

# TANZANIA PRIVATE SECTOR FOUNDATION



## THE FOLLOW UP OF PENDING ISSUES ON THE TNBC POLICY ACTION MATRIX

June 2010

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### 1.0 Background

In the past the government communicated and linked with the private sector on policy formulation, implementation and operational matters on informal and ad hoc basis. The establishment of the Tanzania National Business Council; following signing of the Presidential Circular No. 1 of 2001 and publishing of the establishment Circular as Government Notice No. 691 of 28th September 2001 formalized the public private partnership, (PPP), arrangement.

Since its inception, TNBC has organized series of consultative meetings, of which some were Local Investors Roundtables (LIRT), International Investors Roundtables (IIRT) and TNBC Council meetings. The Private Sector has witnessed many achievements in the context of doing business and investment climate in Tanzania. There have been reforms in many sectors which strategically aimed at developing the Private Sector in terms of contributions made to GDP as well as competitiveness of the country at large. More importantly, the dialogue structure has created a strong partnership between the Private and the Public sector in which systemic issues which impairs the growth and development have been addressed very successful with valuable recommendations and possible mitigation measures agreed from both parties. One of the success which can be used as a testimony for these valuable achievements is the Kilimo Kwanza resolve.

However, there was a view from the Private Sector that most of the policy issues agreed in these TNBC consultative meetings have not been implemented by the respective Government and as result the cost of doing business remained high. It is against this background that the Tanzania Private Sector Foundation commissioned the study to establish the status of the implementation and propose the way forward

### 1.2 Objectives of the Study

This policy research was carried out by the consortium Mr. Arnold Kilewo and Dr. Haji Hatibu Semboja from the Department of Economics/Economic Research Bureau of the University of Dar es Salaam and objectively aims at examining above issues and in specific aiming to

- Develop a systematic and coordinated process for private sector participation in the development of issues
- Follow-up and monitoring the implementation of reforms agreed upon and resolved in order to accelerate the creation of a conducive business environment
- Designing a monitoring and evaluating system on the TNBC Policy Action Matrix.
- General and Specific policy recommendations

The main findings of the study are summarized and presented below; the status of implementation of the matrix is presented under Appendix 1.

### **1.3 Achievements of Public-Private Partnership**

Although PPP has not been around a long time in Tanzania, it has led to various significant improvements which have been important for growth. The major achievements of PPP in Tanzania are:

- (1) Formulation of a PPP Policy
- (2) Establishment of TNBC Working Groups with membership from the public sector and private sector
- (3) Holding of local and international investor's roundtables
- (4) Kilimo Kwanza

## **2.0 Develop a systematic and coordinated process for Private Sector (PS) participation in the development of issues**

### **2.1 Challenge facing Private Sector involvement in policy development**

The Government recognizes the importance of engaging the PS in the policy formulation specifically those related to private sector development and put in place conducive business environment and investment climate. However, despite of this desire the private sector involvement in policy formulation is limited from issues/problem identification and agenda setting through the final approval processes. The less involvement and consultation of the Private Sector in this process is attributed by having weak Private Sector Organizations which are constrained with inadequate and necessary skills as well as financial resources.

### **2.2 The study revealed that TNBC does not adequately address the four major delivery methods, approaches and functions of TNBC, these are:-**

- Conducting researches or surveys or studies into any aspect of social and economic development policy as it may deem fit
- Reviewing specific research, reports or policy proposals submitted to it by any of its constituent bodies. It may also call for and consider any such reports if it is necessary to give a true picture of affairs before it
- Set action targets as well as performance benchmarks for implementing decisions or agreements reached, including assignment of responsibilities for performance
- Monitoring and evaluating implementation of policies and measures agreed upon, as to their effectiveness and/or unintended impact.

### **2.3 Private Sector Stakeholders Not Adequately Consulted**

The design and planning process is thus in theory adequate because it involves stakeholders being consulted as well as working groups which have people who are knowledgeable in the

issues facing the various sectors. However, this is not always the case as many stakeholders contacted felt that they were not adequately consulted or at times not consulted at all in the course of preparing issues to be discussed in dialogue. It is high time for private sector stakeholders to find alternative ways and means of engaging with the government machineries. This includes search for and initiate policy engagement and not to wait to be invited. Furthermore, some stakeholders noted that membership in some working groups was not based solely on ability as in the beginning, working group membership relied on people volunteering and hence will more than ability determined working group membership in some cases.. There are other situations whereby issues to be discussed represent the wishes of only a few individuals instead of the needs of a whole sector which works to undermine participation of the private sector in the policy process such participation will be ineffective participation that does not address the needs of the private sector.

#### **2.4 TNBC as a forum for the Private and Public dialogues**

There is a feeling amongst stakeholders that the public sector does not take TNBC as seriously as the private sector does due to the fact some TNBC decisions are not implemented in timely fashion. Failure of the Government to timely implement some TNBC decisions tends to lead some people to regard it as an ineffective forum at times hence creating the risk of it not to be taken as seriously as it should be. Since TNBC is an official forum for private-public dialogue that provides a chance to the private sector to participate in the policy process, the perception of TNBC as ineffective undermines participation of the private sector in the policy process.

#### **2.5 Adequate Setting of Policy Matrix Goals**

Stakeholder consultation revealed that few stakeholders were of the opinion that TNBC's level of focus on national development policy issues was intensive. Also few of them thought that the level of contribution of TNBC to economic, social, and political management of the sectors on the TNBC Policy Matrix is high. This implies that focus on national development policy issues and TNBC contribution is quite low and inadequate. The underlying causes of this inadequacy is the poor goal setting of policy matrix goals in terms of being too general or vague and easy to achieve and thus translates to low intensity of focus and poor policy contribution. The TNBC policy matrix should thus have goals which are SMART as such goals will have an impact on TNBC objectives.

### **3.0 Follow-up and monitoring the implementation of reforms agreed upon and resolved in order to accelerate the creation of a conducive business environment**

#### **3.1 The Public Sector's Decision Making**

After planning of issues and consultation leading to decisions it is imperative that such decisions be implemented effectively because failure to do so would render dialogues not as effective as it should be. Most stakeholders consulted were of the opinion that implementation is an area in which there is a problem as far as the TNBC is concerned. Stakeholders noted that most of this failure can be attributed to the public sector system which is slower than the private sector in decision making thus resulting in less than timely implementation of some decisions taken by TNBC. Failure to timely implement decisions resulting from private/public dialogue effectively undermines the private sector's participation in the policy process since such a situation implies its inputs to the policy process are not incorporated into public sector decisions in a timely manner.

#### **3.2 The revealed possible reasons as to why decisions made are not implemented include:-**

- The design, planning and preparations of policy dialogues have less stakeholders' consultations prior to the formulation of issues to be dialogued upon.
- Low Intensity of Focus on Main National Development Policy Issues
- Shortcomings in Goal Setting for TNBC Policy Matrix whereby there are generalized objectives that make monitoring of results difficult.

**3.3** The above observation is confirmed by the fact that the majority of issues agreed at the previous TNBC Forums are not dealt with as a result the cost of doing business remained high and Tanzanian competitiveness deteriorated. The summary of private sector position on the status of implementation is presented under Appendix 1.

### **4.0 Monitoring and Evaluation Systems**

Monitoring and evaluation systems play an important role in the private sector's participation in the policy process because it involves providing feedback to the TNBC on the state of implementation of decisions emanating from private/public dialogue in order to determine whether things are on track or not. A failure to undertake adequate monitoring and evaluation of implemented decisions will thus undermine the ability of the TNBC to determine the extent to which its decisions are implemented. Such a situation makes it a whole lot easier for implementation of decisions to be ignored and thereby renders private sector participation in the policy process very minute.

#### **4.1 TNBC M & E Institutional Organizational Arrangements**

The TNBC M & E System constitutes of organizational arrangement, (i.e., Council, Executive Committee and Secretariat), functions and procedures. The regular TNBC Council meetings are classical M & E instruments. However, these have not been effective due to many reasons. These include institutional irregularities, inefficiencies, and inadequate human and financial resources.

The TNBC has two main parties with own M & E Systems. Both the government and TPSF have M & E Systems. However, there is little evidence of the linkages and coordination of these M & E Systems. Our consultations revealed that implicit TNBC-M&E System is guided by the overarching principles imbedded in the national monitoring and evaluation systems of government ministries, development projects, program and activities in the country.

#### **4.2 Unclear M & E Objectives**

The study found that few people are aware of the main and specific objectives of the TNBC M&E Systems. Those knowledgeable noted that despite its limitations the implicit TNBC-M&E System has generic objectives and is designed to meet information needs of different stakeholders including policy makers, civil servants in the central government, civil society organizations, research and academic institutions, the media and the general public. The study found that TNBC has been focusing on many national development policy issues. Although TNBC has dealt with many issues in the past with some success, Kilimo Kwanza has been its most successful issue where the nation intends to embark on KK as Tanzania's Green Revolution to transform its agriculture into a modern and commercial sector.

#### **4.3 Lack of Oversight and External M & E System**

The study found that TPSF is a focal organization with no Oversight or External M & E systems. The functions of oversight are done by other non state actors, mass media and general public. Clearly, there have been improvements in shifting the accountability system from a compliance-based system to a performance-oriented system, particularly in relation with implementation of major national development policies and strategies such as MKUKUTA.

#### **4.4 Dissemination, advocacy and sensitization systems**

The study found that majority of interviewed stakeholders had the opinion that TNBC has dissemination, advocacy and sensitization systems in place. They pointed that the overall objective of the dissemination, sensitization and advocacy, (DSA) as part of policy research processes in the TNBC is to facilitate a smooth flow of long term development policy issues, which are responsive to the needs of different groups of users of this information. About 75 percent of interviewed stakeholders think that Kilimo Kwanza has a well elaborated DSA system.

## **5.0 General and Specific Policy Recommendations**

### **5.1 Increase Efficiency in Utilization of Delivery Tools and Approaches**

The study found that very few stakeholders thought TNBC had utilized its delivery methods and approaches in an effective manner implying that TNBC is inefficient in utilizing its delivery tool and approaches and that it could achieve more if it increases efficiency. TNBC should thus increase efficiency in utilizing its delivery tools by introducing the inputs in phases and by placing more emphasis on monitoring and evaluation.

### **5.2 Setting Objective Mechanism for Selecting Working Group Members**

Since TNBC working groups are tasked with operationalizing the decisions of council relating to goals to be included in the policy matrix by making them more specific, their members should be selected in an objective manner through recommendations from private sector associations and relevant institutions rather than just being appointed by the TNBC Secretariat in order to ensure that the working groups are responsive to private sector needs.

### **5.3 Integration of TNBC with a National Planning Authority**

Since the issues on the TNBC policy matrix are diverse and cross-cutting, implementation of the policy matrix can only succeed if TNBC is integrated with a planning authority with a mandate to undertake national planning and coordinate implementation of policies. In light of this, a national planning authority whether it be a ministry or commission which is distinct from the treasury should be reinstated.

### **5.4 Strengthen TNBC for Focused Quality Dialogue**

TNBC has departed from its original format for dialogue as the composition of dialogue has changed to exceed the original forty members from both sides. This has led to the dialogue process to lack focus.

### **5.5 Intensive Addressing of Causes of Minimal Implementation**

Stakeholders identified the several main causes of minimal implementation of TNBC decisions as the policy environment, regulations and regulation systems, and institutional framework. It is necessary to increase focus on addressing these issues by setting high, realistic and specific targets intended to address them.

### **5.6 Increase Efficiency in Utilization of Policy Delivery Approaches and Systems**

Consultations revealed that the very few thought that the policy inputs of conducting policy research on development issues, coordinating policy formulation service sector development strategies, coordinating national service sector policy dialogue, dissemination, sensitization and advocacy of service sector policies and strategies, and monitoring and evaluation of implementation of service sector policy decisions were applied intensively for the agriculture, industrial, and service sectors. This implies great inefficiency in utilization of policy delivery approaches and systems. In light of this, TNBC should introduce its delivery approaches and systems in phases instead of all at once and increase emphasis on monitoring and evaluation.

### **5.7 Enhance Human Resource Development Policies relevant for PPP**

The public private partnership arrangement should reinforce the capacity building in

- understanding role of these sectors and strengthening HR management capacity of public and private administrative sectors relevant to the requirements of administrative reform;
- strengthening HR management capacity of public and private institutions to enhance the quality of services, and
- strengthening the capacities of the continuing education system to address the knowledge and skill requirements of professional and technical personnel associated with the long term economic structural adjustments.

## **5.8 Enhance TNBC Institutional Capacities**

Normally for a large institute like TNBC to cover the whole nation requires enough manpower to perform the socio-economic development policy as agreed to achieve results. It requires the high performance, effectiveness and efficiency of the human resources in the performance of the entire responsibilities of TNBC. It must cover the entire area of jurisdiction (all regions of Tanzania) whereas Regional Business Councils have all over established. The establishment of District Business Councils is underway though requires a quick pace in order to make clear follow up of the pending policy issues and reporting.

As the matter of fact, TNBC has to organize, arrange and conduct regular two annual meetings. To categorize the meetings; - one meeting to be for planning, delivery methods, core players and implantation methodologies. The other meeting to produce reports on the national economic development issues as resolved in the past meeting. The late will include the oversight, external and internal monitoring and evaluations of the planned topic or issues on the development policies of a nation.

## **5.9 Design and establish an integrated TNBC M & E institutional arrangements**

There is a need to have new and integrated PPP institutional arrangements. There are new demands on the desired TNBC-M&E System, which require integration of national components, modification and development of indicators and an independent TNBC institutional set-up.

## **5.10 Need for comprehensive TNBC M&E System**

All parties in PPP arrangement must be comprehensive and compulsorily monitor their own strategies for sustainable economic development programmes and activities. There must be political support, legal requirement and institutional arrangement to empower the TNBC. The system should require the TNBC to monitor and evaluate the impact of their joint programmes.

## **5.11 Adopt, modify and develop SMART monitoring indicators**

The TNBC-M&E System will adopt, modify and develop own monitoring indicators, which meet national, regional and international standards. The TNBC-M&E System list of indicators will meet the information needs of different stakeholders at the national levels will be used.

## **6.0 Conclusions**

This has been the first time for the Private Sector to review the implementation status of the result of which will form basis for the 7<sup>th</sup> TNBC meeting. It is our hope that TPSF will sustain these initiatives to have regular evaluation and thus inform the Government on the status of implementation upon agreed issues. We further hope that these findings will help to inform the Government on those areas where implementation was not sufficiently carried out and thus

strategizing on how best to resolve such gaps. In this matrix we have attempted to offer recommendations on how the Government will expedite their implementation in a situation that there have been considerable delays since when those decisions were made.

We thank the Government for offering the Private Sector this partnership whereby the Private Sector can contribute towards policy formulation for the purpose of enhancing favorable business environment hence attracting local and foreign investment, enhanced economic growth and alleviating poverty.

Lastly, we hope that in the future TNBC will allocate sufficient time to evaluate previous decisions and where practical to ensure that decisions are implemented before embarking to the new issues in order to make the forum more meaningful towards reducing the cost of doing business and improved investment climate in Tanzania.

**We thank you.**

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**APPENDIX: STATUS OF IMPLEMENTATION OF TNBC ACTION IMPLEMENTATION MATRIX**

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>1.1</b>	<p><b>CHANGE OF PUBLIC SERVICE CULTURE</b></p> <p>Expedite implementation of the 4<sup>th</sup> component of BEST program addressing change of government and private sector culture and mindset</p>	Friendly, efficient and facilitative public sector to all citizens	There is significant improvement of culture at a senior level of government officials	<p>[1] BEST Program Activities implemented as per schedule. However, inputs, resources and processes are not sufficient to accomplish the target. [2] Ambiguous linkage between activities and expected output and immeasurable expected output</p> <p>Way forward is [1] Establishment of threshold to measure (M&amp;E) public service culture such as:</p> <ul style="list-style-type: none"> <li>• Number of issues accomplished</li> <li>• Develop key performance indicators</li> <li>• Contractual employment of civil servants</li> <li>• Number of complaints and delays existing</li> <li>• Public perception of civil service</li> </ul> <p>[2] Employment of civil servants on contractual basis [3] Responsibility with accountability</p>
<b>1.2</b>	<p><b>IMPROVE BUSINESS LICENSING</b></p> <p>Expedite finalization and operationalization of the Business Activities Registration Act (BARA).</p> <p>Streamline and harmonize Regulatory Licensing</p>	Expedited formalization of informal sector and reduction of regulatory licensing costs	Business Activities Registration Act to be expedited	<p>[1] It is OK that BARA is operational.</p> <p>[2] New programme designed and more activities done to improve business licensing but they are inadequate</p> <p>Hence need to Build capacities of regulatory agencies to effect change of mindset and efficiency and more importantly a new act which is implementable should be drawn up</p>

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>1.4</b>	<b>DUMPING AND TRADE MARKS</b> Put in place measures for Curbing production and importation of counterfeit products.	Strengthened Government agencies like Fair Competition Commission, Tanzania Bureau of Standards and Tanzania Food and Drugs Authority.  Improved Policy, Legal and Regulatory environment	<b>Production and importation of counterfeit products yet a major concern</b>	Although policies, laws, regulations and institutions are in place there is a need for committed leadership, management and staff.
<b>1.6</b>	<b>MINI TIGER PLAN</b> The promulgation of Tanzania Mini Tiger Plan 2020	Rapid expansion of exports, employment creation and poverty eradication	Implementation of Min Tiger Plan has been limited to Special Economic Zone (SEZ) and EPZ.	[1] Need to link with other economic and export development plans [2] TPSF in collaboration with member organization to work together with MITM and other sector ministries in designing SEZ project activities [3] Private Sector to develop EPZ and SEZ projects
<b>1.7</b>	<b>MTWARA CORRIDOR.</b> Develop power, iron ore and coal mining under Mtwara Corridor.	Reliable source of power and industrial base for economic development	<b>Power is not reliable. Projects are still at pre-qualification stages despite the fact that decisions were made five years ago</b>	[1] Identifications, selection and consultations processes done [2] Planning and preparation stages are in processes. [3] However, these have been too slow [4] A more effective PPC for and implementation of PPP policy
<b>1.8</b>	<b>LEGAL SECTOR REFORMS</b>  Commercial and Primary Courts  Ministry of Justice and Constitutional Affairs to accomplish legal sector reforms.	Legal reforms to be in tandem with economic reforms in terms of commercial dispute resolution and enforcement of contracts  Justice and rule of law to the majority of Tanzanians living in rural areas.	<b>Speed of resolution of commercial disputes is still unsatisfactory This is still a problem</b>	Completion of Mwanza and Arusha commercial courts has improved the situation to an extent but more has to be done  Increase lower court magistrate

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
1.9	LABOUR LAW REFORMS	Better and efficient labour market	Speed of resolution of labour disputes is still unsatisfactory	Establishment of Labour Court has improved pace of resolution of disputes but there is much more to be done
1.10	PRIVATE SECTOR DEVELOPMENT STRATEGY (PSDS)	PRIVATE SECTOR DEVELOPMENT STRATEGY (PSDS)	No progress The draft Private Sector Development Strategy is reported to be in place though it has never been shared to the Private Sector	[1] Need for TPSF to take the lead in collaboration with the government.
1.11	GOOD GOVERNANCE -Intensify anti-corruption war so as to lower the cost of doing business and increase Internal Direct Investments (IDIs) and Foreign Direct Investments (FDIs) for growth.	Good governance with a view to promote efficiency, reduce transaction costs and long and cumbersome procedures.  Strengthened and empowered watchdog and oversight institutions capable of performing their duties efficiently and effectively such as PCB, National Audit Office, Ethics Committee, PRA and Parliamentary Committees.	The government is implementing major policy, legal and regulatory reforms in key sectors that impact on efficient public service delivery in support of private sector development. However, these oversight and regulatory institutions are not aligning to their core business but rather becoming revenue collection agencies hence results into conflict of interest.	[1] Basic inputs, resources and systems are in place [2] Problems are low levels of implementation. [3] Leaders and staff not accountable [4] Disciplinary action to be taken at all levels for any misconduct
1.12	LAND BANK Tanzania Investment Centre to have a true Land Bank by identifying land, lay claim on it and gazette it for investment purposes.	Land available to investors, thus attracting local and foreign investments  -Increased domestic and foreign investments.	[1] Land Bank not established  [2] Only 265 hectares of land has been made available to TIC	Fast track land bank for Kilimo Kwanza to be implemented

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<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
<b>1.13</b>	<b>LAND LAW REFORMS</b> Ministry of Lands and Human Settlement to accomplish land law reforms	-Harmonized and simplified land laws and regulations to ensure compliance -Land used as collateral -Informal sector transformed to formal  -Reduced time, cost and procedures to get title deeds	<b>Incomplete and ineffective land law reforms</b>	[1] Policies, laws, regulations and institutions are in place  [2] Institutions are not well coordinated and effective  [3] Lack of adequate human and financial resources  [4] No mindset change in the Ministry – more control than facilitation
<b>1.14</b>	<b>MORTGAGE</b> Expedite registration of mortgages at Land Registry to facilitate extension of credit to the private sector.	Land used as collateral for accessing credit	<b>Not in practice</b>	[1] Policies, laws, regulations and institutions are in place  [2] There needs to be a change at the land ministry to have an efficient department to deal with mortgages
<b>1.15</b>	<b>MKURABITA TITLE DEEDS</b>	Ministry of Lands Housing and Human Settlement Development to expedite extension of MKURABITA title deeds from 2 years to 5 years renewable to enable banks provide medium term credit.	<b>credits to the private sector stakeholders by use of title deeds must be enhanced, as it is insignificant so far</b>	Duration of residential licenses extended from 2 years to 5 years and approved by the Parliament in October 2008 but Banks have no appetite for these deeds
<b>AGRICULTURE</b>				
<b>2.1</b>	To list and sensitize on building Small, Medium and Large Industries in the Districts and reinforce linkages between them.	-Business activities, employment, productivity and income increased  -Middle class created	Business activities, employment, productivity and income increased <b>have increased</b>  <b>However, there is little progress in sensitization programs</b>	[1] Policies, laws, regulations and institutions are in place  [2] Private Sector Organizations must be effective and need to be well coordinated  [3] Human and financial resources must be enhanced

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
2.2	<p><b>REVIEW OF AGRICULTURAL PRODUCTION SYSTEM.</b></p> <p>Implement the paradigm shift aiming at production of food crops for localized markets (neighboring countries) and for consumption.</p> <p>Graduates in agricultural sciences to be provided with adequate land and seed capital to facilitate establishment of the demonstration farms (agricultural projects) at village level. Extension officers are provided with 100% sponsorship on college education.</p> <p>Government to increase budget allocation to the Agriculture from the current 6% to 10% in compliance with SADC resolution.</p>	<p>Increased Agriculture contribution to GDP and productivity.</p> <p>Modernization of agriculture and increased productivity</p> <p>Increased Agriculture contribution to GDP.</p> <p>Modernization of agriculture</p>	<p>Activities related to Kilimo Kwanza prioritization are being implemented.</p> <p>More resources are needed to finance its implementation. The budgetary allocation of 8.1 % should reach the Maputo declaration of agricultural sector being allocated with 10% share of the total national budget</p>	<p>Slows agriculture sector growth despite</p> <p>1] Agriculture policies, laws, regulations and institutions are in place, some reviewed and refined</p> <p>[2] Large and medium scale Private Sector firms and investors are starting to have an interest</p> <p>[3] Lack of adequate human and financial resources</p>

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
2.6	<b>IRRIGATION</b> In order to modernize the agricultural sector irrigation schemes must be in place. The public and private sector need to cooperate in this endeavor.	Increased productivity, quality and output thereby increase rural incomes and reduce poverty to rural households	Slows progress had been made in irrigation system despite 1] Irrigation, policies, laws, regulations and institutions are in place.  [2] Irrigation is a public investment and now needs Large and medium scale Private Sector firms and investors.	No projects
2.7	<b>AGRICULTURAL FINANCE</b> The current high interest rates restrict investments into the agricultural sector.	Increased investment in the agricultural sector	Fast track the establishment of a special bank for agriculture sector and the existing agricultural window at TIB	[1] BOT to work on lending bank rates [2] Credit access to local investors are limited
2.8	<b>AGRICULTURAL INSURANCE</b> The insurance industry to find ways and means to enable early introduction of the agricultural insurance scheme in Tanzania.	Mitigate agricultural investment risks	No insurance package introduced to mitigate agricultural investment risks	Government to design policies, and measure to support agriculture insurance system
2.9	<b>INCENTIVES TO ENCOURAGE LOCAL PROCESSING FOR VALUE ADDITION</b>  To reduce exports of raw products	Employment Creation: Value addition on products; wealth addition.	Acknowledging provision of incentives. However, need to pay attention on the basic infrastructure as water, energy, roads and land accessibility.	Special attention should also focus on the special zones in each districts with adequate infrastructure, marketing etc

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>2.10</b>	<b>TO INCREASE QUALITY AND STANDARDS IN CROPS PRODUCTION, GOODS AND SERVICES.</b>	Values addition and competitiveness increased locally and internationally.	Limited value adding activities	
<b>2.12</b>	<b>PRICE STABILIZATION FUND</b> Establish Price Stabilization Fund to guarantee stability of rural incomes.	-Rural income stabilized -Increased agricultural production	No price stabilization fund after 3 years since the decision was made	
<b>2.15</b>	Promote Contract Farming and out growers' schemes  Strengthen the tripartite arrangement with full participation of the contractor, the farmer, and the Government on a win-win basis.	Improved productivity, income and employment opportunities.  Enhanced value addition	Out growers exists though they do operate with no legal backing	Informal contract farming in some agriculture products.  Policies, laws, regulations and systems are lacking
<b>2.16</b>	To improve availability of agricultural inputs as enumerated in ASDP	Production, productivity, income and employment increased	Inputs are available though they are costly and mostly constrained with distribution systems	Little progress made to improve access to agriculture inputs
<b>2.17</b>	To initiate trade and marketing information centers and reinforce linkages among farmers and buyers	Value addition, competitiveness and income increased	No progress noticed	
<b>2.18</b>	To strengthen local and foreign markets for national products	Value addition, competitiveness and income increased	No progress noticed	
	<b>EMPOWERMENT, ENTREPRENEURSHIP AND JOB CREATION</b>			

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>3.1</b>	<b>CONSTRUCTIVE DISCRIMINATION/ AFFIRMATIVE ACTION:</b> Tanzania to implement constructive discrimination policy interventions that promote the creation of indigenous middle class.	Increased effective demand. Middle class is the backbone of the economy, and consumes most of products and services which are produced locally.	Since 2007 when the decision was made to date there are NO affirmative actions in place	[1] Inadequate and ad hoc funding is in place But [2] Political will, policies, laws, regulations and institutions are not in place. [3] Those in place are either ineffective or inefficient.
<b>3.2</b>	To identify and list all empowerment stakeholders and appoint development leaders in Districts and Regions.	Coordinated empowerment initiatives in districts and regions fast-tracked	The process has started in some regions but to date there is no coordinated empowerment initiatives	[[1] Political will, policies, laws, regulations and institutions are not in place. [2] Those in place are either ineffective or inefficient. [3] No funding at local government levels
<b>3.3</b>	To initiate the empowerment desks at District and Regions by involving trade officers of that levels.	Empowerment initiatives fast-tracked	No progress noticed	[1] Political will, policies, laws, regulations and institutions are not in place. [2] Human resources are not place [3] No funding at local government levels
<b>3.4</b>	To mainstream Districts and Regions Economic Empowerment Plans into national plans and budget	Empowerment initiatives mainstreamed into national plans	No progress noticed	[[1] Political will, policies, laws, regulations and institutions are not in place. [2] Those in place are either ineffective or inefficient. [3] No funding at local government levels

	NATIONAL DEVELOPMENT POLICY ISSUE	EXPECTED OUTPUT	IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE	REMARKS
<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
3.5	To coordinate and to be accountable for expenditure of empowerment funds from government and other sources.	Efficiency enhanced and good implementation of empowerment plans	No progress noticed	[[1] Political will, policies, laws, regulations and institutions are not in place.
3.6	To sensitize the public/youth to form wealth generation groups for empowerment. Districts to be like nations to compete among themselves.	-Trade activities, employment and income increased. -Competition will lead to improved business and investment environment	No progress noticed	Limited progress made to empower youth due to the fact that; [[1] Political will, policies, laws, regulations and institutions are not in place. [2] Those in place are either ineffective or inefficient to empower the youth [3] Limited funding is available at local government levels
3.7	To attract local and foreign investment and ensure Tanzanians do benefit	Trade activities, employment and income increased.	Increase in investment as evident by promotions by TIC and MITM. Steady progress	Political will, policies, laws, regulations and institutions are in place.
3.8	To appoint a special committee to monitor and implement empowerment activities (and award prizes) at Districts and Regional levels.	Trade activities, employment and income increased.	No progress noticed	Monitoring and Evaluation System is weak and also political will, policies, laws, regulations and institutions are not in place.
3.9	To prepare monitoring and evaluation framework of various Tanzanians programmes	Evaluation data for national plans in place to take remedial measures where necessary	No progress	[1]No progress made on national M & System [2] The government has M &E System for MKUKUTA, but ineffective [3] TPSF has implicit but not well coordinated

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>3.10</b>	The President of the United Republic of Tanzania to be the Chairman of the National Economic Empowerment Council (NEEC)  Note: It was proposed the NEEC to be under Economic Committee of the Cabinet Secretariat.	Implementation of the NEEC activities increased	No progress	[1] Slow progress in communicating with the President [2] The President has initiated JK Fund and is in operational
<b>3.11</b>	To strengthen the NEEC by allocating adequate budget to be able to implement the planned activities.	The NEEC activities implemented as planned	Limited financial and human resources in place	Limited financial and human resources in place
<b>3.12</b>	Media to be involved fully in the process of sensitizing Tanzanians on economic empowerment	The empowerment concept well understood and applied	No progress noticed	Lack of dissemination, sensitization and advocacy and strategy
<b>3.13</b>	To improve the business and investment environment especially in licensing, property formalization and land ownership	The cost of doing business reduced; income, employment and productivity increased.  Land to be a collateral or equity share capital	No progress noticed	1] Policies, laws, regulations and institutions are in place [2] Private Sector Organizations and Firms are not well coordinated and effective [3] Lack of adequate human and financial resources
<b>3.14</b>	Land to be the main instrument for economic empowerment, it should be formalized and legally be owned by Tanzanians.	Land to be used as a loan collateral or equity share capital.	No progress noticed	1] Policies, laws, regulations and institutions are in place [2] Private Sector Organizations are not well coordinated and effective [3] Lack of adequate human and financial resources

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>3.15</b>	To review various policies and legislation that does not support empowerment and investment; that will also ensure joint venture with locals in foreign enterprises, and ownership of various businesses by Tanzanians.	Empowerment and investment activities increased.	No progress noticed	Political will, policies, laws, regulations and institutions are in place.
<b>3.16</b>	To grant special favor to Companies owned by Tanzanians in service delivery and procurement aiming at building the middle class.	More Tanzanians to own economic resources and the middle class enhanced	No progress noticed	Very little has been done due to the fact that [1] The National NEEC Monitoring and Evaluation System is ineffective [[2] Political will, policies, laws, regulations and institutions are not in place.
<b>3.17</b>	<b>CORRECT THE EXISTING IMBALANCE:</b> Design interventions to correct the existing imbalance whereby a few residents and non-residents command more power in business, investment, higher technical skills and entrepreneurship.	Increased empowerment for indigenous Tanzanians	No progress noticed	Very little has been done in modern sectors due to the fact that [1] National NEEC Monitoring and Evaluation System is ineffective [[2] Political will, policies, laws, regulations and institutions are not in place.
<b>3.18</b>	<b>MEMBERSHIP TO EMPOWERMENT COUNCIL:</b> Rectify Membership to Empowerment Council as the current composition is biased in favour of the public sector.	Improved dialogues for the better formulation of Empowerment Policies.	No progress noticed	Very little has been done due to the fact that Institutional Framework is weak and ineffective

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>3.19</b>	<b>MINIMUM WAGES</b> The private sector to review minimum wages to improve standard of living, efficiency and better labour relations.	Increased incentives to promote productivity	Though wage boards are now working, still a challenge in setting high wages by the government hence impair setting in the private sector	Controversial minimum wage policy and practice [1] Parties are not communicating [2] Policies, laws and regulations are not clear [3] Bodies and studies done, but nothing is coming out clear and acceptable by all parties
	<b>HUMAN CAPITAL DEVELOPMENT</b>			
<b>4.1</b>	<b>CEO SCHOLARSHIP FUND</b>  <b>OPERATIONALIZATION:</b> Operationalize the CEO Scholarship Fund to enhance manpower development for a transitional economy.  <b>CURRICULUM:</b> Review of curriculum to suit the requirements of a transition economy.  <b>NEW PROFESSIONS TRAINING:</b> Introduce new professional training programmes such as Offshore Training; Distributive Trade; etc	Increased human resource base available to Both public and private sector.	The CEO Scholarship project seems to have been mis-directed	
<b>4.3</b>	TNBC Human Capital Development Working Group to analyze the need for a special forecasting instrument to deal with professional manpower requirements in various fields.	Effective human resources utilization.	Working groups established and composed of public and private members and a draft report is in place	[1] Inputs, resources and systems are in place [2] Need for empowering local professional manpower

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
4.4	2% of the 6% payroll levy is allocated to VETA.  Advocate utilization of the entire 6% payroll Levy to contribute to “Skills Development Fund”.	Improved Skills and number of skilled professional manpower.	No progress with major concern on the use of the levy and call for its abolition	[1] MOFEA is informed but reluctant [2] VETA is implementing own Corporate Strategy with limited funding [3] VETA is an implanting agency of MKUKUTA II
4.6	To train government employees, to employ experts and improve working conditions	Experts with adequate knowledge to improve efficiency; and good working environment to increase productivity	Commend ongoing efforts to train government employees though mindset towards facilitating the development of the private sector has not yet changed. It is advised to have structured courses geared to address the attitude and mindset challenge.	[1] Inputs, resources, processes and systems are in place but not effective [2] Mindset is fixed or /and outdated [3] Corruption and inefficiencies cut across all public institutions
4.7	To build and improve schools, health centers, vocational training and entrepreneurship centers	Experts in various fields acquired.  Productivity and entrepreneurship levels increased	No entrepreneurship centers established though commending efforts to improve schools and health centres. Need to link with teachers and physicians gaps in schools and at health facility respectively.	[1] Inputs, resources, processes and systems are in place but not effective and efficient [2] Poor social service delivery systems
4.8	To educate and build public awareness on national and foreign economic opportunities	Trade activities, employment and income increased.	No progress noticed	[1] Inputs, resources, processes and systems are in place but not effective [2] Mindset is fixed or /and outdated

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<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
<b>4.10</b>	To strengthen Open Performance Review Appraisal (OPRAS) to employees that emphasizes on hard working, discipline and efficiency	Increases productivity and efficiency; and reduced bureaucracy	OPRAS to include evaluation line items aimed at addressing mindset challenge by civil servants towards facilitating the private sector	[1] Inputs, resources, processes and systems are in place but not effective [2] Mindset is fixed or /and outdated [3] Corruption and inefficiencies cut across all public institutions
<b>4.11</b>	To improve the time management culture	Productivity and income increased	No progress noticed	[1] Inputs, resources, processes and systems are in place but not effective [2] Mindset is fixed or /and outdated [3] Corruption and inefficiencies cut across all public institutions
<b>4.12</b>	To identify and use effectively the youth talents in technological field	Increased quality and innovation	No recent innovation have been realized	Limited progress made to empower youth due to the fact that;  [[1] Political will, policies, laws, regulations and institutions are not in place.  [2] Those in place are either ineffective or inefficient to empower the youth  [3] Limited funding is available at local government levels
<b>INFRASTRUCTURE DEVELOPMENT</b>				
<b>5.1</b>	<b>RURAL INFRASTRUCTURE</b> Develop rural infrastructure – roads, electricity, irrigation, go-downs, market centers and rural financial intermediaries to stimulate economic growth	<ul style="list-style-type: none"> <li>- Widen market access</li> <li>- To reduce dependency on rain fed agriculture</li> <li>- Improved incomes and social well-being.</li> </ul>	The Private Sector acknowledges efforts to prioritize the agriculture sector though investment in agriculture is not satisfactory	[1] Policies, inputs, resources, processes and systems in place  [2] It is one of PRSP Priority sectors  [3] Increasing budget allocations but not sufficient

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
5.2	<b>RURAL TELEPHONY</b> Introduction of rural telephony scheme based on the Ericsson concept “mini-g-solution” and operationalization of the Rural Telecommunication Fund scheme	- Improved incomes and social well-being	No progress noticed	Use private sector model
5.3	<b>TTCL AND NATIONAL ICT INFRASTRUCTURE.</b> Make Tanzania Telecommunication Company Ltd (TTCL) an implementing agency, manager and overseer of the national (backbone) ICT infrastructure	Well functioning and efficient national ICT infrastructure with high speed connectivity throughout the country	Not realized	[1] Policies, inputs, resources, processes and systems in place  [2] Use of PPP Model
5.5	<b>ESTABLISHMENT OF SCIENCE AND TECHNOLOGY PARKS</b> Revolutionize ICT training and use in Tanzania.	Science and Technology parks at district level	No progress	Policies, laws, regulations, inputs, resources and processes in place. Limited ICT effect and linkages
5.7	<b>NEPAD PROJECT</b> Implementation of NEPAD schools project aiming at connecting 600,000 primary and secondary schools in Africa.	Tanzania schools connected to NEPAD network.	No progress	[1] Policies, laws, regulations, inputs, resources and processes in place. [2] Slow progress  [2] Limited ICT effect and linkages
5.8	<b>WATER SUPPLY</b> Sustainable clean water supply	Clean and sustainable water supplied for domestic and industrial use	Acknowledging accessible clean and safe water to some areas, yet more has to be done in terms of re-allocating more resources and ensuring effective infrastructural set up	1] Policies, laws, regulations, inputs, resources and processes in place.  [2] Slow progress  [2] Limited effect and linkages

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<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
<b>5.9</b>	<b>RAILWAYS</b> Accomplish feasibility studies for the proposed railway network <ul style="list-style-type: none"> <li>• Tanga – Arusha – Musoma – Uganda destined cargo</li> <li>• Central Line</li> <li>• TRC and TAZARA concessioning.</li> </ul>	Increase business activities and market linkages.  Ensure that these roads and railways are constructed and thereby facilitate goods movement and services in these areas.  Enhance passenger movement	<b>No progress</b>	Deteriorating railway transportation despite having; <ol style="list-style-type: none"> <li>1] Policies, laws, regulations, inputs, resources and processes in place</li> <li>2] Studies, consultations, plans and agreements done</li> <li>3] No serious government commitment to reform the sector</li> </ol>
<b>5.10</b>	<b>PUBLIC PRIVATE PARTNERSHIP (PPP)</b> The private sector is challenged to collaborate with the Government in infrastructure development under public private partnership arrangements.	Increased infrastructural projects funded through PPP mechanism thus providing relief to Government Budget, while opening new window of opportunities for the private sector	<b>No significant progress, though acknowledging the enactment of the policy and the PPP Bill being fast tracked</b>	Poor infrastructure as major limiting factor of national development <ol style="list-style-type: none"> <li>1] Policies, laws, regulations, inputs, resources and processes in place</li> <li>2] Increased financial resources</li> </ol>
<b>5.11</b>	Expedite construction of ring roads and urban railway line in Dar es Salaam.  Expedite to develop Dar es Salaam roads.	Reduced traffic congestion and increased efficiency.	<b>No progress</b>	Deteriorating road transportation despite having; <ol style="list-style-type: none"> <li>1] Policies, laws, regulations, inputs, resources and processes in place</li> <li>2] Studies, consultations, plans and agreements done</li> <li>3] No serious government commitment to reform the sector</li> </ol>

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>5.12</b>	Government to expedite enlargement and improvement of Mwanza Airport to international level.  Rehabilitation of Kilimanjaro airport, and improvement of Bukoba and Kigoma Airports.	Increased competitiveness, efficiency and turnover.	No significant progress though acknowledging that some civil works have been started	Poor air and inadequate transportation despite having;  1] Policies, laws, regulations, inputs, resources and processes in place  [2] Studies, consultations, plans and agreements done  [3] No serious government commitment to reform the sector
<b>5.13</b>	<b>PORTS DEVELOPMENT</b> Tanzania Ports Authority to implement program to modernize seaports and inland ports following de-specification.	Increased port competitiveness, efficiency and turnover.	Acknowledging the port development but implementation pace is still very low	Deteriorating port and cargo handling system despite having;  1] Policies, laws, regulations, inputs, resources and processes in place  [2] Studies, consultations, plans and agreements are in place  [3] No serious government commitment to reform the sector
<b>5.16</b>	<b>CONGESTION AT DAR ES SALAAM PORT</b> Tanzania Ports Authority to expeditiously resolve the problem of congestion at Dar es Salaam Port.	Improved port efficiency	Commending initiatives to improve efficiency at the Port of Dar es Salaam. Dwell time reached an average of 12 days when compared to the 25 to 30 days in the past. However, the average industry dwell time is supposed to be	Congestion worsening in Dar es Salaam port and inefficient cargo handling system despite having;  1] Policies, laws, regulations, inputs, resources and processes in place  [2] Studies, consultations, plans and agreements are in place

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>5.18</b>	Government to invite investors to develop berth 13 and 14 of the Dar es Salaam.	Raise competitiveness and efficiency of the port, and reduce bureaucracy.	Operations are underway though this has taken long to conclude	Congestion worsening in Dar es Salaam port and inefficient cargo handling system processes in place
<b>5.19</b>	<b>MODERNIZATION OF COMMUNICATION INFRASTRUCTURE REPORT</b> Report prepared by the private sector on the modernization of communication infrastructure including Ports to be sent to the President, Prime Minister and Minister for Infrastructure Development	Inputs for modernizing communication infrastructure including Ports operations.	No progress	Old communication infrastructure despite having; [1] Policies, laws, regulations, inputs, resources and processes in place [2] Studies, consultations, plans and agreements done
<b>5.20</b>	<b>PRIVATE SECTOR PARTICIPATION IN BOARDS OF DIRECTORS</b> The Government to increase private sector participation in Boards of Directors of public institutions particularly TPA and TANESCO Boards.	Improved delivery of services and efficiency.	Private sector is yet to be represented in most of the Boards. Currently we have Board of Directors TANESCO, REA, TPA, Road Fund, PPF, MCC, EPZA, BET. Most Boards don't have private sector representation.	
<b>5.21</b>	To develop both traditional and modern technology from districts to national level to include village infrastructure to increase productivity, processing, storage, reducing post harvest losses, transportation and reliable markets.	Quality and products standards increased  Competitiveness increased	No progress noticed	[1] Policies, laws, regulations, inputs, resources and processes in place  [2] Existence of public R&D institutions

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<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
5.22	To repair infrastructure such as roads, water and energy; and ICT	Reduced cost of doing business	Severe maintenances are periodically undertaken hence the private sector is of the opinion that the more should be done in order to comply with competitiveness	[1] Policies, laws, regulations, inputs, resources and processes in place
5.23	Expedite increased power generation through Coal and gas.  Expedite to develop power generation schemes like Stigler's Gorge.  Tanzania recommended joining the SADC Power Grid for internal consumption and exporting excess power generated.	Given that only 10% of Tanzanians have access to power, Power production to satisfy local demand and excess exported.	No progress noticed	Lack of reliable and cheap energy systems despite having; 1] Policies, laws, regulations, inputs, resources and processes in place 2] Studies, consultations, plans and agreements are in place 3] No serious government commitment to reform the sector
5.24	Strategize for future utilization of Uranium as source of energy especially for Gold and Nickel mines.	Given that only 10% of Tanzanians have access to power, Power production to satisfy local demand and excess exported.	No progress notice	Lack of reliable and cheap energy systems despite having;
<b>FINANCIAL SECTOR</b>				
6.1	<b>SECOND GENERATION FINANCIAL SECTOR REFORM</b> Expedite operationalization of the Second Generation Financial Sector Reform covering provision of development finance, restructuring of pension funds, mortgage and leasing finance, capitalization of TIB, and credit guarantee schemes	Increased access to credit for Both short and long term lending with attendant guarantee schemes	Enhance financial credit system though these have not enabled the private sector to access credits easily	[1] There is an improvement in the financial sector [2] However, access to credit is limited [3] Policies, laws, regulations, inputs, system and processes in place

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>6.2</b>	<b>PENSION FUND</b> Expedite legislation and implementation of Pension Bill which will go to Parliament in April 2007.	Increased access to credit to investors and employees	Comprehensive Social Security System are in place	[1] Policies, laws, regulations, inputs, system and processes in place  [2] Financial Sector Support Project is in place
<b>6.3</b>	<b>CREDIT GUARANTEE SCHEMES</b> Operationalize Development Finance Credit Guarantee Scheme to facilitate long term lending.  Improve operational efficiency of the SME Credit Guarantee Scheme to broaden the base of beneficiaries.	Increased and broader access to credit for long term lending with attendant guarantee schemes  Increased and broader access to credit for SMEs with attendant guarantee schemes	Bureaucracy and difficulties to access opportunities availed in the scheme  It has not benefited SMEs	A special unit to be set to deal with Credit Guarantee Scheme  A special unit to be set to deal with Credit Guarantee Scheme specifically for SMEs
<b>6.4</b>	<b>LEASING FINANCE</b> Introduction of leasing finance schemes as a source of capital.	Creation of an additional window for capital financing.	Not operational	[1] There is an improvement in the financial sector  [2] However, leasing financing very limited  [3] Policies, laws, regulations, inputs, system and processes in place

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>6.5</b>	<p><b>DEVELOPMENT FINANCE</b>            Capitalize Tanzania Investment Bank adequately.</p> <p>Expedite the legislation of the bill on development finance which is in Parliament</p>	Commencement of development financing, and availability of short and long term capital for agricultural financing and industries.	TIB yet undercapitalized. Funds set aside under the TIB window inadequate	<p>[1] There is an improvement in the financial sector</p> <p>[2] However, access to credit is limited</p> <p>[3] Policies, laws, regulations, inputs, system and processes in place</p>
<b>6.6</b>	<p><b>PRIVATE VENTURE CAPITAL FUNDS:</b>            Private sector challenged to establish venture capital funds to fill the vacuum as the Second Generation of Financial Sector Reforms programme would take a long to be implemented.</p>		No progress	<p>[1] There is an improvement in the financial sector</p> <p>[2] However, access to credit is limited</p> <p>[3] Policies, laws, regulations, inputs, system and processes in place</p>

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>6.7</b>	<b>DEVELOPMENT BANKS</b> Fast Track formation of development banks particularly Agricultural Bank, community banks and strengthening of SACCOs.	Commencement of development financing, and availability of short and long term capital for agricultural financing and industries.	There is an improvement in the financial sector though the pace is still low especially the establishment of the Tanzania Agricultural Development Bank	[1] However, access to credit is limited  [2] Policies, laws, regulations, inputs, system and processes in place  [3] Intensify implementation of the Second Generation Financial Sector Reform covering provision of development finance
<b>6.8</b>	<b>Expedite to reduce corporate tax from 30% to 15% to all companies involved in agriculture as is the case for Mozambique</b>	Increased investments and productivity in agriculture.	No progress	[1] Need to attract large scale investments in the agriculture sector
<b>6.9</b>	<b>DAR ES SALAAM STOCK EXCHANGE</b> Large companies which have invested in Tanzania should list at DSE.	Developed primary and secondary market for shares -More participation of Tanzanians in the ownership	Only for the telecom industry. Need to further expand and include all large companies	[1] There is an improvement in the DSE activities  [2] However, access to DSE market is very limited  [3] Policies, laws, regulations, inputs, system and processes in place
<b>6.10</b>	Capital Markets and Securities Authority together with Dar es Salaam Stock Exchange to establish a competitive investment window to cater for needs of small and medium companies.	Increased financing to the SME's and at competitive rates.	Limited means of financing SME's	[1] There is an improvement in the CMSA activities  [2] However, access to CMS market is very limited  [3] Policies, laws, regulations, inputs, system and processes in place

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>6.11</b>	Companies selling 35% and above of their shares to the Capital Market pay 25% instead of 30% corporate Tax.	Broadening and deepening the market leading to increased financing	Significant increase of market leading to private sector. But is is high  There is an improvement in the CMSA activities and costly	[ Enhance implementation of financial sector reforms
<b>6.12</b>	Companies selling 30% of their shares to the Capital Market to pay 20% corporate tax as is in the neighboring countries	Broadening and deepening the market leading to increased financing	1] There is an improvement in private sector firms participation in the CMSA	[Enhance implementation of financial sector reforms
<b>6.13</b>	CMSA to attract new issuers and those selling part of Government outstanding shares in privatized companies such as NBC, NMB, and ALAF etc.		There are very few Issues and those selling part of government outstanding shares in newly privatized firms  No specific inputs and resources set in place	Enhance implementation of financial sector reforms

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>6.14</b>	Increase the number of products and instruments in the market (issuance of municipal bonds, infrastructure bonds. and listing of SMEs).	Reduction of transactional costs to strengthen the market for bonds	Enhance CMSA financial system	Number of products are limited
<b>6.15</b>	Integration of the East African Capital Markets	Broadening and deepening the market leading to increased financing	An integrated CMSA in East Africa	[1] Tanzania is member of EAC [2] An increasing EA financial institution in Tanzania
<b>6.16</b>	<b>DOLLARIZATION OF THE ECONOMY</b> Tanzanian economy is being increasingly dollarized	Stopping Tanzania .Shilling devaluation, Reducing high demand for dollars.	The economy is dollarized	[1] Tanzania has an open and competitive money market [2] Tanzania is small and open economy with increasing dependency of foreign resources
<b>6.17</b>	To convince financial institutions to relax loan collateral conditionality based on empowerment priorities established by Districts and Regions	Loan collateral relaxed and business activities increased.	Yet a major problem to access credit	[1] Collateral arrangements are limited [2] Access to credit is limited [3] Policies, laws, regulations, inputs, system and processes in place
<b>6.18</b>	Tanzania challenged to adopt the culture of monitoring and evaluation of development initiatives.	Enable immediate establishment of impacts and effectiveness of implementation of the agenda.	No progress	[1] Government ministries and institutions have own M & E systems [2] MKUKUTA has an M& E system [3] But the systems have not been effective
<b>6.19</b>	To develop training colleges for building capacities of financial institutions at all levels	People with banking knowledge increased	No progress	[1] Tanzania has established a number of financial sector organizations, institutions and firms. These need effective labour force
<b>6.20</b>	Promote Tanzanians to take the world financial and economic crisis as an opportunity for economic growth.	Adopting and implementing the right policies and strategies for increased focused productivity.	No progress	Policies, laws, regulations, inputs, system and processes in place

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATIO N STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
<b>ENERGY</b>				
<b>7.1</b>	<b>STAKEHOLDERS' ENERGY COMMITTEE</b> Establish Stakeholders' Committee on improving energy supply.	Improved energy supply in terms of quality, reliability, and affordability	<b>Acknowledge the establishment of stakeholder's committee</b>	No significant improvement in energy supply despite having [ 1] Policies, laws, regulations, inputs, system and processes in place [2] Committees established
<b>7.2</b>	To fast track rural electrification	Development of processing industries,  Productivity, income and incomes increased	<b>Good progress as Rural Energy Agency in place</b>	significant improvement in rural energy supply, as most rural district head quarters have electricity and Rural Energy Agency is established despite having policies, laws, regulations, inputs, system and processes in place
<b>TOURISM AND IMAGE</b>				

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
<b>8.1</b>	<p><b>IMPLEMENTATION OF TOURISM DEVELOPMENT STRATEGY</b></p> <p>To implement Tourism Development Strategy (addressing infrastructure development, product diversification, improve the quality of products and services, country promotion and publicity).</p> <p>Raise Tourism Sector Contribution to GDP from the current 17% to 30% by 2015 by improving the image of Tanzania.</p>	<p>-Increased tourism earnings and sector contribution to GDP and employment.</p> <p>-Increased foreign direct investment and export of Tanzanian goods and services</p> <p>- Revived spirit of nationalism</p> <p>Improved (Increased) sector's level of competitiveness.</p>	<p>No progress</p>	<p>Efforts are noted in terms of policies, strategies, laws, regulations and institutions</p> <p>But effects are limited due to quantity and quality of input resources are limited</p> <p>HRD is the main constraint</p> <p>Need for a vibrant national airline</p> <p>The need to enhance TTB capacity</p>
<b>8.2</b>	<p><b>BRANDING TANZANIA</b></p> <p>Image setting and promotion of Tanzania as a favored tourism and investment destination</p>		<p>No progress</p>	<p>Efforts are noted in terms of policies, strategies, laws, regulations and institutions</p> <p>But effects are limited due to quantity and quality of input resources are limited</p> <p>HRD is the main constraint</p>

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
<b>8.3</b>	Public and Private Sectors challenged to come up with a coordinated training program for labour force at all levels of the tourism sector. (Drivers, hotel and bar service attendants, police, immigration, customs)	Improved and effective service provision to the tourists and other tourism stakeholders in line with diversification strategy.	No progress	Efforts are noted in terms of policies, strategies, laws, regulations and institutions  But effects are limited due to quantity and quality of input resources are limited  HRD is the main constraint
<b>8.4</b>	Public and Private Sector challenged to expedite for new sources of tourists from Asia (China and India). Promotion of both domestic and regional tourism.	Increased tourism share contribution to GDP and sector productivity.	No progress	Efforts are noted in terms of policies, strategies, laws, regulations and institutions  But effects are limited due to quantity and quality of input resources are limited  HRD is the main constraint
<b>8.5</b>	In line with “Low volume high value Tourism”: Expedite to develop the infrastructure in the Southern Circuit.	To relieve the Northern Circuit whose service provision is reaching saturation point.	No progress	Efforts are noted in terms of policies, strategies, laws, regulations and institutions but effects are limited due to quantity and quality and furthermore input resources are limited  Set aside beach land in the South for big investors  HRD is the main constraint
<b>MINING</b>				

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>9.1</b>	<b>FORWARD AND BACKWARD LINKAGES</b> Major companies (mining) should have forward and backward linkages i.e. procure from SMEs.	Increased contribution of mining to GDP  Growth of SMEs	<b>No progress</b>	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place
<b>9.2</b>	<b>STAMP DUTY AND TRADING LEVIES.</b> Removal of Stamp Duty on transactions carried outside the country and excess assessment of fuel Duty by TRA		<b>No progress</b>	Many and complex tax administration  Government revenue Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place  Pace of implementation from the time when decisions is low

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<b>GROWTH AND BUSINESS ENVIRONMENT</b>				
<b>9.3</b>	To strengthen Corporate Social Responsibility culture among mining companies.	Increased social services in areas surrounding the mining sites  Sourcing of goods and services from mining neighborhood, and good relationships with companies.	No progress	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place
<b>9.5</b>	To fast track Liganga Iron Ore mining	Iron ore industries established and new technologies adopted	No progress noticed	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place
<b>COMMERCIAL HUB</b>				
<b>10.1</b>	<b>TANZANIA, A COMMERCIAL HUB:</b>  The Government and the private sector to work together to make Tanzania a commercial hub given its strategic position in the region.	Increased domestic and foreign investments for export production, competitiveness and employment creation	No progress noticed	Tanzania has put in place an adequate policy, legal, regulatory and institutional framework.  But the country is still not attractive  The investment environment is hostile, unfriendly and unstable policy environment  Need to build proper transport infrastructure to make Tanzania Hub
<b>MANUFACTURING</b>				

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
11.1	Expedite to increase the GDP contribution of the manufacturing sector from 9% to 14% (as the case for Kenya)	Enhanced participatory decision making on the right policies, regulations and strategies. Increased entrepreneurial skills.	No progress noticed	There are significant changes in manufacturing sector. Investments, production and exports have been increasing  However, growth rates are low and GDP contributions are low compared to Kenya  Hence need for Integrated SIPD Strategy
11.2	Review of the Legal and Regulatory framework to address the outstanding 60 pieces of legislations governing the conduct of business in Tanzania so as to promote business environment and investment climate.	Improved promotion Business environment and investment climate	significant progress made	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place
11.3	Establishing Cluster Development project for enhancing participation in transforming agriculture on the basis of value chain approach	Improved Competitiveness for both local and international markets.	Started operations late 2009 and launched officially March 2010 by the Tanzania Private Sector Foundation	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place
11.4	Build Institutional Capacity for middle level cadre (technicians) such as textile technologists and strengthen polytechnic schools.	Improved Technology to increase productivity and sector contribution to GDP.	No progress	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place
11.5	<b>IMPLEMENT SIDP</b> To attract investments into the manufacturing sector with a view to serve Great Lakes Market, EAC, SADC, AGOA and EU etc.	Increased exports to EAC, SADC, AGOA, EU etc	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place	GDP Contribution is increasing but still very low despite having policies, laws, regulations and institutions in place
<b>TNBC CONSULTATIVE MECHANISM</b>				

	<b>NATIONAL DEVELOPMENT POLICY ISSUE</b>	<b>EXPECTED OUTPUT</b>	<b>IMPLEMENTATION STATUS AS PER THE PRIVATE SECTOR PERSPECTIVE</b>	<b>REMARKS</b>
	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>12.1</b>	<b>EFFICIENCY OF TNBC</b> Improve form and content of the TNBC dialogue mechanism and working of its organs ( The Council, Executive Committee, Secretariat, Working Committees and Working Groups)	An efficient and effective agent of change for Tanzania	<b>No progress</b>	TNBC is a formal PPP Model  TNBC has put in place own policies, systems and processes  But quantity and quality of inputs and resources have been low and ineffective
<b>12.2</b>	Expedite implementation of issues emanating from the TNBC dialogue meetings between the Public and Private	Improved business environment and investment climate	<b>Notable progress eg. Kilimo Kwanza agenda</b>	TNBC is a formal PPP Model  TNBC has put in place own policies, systems and processes  But quantity and quality of inputs and resources have been low and ineffective
<b>12.3</b>	Private Sector to continue challenging the Public on implementation of the agreed agenda in TNBC and IRTs' meetings.		<b>No progress</b>	TNBC is a formal PPP Model  TNBC has put in place own policies, systems and processes  But quantity and quality of inputs and resources have been low and ineffective

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	<b>GROWTH AND BUSINESS ENVIRONMENT</b>			
<b>12.5</b>	<b>ESTABLISHMENT OF RBCs</b> To accomplish establishment of Regional Business Councils in Tanzania.	Increased public-private consultative mechanism for improved business and investment climate at national, regional and district levels.	TNBC has established RBCs in all regions, the DRCs are underway	TNBC has put in place own policies, systems and processes  But quantity and quality of inputs and resources have been low and ineffective
<b>12.6</b>	<b>STRENGTHENING TNBC AND RBCs</b> To build institutional capacity of TNBC and RBCs.	Sustainable micro level consultative mechanism.	No progress	TNBC is a formal PPP Model  TNBC has put in place own policies, systems and processes  But quantity and quality of inputs and resources have been low and ineffective
<b>12.8</b>	<b>STATISTICS</b> To initiate a framework for availability of economic, social and empowerment statistics in Districts	Social economic data available	No progress	TNBS is about empowerment of locals in conducting business  TNBC has the mandate of conducting policy research in collaboration with stakeholders