surveys in order to obtain information on citizens’ perceptions of local conditions and regulations that affect them and local businesses, with the goal of informing policies and practices that hinder business development; as well as identifying key concerns and issues facing their localities.

The Ministry of Finance and Planning in collaboration with the President’s Office Regional Administration and Local Government will develop a guide for rolling out LED approach. The guide will include, among others, approaches to measuring performance of local initiatives being implemented at Regional and LGA levels so that the citizenry can be informed of their local development status. BEE Survey will be one of the tools for evaluating local implementation performance.

Effective performance of LED will, in aggregate, diversify the economies and revenue sources of respective governments and gradually, therefore, reduce over dependence from the centre. Increased pace of development in local areas will also reduce push factors of rural-urban
migration and thus relieve pressure on provision of urban social amenities and infrastructure.

(ii) Reforms to link LGAs with research and training institutions
To build the capacity of LGAs (as well as LLG) management, the government will support internships and volunteering of graduates with a bias on rural and/or local government-related training programs offered by colleges like Hombolo Local Government Training Institute; Institute of Rural Development Planning, LITI and MATI. Even as they build the capacity of LGAs and LLGs, this arrangement will also provide the participants with an opportunity to learn actual local development challenges and devise workable solutions, which will make them effective players in the development process of the nation.

(iii) Specific LGA Reform – Dar es Salaam City
Dar es Salaam city is a hub of the national economy and a base for social transformation in terms of revenue collection, growth of the private sector, job creation, markets, etc. However, performance of the city is constrained by its administrative structure, which has implications on management of the city’s development process.

There are overlapping mandates of the city’s district municipalities, city municipalities (LGAs), and Regional Secretariats (RS) which undermines regional coordination. As a result, major services such as transportation, land use planning; water and waste management are not coordinated on a metropolitan-wide basis. Thus, the Plan proposes:

(a) Reforms of the institutional and governance arrangements of Dar es Salaam City to improve coordination, accountability, and service delivery. The reforms aim at triggering the evolution of Dar es Salaam into an efficient metropolitan area by redefining the roles and functions of Dar es Salaam City Council (DCC) and, in particular, to provide clear mandates requiring the municipal councils to coordinate services on a metropolitan-wide basis.

(b) Reforms to allow and pilot measures to assess DCC’s capacity to raise revenues commensurate with expenditures and instill systems that ensure that the City council is accountable to citizens.

The position and role of local government authorities:

i. There is a need to have a strong one-stop centre for land issues in which, for investors requiring a sizeable land have to deal with. There will be land referral centers for investors requiring land size that is in the jurisdiction of RS and LGAs.

ii. At the national and LGA levels there is a need to have a land bank specifically designated for industrial development, with the necessary services (title deeds, irrigation schemes, feeder roads, power, etc.)

iii. Ensuring environmental sustainability in development of townships, towns, and cities, including strengthening national and sub-national (LGAs) land development planning.
This Chapter outlines the monitoring and evaluation (M&E) framework for the implementation of the Plan. It involves general and specific objectives, targets and indicators to be realised at macro, sector and project or intervention levels. It spells out institutional arrangements, roles and responsibilities as well as assumptions underlying an effective M&E system.

Objectives of the M&E Framework

The overall objective of M&E Framework is to enhance for constructive engagement with stakeholders. The specific objectives are:

- **Track progress and demonstrate results** of the plan interventions over the short, medium and long term, including reporting on regional and international targets such as SDGs that are integrated into national development frameworks.

- **Coordinate and facilitate** MDAs, LGAs, private sector and other stakeholders to regularly and systematically track progress of the implementation of priority initiatives of the plan.
• **Assess performance** in accordance with the agreed objectives and performance indicators and targets in order to support management for results (i.e. evidence-based decision making), compliance with Government policies (accountability) and constructive engagement with stakeholders (policy and implementation dialogues).

• Dispense an **Early Warning System** for **challenging issues** or processes in relation to implementation of the plan, **which may need urgent corrective measures**.

• **Provide continuous learning ground** for MDAs, LGAs and other stakeholders during implementation of the plan.

• Facilitate the setting of a **research agenda**, detailed analysis of data on growth, transformation and human development trends and dissemination of the findings to inform a wide range of stakeholders; and.

• Continue the **institutionalisation and harmonisation** of the use of M&E information in policy formulation, planning and budgeting in the public sector in particular and the economy in general, including sustained technical support and training for entrenchment of an M&E culture in Tanzania at all levels.

**Strategy for Implementation of FYDP II M&E**

The Plan’s M&E strategy aims at building a system that is robust, comprehensive, fully integrated, harmonized and well-coordinated to monitor the implementation of national development initiatives as well as evaluating their outcomes and impacts.

The National Bureau of Statistics (NBS) has a legal mandate to provide guidelines to all Ministries, Departments and Agencies (MDAs) on how to retrieve administrative data from their respective sectors. For all MDAs, LGAs and other implementing agencies, a five-year medium-term programme will be developed to reflect the priority areas. The programme will identify clear terms involved in developing data systems, coupled with sector databases starting from lower levels up to the national level.

**Roles and Responsibilities**

In assigning roles and responsibilities, FYDP II recognizes earlier efforts of *institutionalizing M&E functions in Government*, including establishment of **M&E units** in the directorates of policy and planning in all ministries. The Government will be required to introduce M&E policy and legislation as shall be deemed appropriate.

The roles and responsibilities of key institutions as in the *Plan and Budgeting Manual* are as follows:

1. **Ministry of Finance and Planning:**

   Its responsibility is coordinating the implementation of M&E framework/Master plan including funding mechanisms with different activities including reporting. In this regard they will be responsible in producing the following reports:

   i. FYDP II annual implementation/Progress report (APR);

   ii. Economic Transformation Report (ETR), Produced after every two years.

   iii. Poverty – Environment Report (P-ER) based on LED approach pilot and scale-up programmes.

   iv. Engagement Report on dialogues held on policy and the implementation of the various interventions.
v. Budget Monitoring and Evaluation Reports, for tracking expenditure and financial Accountability.
vi. Mission Reports for project inspection and
vii. SDGs Performance Reports

2. **President’s Office-Public Service Management (PO-PSM):**

This is responsible for ensuring availability of requisite human resources to operationalise FYDP II and its M&E strategy in collaboration with MoFP commensurate with capacity needed to deliver on FYDP II and its M&E strategy.

3. **MDAs and LGAs:**

The key implementing agents are central for reporting day to day and timeline implementation performance as well as reporting on progress against planned milestones. LGAs will be responsible for reporting on progress of implementation and achievements of planned outputs at local levels. This involves focusing on implementation constraints including tracking of the implementation specific local economic development (LED) plans for their locality.

4. **Development Partners (DPs):**

Development Partners can support the M&E strategy by providing financial and technical assistance and assist in capacity building the effective use of M&E products.

5. **National Bureau of Statistics:**

NBS will provide core statistics and data that are critical for the monitoring and evaluation of the Plan goals and strategic interventions. It will entail scaling up and deepening of the implementation of the existing Statistical Master Plan.

6. **Private sector and other strategic partners:**

The private sector and other non-state actors are:

i. Instrumental in the realisation of the Plan’s priority areas.

ii. Providing information needed for reviewing policy and implementation modalities that enable or hinder the development of businesses and investments of their interest and levels of financing they are considering to put in the potential investments.

iii. For major investments and where support from the public sector is required, they will be obliged to disclose their investment action plans and implementation milestones in order to inform schedule of support actions by the public sector.

**Evaluation of FYDP II**

There will be three categories of evaluations: annual, mid-term and final at the Plan horizon. The mid-term and the end of period evaluations will be undertaken by an independent evaluator outside of Government machinery to observe transparency and objectivity.

The Annual Internal Evaluation will involve production of Annual Progress Report (APR), PER and sector Annual reviews in order to stimulate dialogue and inform the plan and budgeting process. Mid-term Evaluation will be conducted after two and half years it will recommend any changes required and introduce a “FYDP II President’s Summit” at mid-point to see whether and how to adjust the course if deemed necessary. The Final Evaluation will be conducted after four-and-a-half years which will constitute parts of the main analytical report to inform ways to coordinate implementation of the subsequent FYDP III.
RECOMMENDATIONS

i. The Central Government should broaden the tax base by improving the capacity of LGAs to collect taxes, introduce modern tax revenue administration systems in LGAs and taxation of the informal sector.

ii. The Central Government should deliberately strengthen the autonomy of LGAs in determining their own development priorities, and in raising and managing their own resources.

iii. The Central Government should ensure adequate and timely disbursement of funds allocated to the LGAs for implementation of development projects and effective social service delivery.

iv. The government in collaboration with relevant stakeholders should devise a fast track mechanism to increase productive capacities and job creation especially for the youth and other disadvantaged groups.

v. The Central government should effectively implement its commitment to empower the local communities through decentralization which empowers the local communities and LGAs to sustainably utilize resources in their localities for inclusive socio-economic development.

vi. The Government should fulfill its commitments to its citizens particularly, the TZS 50 million for each village and 10% for youth and women economic empowerment.
National Five Years Development Plan II (FYDPII): How Do We Improve Implementation in the Local Government Authorities?
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