



## policy forum

### Policy Forum's Budget Working Group 2022/23 Pre-Budget Position Statement

#### 1. Preamble

This Pre-budget policy position paper from the Policy Forum (PF), a network of over 60 Tanzanian Non-Governmental Organizations (NGOs) brought together by their interest in public money accountability, builds on previous efforts to contribute to the budget process, discourse and performance. Compiled by its Budget Working Group, this submission recognises the government's quest to heal the Tanzanian economy from the scarring effects of the COVID-19 pandemic. This includes mitigating the negative health and socioeconomic impact of the pandemic in key sectors such as education, water, agriculture, and youth.

This contribution also raises important issues about resource budget allocation and execution, as well as proposals that should be considered during the ongoing parliamentary debates leading up to the adoption of the national budget for the financial year 2022/23, which is President Samia Suluhu Hassan's second year since coming to power. Also recognised, is that it is the second year of implementation of the Third Five Year Development Plan (FYDP III 2021/22 to 2025/26) themed '*Realising Competitiveness and Industrialisation for Human Development*', which has seen thus far significant efforts toward improving provision of social services.

This statement, hence, humbly raises some significant concerns that need to be considered as the budget for 2022/23 and other long-term government initiatives are being implemented.

#### 2. An Overview of the National Budget

While the National budget for the Financial Year (FY) 2021/22 increased by 4%, the 2022/23 budget sees a significant increase of 11.7% from TZS. 36.3 trillion in 2021/22 to TZS. 41.1 trillion in 2022/23. Out of this total budget, TZS. 15.5 trillion (37.8%) is allocated for development expenditure while TZS. 25.5 trillion (62.2%) is allocated for recurrent expenditure. This is according to the proposal released on 11<sup>th</sup> March 2022 by the Minister of Finance and Planning while highlighting the National Plan and Budget ceilings for the financial year 2022/23.

As for the development funds, TZS. 12.1 trillion (equivalent to 78%) is to be sourced internally while TZS. 3.4 trillion (equivalent to 22%) is expected to be sourced externally. Also, important to note is that a big chunk of what is allocated for the recurrent budget (TZS. 11.3 trillion which is equivalent to 44.3% of the total recurrent budget) is intended to service the national debt. Therefore, with the national debt aside, the recurrent budget is TZS. 14.2 trillion and the development budget is TZS. 15.5 trillion.

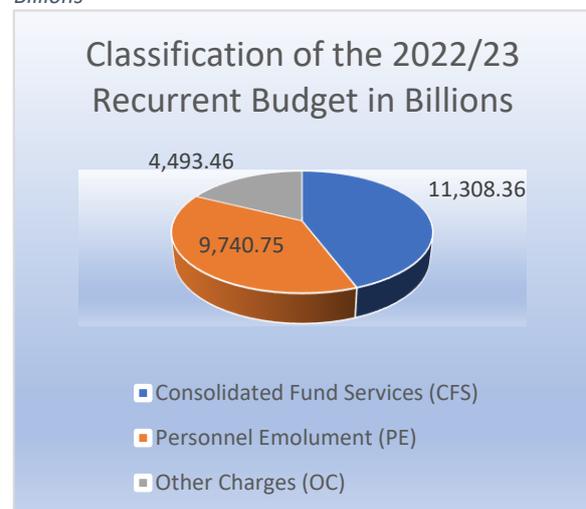
As stated earlier, the budget for 2022/23 is the second year of implementing the Third Five Year Development Plan which runs until 2025/26. Given the great ambitions of the plan that aim to foster human development, it is imperative that the government sets realistic allocations matching its efforts to mobilise revenues. The 11.7% increase in the budget is quite notable and is welcomed but it is worth considering the performance of

last year in terms of revenue collection. The consistent growth of the budget as can be seen in figure 1 suffers from challenges related to actual collections and disbursements.

Figure 2: Breakdown of the 2022/23 Budget in Billions



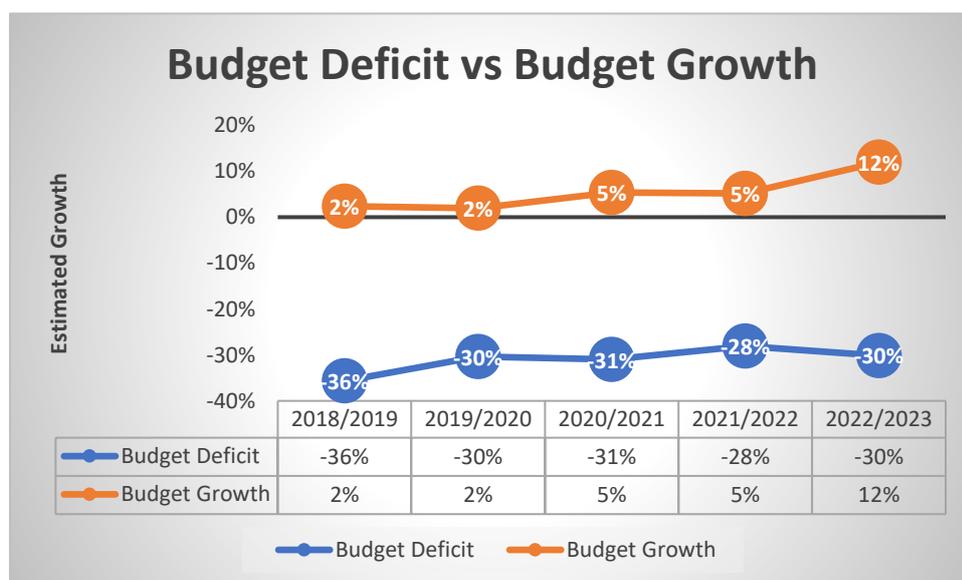
Figure 1 Breakdown of the 2022/23 Recurrent Budget in Billions



Source: Statement by the Minister of Finance and Planning presented to the National Assembly on 11<sup>th</sup> March 2022.

It is commendable that the 2022/23 budget has doubled its growth compared to the 2021/22 budget to the tune of around 12% year-on-year growth. Despite this news, this growth has followed the same pattern as in previous years. Its financing will partly be through external borrowing and grants, creating a deficit of 30% in relation to internal revenue collection. Efforts need to be made to create not only reliable funding sources, but also predictable ones to ensure timely disbursement in order to improve budget performance. Delays in implementing development budget incur the risk of inflation, supply chain breakdowns and untimely completions which raise costs and impact performance.

Figure 3 Budget Deficit Vs Budget Growth



### 3. Highlights from Selected Sectors

#### **3.1 Education Sector: The Need to Align the Allocations with the Sector's Priorities**

In the Financial Year 2022/23, the Ministry of Education, Science, and Technology (MoEST) has committed to implement 7 key priorities that are also highlighted in the Education Sector Development Programme outlined in budget plans and allocations.

According to the MoEST, the education budget priorities for the financial year 2022/23 are:-

- i. To review the 2014 education and training policy and education curriculum;
- ii. To continue ensuring that all school-age children are enrolled, including those with special needs;
- iii. To Increase opportunities and quality of primary and secondary education;
- iv. To Strengthen education management systems ranging from primary education, vocational education and vocational training and higher education;
- v. To increase opportunities and quality of vocational education and training;
- vi. To increase opportunities and quality of Higher Education, Science, and Technology; and
- vii. To promote skills development for vocational training graduates and teachers as well as higher education graduates.

To finance these priorities and other Ministry plans, MoEST through budget vote 46, has allocated a total of TZS. 1,493 billion for the FY 2022/23. The budget is distributed to TZS. 533.5 billion, equivalent to 35.7% for recurrent expenditures and TZS. 959.5 billion, equivalent to 64.3% of development expenditures.

2022/23 MoEST's allocated budget is slightly lower than the allocated budget in the 2021/22 financial year which was TZS. 1,519.3 billion divided into TZS. 480.5 billion (equal to 31.6%) for recurrent expenditures and TZS. 1,038.8 billion (equivalent to 68.4%) for development spending. Figures below elaborate.

Figure 5 MoEST's Budget Allocation

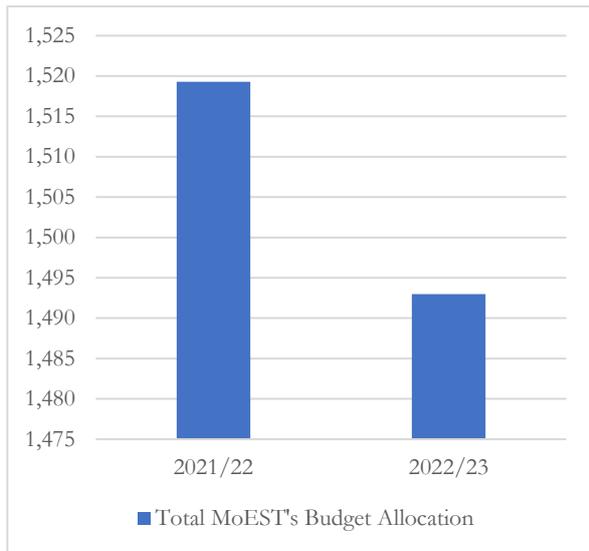


Figure 4 MoEST's Development & Recurrent Budget



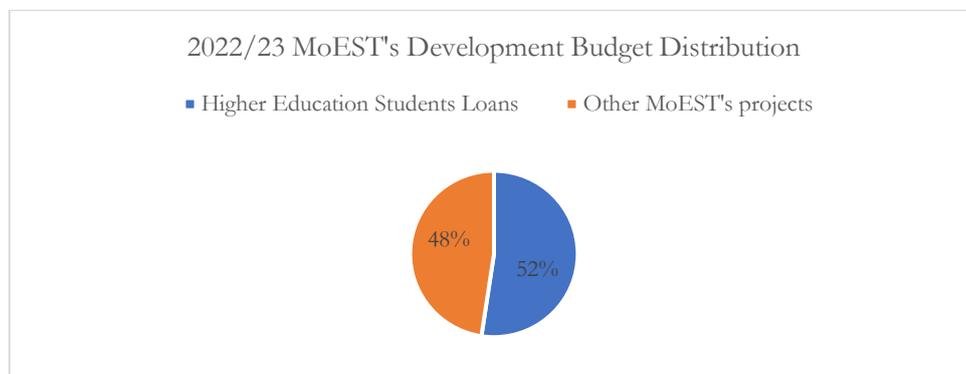
Source: MoEST Budget Proposal 2022/23.

Some of the key spending priorities for MoEST's 2022/23 development budget include the following: -

- i. Higher Education Students' Loans TZS. 503 billion, equivalent to 52.4%
- ii. Education Programme for Results – EP4R) TZS. 28.2 billion, equivalent to 2.9%
- iii. Secondary Education Quality Improvement Programme -SEQUIP) TZS. 28.96 billion, equivalent to 3%
- iv. College and Institution Food Ration TZS. 25 billion or 2.6%
- v. Support to Vocational Education and Training and Teacher Education) TZS. 54 billion or 5.6%

So basically, the 2022/23 MoEST's development budget allocation is mainly distributed into two categories of expenditures; the 52.4% which goes onto financing Higher Education Students' Loans, and 47.6% which is allocated for other actual projects under the Ministry.

Figure 6 Distribution of MoEST's Development Budget



## **Key Recommendations**

The 2022/23 MoEST's budget allocation has aligned to some of the key priorities such as Increasing opportunities and quality of vocational education and training; and Increasing opportunities and quality of Higher Education, Science, and Technology where a substantial development budget is seen. However, for key priorities such as the review of the 2014 education and training policy, laws, and education curriculum; efforts to ensure all school-age children are enrolled, including those with special needs, and the commitment to increase opportunities and quality of primary and secondary education, it is not clear where exactly funds for the implementation of interventions relating to these priorities are located, as there are no budget line items relating specifically to them.

To align the commitment made in the list of priorities above, especially those which have received little attention in past budgets, our key recommendations to the government through MoEST, are: -

### **A. Align Education Budget Plans and allocations with the Third Education Sector Development Programme**

It is vital for the MoEST's planning and budgeting to align with costing in the Third Education Sector Development Plan (ESDP III) 2021/22 to 2025/26 which contains a needs assessment for the education sector for the coming five years. According to ESDP III, the estimated budget needs of the education sector for the Financial Year 2022/2023 is TZS. 7,587.1 billion shillings, whereas TZS. 4,569.2 billion is proposed for recurrent expenditure and TZS. 3,017.9 billion for development activities.

### **B. Bridging the Teachers' inadequacy gap in Primary and Secondary Schools**

According to figures from President's Office – Regional Authorities and Local Government authorities (PO-RALG) as of March 2022, the demand for teachers in Primary Schools was 274,549 using a ratio of 1:60 (One teacher for 60 students). Available teachers are 173,591, meaning that the deficit is 100,958 teachers, equivalent to 36.77% of demand. In addition, the demand for teachers for students with special needs in Primary Schools is 3,631 teachers. The existing availability is 1,517 teachers, meaning that there is a shortage of 2,143 teachers, equivalent to 59.02% of the demand. The demand for teachers in secondary schools is 159,443 whereas the current number available is 84,700, meaning that there is a shortage of 74,743 teachers, equivalent to 46.87%. The government is planning through the PO-RALG to employ 10,000 Primary and Secondary School teachers if the permit is issued by the relevant authorities. Of these, 5,000 teachers are for Pre-Primary and Primary schools and 5,000 for Secondary Schools. If this goal is achieved, it will reduce the demand for Secondary School teachers by 6.56% and Pre-Primary and Primary education by 10.65%. This plan will only reduce the shortage of teachers to 95,958 primary teachers and 69,743 secondary teachers which will take another 19 years to fill the vacancies required for primary teachers and 14 years to fill the vacancies for secondary school teachers.

The government should put in place a short-term plan to end the problem. For a five-year plan, for example, the government will need to hire 15,000 secondary and 20,000 primary school teachers each year. Under this plan, the government should and is advised to plan and allocate a budget to recruit a total of 35,000 primary and secondary school teachers each financial year to close the gap within the next five years. It is also important to remember that in the process of recruiting these teachers, the need for special needs primary and secondary education teachers is very important.

### **C. Improvement of Capitation Grant Rates and Approval of the New Capitation Grant Formula**

The government has continued to implement the provision of fee-free education by ensuring that schools receive subsidies for self-employment as well as cover the level of fees that a student had to pay before the start of the free education program. There are two things we recommend to the government: The current grant amount is TZS. 10,000 per primary school student per year and TZS. 25,000 per secondary school student per annum. It is important to note that these subsidy levels have been implemented even before the free education program since the early 2000s during the implementation of the Primary Education Development Programme (PEDP) and Secondary Education Development Programme (SEDP) education programs.

These grant rates are small and outdated. The cost of converting the US dollar when these rates were set according to PEDP and SEDP plans, was one dollar for 1000 shillings; today one US dollar is approximately TZS. 2300. Due to this change US \$ 10 for the Primary School Student Grant through PEDP and \$ 25 per secondary through SEDP should be equivalent to TZS. 23,000 for Primary and TZS. 57,500 for secondary. To keep pace with inflation and the current exchange rate, the government needs to improve school subsidy levels to reflect these changes. We recommend that the Government allocates TZS. 23,000 per student in primary schools and TZS. 57,500 per secondary school student to enable schools to function effectively.

### **3.3 Water Sector: Improve Rural Women and Girls' Access to Water and Sanitation**

Tanzania's population is estimated to be about 60 million people and is anticipated to hit 90 million by 2035. In this situation, Water Sanitation & Hygiene (WASH) demands and challenges are expected to rise if not met and solved, respectively. As of April 2022, 74.5%(rural) and 86.5% (urban) of the Tanzania population had access to an improved source of safe water, and only 30% of the Tanzania population has access to improved sanitation.

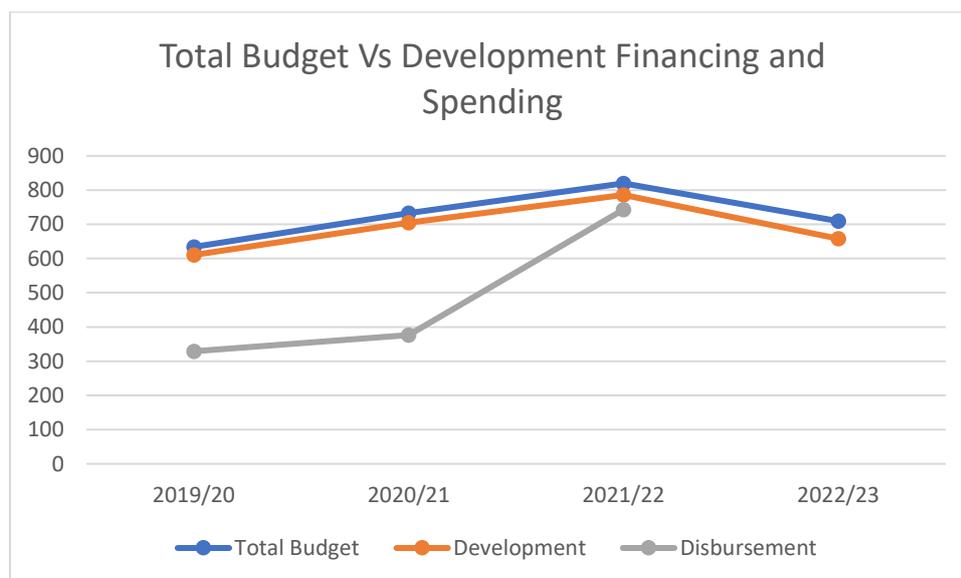
Traditionally, women and children bear the weight of fetching water from far-flung sources hence exposing them to violence, and time spent and shoulder more burden of unpaid care work which results in women's low contribution to the national economy. Efforts toward improving the management of the world's finite water resources and extending access to safe drinking water and adequate sanitation, often overlook the burden of the care economy centred on women in water and sanitation.

For adolescent girls, the absence of privacy and dignity owing to the lack of improved sanitation facilities has negative impacts on health, education, safety, and self-esteem. There is growing evidence that inadequate WASH conditions in schools may deter girls' full participation in school and lead to their poor performance and increased dropout rates coupled with stress, shame, embarrassment, confusion, and fear.

In bringing about gender equality, the Government has in place the Tanzania National Water Policy of 2002 which recognises the importance of gender sensitivity and equality in the implementation of water supply programmes, by ensuring active and effective participation of women and men in the interventions. Moreover, the National Development Vision 2025 states among other things the attainment of gender equality and the empowerment of women in all socio-economic and political relations, and culture by the year 2025. In implementing the vision, the government of Tanzania by June 2022 will have already finalized the Water Sector Development Programme Phase Three (WSDP III) 2022/23 – 2025/26 which will identify water as an essential resource in achieving Tanzania Development Vision (TDV) 2025, Five Year Development Plan Phase Three (FYDP III), Sustainable Development Goals (SDGs) and the *Chama cha Mapinduzi (CCM)* Election Manifesto of 2020-2025.

We would like to commend the efforts in place by the Government in establishing projects that aspire to end the challenges facing women and children, particularly girls as far as WASH is concerned. Specifically, the Government places prominence on monitoring the development of the projects to ensure that they yield the intended results. However, despite the zeal articulated by the policies seeking to address the setbacks, the water sector budget has been varying each year ranging from approximately 2% to 4% annually within the five years or the average of 3% which is contrary to the proposed allocation of 5.5% of the national budget by the Water Sector Development Programme II (WSDP II) 2015/16-2019/20.

Figure 7 Total Budget Vs Development Financing and Spending



The disbursement shows a gap in fulfilling the commitments, because of the ongoing overlap of unaccomplished plans. However, in 2021/22 the disbursement was at 95% which shows that the Government has made enormous efforts in making sure that the vision of implementing the development projects is reached. The 2022/23 proposed budget also focuses on the construction of new water projects and the maintenance of water sources<sup>1</sup>.

### Recommendations

Development co-operation actions, including aid disbursement, should integrate gender considerations into water management projects and ensure consultation and joint participation of communities where projects are developed as well as disaggregated data.

Considering the high stakes, governance arrangements for water management projects should be reviewed to promote gender equality in decision making and ensure consultation of groups especially those representing youth, people with disabilities, and women's voices.

### 3.4 Agriculture Sector: Call for Adequate Financing of the Sector

Agriculture plays a crucial role in Tanzania's economy as it accounts for 27.7% of the GDP, 24.1% of export earnings, and 65% of the total employment between 2016 and 2019 (Five-Year Development Plan III (FYDP III), 2021/22 to 2025/26). However, despite its

<sup>1</sup> <https://www.tanzaniaweb.com/TanzaniaHomePage/NewsArchive/Hivi-hapa-vipaumbele-Bajeti-Wizara-ya-Maji-2022-23-615035>

economic contribution, the sector has been receiving less share of the national budget at a rate below 10% committed during the Comprehensive African Agricultural Development Programme (CAADP) Malabo declaration aiming at attaining a minimum of 6% growth rate of the agriculture value added per annum to significantly reduce poverty (ANSAF, 2022).

Similarly, disbursements have been untimely and below 50% against the Malabo recommendation of 100%. This situation has contributed to the decline of the sector's growth from 5.9% in 2017/18 to 3.2% in 2021/22 (NBS, 2022). On the other hand, the collection of some key sources has not been promising due to several reasons including the number and magnitude of taxes, levies, and fees involved. Therefore, the trends depict that honoring the agreement of government investment in the agriculture sector which employs a large population is still a challenge that needs immediate attention if the Global, Regional and National programs target such as CAADP, Agriculture Sector Development Programme II (ASDP II), and FYDP III are to be met.

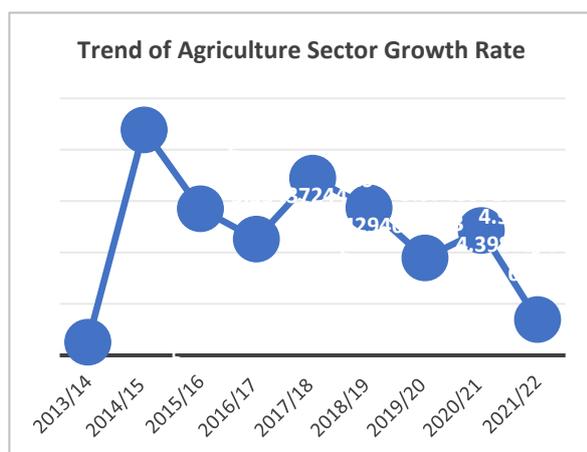
### Agricultural Budget Overview

For the past seven years (2015/16 – 2021/22), government priorities have been skewed towards sectors like education and transport which on average account for 14.85% and 14.87% of the national budget, respectively. Agriculture on its part receives only a 2.80% share far below the 10% CAADP Malabo commitment. See Figure 7.

Given the close relationship

between financing and the sector's growth, the low and inconsistent financing in agriculture has negatively impacted the sustainability of the sector's growth rate as it has declined from 5.9% in 2017/18 to 3.2% in 2021/22 far below the 6% minimum CAADP sector's growth target by 2025 (Figure 8). The government is commended for increasing

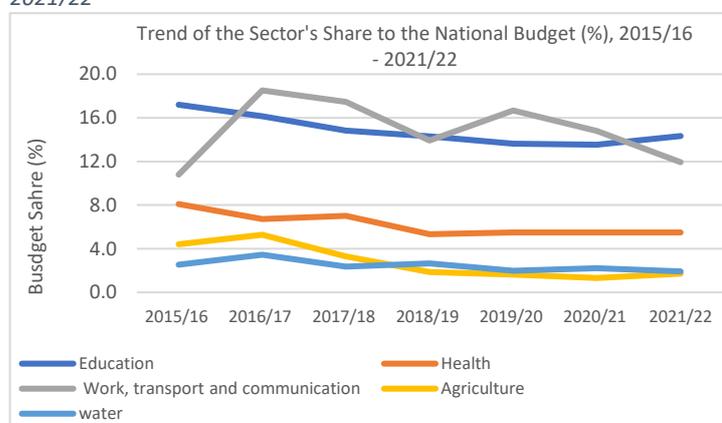
Figure 9 Growth Rate of Agriculture Sector



the agricultural budget in 2021/22. However, there has been low and untimely disbursement, especially for the development projects. Take an example of the Ministry of Agriculture (MoA) budget which increased by 28% from TZS. 229.84 billion in 2020/21 to TZS. 294.16 billion in 2021/22 but only 57.39% of the 2021/22 development budget was disbursed by April 2022 raising the question of whether all the approved budget will be disbursed given the remaining time. Additionally, the crop subsector is still characterized by low production, productivity, processing, and trade due to several factors including dependency on rain, difficult access to input such as seeds and fertilizer among small holder producers, difficult access to credits, and reliable markets, and high post-harvest losses and high taxes, levies, and fees. Taking an example of the high cost for the cashew packaging materials which limits value addition in cashew<sup>2</sup>. During 2021/22 government granted a duty rate of 0% instead of 25% for Sacks and bags of polymers of ethylene as

<sup>2</sup> Currently only 10% of the total cashew produced in Tanzania is processed indicating the low rate of value addition, and 90% of the produced cashew is exported in raw form hence loss of employment and forex to the country

Figure 8 Share of Agriculture Sector in the National Budget 2015/16 to 2021/22

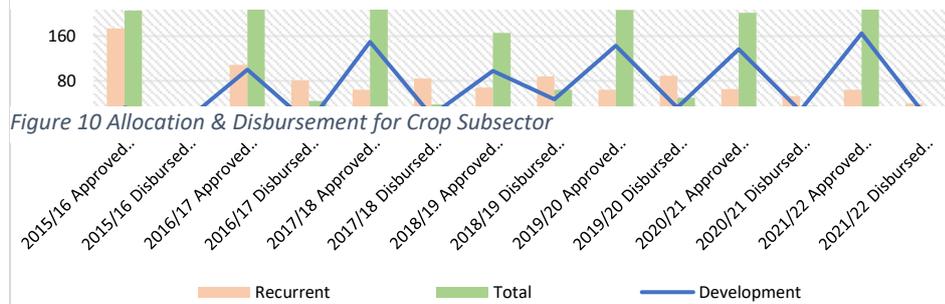


the approved budget will be disbursed given the remaining time. Additionally, the crop subsector is still characterized by low production, productivity, processing, and trade due to several factors including dependency on rain, difficult access to input such as seeds and fertilizer among small

inputs used by domestic processors of cashew nuts to enhance value addition. However, the reform was just for one year while the challenge is persisting.

The MoA has shown great commitment to addressing these challenges along with the agricultural value chain in its 2022/23 budget by requesting a budget increase by 155% from TZS. 294 billion in 2021/22 to TZS. 751 billion in 2022/23 with high priorities in strategic value chains such as the ones mentioned above.

Figure 10 The Trend of crop subsector budget allocation vs. disbursement, 2015/16 – 2021/22



However, given the experience on budget disbursement especially for the development projects (see figure 9), it is highly recommended for government to honor its

commitments on timely disbursement. Additionally, there has been a low achievement in realising revenue collection targets as observed in the past three years.

For example, the irrigation subsector has been setting high targets for the past two years. However, during the first eight months of 2020/21 and 2021/22, only 35.5% and 2.2% of the revenue collection for the irrigation subsector was realised. Therefore, it is highly recommended for the government to increase efficiency to achieve the set targets.

Moreover, Tanzania Agricultural Development Bank (TADB)'s capital increased by 346.7% from TZS. 60 billion in 2021 to TZS. 268 billion in 2022. The bank further supported 1,527,175 farmers to get collateral for loans that amounted to TZS. 144 billion. The Government also enabled a decrease of the interest rate for commercial banks' lending to agriculture interventions from a range of 17% - 20% to 9%. On the other hand, these initiatives were observed to be gender insensitive as there was no disaggregation of women, men, and youth beneficiaries and criteria and procedures for accessing these collaterals were not friendly to most of the marginalized groups such as women and youth, especially in the rural settings.

## Conclusion

The significant increase in the agriculture sector budget is highly commended as it has been directed towards the strategic areas that have a significant impact on small holder producers' livelihood and the economy at large. However, despite the budget increase especially on the development projects, some setbacks have been observed associated with the low and untimely disbursement hence negatively impacting the intended goals.

Also, despite the benefits obtained from the 2021/22 agricultural tax reforms, several observations require changes for effective outcomes. Analysis observed several challenges that negatively affect the sector's performance including:

- a. Low budget allocation and disbursement at the rate below the 10% of Malabo commitment,
- b. Decline and low agricultural growth rate below 6% minimum Malabo target by 2025,
- c. Low achievement of annual collection target for some areas,
- d. Inadequate access to extension services. Less than 10% of households receive extension services,
- e. Low agriculture shares to the total loans at the rate below 10%, and
- f. Low production, productivity, processing, and trade.

## **Policy Recommendations**

*We, therefore, urge for:*

- a. Government to honour its commitment to national and regional programs such as Malabo declaration by increasing agriculture budget share to at least 10% and continue to prioritise key strategic areas like research, seed, irrigation, extension, and cooperatives,
- b. Government to increase disbursement of the development budget up to 100%, ,
- c. Government to enhance efficiency to realise collection targets.
- d. Continue reform taxes on strategic value chains for enhanced production, productivity, processing, and trade, and
- e. Government to streamline lending procedures and criteria.

## **3.5 Refocusing Skills Development Budget to target special focus on the Informal Sector's potential**

### **Introduction**

The term "informal sector" is commonly used to refer to that segment of the labour market in the developing countries that have absorbed a significant number of jobseekers, mostly in self-employment, and to workers in very small production units.<sup>3</sup> Informal activities are often characterized by low levels of capital, skills, access to organized markets and technology; low and unstable incomes, and poor and unpredictable working conditions. Informal activities are often outside the scope of official statistical enumeration and government regulations, and beyond formal systems of labour and social protection.<sup>4</sup> Some studies suggest that the smallest enterprises are the most likely to be informal.<sup>5</sup>

Preparing human potential for any country is key to its economic success. Youth in particular covers the largest part of human resources in production and service sectors which are estimated to be two-thirds of the workforce. However, this resource is meaningful when trained and adapted to employment. There is a big potential for employment in the informal sector which has not been fully developed. This analysis assesses the opportunity and needs for the special skills development plans and budget to cover the most critical sub-sectors that offer a great number of the current employment.

### **Statistics Size of informal Sector**

There has been an outcry about the increase in unemployment among the graduates in Tanzania. As a country, Tanzania is putting programs and plans to help unemployed youth through vocational institutions to attain formal employment. However, the greatest potential for employment lies in the informal sector which has not yet received enough attention.

It is estimated that Tanzania has 3 million small & medium enterprises (Informal businesses) of which 75% are self-employed without having any other work to do.<sup>6</sup> The last year's Integrated Labour Force Survey report indicates a rise in the proportion of own paid account workers increased from 47.4% in 2014 to 54.3% in 2021. Most of such persons are in the informal sector, particularly smallholder agricultural households.<sup>7</sup>

The Informal Sector Survey conducted by the National Bureau of Statistics revealed how the informal sector including 'machingas' and 'mamalishe/babalishe' contribute to the Dar

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<sup>3</sup> International Labour Organization; World Employment Programme

<sup>4</sup> International Labour Organization; World Employment Programme

<sup>5</sup> Anand, 1999

<sup>6</sup> Executive Director, SELF Microfinance in Dodoma during launching of the National Economic Empowerment Council Week, May, 2022.

<sup>7</sup> Integrated Labour Force Survey, released on 2021

es Salaam economy which is the biggest commercial city and economic hub. The sector contributes TZS. 6.2 trillion. The report further states that 767,904 households were interviewed and that they own and operate 1,023,520 informal businesses. In bringing income by ranking, the service industry is number one followed by agriculture; and number three is rentals; that is rooms and houses. All these sub-sectors have no clear training plans for the service providers. In the case of loans and other support, 91.1% depend on municipalities to get such support services. However, the loans in the municipalities are provided without formal support training<sup>8</sup>.

While discussing the informal sector, the gender perspective cannot be ignored. In some countries, it is estimated that two-thirds of informal sector workers are women. Women are often driven to the informal sector by a lack of education and skills and their subsequent exclusion from more lucrative jobs where more sophisticated technical skills are needed.<sup>9</sup> Overall, women face more significant barriers than men in struggling with their livelihood: lower pay, lack of access to adequate education, training, and capital, and exclusion from the policymaking process.<sup>10</sup>

Many of these Informal businesses are struggling to overcome stagnation. Therefore, the development of relevant skills and knowledge is a major instrument for improved productivity, better working conditions, and the promotion of decent work in the informal economy. Better, less work-intensive, and safer technologies can raise productivity and income, reduce work toiling and occupational risks to health and safety, and improve products. New skills and knowledge can open doors to more economically and socially rewarding jobs.

In this regard, policies that favour commercialization and value addition of agricultural produce are important to enhance income generation and productivity. Such policy options will not only change the structure of the labour force but also have the benefits of creating more meaningful employment opportunities and widening the tax base.

### **Policy Setup on Skills Development**

One of the key pillars in the FYDP III<sup>11</sup> is the development of human potential through skills development. To put this in action the National Skills Development Plan was developed to facilitate smooth implementation. The National Skills Development Plan put emphasis on vocational training for youth to empower them to attain jobs. However, setting enough budget for informal sector training and financing them is a crucial step towards stimulating economic growth through Informal businesses.

### **Program to Empower Youth in Skills Development**

The Prime Minister's Office runs a National Skills Development Program funded mainly by government sources and other development partners as well. The program is implemented through vocational training centers.<sup>12</sup> The PMO budget speech for 2022/23 provides that the Program for Skills Development has reached 18,956 whereby 5,538 got an apprenticeship in vocation skills and 77 were PWDs. Moreover, 10,178 prior skills were recognized, and 28 of them were PWDs. Moreover, 3,240 youth got internship opportunities of which 92 of them were PWDs. However, business owners find it difficult to employ young people as their skills are much more general. For instance, training institutions train courses in agriculture as animal science but the market needs specific skills such as poultry skills or dairy farming.<sup>13</sup>

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<sup>8</sup> The Informal Sector Survey conducted by National Bureau of Statistics, 2019

<sup>9</sup> ILO 1995

<sup>10</sup> Bakke-Seeck, et al.

<sup>11</sup> Five Years Development Plan, 2021/25

<sup>12</sup> <https://vyuonavyuovikuu.ccm.or.tz/articles/26/nafasi-za-mafunzo-ya-ufundi-stadi>

<sup>13</sup> Majadiliano ya Tathmini ya Mnyororo wa Kuku na Masoko Tanzania, Yaliyofanyika 05.05.2020 na Kusimamiwa na SUGECO Majadiliano ya Tathmini ya Mnyororo wa Kuku na Masoko Tanzania, Yaliyofanyika 05.05.2020 na Kusimamiwa na SUGECO

For the year 2019/20 livestock-keeping sector contributed 7.4% to the national GDP. However, no specific program for livestock keepers like Maasai is prepared for them.<sup>14</sup> On the other hand, there is a need to sustain policy efforts that target to harness the potential of non-traditional and emerging sectors such as art and craft, sports and entertainment which have been creating employment for youth.<sup>15</sup>

## **Recommendations**

Strategy to improve the productivity of the informal sector should also include, putting skills development in the informal sector on the agenda. Special Skills budget provision for Informal businesses in the informal sector to get special training in business skills and entrepreneurship development and customer care skills which have been earmarked as key challenges will revolutionize these informal enterprises to become the engine of more employment and better service delivery and further economic prosperity.

Redesign skills development courses to cater to the market needs. Courses that are normally taught in general terms like animal science specified poultry, dairy, and piggery production. This will fit the requirement of the market need whereby companies are formed by those focuses. This should go hand in hand with the introduction of rare courses such as arts and crafts, entertainment, horticulture, and fisheries which have a high impact on job creation.

Skills development needs to address the need of the time in the society. For instance, the provision of engineering training needs to be added as part of the production concept to in-plant in young people the spirit of the production. Better increase of productivity and trade for economic prosperity training Informal businesses and adding innovation in their enterprises will increase the growth of the firms to become sustainable hence productivity increase and long-term economic growth.

Strong efforts to enhance the role of the private sector in the creation of new employment for the youth in the informal sector should be given priority in future budgets. This is because, the private sector's potential for the creation of decent, standard, and sustainable employment opportunities is higher compared to relying on the public sector-related opportunities, which are highly limited. This, however, needs to go hand in hand with the creation of better environments for private investment and business operation in the informal sector and help them to graduate and formalize for them to enjoy both local and foreign investors.

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<sup>14</sup> Ofisi ya Waziri Mkuu - Kazi, Vijana na Wenye Ulemavu inatekeleza programu ya kukuza Ujuzi na stadi za kazi stahiki ili kumudu ushindani katika soko la ajira. Miongoni mwa mafunzo yatayotolewa ni Ubunifu wa Mitindo na Ushonaji Nguo, Ufundi Bomba, Uashi, Useremala, Uchomeleaji na Uungaji vyuma, Upakaji rangi na maandishi ya alama, Utengenezaji wa vipuri vya mitambo, Ufundi Magari na Mitambo, Umeme wa majumbani na viwandani, TEHAMA, Umeme wa Magari, Huduma za Hoteli na Utalii, Madini, Kilimo na Uchomeleaji na uungaji vyuma.

<sup>15</sup> Integrated Labour Force Survey, released on 2021