THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

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ANNUAL GENERAL REPORT ON PERFORMANCE AUDIT

CONTROLLER AND AUDITOR GENERAL

MARCH 2026

THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

ANNUAL REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE PERFORMANCE AUDIT FOR THE FINANCIAL YEAR 2024/25

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In reply, please quote
Ref. No. CGA.23/421/2 **30 March, 2026**

H.E. Dr. Samia Suluhu Hassan,
The President of the United Republic of Tanzania,
State House,
P.O. Box 1102,
1 Julius Nyerere Road,
Chamwino,
40400 DODOMA.

RE: SUBMISSION OF THE ANNUAL REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE PERFORMANCE AUDIT FOR THE FINANCIAL YEAR 2024/25

I am pleased to submit my Annual Report on the Performance Audit for the Financial Year 2024/25, pursuant to Article 143(4) of the Constitution of the United Republic of Tanzania of 1977 and Section 35 of the Public Audit Act, Cap. 418.

I humbly submit.

Charles E. Kichere,
Controller and Auditor General

NATIONAL AUDIT OFFICE OF TANZANIA

ABOUT THE NATIONAL AUDIT OFFICE

MANDATE	The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10(1) of the Public Audit Act, Cap 418.

Vision, Mission & Motto

Vision 01	**OUR VISION** A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.
Mission 02	**OUR MISSION** To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.
Motto 03	**OUR MOTTO** Modernizing External Audit for Stronger Public Confidence.

Core Values

Independence & Objectivity An impartial institution independently offering high-quality audit services in an unbiased manner.	**Professional Competence** Delivering audit services based on professional knowledge, skills, and best practices.
Integrity Observing high ethical standards and rules of law in the delivery of audit services.	**Creativity & Innovation** Encouraging value-adding ideas for continuous improvement of audit services.
Results-Oriented Focusing on reliable, timely, accurate, and clear performance targets.	**Team Work Spirit** Valuing and working together with internal and external stakeholders.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

ASDP	:	Agricultural Sector Development Program
BOD	:	Biochemical Oxygen Demand
BRT	:	Bus Rapid Transit
CC	:	City Council
CCSWOP	:	Comprehensive Council Social Welfare Operational Planning
CCTV	:	Closed-Circuit Television
COD	:	Chemical Oxygen Demand
CSR	:	Corporate Social Responsibility
DART	:	Dar es Salaam Rapid Transit
DAWASA	:	Dar es Salaam Water and Sewerage Authority
DC	:	District Council
DEA	:	Data Envelopment Analysis
DED	:	District Executive Director
DLI	:	Disbursement-Linked Indicator
DMU	:	Decision-Making Unit
DSA	:	Debt Sustainability Analysis
E.Coli	:	Escherichia coli
EAC	:	East African Community
EACOP	:	East African Crude Oil Pipeline
EWURA	:	Energy and Water Utilities Regulatory Authority
FIFO	:	First In First Out
FYDP	:	Five-Year Development Plan
FYDPIII	:	Third Five-Year Development Plan
GBV	:	Gender-Based Violence
GDP	:	Gross Domestic Product
GePG	:	Government e-Payment Gateway
GNT	:	Government Negotiation Team
GVM	:	Gross Vehicle Mass
HIV	:	Human Immunodeficiency Virus
iCHF	:	Improved Community Health Fund
IFAD	:	International Fund for Agricultural Development
JNHPP	:	Julius Nyerere Hydropower Project
KPI	:	Key Performance Indicator
LADO	:	Legal Aid Desk Officer
LAPs	:	Legal Aid Providers
LATRA	:	Land Transport Regulatory Authority
LCCSR-MIS	:	Local Content Corporate Social Responsibility Management Information System
LDCF	:	Least Developed Countries Fund
LGA(s)	:	Local Government Authority/Authorities
LGAs	:	Local Government Authorities
LICs	:	Low-Income Countries
LNG	:	Liquefied Natural Gas
LPG	:	Liquefied Petroleum Gas
MC	:	Municipal Council

MDAs	:	Ministries, Departments, and Agencies
mg/l	:	Milligram Per Litre
MICAS	:	Ministry of Information, Culture, Arts and Sports
MLHHSD	:	Ministry of Lands, Housing and Human Settlements Development
MNRT	:	Ministry of Natural Resources and Tourism
MoA	:	Ministry of Agriculture
MoCDGWSG	:	Ministry of Community Development, Gender, Women and Special Groups
MoCLA	:	Ministry of Constitution and Legal Affairs
MoE	:	Ministry of Energy
MoEST	:	Ministry of Education, Science and Technology
MoF	:	Ministry of Finance
MoM	:	Ministry of Minerals
MoT	:	Ministry of Transport
MoW	:	Ministry of Water / Ministry of Works
MT	:	Metric Tons
MTEF(s)	:	Medium-Term Expenditure Framework(s)
MUSE	:	Mfumo wa Ulipaji Serikalini
NAPA	:	National Adaptation Programme of Action
NBS	:	National Bureau of Statistics
NCCSC	:	National Climate Change Steering Committee
NCCTC	:	National Climate Change Technical Committee
NDCs	:	Nationally Determined Contributions
NDMC	:	National Debt Management Committee
NEEC	:	National Economic Empowerment Council
NEMC	:	National Environment Management Council
NEMPSI	:	National Environmental Master Plan for Strategic Interventions
NFRA	:	National Food Reserve Agency
NGOs	:	Non-Governmental Organizations
NHC	:	National Housing Corporation
NIRC	:	National Irrigation Commission
NPC	:	National Planning Commission
NPMIS	:	National Projects Management Information System
NPs	:	National Projects
NTR	:	Non-Tax Revenue
OECD	:	Organisation for Economic Co-operation and Development
OSH	:	Occupational Safety and Health
OSHA	:	Occupational Health and Safety Authority
PAs	:	Public Authorities
PMO-LER	:	Prime Minister's Office – Labour, Employment and Relations
PMO-RALG	:	Prime Minister's Office – Regional Administration and Local Government
PSMP	:	Power System Master Plan
PSSN	:	Productive Social Safety Net
RAS	:	Regional Administrative Secretary
REDD+	:	Reducing Emissions from Deforestation and Forest Degradation

RRIMs	:	Road and Railways Information Management System
SDGs	:	Sustainable Development Goals
SGR	:	Strategic Grain Reserves
TAHOSSA	:	Tanzania Heads of Secondary Schools Association
TANESCO	:	Tanzania Electric Supply Company Limited
TANLAP	:	Tanzania Network of Legal Aid Providers
TANROADS	:	Tanzania National Roads Agency
TAPANET	:	Tanzania Paralegal Network
TARURA	:	Tanzania Rural and Urban Roads Agency
TASAF	:	Tanzania Social Action Fund
TBS	:	Tanzania Bureau of Standards
TDMC	:	Technical Debt Management Committee
TFRA	:	Tanzania Fertilizer Regulatory Authority
TFS	:	Tanzania Forest Services Agency
THMs	:	Trihalomethanes
TIE	:	Tanzania Institute of Education
TLMAP	:	Teaching and Learning Material Allocation Protocol
TLS	:	Tanganyika Law Society
TPDC	:	Tanzania Petroleum Development Corporation
TR	:	Treasury Registrar
TRA	:	Tanzania Revenue Authority
TRC	:	Tanzania Railways Corporation
TZS	:	Tanzania Shillings
UNEP	:	United Nations Environment Programme
UNFCCC	:	United Nations Framework Convention on Climate Change
VAT	:	Value Added Tax
VPO	:	Vice President's Office
WCF	:	Workers' Compensation Fund
WHO	:	World Health Organisation
WSSAs	:	Water Supply and Sanitation Authorities

STATEMENT OF THE CONTROLLER AND AUDITOR GENERAL

It is my honour to submit the Annual General Audit Report for the Performance Audit for the Financial Year Ended 30 June 2025. This report summarises 18 Performance Audits from 2025 that evaluate the government's progress in industrialisation and human development under the National Five-Year Development Plan III. Assessments focused on the provision of healthcare, social care, and legal aid services to citizens, the management of the strategic grain reserve, workplace safety and compensation services to workers, the transport system, environmental protection, local content provisions in the mining industry, regulation of water utilities, and mobilisation and management of financial resources. By identifying both achievements and operational gaps, this report provides strategic guidance to enhance national competitiveness and the effective management of public resources.

I commend the Government, under the leadership of H.E. Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, for its continued commitment to enhancing accountability, transparency, and effectiveness in the management of public resources. Our nation depends on these public entities to provide and maintain essential infrastructure and to deliver programmes that drive economic opportunity. Consequently, a relationship built on trust between the people and their Government is critical to maintaining social cohesion and realising national aspirations.

As an audit office, we aspire to work with the administration to foster a public sector culture consistently characterised by performance, accountability, transparency, and institutional integrity.

The audit findings in this report provide important insights into how public resources and programmes are managed across the audited entities. While there are notable examples of commendable performance and effective resource use, several entities still face significant challenges impacting their operational efficiency and service delivery. Therefore, it is crucial for the Government and stakeholders to address these areas to improve the overall effectiveness, transparency, and accountability of public institutions.

Entities with a significant impact on citizen welfare must ensure their service delivery is both effective and efficient. We must prioritise actions that optimise operational processes to prevent the loss of public funds and ensure that every resource is used to its maximum potential for the benefit of all Tanzanians.

I urge all accounting officers, governing boards, and oversight authorities to implement these recommendations to strengthen accountability and drive continuous improvement in service delivery. Furthermore, I encourage Parliament and all stakeholders to act upon the insights of this report to optimise the use of public resources and enhance the impact of national development programmes.

The National Audit Office remains committed to executing its mandate with professionalism, independence, and integrity. Strong, responsive, and accountable institutions are essential for sustaining the trust of our citizens.

Finally, I wish to pay tribute to the staff of the National Audit Office for their diligent efforts and unwavering professionalism, which are the backbone of this institution. It is their dedication that ensures we fulfil our constitutional mandate.

Charles E. Kichere
Controller and Auditor General,
United Republic of Tanzania.

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EXECUTIVE SUMMARY

1. This general report presents findings, conclusions, and recommendations based on 18 Performance Audit Reports conducted in 2025. The conducted performance audits were on the Provision of Neurological Healthcare services to Children; Provision of Maternal Healthcare Services in Tanzania; Availability of Essential Medicines in Public Health Facilities; the Provision of Food, Shelter and Care Services for Elderly People; Provision of Legal Aid to Indigent Population; Management of Strategic Grain Reserve; Management of Weighbridge Operations; Management of Inspection of OSH at Workplaces, Provision of Workers' Compensation Services, Regulation of Water Utilities in Tanzania; Management of Urban Transport Services in Major Cities; ; Management of the Planning Process for Road Infrastructure Improvement; Implementation of Climate Change Adaptation Action; Management of Reforestation Activities; Implementation of Renewable Energy Projects; Management of Local Content Provisions in the Mining Industry; Management of Capitation Grants in Public Schools and Management of Non-tax Revenue Collection.

2. This report highlights key insights and evaluations from the audits, focusing on their expected outcomes and contributions to the goals outlined in the National Five-Year Development Plans III (2021/22 – 2025/26), and their alignment with the Sustainable Development Goals. By highlighting significant issues across various sectors and evaluating the performance of Government entities, this report aims to underscore the achievements and shortcomings encountered in realising the competitiveness and industrialisation for human development targets envisioned in the development plans. It thoroughly assesses how management practices in these sectors influence the overarching objectives of the National Five-Year Development Plans and the Sustainable Development Goals, providing a roadmap for strategic improvements and policy formulation.

3. The report, however, is not intended to replace the 18 individual Performance Audit Reports conducted. The reader is therefore advised to rely on the individual Performance Audit Reports mentioned above.

Key Audit Findings

(i) Provision of Healthcare Services

4. My Audit found that neurological healthcare services were not available at the secondary and primary levels. Patients who could not afford to travel to

the zonal referral centres were treated without a sufficient diagnosis. The insufficient neurological healthcare services were attributed to inadequate diagnosis of children with neurological disorders, unavailability of quality treatment as a result of a shortage of trained specialists in neurological disorders, where the paediatrician-to-child ratio in Dar es Salaam is 1:10,627, compared to 1:429,805 in such regions as Rukwa, which is a disparity of nearly 40 times. There were also persistent stock-outs, affordability challenges for essential neurological medications and insufficient rehabilitation services. I also noted insufficient data to support proper decision-making regarding the provision of neurological healthcare services.

5. My Audit found that the pace of decline in the maternal mortality rate remained insufficient to achieve SDG 3.1, which aims to reduce the maternal mortality ratio to 70 per 100,000 live births. Moreover, the number of deaths that were recorded remained the same since 2023, with 346 cases reported in the first quarter of 2025, mainly affecting women aged 20–34 years and largely caused by preventable conditions such as postpartum haemorrhage and eclampsia. Also, my Audit revealed inadequate implementation of the initiatives to reduce the maternal mortality rate by the MoH and PMO-RALG, as evidenced by underutilization of Antenatal Care (ANC) and Postnatal Care (PNC) Services and a shortage of skilled birth attendants across the sampled region.

6. My Audit also found that the availability of essential medicines in public health facilities ranged from 47% to 62% in the Financial Years 2022/23 and 2024/25, respectively, which was below the target of 79%. The availability of essential medicines in public health facilities was inadequate due to insufficient fulfilment of orders from the Medical Stores Department. It was found that the fulfilment of essential medicines' orders ranged between 31% in the 2021/22 Financial Year and 67% in the 2024/25 Financial Year. The inadequate availability of essential medicines has prevented the timely provision of the intended health services to the public.

(ii) Provision of Social Care and Legal Services to Citizens

7. Performance audits in the provision of legal aid and elderly care revealed that Tanzania’s support systems are critically underperforming, leaving millions of indigent citizens without access to justice and basic welfare. Legal aid is unevenly distributed and urban-centric, with nearly 30% of providers concentrated in Dar es Salaam, while the registration of paralegals and providers has recently collapsed, leaving many to operate with expired certificates and minimal oversight. Similarly, the social care system for the

elderly reaches a negligible 0.08% of identified destitute individuals, meaning 99.92% of those in need remain without any formal support. Government elderly homes suffer from a 67% staff shortage, lack specialists like nurses and nutritionists, and occupy dilapidated buildings that were never properly designed for geriatric needs. Residents face inadequate daily food budgets, insufficient health insurance coverage, and a severe shortage of assistive devices such as hearing aids and walking sticks. These failures are compounded by ineffective monitoring, unregulated land titles prone to conflict, and the absence of integrated management systems, all of which undermine national development goals and the basic dignity of the country's most vulnerable populations.

(iii) Management of Strategic Grain Reserve

8. The audit noted a shortfall in the procurement of Strategic Grain, whereby only 58% of procurement targets were achieved. This was due to inadequate funding, as only 51.2% of the planned budget was disbursed over the four Financial Years from 2020/21 to 2023/24. My audit further noted that Strategic Grain's closing stocks were below the recommended level of 150,000 metric tonnes, hence they did not help combat inflation. Also, Strategic Grain's storage capacity reached 303,000 metric tonnes, which is 43% of the 700,000 MT target under the National Five-Year Development Plan III (FYDP III). This reduced the effectiveness of the Strategic Grain Reserve in stabilising food prices and ensuring food security, thereby risking achievement of FYDP III and SDG targets.

(iv) Management of Workplace Safety and Compensation Services to Workers

9. My audit found that the Occupational Safety and Health Authority (OSHA) did not register 79% of the 179,196 workplaces identified by the NBS. Inadequate workplace registration has been attributed to insufficient collaboration of OSHA with other Government institutions in sharing workplace data. Consequently, public sector employees were left exposed to undetected hazards, increasing the likelihood of workplace occupational accidents and diseases. My audit also found that the Workers' Compensation Fund (WCF) payment rate for registered claims declined from 81% in 2021/22 to 53% in 2024/25. A decline in the percentage of paid claims relative to registered claims was mainly due to a 33% increase in registered claims, a 7 percentage-point decrease in the rejection rate of registered claims from 17% in 2021/22 to 10%

in 2024/25, and delayed claims processing. These factors resulted in delayed approval and settlement of compensation claims.

(v) Regulation of Wate Utilities

10. My audit found that most Water Authorities did not meet service coverage targets: only 9% of 82 Authorities achieved the required 84% water coverage, and only 30% had wastewater treatment facilities as of 2023/24. Compliance with water quality and effluent discharge standards remained low, including persistent non-compliance with key parameters, such as residual chlorine in the supplied water, with only 7% of Water Authorities attaining the required standard. Also, effluent discharge standards for Biological Oxygen Demand (BOD) and Chemical Oxygen Demand were not met, posing risks to public health and the environment. Tariff setting, monitoring, and enforcement were weak, with up to 78% of 59 Water Authorities operating under expired tariffs. Also, my audit revealed that inspections were inadequate, limited to non-testing of critical water quality parameters, such as Arsenic, Ammonium, and Barium, which may affect health. These undermine the achievement of SDG 6 by 2030 and the water service coverage targets under the National Five-Year Development Plan III (FYDP III) by 2025/26.

(vi) Management of the Transport System

11. I found that the Ministry of Works (MoW), the Ministry of Transport (MoT), and the Prime Minister's Office-Regional Administration and Local Government (PMO-RALG) did not ensure effective management of the country's transport system. Specifically, I found that in planning for road infrastructure improvements, needs were not effectively identified or prioritised, resulting in limited impact on road condition from implemented projects. Weighbridge operations remain fragmented, with limited interoperability, inadequate preventive maintenance, and weak control of escape routes, undermining axle load enforcement. Also, in urban areas, I found misalignment in urban transport planning, limited regulation, weak intermodal connectivity, and insufficient consideration of vulnerable groups, all of which, in turn, constrained accessibility and efficiency.

(vii) Environmental Protection

12. My Audit findings show that Tanzania's climate change adaptation, reforestation, and renewable energy initiatives were inadequately implemented, weakening the country's ability to address environmental

challenges and clean energy initiatives. The climate adaptation actions in water, agriculture, and energy sectors achieved only 43%, 44%, and 52% implementation, respectively, due to limited resources, weak coordination, inadequate reporting, and insufficient monitoring. Moreover, reforestation activities were ineffective, with an average annual deforestation rate of 376,970 hectares, and low survival rates due to weak planning, inadequate coordination, and oversight by MNRT, PMO-RALG, and TFS.

13. Furthermore, my audit on the implementation of renewable energy projects noted that the overall renewable share (excluding large hydropower) remained below 5%, compared with the Power System Master Plan (PSMP), 2024 projections of 15%. The shortfalls in renewable energy production are attributed to delayed project development and operational inefficiencies across renewable energy portfolios. For instance, the power evacuation infrastructure for the Julius Nyerere Hydropower Project (JNHPP) had reached 55.37%, despite the project being completed and available for full operation with an installed capacity of 2,115 MW. The delayed completion of power evacuation infrastructure at the JNHPP has left 1,175 MW of installed capacity on standby, equivalent to five 235-MW turbines.

(viii) Management of Local Contents Provisions in the Mining Industry

14. I found that the implementation of local content provisions led to a 171% increase in local employment in the mining sector. However, I found that foreign employment also grew by 63%. Moreover, there were wage disparities, with foreigners earning considerably higher salaries than Tanzanians in similar positions. Furthermore, I noted that procurement from local and foreign suppliers accounted for 33% and 67%, respectively. These challenges were driven by weak supervision, inadequate coordination, limited local capacity development, and inadequate monitoring. As a result, this led to continued reliance on foreign experts and suppliers and limited benefits for local businesses.

(ix) Mobilisation and Management of Financial Resources

15. Likewise, there was inadequate attainment of the set Non-Tax Revenue collection targets and insufficient contribution of Non-Tax Revenue to the National Budget ranging from 6% to 6.9% between 2020/21 and 2024/25 due to Inadequate institutional setup and capacity for the management of non-tax revenue, inadequate identification of new revenue sources, inadequate systems and processes for the estimation of non-tax revenue and inadequate follow-up

and reporting of the collection of non-tax revenue. On the other hand, I found Insufficient allocation of capitation grants for the acquisition of textbooks in Public Schools, inconsistent allocation of capitation grants to cater for operational expenses, inadequate and uneven monthly allocations of capitation grants to secondary and primary public schools, use of incorrect rates in the calculation of the capitation grants and procurement of textbooks for non-beneficiaries.

Overall Audit Conclusion

16. My audits recognised the efforts of the audited entities to improve their performance in achieving the FYDP III and the SDGs, which focus on economic transformation and human development. Specifically, improvements were observed in the provision of health services, the provision of social care and legal services to citizens, the management of the strategic grain reserve, the management of workplace safety and compensation services for workers, the regulation of Water Authorities, the management of the transport system, environmental protection, the management of local content provisions, and public financial management and revenue mobilisation.

17. Despite the efforts, significant challenges remained, hindering the attainment of desired objectives. Weaknesses identified in those areas call for immediate interventions to align Government efforts with SDGs and FYDPs, ensuring sustainable economic and human development.

Audit Recommendations

18. The following recommendations were issued:

(i) The Ministry of Health, Prime Minister's Office – Regional Administration and Local Government and MSD are urged to ensure adequate provision of Maternal and Neurological Healthcare Services and adequate availability of essential medicines in public health facilities;

(ii) The Ministry of Constitution and Legal Affairs, the Ministry of Community Development, Gender, Women, and Special Groups, and the Prime Minister's Office – Regional Administration and Local Government should jointly establish a nationally coordinated framework for social care and legal aid services. This framework must ensure equitable distribution of legal aid, reliable identification of destitute elders, adequate staffing and infrastructure in elderly homes, and continuous monitoring through clear performance indicators. By working together, these institutions can strengthen accountability, improve access to justice and social care, and safeguard the achievement of the National Five-Year Development Plan (FYDP III) and the Sustainable Development Goals;

(iii) The Ministry of Agriculture and the National Food Reserve Agency (NFRA) should strengthen strategic coordination, procurement, storage, and inventory management systems to enhance cost-effective grain procurement and quality control mechanisms, warehouse condition assessments with structured maintenance schedules, and implementing robust inventory-tracking to ensure optimal Strategic Grain Reserve levels, preserve grain quality and quantity, and enhance transparency, efficiency, and sustainability in food reserve management;

(iv) The Occupational Safety and Health Authority and the Workers' Compensation Fund are urged to enhance workplace registration processes, implement occupational safety and health inspections for workplaces using a risk-based approach, and enhance decentralised operations for zonal offices by establishing clear performance targets and a follow-up process;

(v) EWURA is urgued to strengthen its regulatory oversight framework by enhancing enforcement of licence conditions, water quality monitoring and tariff orders by instituting an effective tariff correction mechanism during tariff setting, thereby improving service quality, infrastructure development, environmental compliance, and overall regulatory effectiveness;

(vi) The Ministry of Transport and the Prime Minister's Office – Regional Administration and Local Government are urged to improve public transport services by ensuring that urban transport system planning and implementation consider multimodal connectivity, inclusiveness for all vulnerable groups, and integration of data systems for all urban transport systems to enable effective monitoring and regulation of services;

(vii) The Vice President's Office, the Ministry of Natural Resources and Tourism, the Prime Minister's Office – Regional Administration and Local Government, and the Ministry of Energy (through the Energy and Water Utilities Regulatory Authority), are urged to enhance the overall management of environmental protection by strengthening the implementation of climate change adaptation actions, improving the planning and execution of reforestation activities, and promoting renewable energy project implementation to achieve a balanced energy mix that supports national energy security and long-term sustainability;

(viii) The Ministry of Minerals, the Mining Commission, and NEEC strengthen local content management by promoting local industries, enhancing technology transfer policies, improving supervision and auditing, and establishing a national legal framework to ensure effective monitoring and enforcement across sectors; and

(ix) The Ministry of Finance and the Prime Minister's Office – Regional Administration and Local Government are urged to establish procedures for identifying new revenue sources and allocating capitation grants based on the number of enrolled students, to ensure adequate mobilisation and management of financial resources.

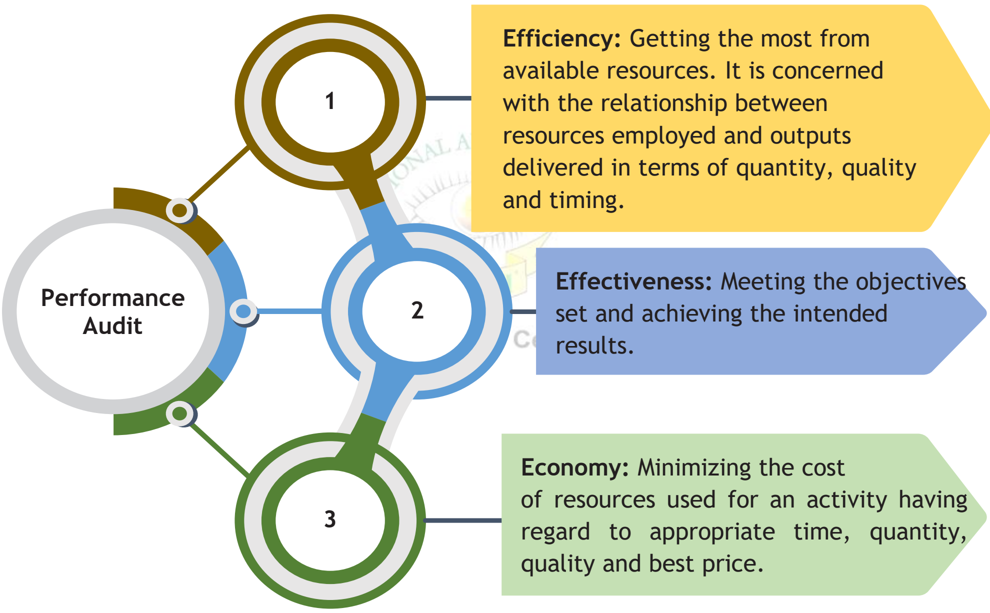
CHAPTER ONE

INTRODUCTION

1.1 Background

19. Performance audits examine whether Government activities, programs, systems, operations, or projects involving the collection or use of public funds in Ministries, Departments, Local Government Authorities, and other public organisations are operating in accordance with the principles of 3Es, namely *Economy, Efficiency, and Effectiveness*. These principles are presented in **Figure 1.**

Figure 1: Principles of 3Es in Performance Audit



Source: Information Extracted from the Performance Audit Manual, 2022

20. The performance audit also determines whether the objectives set at the beginning of an undertaking were achieved. As a consequence, it is then determined whether due regard for economy, efficiency and effectiveness was given. Recommendations for improvement are provided in the areas noted as deficient.

21. Performance auditing is important because it promotes accountability, transparency, and the performance of Government undertakings, ensuring that citizens receive timely, high-quality services. Also, it serves as a basis for

learning and improvement. Selecting areas of audit focus depends on various factors, including public outcry and the importance of the subject in relation to socio-economic development.

1.2 Mandate to Conduct Performance Audits

22. The Controller and Auditor General of Tanzania is mandated to carry out Performance Audits as per Section 28 of the Public Audit Act, Cap. 418. The Act mandates the CAG to conduct the performance audit to establish the economy, efficiency and effectiveness of any expenditure or use of resources of the public entities, enquire into, examine, investigate and report, insofar as he considers necessary, on the following aspects:

(a) The expenditure of public monies and the use of resources by such Ministries, Departments, Agencies, Local Authorities, and all such Public Authorities and other Bodies;

(b) The conduct of the performance of their functions by Accounting Officers, Heads of Department and Chief Executives of all such entities; and

(c) Compliance with environmental laws, regulations and internal environmental policies and standards.

1.3 Purpose of the General Report

23. This general report aims to assist Members of Parliament, the Government, Mass Media, the Public, and other stakeholders in making informed decisions to implement the requirements for increased economy, efficiency, and effectiveness in the conduct of various Government businesses.

24. The report provides highlights of the issues identified in the conducted performance audits across various areas, against expectations, and their impacts on supporting the achievement of the National Five-Year Development Plan III (2021/22–2025/26) and the Sustainable Development Goals. It also provides an evaluation of the performance of Government entities in fulfilling their operational responsibilities under the Five-Year Development Plan, which aims to realise competitiveness and industrialisation for human development.

25. The focus areas included Provision of Health Services, Provision of Social Care and Legal Services to Citizens, management of strategic grain reserve, Management of Workplace Safety and Compensation Services to

Workers, Regulation of Water Utilities, Management of the Transport System, Environmental Protection, Management of Local Contents Provisions, and Public Financial Management and Revenue Mobilisation.

26. The report further provides an assessment of the extent to which Government operations have impacted the attainment of the priority areas outlined in the National Five-Year Development Plans III and the Sustainable Development Goals (SDGs). **Table 1** summarises the Performance Audit Reports and their respective audited entities.

Table 1: Performance Audit Reports and Respective Audited Entities

Performance Audit Report on	Audited Entities
Availability of Essential Medicines in Public Health Facilities	Ministry of Health, Medical Store Department, and Prime Minister's Office – Regional Administration and Local Government
Provision of Quality Maternal Healthcare Services in Tanzania	Ministry of Health and Prime Minister's Office – Regional Administration and Local Government
Provision of Neurological Healthcare Services in the Country	Ministry of Health and Prime Minister's Office – Regional Administration and Local Government
Accessibility of Legal Aid Services for the Indigent Population	Ministry of Constitutional and Legal Affairs
Provision of Social Care Services for Elderly People	Ministry of Community Development, Gender, Women, and Special Groups, and the Prime Minister's Office – Regional Administration and Local Government
Management of Strategic Grain Reserve	National Food Reserve Agency and the Ministry of Agriculture
Management of Inspection of OSH at Workplaces	Occupational Safety and Health Authority and Prime Minister's Office - Labour, Employment and Relations
Provision of Workers' Compensation Services	Workers' Compensation Fund
Regulation of Water Utilities	Energy and Water Utilities Regulatory Authority
Management of the Planning Process for Road Infrastructure Improvement	Ministry of Works and the Prime Minister's Office - Regional Administration and Local Government
Management of Weighbridge Operations	Ministry of Works and Tanzania National Roads Agency
Management of Urban Transport Services in Major Cities	Prime Minister's Office - Regional Administration and Local Government and the Ministry of Transport
Implementation of Renewable Energy Projects	Ministry of Energy and Water Utilities Regulatory Authority

Performance Audit Report on	Audited Entities
Management of Climate Change Adaptation Action	Vice President's Office
Management of Reforestation Activities	Ministry of Natural Resources and Tourism and the Prime Minister's Office – Regional Administration and Local Government
Management of Local Content Provisions	Ministry of Minerals, the Mining Commission, and the National Economic Empowerment Council
Management of Non-tax Revenue Collection	Ministry of Finance
Management of Capitation Grants in Public Schools	Prime Minister's Office - Regional Administration and Local Government

Source: Auditors' Analysis of Individual Performance Audit Reports, 2025

1.4 Main Focus of General Report

27. The focus of this report is to present the impact of various Government efforts and operations on the realisation of competitiveness and industrialisation for human development, as linked to the SDGs and in line with the implementation of the Tanzania National Five-Year Development Plan (FYDP III).

28. Recognising the importance of this agenda in changing the lives of people, INTOSAI included the SDGs as a cross-cutting priority in its Strategic Plan 2017 to 2022, calling upon member SAIs to contribute to the follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts and SAIs' mandates.

29. Tanzania and other UN member countries are involved in implementing the 2030 Agenda. The 2030 Agenda represents an integrated plan of action for economic, environmental, and social solutions to achieve sustainable development. It incorporates 17 Sustainable Development Goals. The SDGs and other essential issues strive to tackle poverty and hunger, ensure healthy lives, reduce inequality, build peaceful and just societies, promote gender equality and protect natural resources. Since SDGs are ambitious and interlinked, their successful and timely realisation is a complex process that requires multilateral engagement.

30. Similarly, following the launch of the National Development Vision 2025 (TDV 2025) as a tool to rally national efforts towards achieving the expected social and economic development goals, the Government of Tanzania prepared a Long-Term Perspective Plan (LTPP) of 2011/12 to 2025/26, whose

implementation was planned to be divided into three sequential phases of five-year development plans. The aim is to redirect efforts toward achieving the Vision's goals by focusing on economic growth alongside poverty reduction and human development.

31. The Five-Year Development Plans are interconnected and crafted around distinct themes. The theme for the Second Five-Year Development Plan (FYDP II), covering Financial Years 2016/17 to 2020/21, was "Nurturing Industrialisation for Economic Transformation and Human Development". Meanwhile, the theme for the Third Five-Year Development Plan (FYDP III), spanning from Financial Years 2021/22 to 2025/26, is "Realising Competitiveness and Industrialisation for Human Development".

32. Considering their mandate and role, Supreme Audit Institutions (SAIs) play an essential role. SAIs are at the core of creating effective, accountable, and inclusive institutions for sustainable development. They can significantly support every stage of the Five-Year Development Plans and the implementation of the Sustainable Development Goals (SDGs). In that course, this report is based on the analysis conducted by the National Audit Office of Tanzania (NAOT) from 18 Performance Audits. It assesses the impact of Government operations in facilitating the achievement of the Five-Year Development Plans (FYDP III), the Sustainable Development Goals (SDGs), and Agenda 2063.

1.5 Justification for the Audit

33. As a signatory to the 2030 Agenda for Sustainable Development, Tanzania has undertaken initiatives to integrate the agenda into its national context. Concurrent with the adoption of the 2030 Agenda, Tanzania prepared its Second Five-Year Development Plan (FYDP II), which incorporated many of the SDGs and their targets.

34. Further, through the Tanzania Development Vision (TDV) 2025, Tanzania articulates its aspirations for development, which, among other things, sets a target of an economic growth rate of at least 8% per annum. Such a growth rate is necessary to reduce poverty and propel Tanzania from a least-developed country to a middle-income country with high human development. TDV 2025 envisioned a transformed economy, moving from a predominantly low-productivity agricultural economy to a productive one. For the SDGs and the priority areas of the Five-Year Development Plans to be attained, all

concerned parties, namely Governments, Parliaments, the private sector, civil society and the people, need to do their part.

35. As an external auditor of the government, the Controller and Auditor General is the key actor in ensuring that the Government plays its role in providing the required services to the people. Moreover, the CAG informs the Parliament about the Government's performance and the steps it has taken to ensure that the SDGs and the priority areas of the Five-Year Development Plans are achieved.

36. In response to the call to contribute to the attainment of the SDGs and the priority areas of the Five-Year Development Plans, the National Audit Office of Tanzania (NAOT) has aligned its performance audits with the adopted 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. Further, NAOT has aligned its performance audit topics with the priority areas and interventions of the Five-Year Development Plans, with the aim of assessing their implementation and recommending improvements. Some of these targets, priority areas, and interventions have been covered in the 18 Performance Audits conducted.

1.6 Data Validation Process

37. Performance audits were conducted in accordance with the International Standards for Supreme Audit Institutions on Performance Auditing. Those standards require NAOT to plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for findings, conclusions, and recommendations that are consistent with the audit objectives.

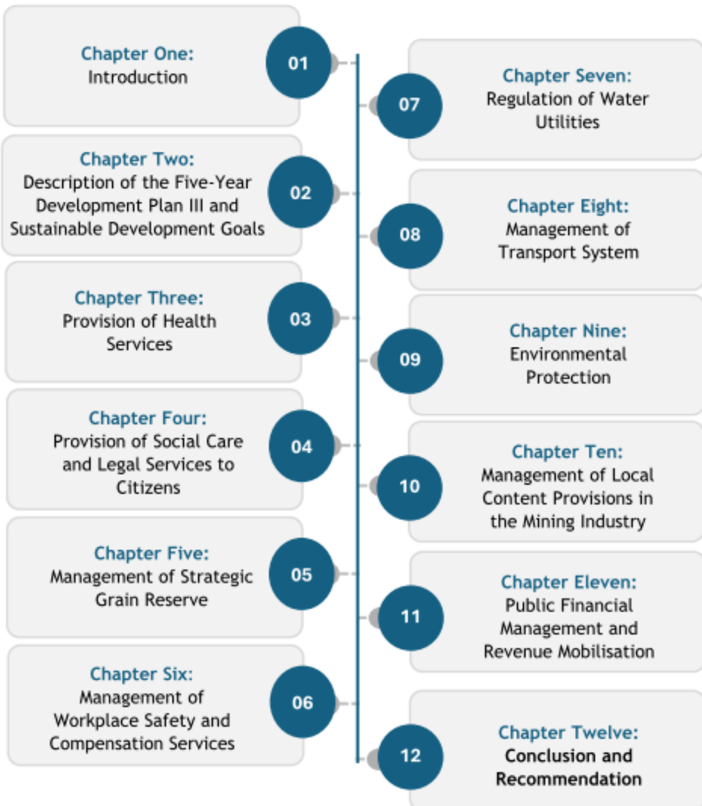
38. Therefore, in accordance with the audit standards, the audited entities were given the opportunity to discuss and comment on the individual audit findings to correct any factual misrepresentations during the preparation of the individual performance audit reports. The entities included the Medical Store Department; Prime Minister's Office – Regional Administration and Local Government; Ministry of Constitutional and Legal Affairs; Ministry of Community Development, Gender, Women, and Special Groups; National Food Reserve Agency; Ministry of Agriculture; Occupational Safety and Health Authority; Prime Minister's Office - Labour, Employment and Relations; Workers' Compensation Fund; Energy and Water Utilities Regulatory Authority; Ministry of Works; Tanzania National Roads Agency; Ministry of Transport; Ministry of Energy; Vice President's Office; Ministry of Natural Resources and Tourism;

Ministry of Minerals; Mining Commission; National Economic Empowerment Council and the Ministry of Finance. All findings originated from these Audits.

1.7 Structure of the Report

39. This general report is structured into twelve chapters as shown in **Figure 2.**

Figure 2: Structure of the Report



CHAPTER TWO

DESCRIPTION OF THE FIVE-YEAR DEVELOPMENT PLANS III AND SUSTAINABLE DEVELOPMENT GOALS

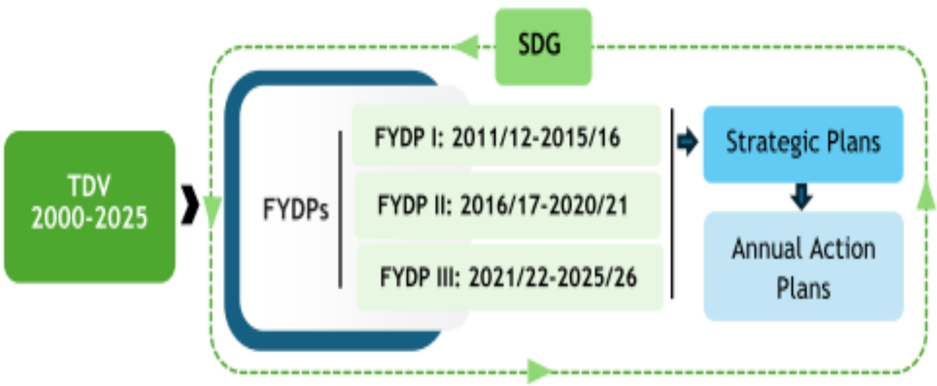
2.1 Introduction

40. This chapter presents information regarding the Five-Year Development Plans (FYDP II and III) and the Sustainable Development Goals. The chapter covers background information; key Instruments and Legal Framework Governing the Implementation of the Five -Year Development Plan III; key actors, their roles, and responsibilities in the implementation of Five-Year Development Plan III; strategies for the implementation of Five-Year Development Plans III; link between Performance Audits conducted and the priority areas of the Five -Year Development Plans III and SDGs; and funding for the implementation of the Five -Year Development Plan III, 2021/22 to 2025/26

2.2 Background

41. In 1999, Tanzania launched the National Development Vision 2025 (TDV 2025) as a tool to support national efforts to achieve the expected social and economic development goals. The National Development Vision 2025 has been implemented through the Long-Term Perspective Plan for the Financial Years 2011/12 to 2025/26. Moreover, in 2015, Tanzania ratified the 2030 Agenda for Sustainable Development Goals (SDGs). The SDGs were mainstreamed into FYDP II and III, and then into the Strategic and Annual Plans. **Figure 3** provides a detailed overview of the relationship between National Strategies and Plans.

Figure 3: Relationship Among National Strategies and Plans



Source: Auditors' Analysis of the National Strategies and Plans, 2025

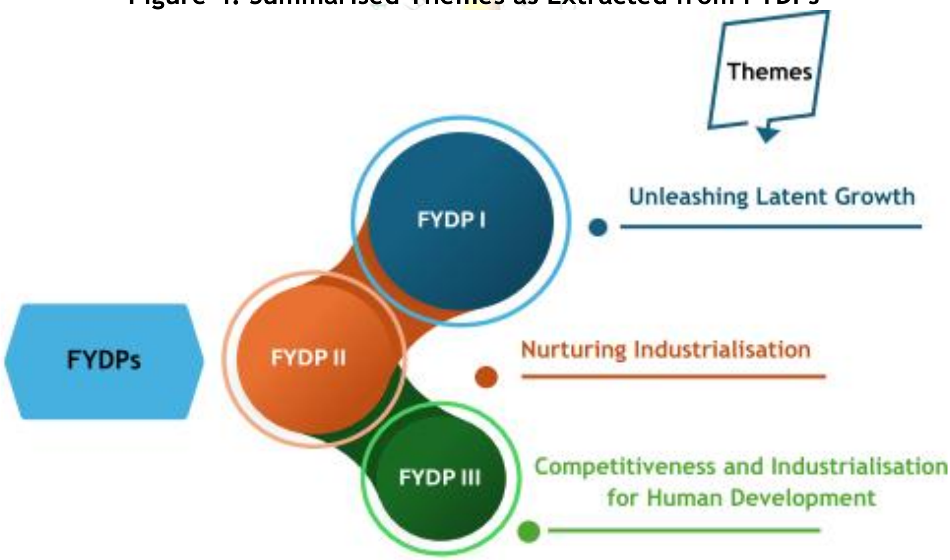
42. The implementation of the Long-Term Perspective Plan for the period 2011/12 to 2025/26 was divided into three phases of Five-Year Development Plans, each linked to specific themes.

43. Below are the specific themes, the importance of the Five-Year Development Plan III and the Sustainable Development Goals (SDGs), and the alignment of the Sustainable Development Goals with the FYDPs.

Themes for Five-Year Development Plans III

44. The developed FYDPs had different themes that focused on the priorities to be implemented by individual Government entities. Specifically, the plans aimed to lay a foundation for transforming Tanzania, ensuring that global and regional agreements (e.g., the Africa Agenda 2063 and the SDGs) are adequately mainstreamed into national development planning and implementation frameworks for the country's benefit. **Figure 4** presents a summary of the themes of each Development Plan.

Figure 4: Summarised Themes as Extracted from FYDPs



Source: Auditors' Analysis of the Implementation Strategies of FYDPs, 2025

Importance of the Five-Year Development Plans III and Sustainable Development Goals (SDGs)

45. The five-year development plans III aim to strategically use resources to achieve the National Development Vision 2025 goals, which aspire to make the country a middle-income and semi-industrialised nation by 2025. As a Government characterised as a middle-income, semi-industrialised nation, the country will be characterised by high-quality, sustainable livelihoods; peace, stability and unity; good governance and the rule of law; an educated and learning society; and a strong, competitive economy.

46. FYDP III implement sectoral, regional, and international strategic plans, including the 17 Sustainable Development Goals (SDGs), adopted on 25 September 2015 by the 193 United Nations Member States to accelerate economic growth and social development. The FYDPs highlight priority areas and sectoral interventions that foster economic and human development.

47. The Sustainable Development Goals comprise 17 aspirational goals with 169 targets that direct the actions of Governments, international agencies, civil society, and other organisations over the next 15 years (2016- 2030). It lays out a strategy for the future, guiding the globe toward a more sustainable and resilient route, as well as a shift in living standards and a transition to more inclusive, dynamic, and sustainable development pathways.

48. The 17 SDGs aim to eliminate poverty in all of its forms, and promote good health and well-being, high-quality education, gender equality, safe drinking water and sanitation, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice, and strong institutions; and partnerships to achieve the goals while restoring and managing natural resources sustainably. These targets have been incorporated into the three components of sustainable development, namely economic, social, and environmental goals.

Alignment of Sustainable Development Goals with the FYDPs

49. As a member of the United Nations, Tanzania is obligated to embrace and uphold the 17 Sustainable Development Goals (SDGs) to achieve high-quality, sustainable human development. The Sustainable Development Goals

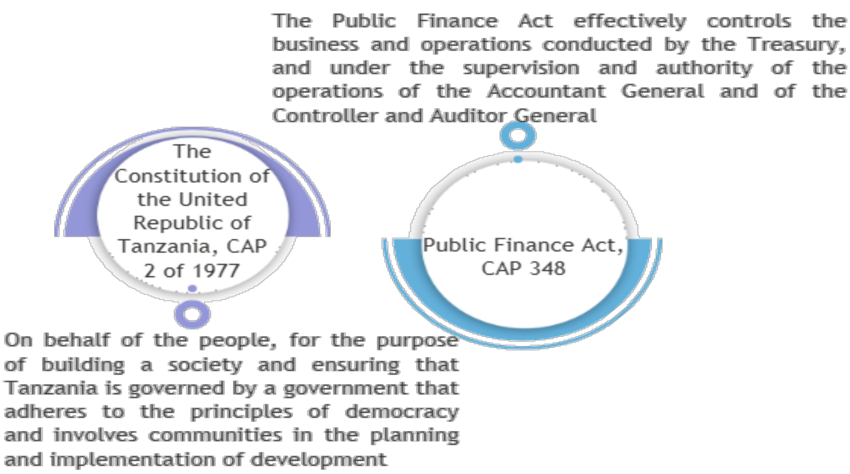
(SDGs) are interconnected and ambitious goals that aim to address the major development challenges faced by people in Tanzania and around the world.

50. They call for actions to end poverty and protect the Earth's environment and climate. The Ministry of Finance has taken various initiatives to ensure the SDGs are integrated into the national context and are well implemented. Efforts have been made to ensure that the SDGs have also been incorporated into subsequent sectoral plans and strategies. Therefore, implementing national development strategies will also affect both the achievement of the SDGs and the attainment of national development goals. To ensure effective implementation of the SDGs in the country, the Parliamentary Group on Sustainable Development (PGSD) has been tasked with monitoring implementation at the local level to provide regular feedback and guidance.

2.3 Key Instruments and Legal Framework Governing Achievement of the Five-Year Development Plan II and III

51. The framework governing the implementation of FYDP II and III constitutes policies, strategic plans and budgets for the implementing agencies. In addition, each sector of the economy has continued to be governed by its respective legislation. Therefore, the implementation of FYDPs is governed by legislation enacted by the respective MDAs, RSs, LGAs, Public Authorities, and other Bodies (PAoBs). Key instruments and legal framework are described in **Figure 5.**

Figure 5: Key Instruments and Legal Framework

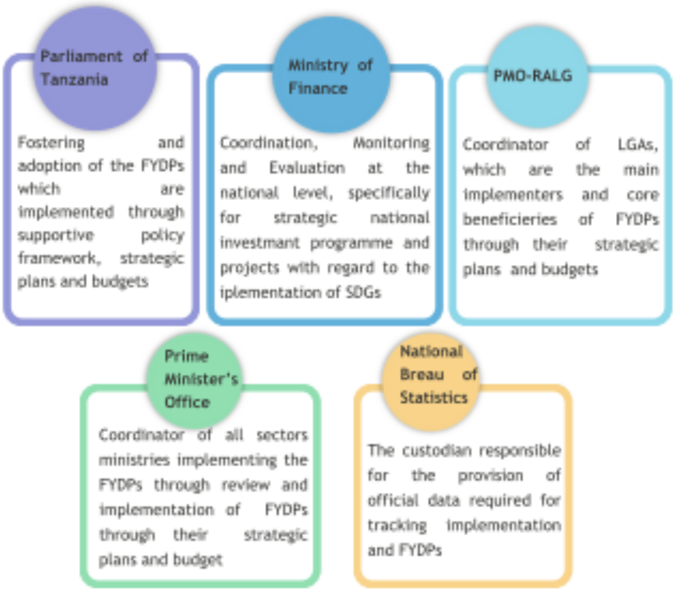


Source: Auditors' Analysis of the Constitution of the United Republic of Tanzania and Public Finance Act, 2025

2.4 Key Actors, their Roles, and Responsibilities in the Implementation of Five-Year Development Plan III

52. The implementation of FYDP cuts across all MDAs, RSs, LGAs, and Public Authorities and other Bodies (PAoBs), as the daily activities cascade from their Annual Development Plans. The key stakeholders at all levels of implementation, including planning, coordination, and monitoring of the achievement of the National Five-Year Development Plan, are detailed in **Figure 6**.

Figure 6: Key Actors and their Roles in the Implementation of FYDP III

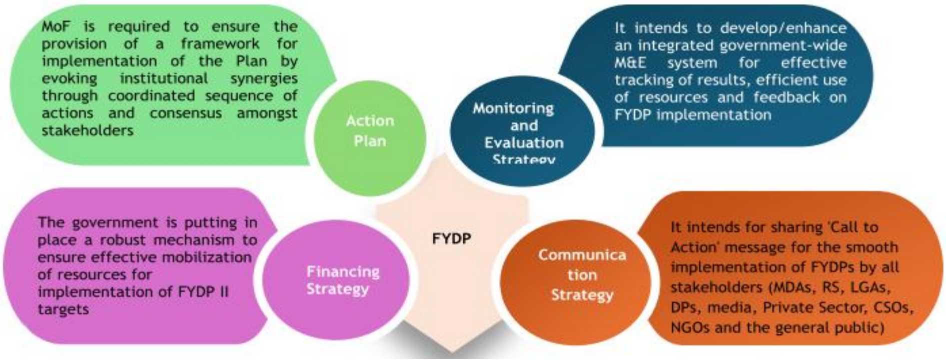


Source: Auditors' Analysis of the Stakeholders of the Implementation of FYDPs, 2025

2.5 Strategies for the Implementation of Five-Year Development Plans III

53. The strategies that guided the institutional and policy reforms necessary for the effective execution of the National Five-Year Development Plans include the Action Plan Volume I, the Financing Strategy Volume II, the Monitoring and Evaluation Strategy Volume III, and the Communication Strategy Volume IV. The strategies have highlighted key areas in the implementation of FYDPs. These strategies are presented in **Figure 7.**

Figure 7: Summary of the Strategies for the Implementation of FYDPs



Source: Auditors' Analysis of the Implementation Strategies of FYDPs, 2025

(a) The Action Plan (Volume I)

54. The action plan articulates areas of focus/interventions and the flagship projects. The Action Plan also indicates the status of the areas/projects, main challenges and opportunities, operational objectives, targets, activities, timeframe, source of financing, and roles and responsibilities of various stakeholders.

(b) Financing Strategy (Volume II)

55. The financing strategy indicates both traditional and non-traditional, as well as innovative, sources of financing for the plan. The strategy also includes lessons and experiences from selected countries, as well as proposed measures to realise the projected amount required to finance the plan.

(c) Monitoring and Evaluation Framework (Volume III)

56. The monitoring and evaluation framework highlights the institutional framework that guides the monitoring and evaluation of FYDP II's performance. It emphasises coordination, timelines, performance indicators, provision of feedback and corrective mechanisms for implementation.

(d) Communication Strategy (Volume IV)

57. The Communication Strategy outlines the approach to ensure an efficient flow of information to all stakeholders throughout implementation, as well as the expected outcomes and impact thereafter.

2.6 Needs for Audits towards Contributing to the Priority Areas and Interventions of the Five-Year Development Plans III

58. The need for performance audits that align with the themes of the FYDPs and Sustainable Development Goals (SDGs) stems from their significance at both national and international levels in addressing economic and human development sustainably. This is further elaborated in the following subsections:

(a) The Role of SAI Tanzania

59. Theme I of the XXII International Congress of Supreme Audit Institutions (INCOSAI) addressed the contribution and the role of SAIs concerning reviewing and monitoring the implementation of the SDGs. The Congress highlighted the importance of and interest in undertaking audit and review work on the SDGs through various approaches.

60. The outcome document of the INCOSAI, the Abu Dhabi Declaration, stressed the need and demand for effective public audit and scrutiny of the implementation of the SDGs. In 2015, the Knowledge Sharing Committee of INTOSAI (KSC) and IDI launched the SDG community portal and advocated the role of SAIs in auditing SDGs. This has necessitated an audit of the implementation of the SDGs in the country.

(i) ***Inadequate Implementation of the Millennium Development Goals (MDGs)***

61. According to the Five-Year Development Plan II (2016/17 – 2020/21) and CAG's Performance Audit Report on Preparedness for Implementation of Sustainable Development Goals (March 2018), the 17 SDGs aim at ending poverty in all its forms; good health and wellbeing; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industrial innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; and partnerships for the goals while restoring and sustainably managing natural resources.

62. The report showed that the SDGs integrate the three dimensions of sustainable development, i.e., economic, social and environmental, with

closely linked targets. The SDGs are indivisible in that no single goal is separate from the others, and all call for comprehensive and participatory approaches.

(ii) Assessment of Tanzania in Achieving Sustainable Development Goals

63. The need for performance audits in the context of the Sustainable Development Goals provides an opportunity to measure progress toward the SDGs. For example, through auditing this area, the country can assess whether the Ministry of Finance and the President's Office, Planning and Investment, as leading ministries and the Prime Minister's Office-Regional Administration and Local Government (PMO-RALG), as the coordinator of Local Government Authorities (LGAs), effectively implement the SDGs. Additionally, auditing in this area helps evaluate the integration of the SDGs into the national context. This includes identifying and mobilising resources and capacities for implementation, as well as monitoring, follow-up, review, and reporting on SDG progress.

2.7 Performance Audits Conducted and Linked to the Achievement of the Priority Areas and Interventions of the Five-Year Development Plan III, 2021/22 to 2025/26

64. I have conducted 18 performance audits addressing issues in the Five-Year Development Plans III and Sustainable Development Goals (SDGs) for the Financial Year 2023/24.

65. The theme considered is related to realising competitiveness and industrialisation for human development and economic transformation, as stated in FYDP III. FYDP III have a set of priority areas that play a vital role in ensuring the effective implementation of the plans. The priority areas for FYDP III include promoting growth and industrialisation for economic transformation, enhancing human development, improving the enabling environment for enterprise development, and improving the effective implementation of policies. Meanwhile, the priority areas for FYDP III encompass realising an inclusive and competitive economy, deepening industrialisation and service provision, promoting investment and trade, and advancing human development and skills development. Human development is intended to pave the way for achieving the SDGs and FYDPs as projected. The concept of human development encompasses all aspects of human progress and the flourishing of individuals in matters of public, private, social, political, and economic life.

66. Economic transformation calls for countries to reframe their economic policies and practices towards an inclusive, diversified, and job-intensive economic transformation that leaves no one behind, protects the planet, and strengthens the ecological foundations of economies. The SDGs and FYDPs are recognised tools for assessing progress in human and economic development at the global and national levels, respectively.

67. **Figure 8** provides the summaries of the performance audits conducted, their corresponding SDG themes, and FYDP priority areas. The interventions are presented hereunder, and their details are presented in **Appendix 1**.

Figure 8: Relevance of the Performance Audits to SDG Themes, and FYDP Priority Areas

Name of the Audit	Relevant SDG and FYDP
Provision of Neurological Healthcare Services to Children	SDG 3, Target 3.8 and FYDP III, Para 5.5
Availability of Essential Medicines in Public Health Facilities	SDG 3, Target 3.8 and FYDP III, Para 5.5
Provision of Quality Maternal Healthcare Services in Tanzania	SDG 3, Target 3.1 and FYDP III, Para 5.5
Accessibility of Legal Aid Services to the Indigent population	SDG 1, Target 1.3, SDG 5, Target 5.2, SDG 10, Target 10.3, SDG 16, Target 16.3 and FYDP, Para 5.5
Provision of Food, Shelter and Care Services for Elderly People	SDG 1, Target 1.3, SDG 3, Target 1.3 and FYDP III, Para 5.5
Management of Strategic Grain Reserve	SDG 2, Target 2.1 and 2.2, FYDP III, Para 5.3
Management of Inspection of OSH at Workplaces	SDG 8, Target 8.8, SDG 3, Target 3.9 and FYDP III, Para 5.5
Provision of Workers' Compensation Services	SDG 8, Target 8.8, SDG 1, Target 1.3 and FYDP III, Para 5.5
Regulation of Water Utilities	SDG 6, Target 6.1 and FYDP III Para 5.5
Management of the Planning Process for Road Infrastructure Improvement	SDG 11, Target 11.2, SDG 9, Target 9.1 and FYDP III, Para 5.2
Management of Weighbridge Operations	SDG 9, Target 9.1, and FYDP III, Para 5.2
Management of Urban Transport Services in Major Cities	SDG 11, Target 11.2 and FYDP III Para 5.2
Implementation of Renewable Energy Projects	SDG 7, Target 7.2 and FYDP III, Para 5.2
Implementation of Climate Change Adaptation Actions in Tanzania	SDG 2, Target 2.3, SDG 6, Target 6.1, SDG 13, Target 13.1 and FYDP III Para 5.3
Management of Reforestation Activities	SDG 15, Target 15.1 and FYDP III, Rara 5.3
Management of Local Contents Provision in the Mining Industry	SDG 8, Target 8.5, SDG 9, Target 9.3 and 9.5, SDG 12, Target 12.6 and FYDP III, Para 5.3
Management of Non-tax Revenue Collection	SDG 17, Target 17.1 and FYDP III, Para 5.2
Management of Capitation Grants in Public Schools	SDG 4, Target 4.1 and FYDP III, Para 5.5

Source: Auditors' Analysis on the SDGs, FYDPs and Performance Audit Reports, 2025

2.8 Funding Systems for the Implementation of the Five-Year Development Plans II and III

68. The financing strategy of FYDPs is categorised into the public sector (Government and Public Corporations) and the private sector. Public sector sources comprise domestic revenue (tax and non-tax revenue from traditional and innovative sources), domestic borrowing, and external finance. Innovative sources of financing have also been identified to complement the traditional sources. This category includes both domestic and external sources of financing through either exploring related opportunities that were not utilised or coming up with new products, which comprise foreign market bonds, LGAs bonds/municipal bonds, climate change financing, development of financial institutions (TIB), pension equity fund, public-private partnerships (PPP) and foreign direct investments.

69. Private financing sources are categorised into domestic and external sources. The domestic private sector directly supports FYDPs through joint ventures and public-private partnership projects and indirectly through its overall investment activities. The main sources of external private finance used involve foreign direct investment.

70. The financing strategy assists in achieving the FYDPs, which focus on enhancing economic transformation, human development, competitiveness, and industrialisation, and on fostering implementation effectiveness. It is carried out with effective resource mobilisation and a financing mechanism.

CHAPTER THREE

PROVISION OF HEALTHCARE SERVICES

3.1 Introduction

71. This chapter presents the main performance audit findings related to the provision of Healthcare Services. The chapter describes the audit areas, the Government Entities involved in the audit, links to the SDGs and the FYDP III, and their impacts.

72. The performance audits include:

(a) Performance Audit on the Provision of Neurological Healthcare Services;
(b) Performance Audit on the Availability of Essential Medicines in Public Health Facilities; and
(c) Performance Audit on the Provision of Maternal Healthcare Services in Tanzania.

3.1.1 Background Information

73. Neurological Disorders have been prevalent among children, which affect the brain, spinal cord and nervous networks, and they often cause disabilities in children. Statistics recorded through the Jeeva System at Muhimbili National Hospital indicate that, from 2021 to 2024, the number of children with neurological disorders was 4037, 4322, 3906, and 3142, respectively. The analysis indicated that the most consistently reported disorders were epilepsy, cerebral palsy and autism, meningitis, Down's syndrome, peripheral neuropathy, hemiplegia, hydrocephalus, spina bifida, and meningoencephalitis.

74. Additionally, many patients never reach a neurologist, and routine genetic testing is often unavailable due to high costs and inadequate infrastructure. A study by Ali Mohamed et al. (2024) highlights that many children with neurological disorders remain both undiagnosed and untreated. This is because there are few neurologists and limited access to facilities, such as brain scans or tests to check nerve function. As a result, diagnosis is often delayed, and when hospitals cannot provide the necessary support, families turn to traditional or faith healers, which further delays the provision of appropriate healthcare.

75. On the other hand, Tanzania continues to experience persistent shortages of essential medicines, particularly in remote and hard-to-reach areas, as evidenced by recent studies. Research from the Dodoma Region shows that tracer medicines were available in only about 70% of facilities over a three-month period, with some items such as ferrous sulfate stockpiled for more than 14 days in over half of the facilities. Similarly, a 2025 study in the Mwanza Region reported high medicine availability (94.4%) but frequent and prolonged stock-outs, averaging three stock-out events and 94 stock-out days over three months, with critically high shortages of key maternal medicines such as calcium gluconate (93.4%) and misoprostol (32.9%). These findings point to systemic weaknesses in quantification, procurement, and distribution, particularly for medicines dedicated to maternal health.

76. Also, despite the measures taken to improve the maternal healthcare by the government, there are still challenges, such as inadequate provision of quality care in the EmONC facilities caused by insufficient number and skills of health care workers, inadequate infrastructure to support EmONC services, gap in the community linkage on Maternal Health, Lack of follow-up actions after conducting regular maternal and perinatal death reviews at regional, district and facility level.

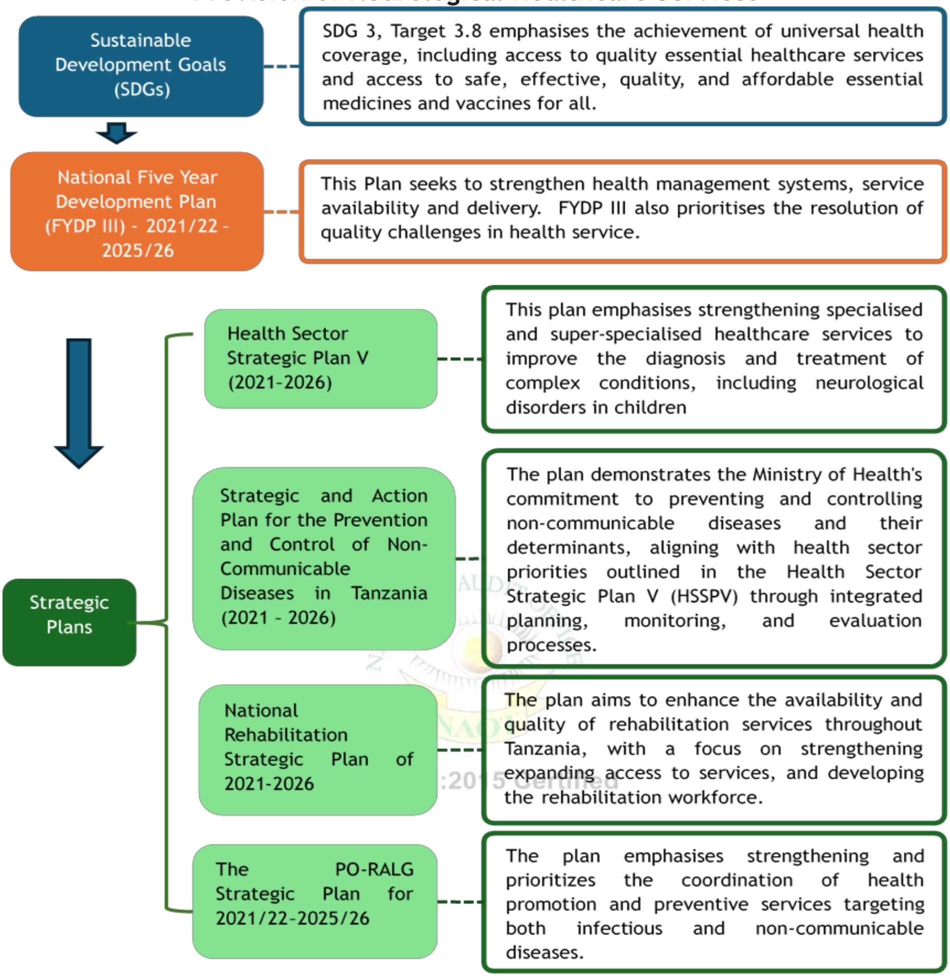
77. The Government continues to face a number of challenges that hinder maternal healthcare despite measures taken to improve the maternal mortality rate. Maternal deaths in Tanzania are predominantly caused by direct obstetric complications, such as eclampsia, obstetric haemorrhage, and maternal sepsis, with indirect causes, including anaemia and cardiovascular disorders, also contributing significantly.

3.1.2 Healthcare Services as linked to FYDP, SDGs and Government Strategies

(a) Provision of Neurological Healthcare Services

78. The link between the provision of neurological healthcare services and the FYDP, the SDGs, and related Government strategies is presented in **Figure 9.**

Figure 9: Linkages between National Strategic Plans, FYDPs and SDG on the Provision of Neurological Healthcare Services



Source: Auditors' Summary of Information on National Strategic Plans, FYDPs and SDG on the Provision of Neurological Healthcare Services, 2025

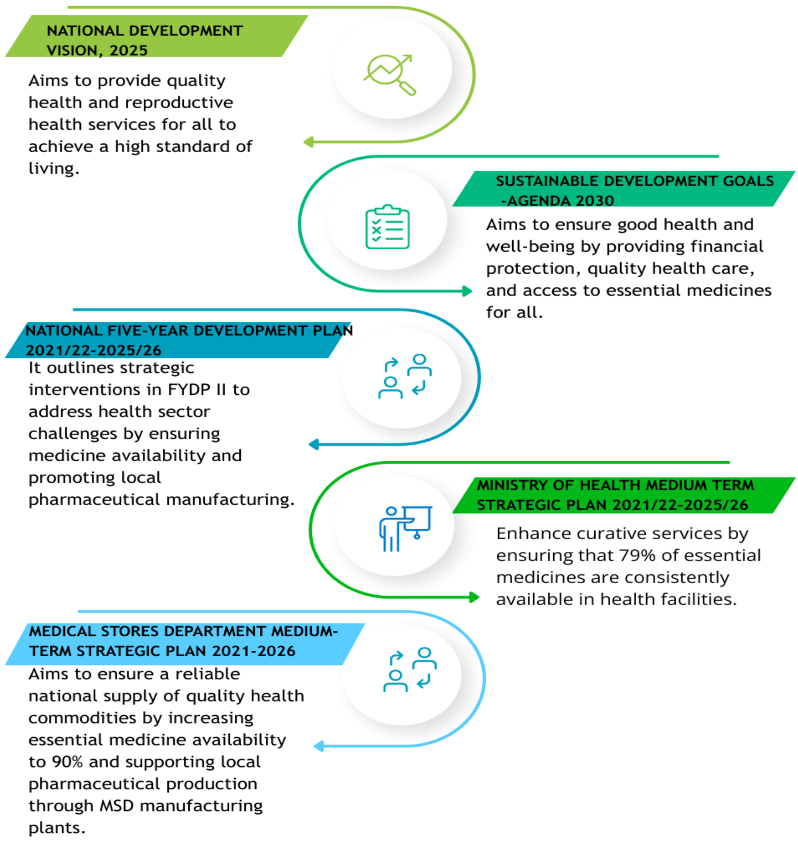
(b) Availability of Essential Medicines in Public Health Facilities

79. Availability and Accessibility of essential medicines align with SDG 3, which emphasises Good Health and Well-Being, particularly target 3.8, which aims to achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all. The availability and accessibility of essential medicines support poverty reduction (SDG goal number 1) by building the resilience of people experiencing poverty and reducing their exposure to health-related shocks and vulnerabilities. Also,

reduce inequalities through empowering and promoting the social, economic, and political inclusion of all (SDG 10).

80. Other National Plans and Strategies related to the availability of essential medicines are presented in **Figure 10.**

Figure 10: Plans and Strategies on the Availability of Essential Medicines

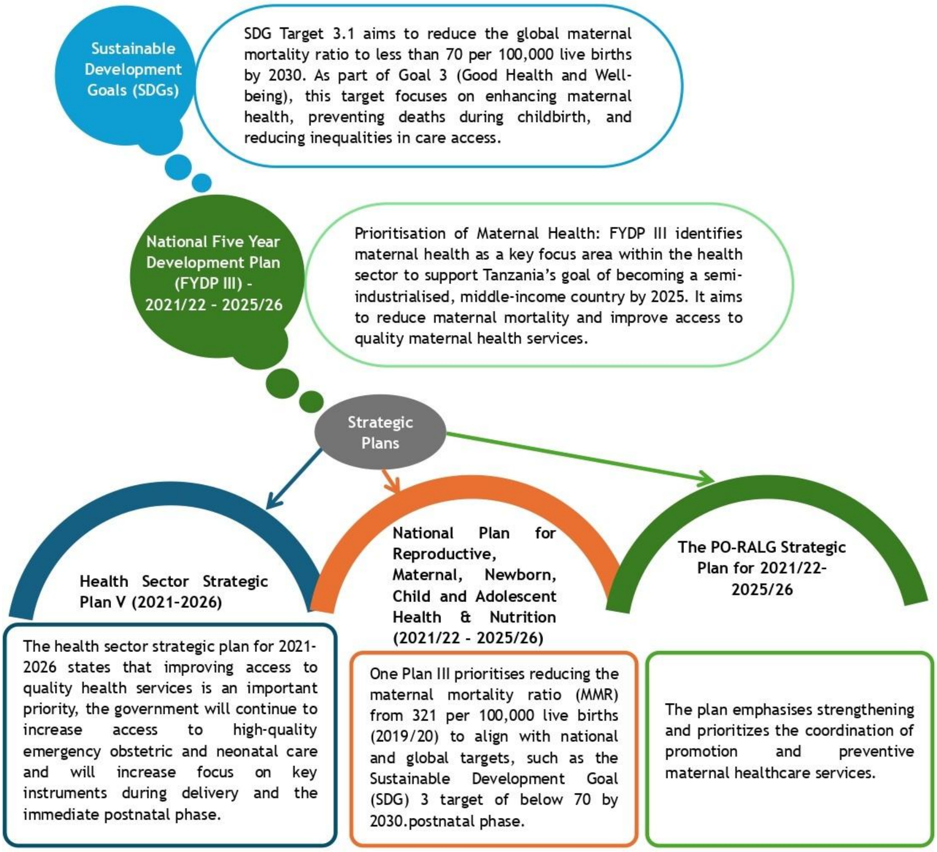


Source: Auditors' Summary on Information Strategies and Plans, 2025

(c) Provision of Maternal Healthcare Services

81. The link between the provision of maternal healthcare services and the FYDP, the SDGs, and related Government strategies is presented in **Figure 11.**

Figure 11: Linkages between Health Sector Strategic Plans, FYDPs and SDG 3.1 on Provision of Maternal Healthcare Services



Source: Auditors' Analysis of the Review of the SDGs, FYDPs and Strategic Plans, 2025

3.2 Audit Objective and Scope

3.2.1 Audit Objectives

82. The main objective of the audits was to assess whether the Ministry of Health, the Prime Minister's Office - Regional Administration and Local Government and the Medical Stores Department (MSD) have ensured the provision of healthcare services.

83. Specifically, the Audit Assessed whether the:

(a) Ministry of Health and the Prime Minister's Office - Regional Administration and Local Government have sufficiently provided neurological healthcare services to children in the country, enabling them to develop and function optimally;

(b) Ministry of Health, the Medical Stores Department (MSD), and PMO-RALG have ensured the continuous availability of essential medicines in public health facilities to ensure the provision of quality health care services; and

(c) Ministry of Health and the Prime Minister's Office - Regional Administration and Local Government have provided high-quality maternal healthcare services in Tanzania, thereby reducing the maternal mortality rate to 70 per 100,000 live births by 2030 in line with SDG 3.1.

3.2.2 Audit Scope

84. For the Performance Audit on the Provision of Neurological Healthcare Services, the Ministry of Health and the Prime Minister's Office - Regional Administration and Local Government were the main audited entities. The focus of the Audit was on assessing the adequacy of diagnosis in children with neurological disorders, the availability of diagnostic equipment, and the presence of readily available experts (technicians, radiologists, and neurologists), the provision of comprehensive rehabilitation services to children with neurological disorders, and the availability of data for informed decision-making in the provision of neurological healthcare services. The audit covered the period from 2021/22 to 2024/25.

85. Meanwhile, for the Performance Audit on the Availability of Essential Medicines in Public Health Facilities, the audited entities were the Ministry of Health, the Prime Minister's Office - Regional Administration and Local Government and the Medical Stores Department. My Audit focused on assessing the availability of essential medicines in public health facilities and the adequacy of order fulfilment. The audit covered a period of four Financial Years, starting from 2021/22 to 2024/25

86. I also assessed the Ministry of Health and the Prime Ministers' Office, Regional Administration and the Local Government on the availability of Comprehensive Emergency Obstetric (EmONC) services; establishment and implementation of a system for data collection, monitoring, and reporting of maternal data; functioning of the referral system; and provision of maternal awareness campaigns and education programs, for five Financial Years, from 2020/21 to 2024/25.

3.3 Main Audit Findings on the Provision of Neurological Healthcare Services in the Country

87. This section presents findings on the provision of Neurological Healthcare Services in the country.

3.3.1 Neurological Healthcare Services to Children were not Sufficiently Provided

88. I found that the neurological healthcare services were not sufficiently provided to children. This was contrary to the requirement of Para 4.3 of the National Strategic Plan for Prevention and Control of Non-Communicable Diseases 2021-2026, which directs that healthcare services for non-communicable diseases (NCDs), including neurological disorders, should be available, accessible, and affordable at all levels of healthcare in the country.

89. This was reflected in the limitation of treatment to children diagnosed with neurological disorders in the country. Due to the unavailability of specific child neurological disorders data in Tanzania, the Audit reviewed a 2022 WHO study on the prevalence of epilepsy in Tanzania, which estimated that about 450,000 people were living with the condition; however, the majority of them, including the children, did not receive the appropriate treatment. Also, I revealed that there was a significant number of children with neurological disorders, but they were not tracked by the Ministry of Health (MoH), since the Ministry did not have documented data showing the number of children diagnosed with neurological disorders at birth. The Neurological Healthcare Services were not sufficiently provided, as evidenced by the following;

(a) Inaccessibility of the Neurological Healthcare Services at the Primary Level

90. Despite the continued presence and varying frequency of the neurological disorders, primary healthcare facilities did not provide sufficient treatment. This was attributed to the concentration of neurological healthcare services mainly at higher levels, from zonal to national hospitals. I further noted that the neurological healthcare services, which were available only at the tertiary level (national and zonal referral hospitals), were unevenly distributed, with concentration in the Dar es Salaam Region and insufficient distribution in both the Mwanza and Dodoma Regions, as a result of limited experts and inadequate diagnostic and treatment facilities. I also found that patients from

the Rukwa, Katavi and Shinyanga Regions had to travel more than 500 km to access services.

(b) Inadequate Mapping of the Distribution and Severity of Neurological Disorders

91. I found that the Ministry of Health did not map and assess the extent, distribution, and severity of neurological disorders in the country due to the presence of multiple systems, and that integrating data from lower facilities to track neurological data was difficult. This was contrary to Para 120 of the WHO Intersectoral Global Action Plan on Epilepsy and other Neurological Disorders 2022–2031, which calls for evidence generation through high-quality research to inform policy, planning, and programming for neurological disorders.

92. I further noted that there were seven systems at different levels of the hospitals, as detailed in **Table 2,** with no integration of data from the lower facilities, thus revealing challenges in mapping the national prevalence of diseases, as the data compilation was done manually from the sources.

Table 2: System that Tracks Neurological Disorders

Systems	Institutions	No. of Hospitals
E-MEDICAL	Mbeya and Mtwara Zonal Hospitals,	5
	Chato Zonal Hospital	
	Muhimbili Orthopaedic Institute	
	Kibong'oto Infectious Disease Hospital	
	Mirembe National Mental Hospital	
MEDIPRO	Benjamini Mkapa Hospital & Jakaya Kikwete Cardiac Institute	1
HEALTH E-HMS	Bugando Zonal Hospital	32
	Kilimanjaro Christian Medical Centre	
	All Regional Referral Hospitals	
JEEVA	Muhimbili National Hospital -Upanga	2
	Muhimbili National Hospital -Mloganzila	
(HEALTH AI) OPEN CLINIC	Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT)	1
INAYA	Ocean Road Cancer Institute	1
DHIS	All District Hospitals	184

Source: Auditors' Analysis of the Available Health Systems at the Respective Levels of Hospitals, 2025

93. I found that insufficient mapping and assessment of the extent, distribution, and severity were attributed to disintegrated Data Recording Systems and Registries, resulting from the absence of a reliable national health information system and register due to the lack of a national neurological health database or registry.

3.3.2 Inadequate Diagnosis of Children with Neurological Disorders

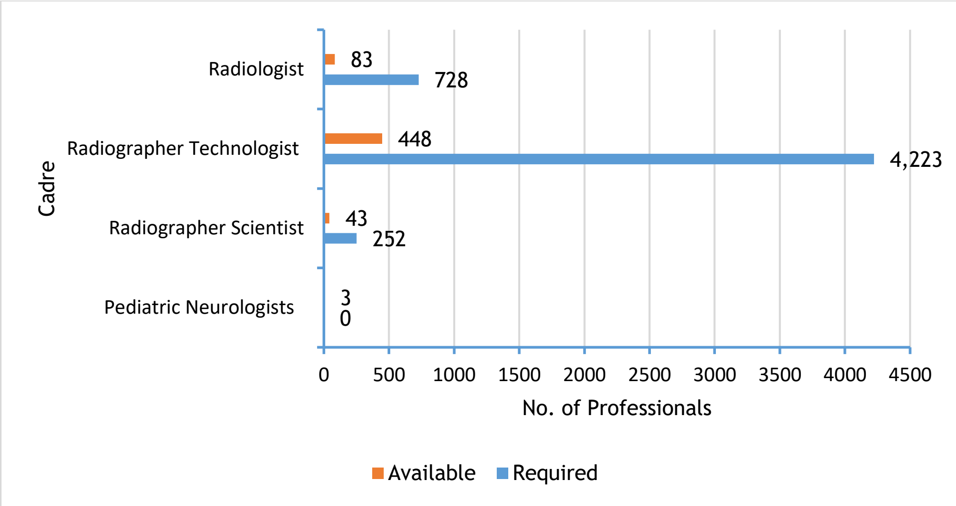
94. I identified that the Ministry of Health and the Prime Minister's Office – Regional Administration and Local Government did not ensure effective early diagnosis of neurological disorders among newborns. This was reflected in uneven coverage of diagnostic services across different levels of healthcare facilities, with diagnostic equipment for neurological disorders concentrated only in national, specialised, and zonal hospitals, thereby limiting early detection and management at lower-level facilities.

95. I found that most healthcare facilities lacked essential medical equipment required to diagnose neurological disorders in children. Although CT and MRI machines were available at national and some regional hospitals, key diagnostic tools, such as electroencephalographs (EEGs) and electromyographs (EMGs), were available only at national-level hospitals. This hindered healthcare facilities at the regional and zonal levels from conducting comprehensive neurological diagnosis. As a result, most patients were referred to the national hospitals, leading to service congestion.

(a) Shortage of Experts to Diagnose Neurological Disorders

96. My review of Human Resources for Health, Tanzania Mainland Country Profile 2025, revealed that health facilities had an inadequate number of qualified health professionals with the appropriate technical skills to maintain and operate essential diagnostic equipment and deliver quality neonatal services contrary to the staffing levels outlined in the Basic Standards for Health Sector Facilities (BHSF), Vol. 1–4, which require each health facility to maintain an adequate number and mix of qualified health professionals to ensure effective diagnosis of neurological disorders, as detailed in **Figure 12**.

Figure 12: Availability of Experts to Diagnose Neurological Disorders



Source: Auditors' Analysis of Human Resources for Health, Tanzania Mainland Country Profile, 2025

97. **Figure 12** indicates a shortage of experts who are required to diagnose neurological disorders. The most affected cadres were radiologists and radiographer technologists (both 89%), followed by radiographer scientists (83%). It was further revealed that only three paediatric neurologists were available at the National Hospital, with no established staffing standards for this speciality.

98. The shortage was mainly attributed to the insufficient Government efforts to facilitate the training and retention of required experts in the country. Consequently, this led to an increased workload for the available staff and limited the operation and interpretation of diagnostic procedures, and consequently hindered the diagnosis of children with neurological disorders.

(b) Insufficient Medical Equipment to Facilitate the Diagnosis of Children with Neurological Disorders

99. My review of the list of medical equipment for diagnosis revealed a shortage of diagnostic tools necessary for detecting neurological disorders in children, contrary to the Basic Standards for Health Sector Facilities (BHSF), Vol. 1-4, 2017, which required different levels of health facilities to be equipped with adequate diagnostic tools and equipment to facilitate the

diagnosis of neurological disorders. **Table 3** provides details on the available medical equipment for diagnosing neurological disorders at different levels.

Table 3: Analysis of the Available Medical Equipment for Diagnosis of Neurological Disorders

Equipment	National	Specialised	Zonal	Regional
Electroencephalograph (EEG)	Available	Available	Available	Not available
Electromyograph (EMG)	Available	Not available	Not available	Not available
Magnetic Resonance Imaging (MRI)	Available	Not available	Available	Not available
CT-Scan	Available	Not available	Available	Available
Genetic Test Equipment (DNA Analyser)	Not available	Not available	Not available	Not available

Source: Auditors' Analysis of the Available Medical Equipment for Diagnosis of Neurological Disorders, 2025

100. **Table 3** indicates a shortage of diagnostic equipment for neurological disorders at different healthcare facilities. Equipment, such as a DNA analyser, was not readily available at all levels of the hospitals; EMG was available only at the national level, and EEG was available only at the zonal hospital. The Bugando Zonal Referral Hospital lacked a neurologist to interpret the EEG results. The Mirembe National Mental Hospital lacked an MRI or a CT Scan for better diagnosis.

101. The limited availability of equipment for testing neurological disorders was attributed to the lack of a National Standard to facilitate its distribution among healthcare facilities. My review of the Basic Standards for Health Sector Facilities (BHSF), Volumes 1–4, 2017, revealed inadequate coverage of equipment for diagnosing neurological disorders in the standard guidelines. This was evident from the absence of equipment for testing neurological disorders, including an Electromyograph (EMG) and a genetic testing equipment (DNA analyser), from the basic standard.

102. My interviews with officials from the visited healthcare facilities revealed that the unavailability of advanced diagnostic equipment in the guidelines has limited the capacity of zonal and regional health facilities to provide comprehensive neurological assessments. As a result, children were treated without sufficient diagnosis, as it was evidenced from the visits conducted in the selected regional referral hospitals, where epileptic children were treated with medicine for generalised epilepsy without further

confirmation of the Electroencephalogram (EEG) to ascertain if the child had generalised or focal epilepsy in order to allow the prescription of a proper medicine in accordance with the diagnosed type of epilepsy.

3.3.3 Unavailability of Quality Treatment for Children with Neurological Disorders

103. I found that children with neurological disorders had limited access to quality treatment services. Specifically, their access to specialised care, medical equipment, and affordable and sufficient medicines to treat neurological disorders was inadequate, contrary to the 2021–2026 HRH Strategic Plan, which requires the Government to ensure the equitable distribution of appropriately skilled human resources for health (HRH). Furthermore, Global Target 2.2 of the WHO Intersectoral Global Action Plan on Epilepsy and other Neurological Disorders 2022-2031 aims to provide 80% of the essential medicines and basic equipment required to manage neurological disorders in the primary healthcare by 2031.

104. The absence of quality treatment was further demonstrated by a shortage and uneven distribution of specialised experts, as highlighted in **Table 4**.

Table 4: Ratio of Paediatric Neurologists to Children with Neurological Disorders in the Visited Regions

Region	Reported Cases		Paediatric Neurologist	Ratio
	Epilepsy	Cerebral Palsy		
Dar es Salaam	11,609	11,825	2	1:11,717
Dodoma	3,563	2,080	0	0
Mwanza	3,358	1,837	0	0
Rukwa	966	834	0	0
Tabora	1,865	2,229	0	0
Total	**21,361**	**18,805**	**2**	**1:20,083**

Source: Auditors' Analysis of DHIS 2, 2025

105. **Table 4** shows that Dar es Salaam had 11,609 children with epilepsy and 11,825 children with cerebral palsy, yet only two neurologists were available to serve this population, while regions such as Tabora, Dodoma, Mwanza, and Rukwa collectively had nearly 20,000 children with neurological conditions, but no neurologist was available. This implies that each neurologist was responsible for approximately 20,083 children with neurological disorders, indicating a severe shortage of specialised personnel.

106. I further noted that the unavailability of quality treatment was evidenced by the following;

(a) Uneven Distribution and Shortage of Experts

107. I found a shortage of neurology experts across different levels of health facilities. Moreover, the distribution of these experts was skewed to urban cities, contrary to Para 5.4.1 of the Health Sector Strategic Plan 2021-2026, which aimed to use the Workload Indicator of Staffing Needs – Prioritisation and Optimisation Analysis (WISN-POA) to allocate health workers where they are most needed.

108. The shortage of specialists capable of treating neurological disorders in children across all levels of care was more pronounced in primary healthcare facilities located in rural areas, which are the first point of contact, as detailed in **Table 5**.

Table 5: Comparison of Specialist/Skilled Personnel Across Facility Levels

Cadre	Tertiary Healthcare		Secondary Healthcare		Primary Healthcare Centres	
	Required	Available	Required	Available	Required	Available
Paediatric Neurologist	ND	2	ND	0	ND	ND
Paediatrician	112	62	10	15	ND	2
Clinical Psychologist	ND	2	ND	ND	ND	ND

Source: Auditors' Analysis of Specialised Personnel across Health Facilities, 2025

Key:
ND refers to Not Defined

109. **Table 5** shows that specialists were highly concentrated in tertiary hospitals, with no clinical psychologists at the secondary or primary levels. The table further indicates that paediatricians were found in only two of the five visited district hospitals (Igunga and Mbangala Rangi Tatu).

110. The overall distribution reveals that specialised neurological care remained centralised at tertiary hospitals, resulting in limited access to specialised services at the regional and district levels, where the majority of the population first seeks referral care, contrary to the Government's aim of

placing the specialists at the district hospitals for the four core specialities: internal medicine, paediatrics, obstetrics/gynaecology, and surgery.

111. I further found that the unavailability and uneven distribution of neurological care experts were attributed to outdated staffing levels across different healthcare facilities, inadequate mentorship and support mechanisms from higher-level specialists, and urban bias in deployment.

3.3.4 Insufficient Rehabilitation Services

112. I identified that there were insufficient rehabilitation services for children with neurological disorders in the country. Rehabilitation services were predominantly available at the tertiary level (59%), whereas at the primary level, they were available only at 13% of the time. Furthermore, I found that these services were not available at the health centre and dispensary levels. This indicated that the children with neurological disorders lacked sufficient rehabilitation services across different levels of healthcare facilities.

Table 6: Status of Availability of Rehabilitation Services

Facility Level	Availability (%)
Tertiary	59
Secondary	55
Primary	13

Source: Auditors' Analysis of the Available Range of Rehabilitation in Tertiary, Secondary and Primary Health Facilities, 2025

113. In addition, I found that physiotherapy was the most readily available rehabilitation service, available in each health facility from the National Hospital to District Hospitals.

114. Also, there was a limited number of rehabilitation experts, as reflected by the lack of speech and language therapy across all levels of healthcare facilities, except at the national level. This was attributed to the fact that only one training institution in the country offered a program in speech-language therapy. Limited and unevenly distributed rehabilitation services forced children with neurological disorders and their caregivers to travel long distances to higher-level hospitals, resulting in delayed access to care and high transport costs, especially for families from rural areas.

3.3.5 Insufficient Data for Proper Decision Making on the Provision of Neurological Healthcare Services

115. I noted that there was insufficient data for the neurological disorders since the available seven systems did not simplify the aggregation of data for children with neurological disorders. Furthermore, the system for neurological disorders did not ensure the coverage and completeness of the necessary data at the primary level, as it tracked only two neurological disorders: epilepsy and cerebral palsy. This resulted in inadequate data coverage for children with neurological disorders.

116. I also identified inadequate tracking of the children born with birth asphyxia, as Health Information System (MTUHA) number 21 was introduced in the year 2025, with a component of birth asphyxia. However, I found that at the primary level, they did not record the correct score of the children with birth asphyxia.

117. Furthermore, I found that the Ministry of Health did not map or assess the extent, distribution, and severity of neurological disorders in the country due to multiple systems for tracking neurological data and inconsistent hospital-level tracking of neurological disorder information. Jeeva system has 99 classes of neurological disorders, unlike Health e-HMS with eight and DHIS-2 with 2, while all other neurological disorders were classified in different diseases. GoT-HoMIS, Afya e-HIMIS, and Jeeva systems operated independently, with differing data formats, reporting standards, and coverage of neurological disorders, resulting in fragmented, siloed information.

118. The identified gaps were attributed to inadequate identification of the required data before system development and to the inclusion of all cadres during system development. As a result, the data used for decision-making and identification of the interventions to be employed were incomplete.

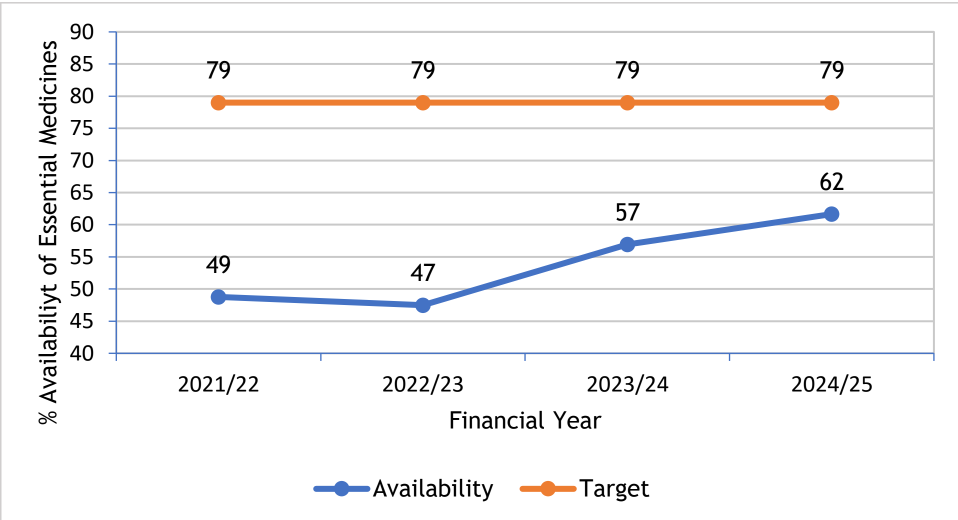
3.4 Main Audit Findings on the Availability of Essential Medicines in Public Health Facilities

119. This section contains findings regarding the Availability of Essential Medicines in Public Health Facilities.

3.4.1 Inadequate Availability of Essential Medicines in the Public Health Facilities

120. Through review of the data extracted from the e-LIMS system on the availability of essential medicines obtained from the Ministry of Health, I found that the availability of essential medicines in public health facilities remained below the 79% target as outlined in the Ministry of Health Medium Term Strategic Plan 2021/22-2025/26 for the period under this audit, as illustrated in **Figure 13**.

Figure 13: The Overall Availability of Essential Medicines in Public Health Facilities



Source: Auditors' Analysis of Information on Availability of Essential Medicines from the MoH, 2025

121. **Figure 13** shows that the shortage of essential medicines in public health facilities still exists across all four Financial Years under review. The widest gap was observed in the Financial Year 2022/23, when the availability of such medicines was 32% below the target. In the Financial Year 2024/25, the gap narrowed by 17% relative to the target.

122. Through interviews with officials from the Ministry of Health and visits to national health facilities, I found that the facilities generally scored lower on the availability of essential medicines. This was due to their primary role in providing specialised services, which meant that they did not always stock all the medications required at lower-level health facilities. This situation

persisted despite the list of essential medicines indicating that such medicines should always be accessible at those levels.

3.4.2 Stock Availability of Essential Medicines in MSD's Zonal and Central Stores

123. According to the pharmaceutical data extracted from Epicor, I found that the stock levels of essential medicines in the MSD's stores were below the targeted 90% level set out in the Medical Stores Department's Medium-Term Strategic Plan (MTSP III) (2021-2026), as presented in **Table 7**.

Table 7: Status on the Availability of Essential Medicines in MSD Stores

Years	Above 1 Month (%)	Above 4 Months (%)	Above 9 Months (%)	Target (%)
2021/22	57	No Data	No Data	90
2022/23	64	40	21	90
2023/24	60	37	19	90
2024/25	66	40	17	90

Source: Information from MSD on the Availability of Essential Medicines in MSD Stores,2021/22 - 2024/25

124. **Table 7** indicates that, for the Financial Years 2021/22 and 2024/25, the availability of essential medicines in the MSD stores ranged from 57% to 66%, above the 1-month stock level. However, these stocks were insufficient to sustain supplies for one to three months in health facilities across the country.

125. Also, I found that stock availability for essential medicines for 4 to 8 months ranged from 37% to 40%, while availability for the period above 9 months declined from 21% to 17% in the Financial Years 2022/23 and 2024/25, respectively.

126. Generally, I noted that the inadequate availability of essential medicines at MSD was contributed to by a range of factors, including insufficient quantification, procurement, and production of essential medicines in the country, inadequate distribution, and inadequate monitoring of their availability. These factors are further detailed in the following subsections of this report.

3.4.3 Quantification and Planning for the Availability of Essential Medicines in Public Health Facilities

127. I reviewed the Annual Plans and Quantification activities conducted by the Ministry of Health and the Prime Minister's Office – Regional Administration

and Local Government, and visited Health Facilities to assess the availability of essential medicines and identified the gaps which contradicted with para 1 of the Health Commodities Quantification Guidelines, Mainland Tanzania (2023), that required health facilities to conduct bottom-up quantification and submit their annual demand forecasts to MSD by 31 January each year, to inform Government budgets and procurement decisions and to ensure uninterrupted provision of health care services. The found gaps are explained in the sub-sections below.

(a) MoH, in Collaboration with PMO-RALG, did not Adequately Prepare the National Demand Forecast for Essential Medicines

128. My review of the National Demand Forecast Data from the Financial Years 2021/22 to 2024/25 revealed that the forecast accuracy for the three years from 2021/22 to 2023/24 averaged 77% which was contrary to Para 1 of the Health Commodities Quantification Guidelines, Mainland Tanzania (2023), that requires the public health facilities to use the bottom-up quantification approach that aims to accurately forecast the demand of health commodities and quantify the requirements needed to serve the citizens.

129. The status of forecasting accuracy for the Financial Year 2024/25 was yet to be finalised, as the calculation of health commodity consumption was still ongoing during the audit. **Table 8** provides the forecasting accuracy from the Financial Year 2021/22 to 2024/25.

Table 8: Forecasting Accuracy of Essential Medicines

Financial Year	Forecasting Accuracy (%)
2021/22	82
2022/23	72
2023/24	77
2024/25	On-going
Average	**77**

Source: National Quantification Team Annual Meeting Reports from Financial Year 2020/21 to 2024/25

130. **Table 8** shows that the most accurate demand forecast was 82% in the Financial Year 2021/22, while the least accurate forecast was 72% in the Financial Year 2022/23. The identified inaccuracy in forecasting national demand for essential medicines was due to inadequate tools for factoring in forecasting assumptions, and the absence of preparation activities for bottom-up quantification (buq).

(b) Inaccuracy of the Data Used in Quantification

131. I found the existence of inaccurate data used in the quantification, as evidenced by the following observed anomalies:

(i) Exclusion of Essential Medicines in the Demand Forecasts

132. Through a review of the NQT annual reports, I found that the demand for some essential medicines, such as Pethidine, Adrenaline, Morphine injection, and ABOD reagent, was not forecasted and was not included in the national demand forecasts. Notwithstanding the Ministry of Health's indication in the NQT Annual Reports that some essential medicines were not forecasted, the Ministry did not have records to substantiate the quantities of essential medicines that were omitted from the forecasts for the Financial Years 2021/22 to 2024/25. Consequently, I could not verify the extent of the unforecasted items of essential medicines during the reviewed period.

133. The exclusion of essential medicines from demand forecasts was due to inadequate knowledge among personnel conducting the forecasts, especially in low-level health facilities such as dispensaries. I found that pharmaceutical activities in all visited dispensaries were conducted by non-pharmacy-trained staff/personnel.

(ii) Inclusion of Non-Essential Medicines in the Demand Forecasts

134. The review of the NQT annual reports revealed that public health facilities have been forecasting demand for non-essential medicines such as Aminophylline injection, Aminophylline tablets, Ephedrine tablets, and Cloxacillin capsules, even after the NQT removed these medicines during the quantification exercise. Although the Ministry of Health indicated, in the NQT Annual Reports, that non-essential medicines were included in the demand forecast, I noted that the Ministry failed to present evidence of the quantities in the forecasts for the Financial Years 2021/22 to 2024/25. I further identified that the Ministry failed to provide such data due to inadequate record-keeping for quantifying essential medicines.

(c) Lack of Interoperability among the Systems Used for Quantification and Monitoring of Essential Medicines

135. Through a walkthrough of ICT systems at the visited council-level health facilities, I found that GoT-HoMIS, used by the medical departments in council-

level health facilities, and e-LMIS, used by all health facilities for ordering and reporting essential medicines, did not exchange information, contrary to Regulation 25 of the e-Government General Regulations of 2020, which requires e-GA and public institutions to collaborate in the development and deployment of ICT systems, and consider interoperability during business process re-engineering.

136. Similarly, the interviewed officials from the medical departments of the visited council-level health facilities indicated that the inadequate interoperability between the two systems required manual conversion of consumption data from GoT-HoMIS to e-LMIS. This has affected collaboration between the systems through information exchange in the delivery of e-Government Services.

137. Manual data transformation from GoT-HoMIS to e-LMIS during quantification often results in errors in the submission of consumption data. These errors include multiple submissions of the same medicine and the exclusion of consumption data for some essential medicines.

(d) Inadequate Documentation for the Demand Forecasts Review Process

138. Interviews with officials from the visited CHMTs, RHMTs, and health facilities, as well as a system walkthrough of e-LMIS, indicated that the demand forecasts from health facilities were reviewed and approved by each health facility in charge before making submission to the system. Moreover, the CHMTs and RHMT reviewed the submitted demand forecast data from the health facilities, approved them through the e-LMIS system, and rejected them if errors or mistakes were found.

139. At all levels of the demand forecasting exercise, the review and approval process in the system lacked documentation that could substantiate and provide assurance to the next-level approving authority. That lack of documentation denied the subsequent approving authority access to evidence that could show the approved forecasting data had been properly and adequately reviewed. The anomalies that were noted in the system contravene paras 3.2.1, 3.2.2, and 3.2.3 of the Health Commodities Quantification Guidelines Mainland Tanzania (2023), which require HMTCs, CHMTs, and RHMTs to review the demand forecast data prepared by the system. During the approval of the submitted demand forecasts and documents, all corrections and modifications are assumed to have been made.

140. I also noted that the HMTC at all the visited health facilities did not produce any written reports on the forecasting processes for the Health Facility In-charge (HFI) to review and approve. Furthermore, there were no cover letters supporting approval and submission to the next level for further review, as required under para 3.2 of the Health Commodities Quantification Guidelines, Mainland Tanzania (2023).

141. As a result of inaccurate demand forecasting for essential medicines, I identified gaps between the forecast demand and the actual consumption in public health facilities across the country. **Table 9** shows the overall value of the demand forecasts compared with actual consumption for the Financial Years 2021/22 to 2024/25.

Table 9: Overall Value of Demand Forecasts against the Actual Consumption

Financial Year	Value of Demand Forecast (TZS billion)	Actual Consumption (TZS billion)	Difference (TZS billion)
2021/22	483.9	No records	Not Applicable
2022/23	492.1	683.5	191.4
2023/24	668.0	867.5	199.5
2024/25	657.6	Not Established	Not Applicable

Source: National Quantification Team Annual Meeting Reports from Financial Years 2021/22 to 2024/25

142. **Table 9** shows that the national demand forecast was inadequate, consistently falling short of actual consumption across all Financial Years. The difference between demand forecasting and actual consumption ranged from TZS 191.4 billion to TZS 199.5 billion. Furthermore, I aimed to evaluate the quantities and values of demand forecasts for essential medicines relative to their actual consumption at various health facility levels. Nevertheless, the Ministry of Health did not furnish these records, citing poor record-keeping regarding the quantification and consumption data of essential medicines.

143. Inaccurate demand forecasting leads to deviations from planned medicine items and quantities, resulting in unnecessary understocking or overstocking. This situation further results in limited and inconsistent availability of essential medicines in public health facilities and the piling up of expired medicines within the health commodities supply chain.

3.4.4 MSD did not Produce Essential Medicines to ensure an Adequate Level of its Stock

144. In reviewing the MSD Annual Business Performance Report for 2023/24, I found various efforts made by the Medical Stores Department. These efforts included registering MSD MediPharm Manufacturing Company Limited. MediPharm is a 100% subsidiary of the Medical Stores Department (MSD) and is responsible for the Manufacturing of health commodities. It was established in 2023 to produce health commodities, including essential medicines, an activity within MSD's core functions.

145. Another effort made was the production of health commodities at MSD Keko and Idofi Manufacturing Plants. The audit found that from the Financial Years 2022/23 to 2023/24, MSD produced 624,950 facemasks and 2,029,033 pairs of gloves at the Idofi manufacturing plant, and the Surgical Mask and N95 Mask Plant at MSD Keko, but no essential medicines were manufactured during that period.

146. My audit identified several factors that prevented MSD from producing essential medicines. The factors included inadequate financial and human resources for the local production of essential medicines, and inadequate development of essential medicines manufacturing plants in the country. These are further detailed in the subsequent sections below.

(a) MSD has not Secured Adequate Financial and Human Resources to develop the Local Production of Essential Medicines

147. In reviewing the Medical Stores Department (MSD) Performance Reports for the period 2021/22–2024/25, I found significant funding gaps in the construction of essential medicines manufacturing plants. At the Idofi Manufacturing Plant in the Njombe Region, only TZS 8.85 billion (31%) of a total budget of TZS 28.16 billion was disbursed, with individual plants receiving between 27% and 34% of their approved budgets. As a result, construction progress remained low at about 23% by the 2024/25 Financial Year, with key activities such as installing machinery, waste management systems, power supply, and ICT infrastructure still pending. This incomplete implementation is contrary to Section 4(2)(a) of the Medical Stores Department Act, 1993 (as amended in 2021), which mandates MSD to establish efficient systems for the production and distribution of medical supplies.

148. Further, I found that despite approval of the Final Revised Feasibility Study Report in December 2022, MSD did not commence construction of the planned essential medicines manufacturing plant at the Zegereni Industrial Area in Kibaha, Pwani Region. The feasibility study estimated total construction costs of TZS 53.29 billion, including TZS 21.22 billion for machinery and equipment, TZS 32.06 billion for civil works, and TZS 28.38 billion for operational costs. However, a review of MSD budgets confirmed that no funds were allocated or disbursed for this project. Although MSD requested TZS 100 billion from the Ministry of Finance in 2023 to support capital investments, the requested funds were not disbursed, thereby hindering the planned local production of essential medicines.

149. In addition to financial constraints, I identified critical gaps in human resources for local pharmaceutical production. The 2022 feasibility study required the establishment of organisational structures for both initial and fully operational phases of MSD manufacturing activities; however, by November 2025, MSD had not developed a fully-fledged organisational structure for its manufacturing subsidiary. While MSD engaged a consultant in October 2025 to develop an organisational structure, strategic and business plans, and an operational budget for MSD Medipharm Manufacturing Company Limited, staffing remains limited. Interviews with MSD officials indicated that only interim managers are in place, and their responsibilities are currently limited to producing masks and gloves, thereby hindering progress toward full-scale manufacturing of essential medicines.

(b) MSD did not Adequately Develop Local Health Commodities Manufacturing Plants

150. In reviewing MSD Strategic Plans and Annual Operating Plans for the period 2020/21–2024/25, I found that MSD did not establish any manufacturing plants for essential medicines as planned. This performance was inconsistent with Targets 38 and 39 of the MSD Strategic Plan 2021–2026, which aimed to establish six government-owned manufacturing plants and one plant under a Public-Private Partnership (PPP) by June 2026, with construction commencing in 2021/22. As of the 2024/25 Financial Year, only two government-owned plants—the Idofi gloves manufacturing plant in Njombe Region and the mask manufacturing plant in Dar es Salaam had been constructed, while four planned Government plants and the single PPP plant had not been established, and no essential medicines manufacturing plant was operational.

151. I further found that delays in approving the PPP pharmaceutical factory significantly contributed to the non-implementation of planned manufacturing plants. A review of the 2022/23 Fourth Quarter Business Performance Report showed that the Ministry of Finance, through the Office of the Treasurer Registrar, did not approve the proposed PPP business model, which required the investor to build, operate, and transfer the factory to MSD after a maximum of 25 years. The Government rejected this model due to concerns that the factory would be obsolete upon transfer, requiring MSD to develop an alternative business model. In addition, MSD performance and capital request reviews indicated that non-disbursement of funds from the Central Government was a key factor behind the failure to construct the targeted manufacturing plants during the audit period.

152. As a result of the non-establishment of essential medicines manufacturing plants, MSD remains highly dependent on imports. In the 2023/24 Financial Year, only TZS 21.63 billion (7.1%) out of the planned TZS 304.56 billion for health commodities procurement was sourced from local manufacturers. Consequently, MSD has not realised the projected profits outlined in the Final Revised Feasibility Study Report (2022), which estimated post-tax profits (NOPAT) ranging from TZS 4.93 billion in Year 1 to TZS 6.27 billion by Year 5. Due to delays in constructing and operating the Zegereni Kibaha medicine production plant, MSD did not attain an estimated cumulative profit of TZS 27.84 billion over the first five years of operation.

3.4.5 MSD had not Procured and Maintained Adequate Stock Levels of Essential Medicines

153. Through review of MSD Annual Procurement Plans and implementation reports for the period under audit, I noted significant under-implementation of planned procurements, with deviations ranging from 21.1% to 37%, contrary to Regulation 77 of the Public Procurement Regulations, 2013. Implementation of planned procurement of health commodities remained low, at 20% in 2021/22, 26% in 2023/24, and 34.5% in 2024/25, indicating persistent gaps despite an exceptional overperformance in 2022/23, when implementation exceeded the plan by 37%. I noted the presence of insufficient funds arising from increasing debts owed by public health facilities for previously supplied essential medicines. I further noted that inadequate implementation of procurement plans contributed directly to shortages of essential medicines in public health facilities, as reflected in declining order-fill rates.

154. In addition, I found that MSD did not procure essential medicines in a timely manner, with delivery delays exceeding the 180-day limit for non-contracted items, contrary to the Medium-Term Strategic Plan III (2021/22–2025/26). Delays were most severe in 2022/23, when 93% of procured items were delivered late, although improvements were noted in subsequent years, with delayed deliveries declining by 26% in 2023/24 and a further 30% in 2024/25. While MSD attributed delays to overseas suppliers' documentation requirements, vessel availability, and minimum order quantities, the audit identified weak enforcement of contractual terms as a key cause. Contract compliance gaps ranged from 31% to 67% during the audit period, undermining MSD's ability to control supplier performance and contributing to stock levels remaining below target. Notwithstanding these weaknesses, the audit review of a sampled procurement file confirmed that the competitiveness and transparency requirements under Section 64(1) of the Public Procurement Act, 2013, were met.

3.4.6 MSD did not Effectively Distribute Essential Medicines to Ensure Timely Availability

155. I found that MSD did not ensure timely clearance of essential medicines from ports of entry during the period 2021/22–2024/25. A significant proportion of consignments were cleared beyond the allowed grace period, ranging from 97% in 2021/22 to 32% in 2024/25, contrary to the Medical Stores Department Act, 1993 (as amended) and Tanzania Ports Authority tariff provisions. Delays were largely attributed to weak coordination with the clearing agent (GPSA), late supplier submissions of shipping documents, delayed issuance of TMDA permits, and transitional challenges as clearing responsibilities shifted back to MSD. As a result, MSD incurred non-mandatory demurrage and storage costs amounting to TZS 562.12 million over the audit period, exposing the organisation to unnecessary costs and the risk of increased medicine prices.

156. I further found that MSD lacked sufficient storage and distribution infrastructure to support the timely distribution of essential medicines. Available warehouse space stood at 68,859 square metres against a requirement of 100,000 square metres (31% deficit), while cold chain storage capacity was 1,789 cubic metres against a requirement of 2,500 cubic metres (28% deficit). These gaps contravene statutory requirements for efficient storage and distribution systems and were exacerbated by liquidity constraints arising from escalating debts owed by public health facilities. Outstanding debts increased sharply from TZS 13.21 billion in 2021/22 to TZS 123.27 billion in 2024/25, limiting MSD's capacity to invest in additional storage infrastructure and

contributing to its failure to achieve the targeted 90% availability of essential medicines.

157. In addition, I found that MSD did not ensure the timely delivery of essential medicines to public health facilities, as deliveries frequently exceeded the 20-day requirement stipulated in the Customer Service Charter and logistics standard operating procedures. Delays ranged from 21 days to 1,535 days in some facilities, with delayed invoice issuance affecting 4% to 31% of orders across the visited facilities. Although the percentage of undelivered medicines declined over time in several regions, some facilities recorded high levels of undelivered orders, reaching up to 38%. These challenges were driven by growing debts at health facilities, unsatisfactory supplier performance (47% of suppliers were rated unsatisfactory), and MSD's own supplier debts of TZS 180.43 billion. Collectively, these weaknesses undermined order fulfilment, contributed to stock-outs, and limited MSD's ability to meet demand for essential medicines across public health facilities.

3.4.7 Inadequate Monitoring of the Availability of Essential Medicines by the MoH, PMO-RALG and MSD

158. Despite investments by the Ministry of Health (MoH), PMO-RALG and MSD in systems and guidelines such as AfyaSS, ILS, the Health Commodities Revolving Fund, the MTC Guidelines, and staff training, the audit found persistent weaknesses in monitoring and supportive supervision across the essential medicines supply chain. These weaknesses limited effective facility-level oversight, reduced supply chain efficiency, and undermined the intended improvements in resource use, medicine safety and availability, indicating a need for strengthened implementation and accountability mechanisms.

159. Regarding stock expiry and disposal, the audit noted that although MSD maintained expiry rates below the MTSP III target of 1%, expiry showed an increasing trend, rising from 0.41% in 2022/23 to 0.97% in 2024/25, with expired stock values increasing to TZS 6.50 billion in 2024/25. Contributing factors included inaccurate quantification, receipt of short-shelf-life commodities due to the absence of local manufacturing for such items, overstocking, changes in treatment guidelines, low/unpredictable demand, delayed deliveries affecting shelf life, and weak stock visibility for redistribution.

160. At the facility level, PMO-RALG planned and implemented monitoring of availability and expiry only once (in 2023/24), leaving 2021/22, 2022/23 and 2024/25 without planned or implemented monitoring activities. This weak

oversight and the lack of an effective redistribution mechanism led to continued expiry in the health facilities visited, with a total of TZS 171.55 million in expired medicines (2021/22–2024/25), including notable losses at Benjamin Mkapa Hospital and a consistent upward trend at Muhimbili National Hospital.

161. PMO-RALG did not implement medicine audit and tracking activities in 2021/22 and 2022/23, and supervision coverage declined in 2024/25, while RHMTs, CHMTs, and HMTCs showed gaps between planned and executed activities, poor documentation, and inconsistent meetings. Although MoH mentorship on the redesigned logistics system expanded nationally, it did not reach all councils and lacked structured capacity-building. Additionally, MSD's complaint handling suffered from delayed feedback and slow case resolution, undermining coordination, accountability, and customer trust.

3.5 Main Audit Findings on the Provision of Maternal Healthcare Services

162. This section presents findings on the provision of Maternal Healthcare Services in Tanzania.

3.5.1 Limited Availability of Emergency Obstetric Care (EmONC) Services

163. I found limited availability of Emergency Obstetric Care (EmONC) in primary health care settings which was contrary to Section 5.1.5 of the Health Sector Strategic Plan 2021-2026, in which the Ministry of Health's commitment in improving access to quality health services, in collaboration with stakeholders, the Government was required to ensure increased access to high-quality emergency obstetric and neonatal care, with specific emphasis on the consistent availability and proper use of key life-saving instruments and practices during delivery and the immediate post-natal period. The limited availability of Emergency Obstetric Care was attributed to the following:

(a) Inadequate Provision of EmONC Services

164. I identified inadequate provision of Emergency Obstetric and Newborn Care (EmONC) services, both Basic (BEmONC) and Comprehensive (CEmONC), based on whether key signal functions were performed in the previous three months. At the dispensary level (the first contact point for most pregnant women), only the simpler functions were consistently available: all 5/5 dispensaries administered parenteral antibiotics, while uterotonics and anticonvulsants were available in 4/5 and 3/5 facilities, respectively, and neonatal resuscitation (bag and mask) in 4/5 facilities. However, critical life-

saving functions that require higher skill levels and equipment were largely unavailable: manual removal of the placenta was performed in only 3/5 and removal of retained products in 2/5 due to staff skill gaps, while assisted vaginal delivery was available in only 2/5 facilities, mainly due to a lack of vacuum extractors and forceps.

165. These gaps were attributed to shortages of trained staff and specialised equipment, compounded by resource allocation that favoured higher-level facilities, leaving primary facilities unable to stabilise obstetric emergencies and placing greater pressure on referral systems.

166. For CEmONC, I observed a marked disparity across facility levels and significant readiness gaps, even where services were available. District hospitals showed high CEmONC availability (201 of 219, or 92%), but only 491 of 924 health centres (53%) provided CEmONC, meaning nearly half lacked full capacity for caesarean section and blood transfusion services. Although the overall CEmONC readiness score averaged 71%, major bottlenecks remained, especially anaesthesia equipment, available in only 21% of facilities, and blood supply adequacy, with sufficiency at 56% (and safety at 60%).

167. The mismatch between high levels of staff trained in surgery (95%) and anaesthesia (92%) versus limited anaesthesia equipment and incomplete blood services indicates that facilities may have skills but lack essential tools and systems to deliver emergency surgery safely. Consequently, women with complications risk delayed or denied life-saving care, leading to preventable maternal and newborn deaths and underutilisation of available clinical expertise.

(b) Mismatch Between Skilled Staffing Levels and Maternal Service Demand at Health Facilities

168. I found a widespread shortage and maldistribution of health workers across all levels of care, contrary to the Health Sector Strategic Plan V and the intended application of the Workload Indicator of Staffing Needs-Prioritisation and Optimisation Analysis (WISN-POA). Staffing gaps were substantial, reaching 67% in district hospitals, 58% in dispensaries, and 43% in health centres, while national and regional referral hospitals also recorded gaps of 28% and 15%, respectively. Staff-to-mother ratios consistently deviated from national standards, with labour wards operating at ratios as high as 1:10 in district hospitals and 1:7 in health centres and dispensaries, constraining continuous monitoring, timely interventions, and effective EmONC service delivery.

169. I also found urban–rural disparities and an imbalanced skill mix, with rural regions experiencing acute shortages of midwives, obstetricians, and anaesthetists despite high delivery volumes. Urban areas accounted for 54% of health workers compared to 46% in rural areas, while regions such as Mwanza and Kigoma had critically low staffing levels (14–16 skilled personnel per 10,000 deliveries). Excessive workloads averaging 52 hours per week contributed to burnout, high turnover, and a decline in the quality of care. These challenges were driven by weak HR planning, partial use of WISN-POA, limited incentives for rural deployment, and underfunded in-service EmONC training, ultimately increasing maternal and neonatal risks, widening health inequities, and undermining progress toward SDG target 3.1.

(c) Inadequate Budget Allocation for Maternal Health Care Services

170. I identified significant funding gaps and an increasing reliance on donor financing for maternal health services, in contrast to the Health Sector Strategic Plan V (2021–2026), which emphasises expanding domestic health financing. Analysis of RMNCAH budgets for 2022/23–2024/25 showed a decline in domestic funding from 85% to 68%, while foreign funding increased from 15% to 32%. Despite high fund utilisation capacity averaging 94.7% over the period, actual allocations never exceeded 50% of the approved budgets, indicating that the key constraint to service delivery was under-release of funds rather than weak absorption. In 2024/25, domestic funds received only 41% of their approved amount, while foreign funds received 59%, reinforcing dependency on external financing. This funding gap is further reflected in projected RMNCAH commodity needs, where a USD 19.7 million shortfall in 2025 poses a high risk of nationwide stock-outs.

171. The audit also found inequities and donor dependence in Comprehensive Council Health Planning (CCHP) financing. Per capita allocations for FY 2024/25 varied widely, from TZS 16,310 in Dar es Salaam to only TZS 7,394 in Mwanza, with Dodoma and Kigoma also recording low per capita funding despite high service demands. This allocation pattern was not strictly population-based, contrary to the Health Financing Strategy (2016–2026), and results in unequal access to health resources across regions. Moreover, external financing accounted for the largest single share of the CCHP health budget (41.37%), while domestic financing relied heavily on cost-sharing and user fees (25.35%), with Government transfers contributing only 18.6%. This financing structure exposes the health system to volatility in donor support and underscores the need to strengthen sustainable domestic resource mobilisation to ensure equitable and predictable funding for maternal health services.

3.5.2 Inadequate Maternal Mortality Data Collection, Monitoring, and Reporting

172. My review of the Maternal and Perinatal Death Surveillance and Response (MPDSR) Report for Six Years (2018–2023), issued in March 2025, revealed inadequate maternal mortality data collection, monitoring, and reporting. This was contrary to Objective 3.3.3 of the Maternal and Perinatal Death Surveillance and Response Guidelines, 2019, which insists on the provision of information, recommendations, and actions to be taken to eliminate preventable maternal deaths at health facilities.

173. Inadequate maternal mortality data collection, monitoring, and reporting were reflected in weak implementation of the Maternal and Perinatal Death Surveillance and Response (MPDSR) system, limited use of MPDSR data for evidence-based interventions, and inadequate documentation and record-keeping. The details of each aspect are provided below.

(a) Inadequate Implementation of Maternal and Perinatal Death Surveillance and Response (MPDSR)

174. I found that the Ministry of Health (MoH) and PMO-RALG did not adequately implement the Maternal and Perinatal Death Surveillance and Response (MPDSR) system at health facilities, contrary to the MPDSR Guidelines (2019). Key weaknesses included failure to conduct maternal death reviews within the required seven days, inactive or non-functional MPDSR committees in several facilities, irregular and poorly documented review meetings, and inconsistent national-level monitoring and feedback. As a result, 80% of notified maternal deaths in sampled facilities were not reviewed, with only 71 out of 358 notified cases undergoing MPDSR review. This limited use of MPDSR has undermined its core purpose of identifying preventable factors and driving corrective action at the facility and system levels.

175. Despite a modest decline in reported maternal deaths from 1,640 in 2020 to 1,498 in 2024, the leading causes of death, obstetric haemorrhage (44–46%), pre-eclampsia/eclampsia (16–17%), and puerperal sepsis or abortion complications (around 9–10%), remained largely unchanged, indicating weak translation of MPDSR findings into effective prevention. In addition, I noted that only 44 action plans were developed for 71 reviewed cases, leaving a 38% gap in recommended responses, while inconsistencies between facility registers and DHIS2 data further weakened surveillance and decision-making. These shortcomings were attributed to staffing shortages, inadequate training, high workloads, poor documentation, weak supervision, and data management

challenges. Collectively, they led to repeated maternal deaths from similar causes, delayed corrective actions, and reduced effectiveness of MPDSR in improving maternal health outcomes.

(b) Limited Use of Collected Data for Targeted Maternal Mortality Interventions/Recommendations

176. I found that the Ministry of Health (MoH) and PMO-RALG did not effectively use collected maternal mortality data to design, document, and implement evidence-based interventions, contrary to Objective 3.3.3 of the MPDSR Guidelines (2019). Although MPDSR reviews were intended to identify causes of death and generate actionable solutions, findings were not systematically translated into targeted interventions. As a result, preventable maternal deaths continued to recur. Furthermore, the audit recorded 198 maternal deaths in visited facilities during 2021/22–2024/25, all deemed avoidable and mainly caused by obstetric haemorrhage and hypertensive disorders in pregnancy. This failure undermined the purpose of MPDSR, wasted resources invested in surveillance and reviews, and contributed to stagnation in reducing maternal mortality.

177. I also found weak follow-up and monitoring of recommendations arising from MPDSR reviews. Of the 44 action plans developed for reviewed cases, only 25 (57%) had evidence of follow-up, leaving a 43% gap. This was attributed to the absence of a clear, structured follow-up mechanism, including a lack of a centralised digital tracking system, reliance on paper-based records, fragmented reporting platforms (MPDSR, DHIS2, RITA), incomplete committee composition, staff shortages, and limited ICT infrastructure. In addition, the MoH lacked a national register or action-tracking framework to monitor implementation of MPDSR recommendations across levels. This made the agreed actions not be consistently implemented, causing maternal deaths to persist, and consequently, the progress toward reducing maternal mortality and achieving SDG target 3.1 was delayed.

(c) Inadequate MPDSR Documentation and Record-keeping

178. I found that only a small proportion of notified deaths were properly documented: 37 of 259 at Regional Referral Hospitals, 23 of 84 at District Hospitals, and 11 of 15 at Health Centres. This was contrary to the MPDSR Guidelines (2019), which require complete documentation and reporting of all maternal and perinatal deaths using standard tools. These gaps were attributed to limited staff capacity and training on MPDSR documentation, inconsistent supervision and feedback from MoH and PMO-RALG, and the absence of

standardised filing and integrated data management systems. As a result, MPDSR data were incomplete and unreliable, undermining trend analysis, weakening identification of preventable causes, and limiting the effectiveness of evidence-based interventions and policy decisions to reduce maternal deaths.

3.5.3 Improper Functioning of the Referral System

179. I identified that the referral system in Tanzania was not functioning properly. It was characterised by partial operationalisation of the referral system across health facilities. The system also had poor/incomplete/missing referral documentation, and weak oversight and supervision at the council and regional levels. This was contrary to One Plan III (2021/22–2025/26) and ANC Guidelines (2018), which require a clear, structured referral pathway from dispensaries/health centres (Basic Emergency Obstetric and Newborn - BEmONC) to district/regional hospitals (Comprehensive EmONC—CEmONC).

180. The improper functioning of the referral system was caused by limited dissemination of referral guidelines to frontline staff and facilities, inadequate training for healthcare workers on referral procedures and criteria that leave gaps in knowledge and skills, as well as weak accountability mechanisms and insufficient supervision from higher administrative levels like RHMTs and CHMTs that did not enforce adherence or address deviations effectively.

181. Consequently, improper referrals for maternal emergencies increased the risk of maternal complications, leading to increased maternal morbidity and mortality rates that undermine national goals under HSSP V and One Plan III, as well as progress towards SDG 3.1.

182. I further found inadequate monitoring of the functionality and performance of the maternal referral system, contrary to the National Referral System Guidelines and the Tanzania Quality Improvement Framework, as referral initiation, completion, and feedback were not consistently tracked across facilities. Although 96.7% of the 151,802 referrals initiated during 2021/22–2024/25 were completed, 5,075 referrals (3.3%) remained unaccounted for, indicating gaps in follow-up and coordination between referring and receiving facilities.

183. These weaknesses were attributed to the absence of a standardised monitoring and evaluation framework for maternal referrals, limited inclusion of referral indicators in routine performance reviews, poor documentation and

feedback loops, and weak digital integration, with many facilities relying on paper-based systems and underutilising DHIS2 for real-time tracking. As a result, discrepancies between initiated and completed referrals persist, contributing to delayed care, unmet EmONC needs, and increased risks to maternal and neonatal outcomes.

184. I also found persistent delays and bottlenecks across all phases of the maternal referral system, including delayed decision-making, transportation, and initiation of care at receiving facilities. Referral times routinely exceeded standards, with care-seeking delayed by several hours or more than 24 hours, transport taking 1.5–2 hours instead of 1 hour, and emergency interventions often delayed by more than 30 minutes after arrival. These delays were mainly due to non-functional and inadequately equipped ambulances, insufficient road infrastructure, staffing shortages, congestion at receiving facilities, poor coordination and handover practices, inadequate documentation, and a lack of CPR/AED training for ambulance drivers. Consequently, referral delays, especially between facilities, remained a major contributor to preventable maternal and neonatal deaths, undermining progress toward SDG target 3.1.

3.5.4 Inadequate Awareness Campaigns and Education Programs for Pregnant Women of Reproductive Age on Maternal Health

185. My audit found that the Ministry of Health's implementation of maternal health education and awareness programmes was insufficient and uneven across regions. This was reflected in coverage skewed toward urban areas despite rural areas accounting for about 60% of the population, because health promotion relied heavily on mass media such as television and posters. This was due to the absence of annual plans, national strategies, and clear implementation frameworks to guide community-level action.

186. Consequently, disparities in maternal health awareness persisted, particularly for rural women, contributing to higher risks of unplanned pregnancies, inadequate birth spacing, and preventable maternal health complications.

187. My audit also found insufficient promotion and support of community maternal health education programmes to improve public awareness, birth preparedness, and male involvement, contrary to Section 5.1.2 of Health Sector Strategic Plan V (2021–2026). Maternal health policies and interventions largely prioritised facility-based clinical services over community-level education and prevention, resulting in limited outreach beyond expectant mothers, weak birth

preparedness initiatives, and poorly articulated and unenforced strategies for male involvement. These gaps were exacerbated by inconsistent and inadequate funding for health promotion, largely dependent on donor support and by delays in deploying trained Community Health Workers under the Integrated CHW Programme, where over 9,000 trained individuals remained undeployed due to financing constraints and weak coordination between the MoH and PMO-RALG. Consequently, community awareness efforts were delayed, programme sustainability was undermined, trained CHWs experienced low morale and increased dropout rates, and progress in strengthening maternal health literacy, preparedness, and shared decision-making at household and community levels remained limited despite policy commitments.

188. The audit found that maternal health programmes, particularly community awareness and education interventions, lacked clearly defined key performance indicators (KPIs) to measure their effectiveness and impact, undermining results-based management and accountability. Although routine data were captured through HMIS/DHIS2, these focused mainly on service delivery inputs and outputs and did not measure behavioural change, community awareness, birth preparedness, male involvement, or the implementation of MPDSR recommendations. The absence of a comprehensive results framework linking activities, outputs, outcomes, and impacts, combined with HMIS configuration gaps, limited monitoring and evaluation capacity, and an overemphasis on facility-based indicators, led to inconsistent performance tracking across regions. Consequently, the effectiveness of maternal health education and community interventions could not be demonstrated, limiting evidence-based decision-making, weakening accountability, and reducing prioritisation of community awareness strategies despite significant investments in maternal healthcare.

3.6 Impact on the Attainment of the FYDP and SGDs

189. The inadequate provision of neurological healthcare services for children undermines attainment of SDG 3 (Good Health and Well-being) and the objectives of FYDP III, particularly those aimed at reducing preventable deaths and improving child survival and human capital development. Limited availability of specialised neurological services, diagnostic capacity, and trained personnel leads to delayed diagnosis and poor management of neurological conditions, resulting in avoidable disability, long-term morbidity, and child mortality. These gaps weaken progress toward SDG target 3.2 on ending preventable deaths of newborns and children and constrain FYDP III goals

of building a healthy, productive population capable of contributing to national development.

190. Inadequate provision of essential medicines directly affects health outcomes and system resilience, compromising SDG target 3.8 on Universal Health Coverage and FYDP III priorities on access to quality and affordable health services. Frequent stock-outs, weak supply chains, and reliance on external suppliers disrupt continuity of care, increase out-of-pocket costs, and reduce public trust in health facilities. This limits the effectiveness of preventive and curative interventions across disease areas, slows gains in morbidity and mortality reduction, and undermines FYDP III's focus on strengthening pharmaceutical systems and domestic production to ensure reliable access to life-saving medicines.

191. The insufficient provision of maternal healthcare services, including gaps in skilled staffing, emergency obstetric care, referral systems, and financing, poses a major setback to achieving SDG target 3.1 on reducing maternal mortality and FYDP III commitments to equitable, quality maternal and newborn care. Delays in care, inadequate emergency transport, and weak service coverage increase preventable maternal and neonatal deaths, particularly in rural and underserved areas. Collectively, these shortcomings slow national progress toward SDG 3, widen health inequities, and weaken FYDP III outcomes by increasing avoidable health costs, reducing productivity, and impeding inclusive socio-economic development.

CHAPTER FOUR

PROVISION OF SOCIAL CARE AND LEGAL SERVICES TO CITIZENS

4.1 Introduction

192. This chapter presents the main performance audit findings related to the Provision of Social Care and Legal Services to Citizens. The chapter describes the audit areas, the Government entities involved in the audit, links to the SDGs and the FYDP III, and their impacts.

193. The performance audits include:

(a) Performance Audit on the Accessibility of Legal Aid Services for the Indigent population; and

(b) Performance Audit on the Provision of Food, Shelter and Care Services for Elderly People.

4.1.1 Background Information

194. The provision of legal aid in Tanzania is anchored in the Legal Aid Act, Cap 21, which defines indigent persons as those unable to afford private legal services. Legal aid services ensure that aid is extended to groups requiring support to realise justice. The legal aid initiatives, which began in 1969 as a student-led effort at the University of Dar es Salaam, have since evolved into a comprehensive system. This system was formalised through the Legal Aid Act of 2017, which recognises legal aid as a right and has since evolved into a comprehensive system.

195. Administratively, the Ministry of Constitution and Legal Affairs (MoCLA) oversees human rights and legal aid matters. The Registrar is responsible for registering, supervising, and inspecting providers, while the National Legal Aid Advisory Board offers policy guidance and hears appeals against the Registrar’s decisions. The Judiciary of Tanzania also plays a pivotal role, with judges and magistrates mandated to grant legal aid in both criminal and civil proceedings where fairness requires it. Additionally, the Police Force and Prison Service are legally obliged to establish mechanisms that facilitate access to legal aid for persons in custody.

196. Legal aid providers fall into two categories: Registered providers, such as NGOs, community-based organisations (CBOs), and paralegals; and Statutory providers, including the Tanganyika Law Society (TLS), which are established under specific Acts of Parliament and exempt from standard registration requirements.

197. In parallel, Tanzania encounters the growing needs of its elderly population. Under the National Ageing Policy (2003, revised 2024), a person is considered elderly at 60 years and above, a threshold applied in healthcare exemptions, pensions, and cash transfer schemes. Traditionally, elders were cared for within families, but globalisation and urban migration have weakened these roles, leaving many older persons facing loneliness, neglect, and a lack of basic needs.

198. The government's efforts to support the elderly began in the 1970s with the establishment of elderly homes, initially linked to facilities caring for leprosy patients. The National Ageing Policy sought to promote well-being, protect rights, and strengthen family and community care systems. However, challenges persist, particularly in the quality of social care and infrastructure. These are compounded by demographic changes: life expectancy rose from 52.8 years in 2000 to 66.8 years in 2021, while the elderly population increased from 2.5 million in 2012 to nearly 3.5 million in 2022.

4.1.2 Provision of Social Care and Legal Services to Citizens as Linked to FYDP and SDGs

199. This section provides insights into how the provision of social care and legal services aligns with the SDGs and the Five-Year Development Plan (FYDP III). The details are provided below.

(a) Social Care and Legal Services to Citizens as Linked to SDGs

200. The provision of legal services in Tanzania is closely aligned with SDG 16 (Peace, Justice, and Strong Institutions), ensuring that marginalised populations, including those with insufficient means, can access justice through mandates given to the Judiciary, and promote the rule of law at national and international levels as stipulated in Target 16.3. The alignment also extends to SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities). The legal aid providers supervised by the Ministry of Constitution and Legal Affairs (MoCLA) support communities in critical matters, including domestic violence, inheritance, land ownership, and family law.

201. Equally important, the provision of social care for the elderly is vital to achieving SDG 1 (Target 1.3: Social Protection), which calls for national systems that protect the poor and vulnerable. It also supports SDG 3 (Target 3.8: Universal Health Coverage) by ensuring access to essential health services and financial protection.

(b) Social Care and Legal Services to Citizens as Linked to FYDP III

202. These efforts directly advance the National Five-Year Development Plan (FYDP III), which identifies governance, the rule of law, and accountability as pillars of sustainable development. In line with this, the Ministry's Strategic Plan under FYDP III aims to provide basic social care services to 100% of destitute elders in homes by June 2026. The National Legal Aid Advisory Board further strengthens this framework by providing policy guidance and safeguarding legal aid as a prioritised right, thereby building public trust in the justice system.

203. Under FYDP III's objective of "*realising competitiveness and industrialisation for human development*," Government initiatives aim to provide shelter and healthcare services to nearly 3.5 million older persons. These are essential for protecting their rights and well-being. Together, these measures demonstrate Tanzania's commitment to inclusive development, where access to justice and social protection reinforce one another in building a fair and resilient society.

4.1.3 Government Strategies and Efforts in the Provision of Social Care and Legal Services to Citizens

204. Legal aid in Tanzania is recognised as a fundamental right under the Legal Aid Act of 2017, with services decentralised through 184 LGA desks and 446 officers to support FYDP III. Key initiatives include the Mama Samia Legal Aid Campaign (2023), which raises awareness on land disputes and gender-based violence, and the Hakisheria digital platform for streamlined monitoring. Social care for the elderly is guided by the National Ageing Policy (Revised 2024) and centres on 13 public elderly homes as a safety net. Broader support includes TASAF cash transfers, iCHF health insurance, and a 2021 directive requiring LGAs to allocate 3% of revenues to social welfare.

205. **Figure** 14 depicts efforts to provide social care and legal services to citizens.

Figure 14: Government Efforts in the Provision of Social Care and Legal Services to Citizens

Source: Reviewed Legislation, Policies, Plans and Strategies governing the provision of Legal Services to Citizens and Social Care for the Elderly People, 2025

4.2 Audit Objective and Scope

4.2.1 Audit Objective

206. To evaluate the effectiveness of the Tanzanian Government through its Ministries and Local Authorities in delivering essential legal aid and social care services to vulnerable populations, specifically indigent persons and destitute elderly, to ensure universal access to justice and a reasonable quality of life.

207. Specifically, I assessed whether:

(a) The Ministry of Constitutional and Legal Affairs (MoCLA) has provided legal aid services to indigent persons in Tanzania in a bid to ensure justice for all citizens; and

(b) The Ministry of Community Development, Gender, Women, and Special Groups, along with the Prime Minister's Office – Regional Administration and Local Government, were effectively providing social care services to destitute elderly people to ensure they attain a reasonable quality of life.

4.2.2 Audit Scope

208. My audit of legal aid services focused on the Ministry of Constitution and Legal Affairs (MoCLA), under the Office of the Registrar of Legal Aid Services, covering four Financial Years (2021/22–2024/25). Its objective was to assess the availability, implementation, and quality of services provided to indigent persons, as well as stakeholder coordination. The scope included both registered providers (NGOs and paralegals) and statutory providers such as the Tanganyika Law Society (TLS). Geographically, purposive sampling was applied across regions with varying provider densities to compare access in urban, peri-urban, and rural areas.

209. My audit of Social Care for the Elderly examined the roles of the Ministry of Community Development, Gender, Women, and Special Groups (MoCDGWSG) and the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG) over the period of five Financial Years (2020/21–2024/25). I assessed four pillars: identification of eligible elders, administration of elderly homes, adequacy of basic services, and effectiveness of monitoring and supervision. The audit population comprised all 13 government-owned elderly homes across Mainland Tanzania.

4.3 Main Audit Findings on the Accessibility of Legal Aid Services for the Indigent Population

210. I found that Legal aid coverage in Tanzania is critically uneven and fragmented, failing to meet the immense demand from the over 30 million citizens living below poverty thresholds. A significant urban-rural disparity exists, where urban centres, such as Dar es Salaam, have high coverage with 28 Legal Aid Providers (LAPs), while high-need rural regions with up to 74,000

TASAF beneficiaries, such as Kagera and Ruvuma, are served by as few as four to seven providers. This imbalance is rooted in the Eastern Zone's concentration of nearly 30% of all registered LAPs, compared to just 4.2% in the Western Zone, driven by better infrastructure and donor visibility in cities.

211. I organised the findings around four objectives: service availability and accessibility, effectiveness of delivery, adequacy of quality assurance, and stakeholder coordination.

4.3.1 Uneven Service Availability and Accessibility of Legal Aid in the Country

212. I observed that the availability and accessibility of legal aid services in Tanzania are critically uneven, fragmented, and insufficient to meet the high demand from the country's indigent population. While a national framework exists under the Legal Aid Act of 2017, systemic planning and institutional failures have left millions of vulnerable citizens, particularly those in rural areas, without meaningful access to justice. This was evidenced by;

(a) Geographical and Urban-Rural Disparities

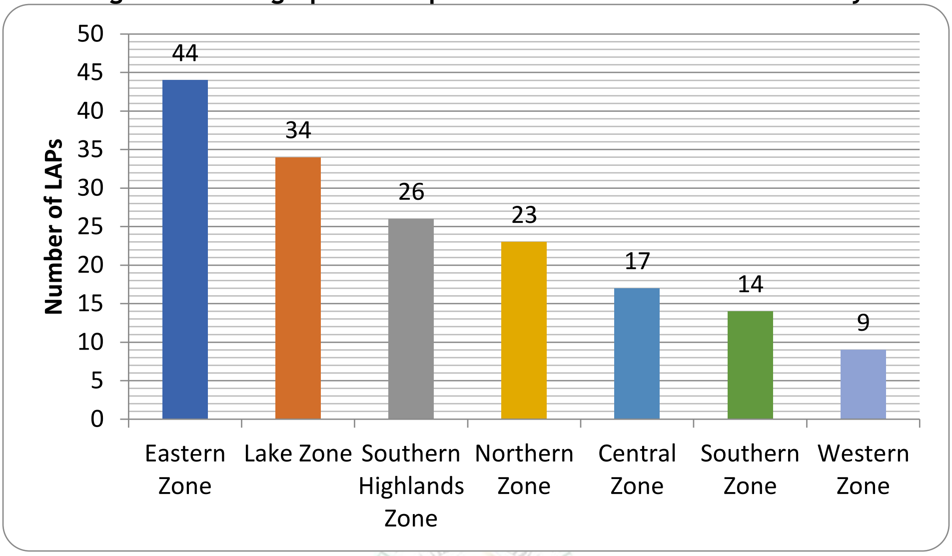
213. I found that LAPs, which serve as the primary institutional mechanism for delivering legal assistance, were excessively concentrated in urban areas, leaving rural regions with minimal coverage, typically having only 1 to 3 Legal Aid Providers (LAPs). This was contrary to Section 7(1)(f) of the Legal Aid, which specifically obliges the Registrar to promote public awareness and facilitate access to legal aid services. To further illustrate the extent of unmet legal service needs, I utilised Tanzania Social Action Fund (TASAF) beneficiary data as a proxy indicator for indigent populations. This comparative analysis highlights the disparity between the number of vulnerable households and the availability of LAPs across regions.

214. Legal aid provision in Tanzania is heavily imbalanced across regions. The Eastern Zone, especially Dar es Salaam, hosts nearly 30% of all registered Legal Aid Providers (LAPs), benefiting from urban infrastructure, dense population, and proximity to legal institutions and donor programs. Urban areas also enjoy stronger transport networks, higher legal literacy, and institutional support, making legal aid services more sustainable.

215. By contrast, rural and peripheral zones such as the Western, Southern, and parts of the Northern zone remain critically underserved, highlighting

systemic disparities in access. **Figure 15** illustrates this uneven distribution across Tanzania's seven administrative zones.

Figure 15: Geographical Dispersion of LAPs Across the Country



Source: Auditors' Analysis of MoCLA's List of Registered LAPs, 2025

216. **Figure 15** shows that the Eastern Zone dominates legal aid coverage, with Dar es Salaam alone hosting 28 LAPs, underscoring the urban bias in service deployment. The Lake Zone ranks second with 34 LAPs across six regions, though uneven distribution leaves Simiyu underserved. The Southern Highlands maintain moderate coverage, while the Central and Northern Zones underperform despite their strategic importance. The Western Zone (Kigoma) records the lowest share at 4.2%, highlighting stark geographic neglect.

(b) Stagnation in Registration and Oversight

217. I found that MoCLA was unable to meet the LAPs' registration targets in all four Financial Years under audit (2021/22–2024/25). The obligation to meet LAPs' registration targets was set out in MoCLA's Strategic Plan (2021/22-2024/25), which required the Ministry to register all LAPs annually. Specifically, indicator 29 of the Monitoring Results Matrix for the same period required MoCLA to register all (100%) LAPs as a performance measure for increasing access to basic legal aid services. The target under Indicator 29 required MoCLA to register 165, 175, 185, 195 and 105 LAPs in 2020/21, 2021/22, 2022/23, 2023/24, and 2024/25, respectively. In addition, the same indicator required MoCLA to register paralegals, with targets of 620, 2,120, 2,620, 3,120 and 3,620 in 2020/21, 2021/22, 2022/23, 2023/24, and 2024/25, respectively.

218. Further, the Ministry of Constitution and Legal Affairs (MoCLA) relied on a manual register that tracked accreditation but could not capture service coverage or accessibility. MoCLA did not conduct a national assessment of legal aid accessibility between 2021/22 and 2024/25, as required by the Legal Aid Act, leaving MoCLA without the information needed to plan and allocate resources effectively (LAPs and paralegals). LAP registrations rose from 26 to 110 by 2023/24, then dropped to 5 in 2024/25, while paralegal registrations peaked at 742 in 2022/23 and fell to 0 in 2024/25. Record-keeping was weak, with more than 1,000 expired registrations left unaddressed. Processing of applications exceeded the statutory 21-day limit, sometimes taking months, and enforcement was poor, with some legal aid providers operating up to 1,200 days past expiry. These shortcomings undermined the availability and accessibility of legal aid services nationwide.

219. I noted that shortcomings were largely due to the Ministry's failure to embed targets into annual operational plans and medium-term expenditure frameworks (MTEFs). No dedicated budget lines were established for registration, verification missions, or digital registry development. Moreover, the "HakiSheria" digital platform, intended to streamline registration, remains incomplete and non-operational, lacking automated reminders for approving authorities and feedback functions for applicants.

(c) Institutional and Technical Barriers to Access Legal Aid

220. I assessed the registration processing time for LAPs and paralegals and found prolonged delays, contrary to Item 5 of Paragraph 6.1 of MoCLA's Client Service Charter 2020, which requires applications to be processed within 21 working days. I noted that registration decisions took between one and four months, with no formal communication provided during the waiting period. The delays were largely attributed to;

(i) Systemic and Administrative Weaknesses

221. I found that applications for legal aid services were manually submitted and processed at the MoCLA headquarters prior to 2024/25, without a tracking mechanism from submission to certificate issuance. Although MoCLA initiated the "Hakisheria" digital platform to streamline registration, the system has not yet been rolled out. The platform remains incomplete and non-operational for LAPs and paralegals.

(ii) Human Resource Shortfalls

222. The Office of the Registrar consistently operated below required staffing levels, undermining its capacity to deliver legal aid services. In 2021/22 and 2022/23, only 2 staff were available, against the required 10, resulting in an 80% shortfall. Staffing improved slightly in 2023/24 to 4 staff, but this still represented a 60% gap. By 2024/25, the number rose to 7 staff, leaving a 30% shortfall.

(iii) Lack of Assessment of National Legal Aid Accessibility

223. MoCLA did not conduct a single national assessment of legal aid accessibility between 2021/22 and 2024/25. The audit found that MoCLA did not conduct a national assessment of legal aid accessibility between 2021/22 and 2024/25, as required by Sections 5 and 26 of the Legal Aid Act, 2017. Instead, it relied on a manual register that tracked accreditation but could not capture service coverage or accessibility. The National Legal Aid Implementation Strategy (2020–2025) was not implemented, leaving MoCLA without the information needed to plan and allocate resources effectively. Registration of LAPs and paralegals was inconsistent: LAP registrations rose from 26 to 110 by 2023/24, then collapsed to 5 in 2024/25, while paralegal registrations peaked at 742 in 2022/23 and fell to 0 in 2024/25. Record-keeping was weak, with more than 1,000 expired registrations left unaddressed.

4.3.2 Ineffective and Insufficient Delivery of Legal Aid Services

224. I found that in the absence of a national legal aid policy, MoCLA lacked a structured framework to guide the development, expansion, and regulation of legal aid services. There was no explicit Government statement on legal aid coverage targets, priority groups, funding strategies, stakeholder roles, or performance benchmarks. This has led to disintegration in service delivery, as most legal aid initiatives are project-based and donor-driven, thus lacking national consistency. The observed reasons for the ineffective and insufficient delivery of legal aid services include;

(a) Lack of Standardised Identification for Indigent Persons

225. MoCLA did not establish a uniform mechanism for identifying indigent persons. Instead, each Legal Aid Provider (LAP) uses its own criteria, often dictated by donor requirements or subjective judgment, leading to an inequitable distribution of resources and the potential exclusion of genuinely needy individuals. Contrary to section 21(3) of the Legal Aid Act, 2017, which

required a formal assessment to be conducted to ensure that the individuals receiving aid truly meet the criteria for being "indigent".

(b) Insufficient Support for Local Desk Officers (LADOs)

226. While the Government successfully established legal aid desks in 184 LGAs, these desks are largely non-functional due to a total lack of operational funding. Desk officers (LADOs) reported having no specific budget for site visits, awareness campaigns, or responding to requests. Consequently, many LADOs, who are often community development officers, spend their time on unrelated administrative tasks.

(c) Administrative Bottlenecks in the Legal Aid Reporting System

227. I noted a significant breakdown in the reporting chain. While LADOs were active at the grassroots level, the information they collected was not used for strategic planning. Reports were sent directly to the Registrar of Legal Aid, bypassing Assistant Registrars at the regional level, creating an administrative bottleneck and preventing local-level quality control.

4.3.3 Weak Quality Assurance and Inspection Trends

228. The audit found that MoCLA did not adequately regulate, supervise, or evaluate the quality of legal aid services provided by LAPS and Paralegals nationwide. This was contrary to section 26 of Cap. 21, which mandates both the Registrar and assistant registrars to monitor and evaluate the activities and the quality of legal services offered by providers. Some of the challenges observed in quality assurance and inspection were;

(a) Uncontrolled Quality of Legal Aid Services in Tanzania

229. The effectiveness of service delivery is further compromised by inadequate inspections, unanalysed service data, human resource constraints, and constraints of financial support for regional oversight. On average, MoCLA failed to conduct more than 40% of its planned inspections annually. I noted that this was due to inadequate inspections and insufficient training for providers. Therefore, unqualified paralegals operate and provide unqualified services, and in some cases, illegally charge fees to indigent persons.

(b) Non-Implementation of Advisory Board Directives

230. I observed Section 39 of the Legal Aid Act, Cap. 21 (R.E. 2023), which requires the Registrar to prepare and submit an annual performance report to the Board within three months after the end of the Financial Year. The Legal Aid Advisory Board is responsible for scrutinising reports and providing oversight. However, the audit found that MoCLA consistently failed to implement the Board's directives, particularly regarding the inspection of LAPs operating without registration. I found that for three consecutive meetings, MoCLA was directed to monitor LAPs operating without registration or in contravention of the law, but this directive was never implemented. Among the reasons I noted for inadequate implementation of directives issued by the board was inadequate financial Support for regional oversight. I further noted that daily functions, such as inspecting paralegals and legal aid facilities, received limited priority in the budget. This was also accompanied by a lack of standardised Monitoring Frameworks.

231. Consequently, I found a risk of issuance of substandard Legal Services and Violation of rights, erosion of public trust in legal aid services, Illegal financial exploitation of indigenous, etc.

(c) Inadequate and Irregular Inspections

232. During the audit, I noted that 43% of registered LAPs were excluded from inspection plans by design, and the actual implementation of planned inspections never exceeded 40%. This was contrary to Regulations 37 and 38 of the Legal Aid Regulations, 2018, which require the Registrar, assistant registrar, or an authorised person to inspect the offices of legal aid providers at least once every calendar year, during normal working hours, with or without prior notice. I found that inadequate and irregular inspections contributed to challenges such as illegal Fee Charging contrary to the prohibition under Section 20(6) of the Legal Aid Act Cap 21; Some paralegals were noted to be providing legal services without valid accreditation or training, risking the provision of substandard legal advice.

(d) Resource Constraints for Quality Oversight

233. I noted that maintaining quality standards was challenging, due to human and financial resource gaps within the Office of the Registrar, as indicated in **Table 10** and **Table 11**.

Table 10: The Status of Human Resources in the Office of Registrar of Legal Aid (2021/22 to 2023/24)

Staffing Level	Financial Year			
	2021/22	2022/23	2023/24	2024/25
Required	10	10	10	10
Available	02	02	04	07
Deficit (%)	80	80	60	30

Source: Auditors' Analysis on MoCLA's Staffing Level, 2025

234. **Table 10** shows that staffing at the Office of the Registrar remained below the required levels. In 2021/22 and 2022/23, only 2 out of 10 staff were available, indicating 80% shortfall. Numbers rose to 4 in 2023/24 (a 60% deficit) and to 7 in 2024/25, reducing the gap to 30%. Also, the audit noted an inadequate allocation of funds, as stipulated in **Table 11**.

Table 11: Funds Allocated to Cater for Legal Aid in MoCLA for the Period 2021/22 to 2024/25

Financial Year	Budgeted (TZS)	Disbursed (TZS)	Disbursed Fund (%)
2021/22	330,440,000	0	0
2022/23	715,176,000	1,327,880,000	185
2023/24	2,650,439,224	2,982,269,500	112
2024/25	17,674,292,824	17,674,292,824	100

Source: Auditors' Analysis of MoCLA's MTEF and Budgets from Financial Years 2021/22 to 2024/25, 2025

235. **Table 11** shows that between 2021/22 and 2024/25, legal aid fund allocation and disbursement were inconsistent. In 2021/22, no funds were disbursed despite an approved budget, showing weak prioritisation. In 2022/23 and 2023/24, disbursements exceeded allocations by 85% and 12%, mainly due to Government support through MSLAC. While this boosted MSLAC activities, it raised concerns about absorptive capacity and the effective use of funds. I reviewed the registrar's manpower levels as of 30 June 2025 and noted limited staffing in the MoCLA's directorate of legal aid provision. Therefore, it affects the adequacy and quality of the inspection, supervision, registration, monitoring, and evaluation of legal aid provision.

4.3.4 Insufficient Coordination of Legal Aid Services Provision

236. MoCLA's strategic and annual plans did not adequately address coordination in the legal aid sector. While the Strategic Plan set targets for regulation and coordination, annual plans focused mainly on meetings and conferences, with only about 40% of planned coordination activities

implemented. Some of the reasons for insufficient coordination in legal aid provision include;

(a) Disconnect Between Strategic Goals and Operational Planning

237. I found significant anomalies in how MoCLA plans for coordination. While the Strategic Plan (2021/22-2025/26) targets improved "*Access to Justice and Sector Coordination*," the actual annual action plans lack the strategies and interventions necessary to achieve the set plan. Over the period of four Financial Years, MoCLA did not include activities in its action plans to achieve the targeted outcome of harmonising legal aid operations. No standard guidelines or frameworks were developed to support stakeholder collaboration, reflecting weaknesses in the annual planning process. As a result, legal aid activities lacked standardised procedures, and coordination was weakened by unclear reporting lines between LADOs and assistant registrars, both of whom reported directly to the Registrar.

4.4 Main Audit Findings on the Provision of Food, Shelter and Care Services for Elderly People

238. The accessibility of social care services shows that the number of elderly individuals currently accommodated in elderly homes is substantially lower than the number of destitute elderly who could benefit from these facilities. Social care services have not been adequately provided across the country, contrary to Para 5.2 of the National Ageing Policy (2003)[1], as indicated in **Table 12.**

Table 12: Availability of Social Care Services per Region

Region	No. of Elders in Elderly Homes	Total No. of Destitute Elders
Tanga	35	26206
Arusha	13	8654
Kilimanjaro	11	58314
Manyara	8	7027
Lindi	10	10701
Ruvuma	0	19454
Mtwara	0	16585
Morogoro	26	38623
Dar es Salaam	45	344
Pwani	0	27282

[1] Para 5.2 of the National Ageing Policy (2003), requires the Ministry of Community Development to create a system for delivering social care services, while PMO-RALG prepare for strategies to identify destitute elders and ensure they receive care within their communities.

Region	No. of Elders in Elderly Homes	Total No. of Destitute Elders
Kigoma	26	60557
Mwanza	25	37496
Shinyanga	32	23825
Kagera	37	9364
Mara	69	44239
Geita	0	20371
Simiyu	0	51316
Singida	27	27120
Dodoma	92	10380
Tabora	26	31244
Mbeya	0	16167
Rukwa	0	49531
Katavi	0	6640
Iringa	6	13100
Songwe	0	6632
Njombe	0	12586

Source: Elderly Homes Accommodation Statistics, 2025

239. **Table 12** presents statistics on elderly people in destitute circumstances across different regions of the country. The number of destitute elders ranges from a minimum of 344 in the Dar es Salaam Region to a maximum of 60,557 in the Kigoma Region. However, comparing the availability of social care facilities and the accommodation of elders in elderly homes shows that 633,758 destitute elders are identified in Tanzania, and only 488 are provided with social care services within these facilities (220 in public homes and 268 in private homes). The reasons for the challenges in providing food, shelter, and care services to Elderly People are elaborated below.

4.4.1 Inadequate Identification and Assessment of Destitute Elders

240. I found that the methodologies for identifying and reporting on destitute elders were inconsistent. The inconsistency was in the methodologies used across LGAs and among social welfare officers for identifying elders in the communities. I noted that LGAs relied on outdated statistics or unreliable proxies, resulting in "invalid statistics" that fail to reflect the dynamic nature of the elderly population. This was contrary to Para 4.2 and 3.7 of the National Ageing Policy, which require Local Government Authorities (LGAs) to conduct comprehensive needs assessments for elderly people in their communities to ensure that their basic requirements are adequately identified and evaluated.

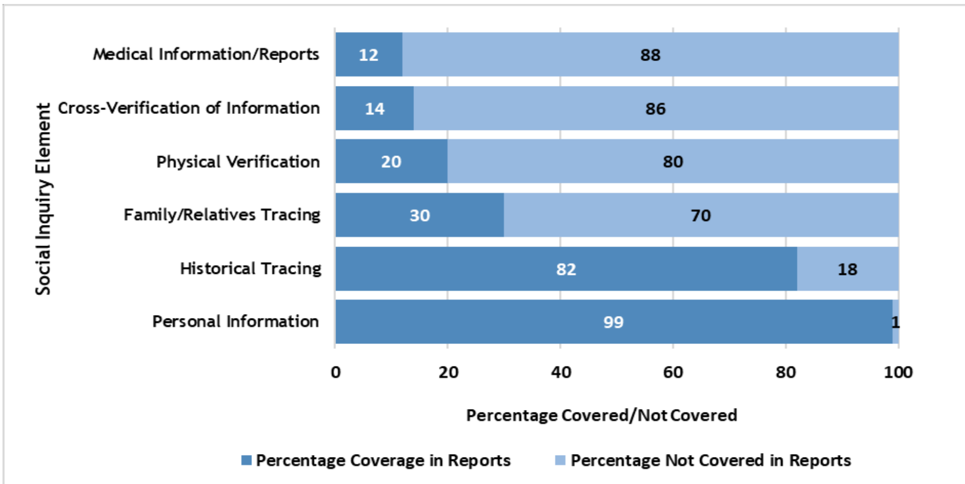
241. This method produced incorrect results because the population of elders is dynamic, with new entrants due to ageing, changes in economic status, and exits from the age group due to death, changes in income status, or

reunification with relatives. None of the LGAs collected primary data, which is the most acceptable method for generating valid information. This was caused by;

(a) Critical Gaps in Social Inquiry Reports

242. Social inquiry reports, which should guide individual care plans, were largely insufficient. I found that LGAs relied almost exclusively on oral interviews rather than physical verification or medical testing. I observed that each LGA was conducting the social inquiry report using its own knowledge and experience. As a result, the contents of the social inquiry reports varied from one LGA to another and from one report to another, depending on the experience of the social welfare officer who conducted the inquiry. **Figure 16** shows the extent of gaps in social inquiry reports.

Figure 16: Extent of Coverage of Information in the Social Inquiry Reports



Source: Individual Files of the Elderly from Visited Elderly Homes, 2025

243. **Figure 16** presents the extent of information collected during social inquiry activities conducted prior to requesting admission of elderly persons to care homes. The analysis shows that key elements were missing from the social inquiry reports submitted with admission requests. Notably, 86% of the reports did not document cross-verification of information obtained during the initial contact by social welfare officers. In 193 reports (88%), medical information or evidence of medical testing was absent, as 80% of the inquiries did not include a physical site visit or verification of the elder's living conditions. 70% of the files lacked information regarding family members, relatives, or tracing evidence.

244. The absence of this information created a broken chain of evidence, making it nearly impossible to reunite elders with their families after admission. This is evidenced by the extremely low reintegration success rate: only 2.3% of elders were successfully reunited with their relatives over five years.

(b) Widespread Admission of the Elderly Without Legal Permits

245. Para 15.0(i) of the Guideline requires the social welfare in charge of the elderly homes to ensure that an elderly person accommodated in the elderly homes secures a permit from the Commissioner for Social Welfare upon admission or immediately thereafter. Many elders are admitted through a "push system" by local leaders for immediate accommodation; however, officials rarely follow up to secure the necessary legal permits thereafter. **Table 13** presents the number of elderly individuals currently accommodated in elderly homes without a permit by the Commissioner for Social Welfare.

Table 13: Assessment of Issued Accommodation Permits from the Visited Elderly Homes

Elderly Home	Total No. Elders	No. of Elders with Permit	No. of Elderly Without Permit	Elders without Permit (%)
Sukamahela	13	3	10	77
Nunge	15	2	13	87
Kilima	21	0	21	100
Bukumbi	25	2	23	92
Nyabange	11	0	11	100
Kolandoto	16	0	16	100
Magugu	8	0	8	100
Njoro	11	0	11	100
Misufini	16	0	16	100
Mwanzage	12	0	12	100
Fungafunga	20	0	20	100
Ipuli	26	0	26	100
Kibirizi	26	0	26	100
Total	**220**	**7**	**213**	**96.62**

Source: Elders Admission Reports, 2025

246. **Table 13** indicates that, out of 13 elderly homes visited, 213 of 220 elders (96.62%) were admitted without accommodation permits from the Commissioner for Social Welfare at the Ministry of Community Development, Gender, Women, and Special Groups.

(c) Failure of Secondary and Specialist Assessments

247. I found that after admission, the elderly did not receive the specialised assessment required by national guidelines. This was contrary to Para 7.0 of the guidelines for the Establishment and Management of Elderly Homes, 2019, which requires elderly homes to conduct a formal assessment upon admission of an elderly person. This was evidenced by;

(i) Low Assessment Rates of the Elderly

248. Through reviewing individual admission files and discussing with officials from the visited homes, I found that three of the 13 elderly homes (Kolandoto, Ipuli, and Kibirizi) conducted and documented secondary assessments of the health and physical conditions of their elders at the time of admission. This was equal to 9% of elderly homes in which residents underwent a secondary health and physical condition assessment upon entering the home. Therefore, no assurance was provided regarding the elders' general health conditions, which formed the basis for designing individual healthcare plans while residing in elderly homes.

(ii) Lack of Personalised Care for the Elderly

249. I found that there were challenges where destitute elders receive the same generic services regardless of their unique medical, physical, or social needs. This issue stems primarily from the breakdown of the assessment process during and after admission. This was due to challenges with Assessments, where only 9% (20 out of 220) of elders residing in Government homes had undergone them. I further identified inadequate Social Inquiry Reports, in which the initial reports from Local Government Authorities (LGAs) often lacked the depth needed to create a care plan. Without these assessments, Elders with pre-existing conditions often do not receive attention until they reach a critical stage, as their symptoms are not being managed according to a specific plan.

(d) Admission of Inappropriate Residents

250. Upon reviewing admission notes and social inquiry reports from the elderly homes, I found that 17 elders from the 13 homes visited had anomalies that disqualified them from admission. Since the identification process is weak, elderly homes are frequently used to host individuals they are not designed to support. Some residents accommodated in elderly homes did not meet the admission criteria, contrary to Para 5.0 of the Guidelines for the Establishment

and Operations of Elderly Houses in Tanzania, which requires residents to meet predefined criteria, such as reaching the required age of 60 years and above. As a result, the admission of inappropriate residents leads to hosting residents with diverse, sometimes complex needs that the facilities cannot meet, ultimately compromising the well-being and dignity of all occupants.

251. Additionally, admitting residents who are not suitable for elderly housing poses risks to other residents in the houses. For instance, Magugu and Sukamahela houses reported cases of receiving violent mental patients who have been released from Milembe Mental Hospital.

4.4.2 Ineffective Administration of Elderly Homes

252. The administration of elderly homes was found to be weak and ineffective, undermining the quality of care and service delivery, contrary to paragraph 4.0 of the Guideline for the Establishment and Operation of Elderly Homes (2019) that required homes to have infrastructure specifically conducive to elderly people. The following issues were noted:

(a) Inadequate Building Design and Environment of Elderly Homes

253. I noted that none of the 13 Government elderly homes meets minimum design standards for accommodating elderly persons. Most buildings, originally constructed in the 1960s and 1970s to house leprosy patients, have not been adapted to meet the special needs of the elderly. As a result, the homes were inherited with significant deficiencies, including poor lighting and ventilation, hazardous flooring, inappropriate toilet types, lack of piped water, accessibility and mobility challenges, security issues, and environmental hazards. These shortcomings stem mainly from inadequate planning, budgeting, and implementation of maintenance and rehabilitation programs. Consequently, the poor design continues to affect residents' comfort and well-being.

(b) Gaps in Rehabilitation and Maintenance of Elderly Homes

254. The audit noted that in three years, MoCDGWSG set a budget of TZS 820 million for the rehabilitation of elderly homes, covering only five of 13 elderly homes. This is equivalent to 38% of all elderly homes in need of maintenance or rehabilitation. However, the Ministry rehabilitated only one of the five planned elderly homes (Ipuli) out of the five planned elderly homes. This was due to the non-release of budgets, which led to the existence of infrastructure and the

surrounding environment that fostered structural hazards, infestations, and unsanitary conditions.

(c) Land Regularisation and Encroachment on Elderly Homes

255. I found that most elderly homes lack legal security for the land they occupy, leading to persistent conflicts. 8 out of 13 homes (61.5%) do not possess formal Title Deeds. Furthermore, there was ongoing conflict in 7 out of 13 elderly homes (54%), while resolved conflict was reported only at Magugu elderly home (20%), and no conflict was reported in 3 elderly homes (23%). Also, the lack of fencing and clear boundaries has allowed surrounding communities to intrude, with permanent houses and even graves built on the premises of the elderly home in Nunge and Kibirizi.

(d) Human Resource Shortages and High Workloads in Elderly Homes

256. I revealed a critical gap between the required and actual staffing levels. As of January 2025, only 78 staff were serving the 13 Government elderly homes, representing 33% of the required 236 personnel. I noted that the staffing levels are critically below requirements, and the remaining personnel lack specialised training. Only 78 staff are available against a requirement of 243, representing a 67% shortage. Key roles such as nutritionists, physiotherapists, and accountants are completely absent in all 13 homes. One nurse is responsible for up to 56 elders (standard is 1:30), and one launderer serves 112 elders (standard is 1:30). Consequently, the combination of missing specialists and overstretched staff has led to denied access to specialised care, endangered health and safety, staff burnout and low morale and increased vulnerability.

4.4.3 Inadequate Provision of Social Care Services to Destitute Elders within Elderly Homes

257. Despite the ongoing efforts by Government and management, the audit revealed significant shortcomings in the adequacy and quality of social care services provided to elderly residents contrary to the Guidelines for the Establishment and Operation of Elderly Homes (2019) which mandate the Ministry (MoCDGWSG) to provide a full suite of social care services, including food and nutrition, health services, shelter, clothing, psychological and mental health support, safety, and protection. The identified challenges include;

(a) Inadequate Food and Nutritional Services

258. The audit noted that meals in elderly homes are monotonous, starch-heavy, and lack essential nutrients. Most homes serve a monotonous diet of tea, bread, rice, ugali, and beans, providing energy but failing to meet protein, vitamin, and mineral requirements. Financial constraints have been noted as one of the reasons for this challenge. I noted that despite a slight annual increase in Budget Allocations for Food Services for the Elderly (2022/23–2024/25), the daily allocation remained inadequate compared to current market prices for essential food items and the dietary requirements of the elderly. As the percentage of approved funds allocated to elderly homes decreased from 54% in the Financial Year 2022/23 to 18% in the Financial Year 2023/24, and then rose to 49% in the Financial Year 2024/25. Hence, it restricts the ability of elderly homes to offer a balanced diet.

(b) Gaps in Healthcare and Safety

259. I found that healthcare services are hampered by a lack of insurance coverage, insufficient professional staffing, and poor facility hygiene. Only four elderly homes (Nunge (73%), Fungafunga (100%), Kolandoto (100%), and Ipuli (96%)) offered health insurance, while the remaining nine did not. However, the iCHF insurance provided to elders was yet insufficient to cover chronic and critical illnesses such as bone fractures, surgeries, and cardiac complications. This was attributed to poor coordination between elderly homes and LGA officials, resulting in limited access to treatment for residents with serious health conditions.

(c) Shortage of Assistive and Safety Devices

260. The audit found a severe lack of tools necessary for elderly independence and safety. This was contrary to Para 4(viii) of the Guidelines for the establishment of elderly homes 2019, which requires MoCDGWSG to provide sufficient assistive devices to elderly homes. Noted shortages were mostly for mobility devices, vision devices, hearing devices, daily living devices, and orthopaedic devices (medical tools designed to support or replace parts of the musculoskeletal system, such as bones, joints, and muscles, to treat or prevent injuries and disorders).

261. Consequently, Compromised Independence and Mobility, Increased Risk of Physical Harm and Accidents, Heightened Caregiver Workload and Burnout, and Deterioration of Well-being and Dignity

4.4.4 Ineffective Monitoring and Supervision of the Provision of Social Care Services to Elderly People

262. I found that social care services for elderly residents were inadequately monitored and supervised by MoCDGWSG and PMO-RALG, contrary to Paragraph 3.1.13 of the National Guideline for Monitoring and Evaluation, the Ministry (MoCDGWSG) is required to monitor the provision of social care services by setting specific indicators that can be evaluated to determine the performance of each elderly home. Among the weaknesses observed in the monitoring and supervision of the social care services to elderly people were;

(a) Ineffective Performance Measurement Framework

263. I reviewed the MoCDGWSG's Strategic Plan 2021/22–2025/26 and noted that 15 outcome indicators were mapped to measure the performance of 5 main objectives. However, among the 15 indicators, none has been developed to measure the Ministry's performance in providing social care services to elderly people. Therefore, there were no direct strategic indicators for the section responsible for elderly care. I further noted that the Social Welfare Division (specifically the section headed by the Assistant Commissioner) lacks accountability for its targets, which negatively impacts resource allocation.

(b) Absence of Supportive Supervision

264. Despite having 97% of the required staff in the Social Welfare Division at the headquarters, the Ministry (MoCDGWSG) did not provide guidance to the actual homes. The Ministry did not conduct any supportive supervision across all 13 Government elderly care facilities during the four-year period from 2021/22 to 2024/25, despite plans being in place. This was because monitoring of elderly homes was consistently skipped in favour of other activities, such as supervising children's homes.

(c) Fragmented Reporting and Lack of Technology

265. I found that the current reporting system is "unstructured and fragmented," making it impossible to maintain an up-to-date national database. The absence of an Integrated Management Information System (MIS) within MoCDGWSG to collect, process, and consolidate data from elderly care institutions across the country limits the Ministry's ability to maintain an up-to-date national database on the status, capacity, and performance of elderly care homes. This technological gap limits the Ministry's ability to maintain an up-to-date national database on the status, capacity, and performance of elderly

homes. Consequently, fragmented reporting poses risks of inconsistent, incomplete, or outdated data. Other noted issues in relation to reporting were;

(i) Private Sector Gaps

266. I found that, after the commissioner approved the establishment and operation of privately owned elderly homes, these institutions were required to submit quarterly reports on their implementation of the elderly homes to PMO-RALG and the MoCDGWSG. Privately owned homes often fail to submit the required quarterly reports after receiving their operating permits. This was contrary to Guideline 16 of the Guidelines for the Establishment and Operation of Elderly Homes (2019), which mandates the MoCDGWSG to supervise and coordinate the provision of quality social care services. The Guideline further requires the MoCDDWSG to structure the reporting framework to evaluate service quality and ensure compliance.

(ii) Communication Delays

267. I revealed that MoCDGWSG lacked an Integrated Management Information System (MIS) to collect, process, and consolidate data from elderly care institutions nationwide. As a result, data management remained manual, limiting efficiency, accuracy, and timely decision-making. The manual nature of the system caused extreme delays; the audit documented one instance where a simple request for information took up to 71 days to receive a response.

(iii) The Accountability Void

268. I found that 100% of the Ministry's outcome indicators fail to account for the specific social care needs of the elderly population. This was further noted through a review of MoCDGWSG's Strategic Plan (2021/22–2025/26), which showed that 15 outcome indicators are aligned with five main objectives; however, none of these indicators measures the Ministry's performance in delivering social care services to elderly people.

4.5 Impact on the Attainment of the FYDP III and SGDs

269. The Government has implemented various strategies to strengthen Social Care and Legal Services for citizens. However, despite FYDP III and SDG strategic alignments, several systemic gaps threaten the full attainment of these goals, as outlined below:

270. The Performance Audit on Accessibility of Legal Aid Services revealed stark inequalities in access. Services remain heavily concentrated in urban areas such as Dar es Salaam, leaving rural regions like Manyara underserved. This undermines SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice, and Strong Institutions), denying millions of rural poor access to justice. Weak institutional capacity, evidenced by the collapse of paralegal registrations in 2024/25 and an 80% staffing deficit in the Registrar's office, further hinders FYDP III's human capital and institution-building goals. In addition, the absence of a standardised "means test" misallocates resources, contradicting SDG 1 (No Poverty), while financial barriers, including fees charged for "free" legal aid, directly victimise the indigent and erode trust in justice systems.

271. Similarly, the Performance Audit on Elderly Care Services highlighted failures that jeopardise the achievement of SDG 1 (No Poverty) and SDG 3 (Good Health and Well-being). Under Target 1.3, social protection coverage was critically low, with MoCDGWSG programs reaching only 0.08% of identified destitute elders compared to TASAF's 100% coverage. Under Target 3.8, I noted that 68.6% of elderly residents lacked medical insurance, while those insured faced lengthy exemption processes, undermining universal health coverage. Infrastructure rehabilitation under FYDP III was missed, with 13 homes targeted; only one home, namely Ipuli, was rehabilitated, despite TZS 820 million in approved funding. Strategic targets for 100% access to social care services by 2026 are unlikely to be met due to the absence of performance indicators and collapsed supervision.

272. Although the National Ageing Policy of 2003 mandated the enactment of a law to protect the rights of elders, the Ministry has failed to implement this requirement for over 22 years. Further disconnecting policy from practice, while resource allocation gaps, such as the release of only 18% of the approved budget in 2023/24, limit progress. Severe staffing shortages (67%) and lack of professional expertise dilute service quality, weakening attainment of FYDP III's human development agenda and SDG commitments.

CHAPTER FIVE

MANAGEMENT OF STRATEGIC GRAIN RESERVE

5.1 Introduction

273. This chapter presents the main audit findings derived from the management of the strategic grain reserve. The chapter describes the audit areas, the Government entities involved in the audit, links to the SDGs and the FYDP III, and their impacts. The Audit discussed in this chapter is the Performance Audit on the Management of the Strategic Grain Reserve.

5.1.1 Background Information

274. Strategic Grain Reserves (SGR) are government-held stockpiles of grain intended to ensure food security by providing a buffer against shortages caused by natural disasters, price fluctuations, or other emergencies[2]. In Tanzania, the strategic grains stored are maize, red sorghum, and paddy, but maize is being stored in large quantities because over half (52%) of the total Dietary Energy Supply comes from cereals, and within this category, maize is the predominant source, contributing 59%.[3]

275. The Agricultural Sector Development Programme Phase II (ASDP II, 2017) identifies agriculture as a cornerstone of Tanzania's economic growth, industrial development, and food security, contributing about 29.1% of GDP, 65.5% of employment, 65% of industrial raw materials, and 30% of export earnings. Despite adequate national food production, the National Post-Harvest Management Strategy (2018) highlights persistent food shortages in parts of the coastal, semi-arid central, and north-western regions. These shortages are largely attributed to weaknesses in post-harvest systems, including significant cereal losses caused by poor handling, inadequate storage and transport, inefficient marketing, and limited processing capacity[4].

5.1.2 Management of Strategic Grain Reserve as Linked to FYDP and SDGs

276. This section provides insights into how the Management of Strategic Grain Reserve aligns with the SDGs and the Five-Year Development Plan (FYDP III).

[2] https://en.wikipedia.org/wiki/Strategic_grain_reserve
[3] National Food Balance Sheets Report (May, 2019)
[4] National Post-Harvest Management Strategy (20

(a) Management of Strategic Grain Reserve as Linked to SDGs

277. The Management of Strategic Grain Reserve is intertwined with Goal 2 of the Sustainable Development Goals (SDGs), which aims to end hunger, achieve food security and improve nutrition, and promote sustainable Agriculture by 2030. Targets 2.1 and 2.2 of Goal 2 specifically aim to ensure access for all people, in particular people experiencing poverty and those in vulnerable situations, including infants, to safe, nutritious, and sufficient food year-round by 2030.

278. These targets call for effective management of the Strategic Grain Reserve to ensure adequate food availability. An increase in the strategic grain reserve supports improved food availability, which helps lower malnutrition rates and, in turn, enhances overall health, consistent with Indicator 2.2.2 of Target 2.2 of Goal 2. Ultimately, this contributes to achieving Target 2.1 of Goal 2 of the Sustainable Development Goals (SDGs) by 2030.

(b) Management of Strategic Grain Reserve as Linked to FYDP III

279. The strategic direction of the Third National Five-Year Development Plan (FYDP III), 2021/22-2025/26, was to construct 56 silos with a capacity of 190,000 metric tons and nine warehouses with a capacity of 60,000 metric tons. The aim was to increase food storage capacity from 501,000 metric tons to 700,000 metric tons.

5.1.3 Government Strategies and Efforts in the Management of the Strategic Grain Reserve

280. The Government had established a range of strategies to strengthen the management of the Strategic Grain Reserve, as summarised in **Table 14.**

Table 14: Strategies Associated with the Management of Grain Reserve

Name of Strategy	Strategies
The Agricultural Sector Development Strategy II (ASDP-II) (2015/16–2024/25)	Transformation of the agricultural sector toward higher productivity for improved livelihood, food, and nutrition security.
The National Post-Harvest Management Strategy (2019-2029)	To reduce losses of pre- and post-harvest, which make up 30-40% of the total annual crop production
Ministry of Agriculture Strategic Plan 2020/21 – 2025/26	To enhance the country's agricultural produce storage capacity by promoting the development of warehouses and related infrastructure, increasing national food storage capacity (Public and Private) from

Name of Strategy	Strategies
	3,031,106MT to 4,000,000MT by 2026, and the Food Self-Sufficiency Ratio (FSSR), with an increase from 125 per cent to 150 per cent by June 2026.
National Food Reserve Agency Strategic Plan 2021/22 -2025/26	To ensure an enhanced food reserve for national requirements by determining optimal levels of food stock, utilising and expanding storage facilities and technology, and strengthening food stock procurement.

Source: Auditors' Analysis using the Strategies for the Management of Strategic Grain Reserve Activities in Tanzania, 2025

5.2 Audit Objective and Scope

5.2.1 Audit Objective

281. The objective of the audit was to assess whether the National Food Reserve Agency (NFRA) and the Ministry of Agriculture (MoA) are efficiently and effectively managing the strategic grain reserve to ensure optimal food availability and price stability.

282. Specifically, the audit focused on assessing whether:

(i) The procurement processes were adequately managed to ensure that a sufficient strategic grain reserve is maintained;
(ii) The grain stores and their subsequent infrastructures were adequately managed to ensure that the quality and quantity of the reserved grain were maintained;
(iii) There were effective mechanisms for recycling reserved grains to ensure relief during emergencies and selling to replace the old stock; and
(iv) There was effective and adequate coordination between MoA, NFRA, and other stakeholders in managing the strategic grain reserve.

5.2.2 Audit Scope

283. The main audited entities were the Ministry of Agriculture (MoA) and the National Food Reserve Agency (NFRA). The audit mainly focused on the adequacy of procurement processes to maintain a consistent and sufficient supply of grain for reserves; the adequacy of grain storage infrastructure; mechanisms in place for grain recycling, including relief during emergencies and the replacement of long-term reserved grain stocks; and effective and

adequate coordination between MoA, NFRA, and other stakeholders in managing the strategic grain reserve. The audit covered the period from 2020/21 to 2024/25, comprising five Financial Years. This period was ideal for assessing the implementation of the NFRA's 10-year investment plan, ending in the Financial Year 2023/24.

5.3 Main Audit Findings on the Management of the Strategic Grain Reserve

284. This section presents a summary of the findings on the Management of the Strategic Grain Reserve. The details of the findings are given below.

5.3.1 Inadequate Management of the Procurement Process to Maintain Sufficient Strategic Grain Reserves

285. I reviewed the Annual Procurement Plan and progress reports for 2020/21 to 2024/25, and noted that NFRA achieved an average of 58% of its procurement targets. However, the agency demonstrated inadequacies in utilising allocated funds for grain procurement, leading to a reliance on commercial bank loans. The dependence resulted in increased operational cost for grain procurement from an average of TZS 496,120 to TZS 813,496 per Metric Ton.

286. Furthermore, the grain procurement process exhibited a deficiency in quality management. These were evidenced by uncontrolled live insect infestations and other compromised quality indicators; the absence of designated quality control personnel during procurement operations; and inadequate storage infrastructure, which compelled the National Food Reserve Agency (NFRA) to store grain outside designated warehouse facilities. A detailed explanation of each identified shortfall is as follows:

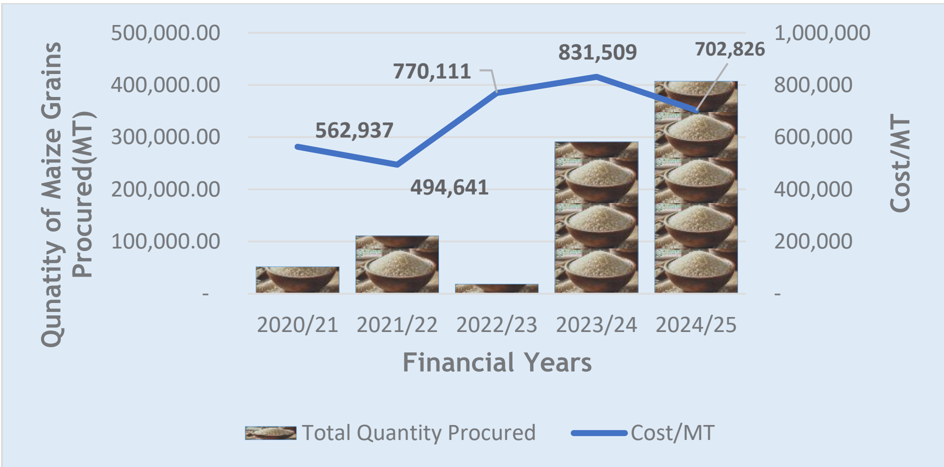
(a) Funds Allocated for the Procurement of Grains were not Efficiently Utilised

287. The audit revealed that NFRA did not utilise the funds allocated for grain procurement efficiently. This was contrary to order number 2.4.5 of the Executive Agencies Act (The National Food Reserve Agency) (Establishment) Amendment, 2016, which requires the Agency to properly control the utilisation of all financial resources. This led to the following:

(i) Increase in Cost per Metric ton[5] for Grain Purchasing Annually

288. My analysis of the funds utilised for grain procurement per metric ton revealed that actual procurement costs exceeded the projected buying prices outlined in NFRA's procurement plans, which were TZS 500,000 per metric ton. The details of the cost analysis for 2020/21-2024/25 is shown in Figure 17.

Figure 17: Comparative Analysis of Cost Spent per Tons Versus the Quantity Purchased



Source: Auditors' Analysis on Grain Procurement Records, 2020/21-2024/25, 2025

289. **Figure 17** shows that the procurement activities in the Financial Years 2020/21 and 2021/22 were comparatively economical, with actual costs below TZS 400,000 per metric ton, which is TZS 100,000 below the projected price. However, in the Financial Year 2022/23, the cost per MT increased sharply to TZS 770,111 despite a much lower quantity being procured. Similarly, in the Financial Year 2023/24, the highest cost per Metric Ton was TZS 831,509, despite large-scale procurement. Also, in the Financial Year 2024/25, the cost was high at TZS 702,826, and the quantity procured increased.

290. I found that the variation in the buying price during the procurement season was due to different instructions issued by the Ministry of Agriculture, which disrupted the planned pricing framework during grain procurement activities. Furthermore, the evidence from the progress reports for 2022/23 and 2023/24 indicated that the agency set the procurement price at TZS 600,000 to 750,000 per metric ton.

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[5] Unit cost per Metric tons includes the following, per diems, farm-gate price

291. Consequently, the NFRA incurred unplanned expenditures by purchasing grains beyond the approved budget line. This reduces value for money and limits the impact of grain procurement activities, which could eventually affect the attainment of the intended grain procurement quantity.

(ii) NFRA Spent an Additional Amount of Grain Handling Charges by TZS 7.86 billion

292. My review of the revenue expenditure report for 2020/21-2024/25 noted that grain handling expenses were incurred during procurement operations. NFRA spent TZS 16.16 billion, or 95% of the planned TZS 8.3 billion budget, over three years. This indicated an increase of TZS 7.86 billion, representing 197% of the approved budget. The details of the analysis are presented in **Table 15.**

Table 15: The Analysis of Amount Budgeted and Utilised in Grain Handling Activities, 2022/23-2024/25

Zone	Planned (TZS million)	Actual (TZS million)	Variance (TZS million)
Songea	1,361	3,640	2,279
Mpanda	-	154	154
Kipawa	128	629	501
Sumbawanga	1,685	4,718	3,033
Shinyanga	326	249	(77)
Arusha	764	1,044	280
Songwe	1,388	2,402	1,014
Dodoma	1,298	891	(407)
Makambako	1,358	2,443	1,085
Total	**8,309**	**16,169**	**7,862**

Source: Auditors' Analysis on MTEF from Financial Years from 2020/21 to 2024/25, 2025

293. **Table 15** shows that six of nine zones recorded expenditures exceeding their planned budgets, indicating overspending on grain-handling activities. Notably, Songea, Sumbawanga, Songwe, Makambako and Kipawa recorded the largest budget overruns. In contrast, Dodoma and Shinyanga reported actual expenditures below their planned allocations, which may reflect reduced procurement volumes or operational efficiencies in those zones.

294. My analysis revealed that the cost overruns were primarily due to inadequate planning of the quantities of grain to be procured in each respective year. As a result, NFRA established grain collection centres in low-production areas and adjusted the grain procurement price during procurement.

(b) The Volume of Procured Grain was 38% below the Annual Grain Procurement Target

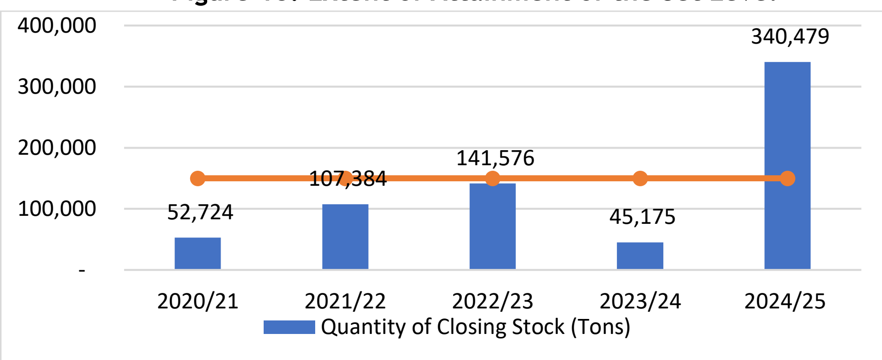
295. The review of NFRA Progress Reports, 2020/21-2024/25, found that although NFRA planned to procure a total of 1,491,451 MT of grains over 5 years, only 931,174 MT, equivalent to 62% of the grain, were actually procured. This was 38% below the annual grain stock target set in the Annual Procurement Plans and subsequent reports. The target was not achieved due to inadequate release of the planned funds. Upon reviewing the financial expenditure reports for the Financial Years 2020/21 to 2024/25, I found that the non-attainment of the set target was due to inadequate disbursement of the planned funds. The extent of release of funds for the five Financial Years from 2020/21 to 2024/25 was TZS 993,293,264,580, equivalent to 51.2% of TZS 1,940,685,326,000.

296. This shortfall constrained NFRA's ability to meet its annual procurement targets. The funding gap was mostly pronounced in FY 2020/21, where less than 20% of the planned budget was disbursed, undermining strategic procurement efforts and limiting buffer stock accumulation.

5.3.2 Insufficient Implementation of Strategies Linking with the SGR and Food Security

297. In reviewing the NFRA Quarterly Implementation Reports (2019/20-2023/24), I found that, from the Financial Year 2020/21 to 2023/24, the closing grain reserve was consistently below the optimal level of 150,000MT. This was contrary to Para 3.4 of the NFRA Strategic Plan for 2020/21 to 2025/26, which requires the closing stock to be at least 150,000 MT. **Figure 18** presents the extent of attainment of the set level.

Figure 18: Extent of Attainment of the Set Level



Source: Auditors' Analysis of the Data from Quarterly Implementation Reports (NFRA, 2020/21-2024/25)

298. **Figure 18** shows the trend in the quantity of retained grain stock at the opening of each Financial Year from 2020/21 to 2024/25. The figure shows that over the period from 2020/21 to 2023/24, closing stocks were below the recommended level of 150,000 MT. The figure further indicates that during the Financial Year 2023/24, the retained grain stock fell below the recommended optimal level by 104,825 MT.

299. Grain reserves play a critical role in stabilising food price inflation by acting as a buffer against supply shocks. When reserves are adequately stocked, governments can release grain into the market during periods of poor harvests, drought, or supply chain disruptions, thereby preventing sharp increases in food prices. In contrast, insufficient reserves amplify price volatility, as limited supply drives up costs and increases inflationary pressure. The analysis of the impact of achieving the reserve closing balance and inflation is presented in **Table 16.**

Table 16: Trend of the Relationship between Reserve Levels and Food Price Inflation

Financial Year	Reserve Level at Closing (In MT)	Mid-Year Food Price Inflation (%)
2020/21	52,724	3.8
2021/22	107,384	4.7
2022/23	141,576	5.9
2023/24	45,175	7.8
2024/25	340,479	0.9

Source: Auditors' Analysis on Food and Agriculture Organisation of the United Nations (FAO)[6] and NFRA Quarterly Implementation Reports (2020/21-2024/25), 2025

300. **Table 16** presents data showing a fluctuating relationship between national food reserve levels and mid-year food price inflation over five Financial Years. From 2020/21 to 2022/23, reserves increased from 52,724 MT to 141,576 MT, while inflation rose from 3.8% to 5.9%, suggesting that growing reserves did not immediately stabilise prices, as they remained below the optimal level. In 2023/24, reserves dropped to 45,175 MT, coinciding with the highest inflation rate of 7.8%, highlighting the vulnerability of food prices to low stock levels. In contrast, in 2024/25, reserves increased to 340,479 MT, and inflation fell to 0.9%, indicating that a strong reserve buffer could ease price pressures and enhance market stability.

301. Besides, given the increase in reserved grain stocks from the Financial Year 2020/21 to 2023/23, inflation also increased. This was due to the use of

[6] https://www.fao.org/faostat/en/#data/CP // Accessed on 9th November 2025 2000hrs

an outdated reserve optimal level of 150,000 MT, established in 1976, for a population of 15 million, rather than an adjustment to reflect the current population of 61.7 million based on the 2022 census[7]. The non-attainment of the set level was mainly due to a persistent shortfall in the Procurement Targets by the National Food Reserve Agency.

5.3.3 Inadequately Managed the Grain Storage Infrastructures

302. I conducted an assessment of the adequacy of grain storage infrastructure management, focusing on facilities such as warehouses, metal silos, and temporary storage sheds. My assessment noted the following:

(a) Insufficient Grain Storage Capacity by 57%

303. In reviewing NFRA Progress Reports for the Financial Year 2023 to 2024, I noted that NFRA currently operates with a storage capacity of approximately 303,000 MT, representing a shortfall of 57% against its intended capacity of 700,000 MT. This gap is inconsistent with the targets outlined in the NFRA Strategic Plan (2020/21–2025/26).

304. The shortfall in achieving full storage capacity was primarily due to incomplete implementation of the storage expansion project, which aimed to increase the storage capacity to 165,000 metric tons. This was due to deficiencies in contract management and the enforcement of contractual obligations under the agreement between the National Food Reserve Agency (NFRA) and the contractor.

305. The failure to achieve the required storage capacity compelled the NFRA to construct temporary storage sheds and to engage private-sector operators to provide supplementary storage facilities. This was evident in the 2023/24 Financial Year, when NFRA procured a total of 340,002.218 MT of grain, exceeding its available storage capacity.

306. The utilisation of temporary storage resulted in NFRA incurring additional costs of TZS 2,453,632,888 for hiring private storage facilities, which strained its financial resources.

[7] This minimum threshold has been in place since the establishment of SGR in 1976, while the population in the country was less than 15 million

(b) Inadequate Quality Assurance of Grain Stock

307. During the audit, I noted that quality control measures, such as storing grain for no more than 3 years, ensuring proper storage conditions, and applying pest control for grain stored in NFRA warehouses, were not adequately implemented. Specifically, grain was stored for more than the recommended time of three years. This was contrary to Para 3.4.3 of the NFRA Investment Plan 2014/15-2023/24, which sets a policy to maintain the food reserve in good condition for not more than 3 years, after which it will be difficult to store the said stock in good condition. The quantity of overstayed grain is presented in **Table 17.**

Table 17: Status of the Overstayed Grain Stock

Zone	Quantity of Grains (MT) Overstayed in Different Financial Years				
	2020/21	2021/22	2022/23	2023/24	2024/25
Arusha	0	0	0	0	0
Dodoma	199.500	1,440.625	30.212	0	212.202
Kipawa	0	393.405	0	4,406.358	10,822.311
Makambako	0	10,427.177	0	0	0
Songwe	0	577.432	0	0	371.191
Shinyanga	200.341	4,101.813	0	5,719.112	5,594.372
Songea	2,717.441	4,003.546	0	0	0
Sumbawanga	0	11,697.107	63	4,128.185	4,128.185
Total	**3,117.282**	**32,641.105**	**93.212**	**14,253.655**	**13,266.315**

Source: Auditors' Analysis on the Progress and Quarterly Reports, 2020/21-2024/25, 2025

308. **Table 17** shows that the quantity of the overstayed grain stocks was recorded in all zones except Arusha, which consistently reported zero overstayed quantities throughout the five-year period. In contrast, the Sumbawanga zone exhibited the highest cumulative overstayed quantities, peaking at 11,697.107 MT in 2021/22 and maintaining over 4,000 MT in both 2023/24 and 2024/25. Meanwhile, the Kipawa zone showed a progressive increase in overstayed grain from 393.405 MT in 2021/22 to 10,822.311 MT in 2024/25, indicating declining effectiveness in stock turnover and inventory management.

309. This trend was largely attributed to inadequate adherence to the First-In, First-Out (FIFO) principle during grain recycling operations, which is essential for creating space to accommodate newly procured stock while preserving grain quality. Storing grain beyond the recommended 3-year limit led to a noticeable decline in quality, primarily due to increased exposure to pests, humidity, and other environmental factors, resulting in revenue losses. My analysis of revenue loss associated with deterioration in grain quality on

NFRA Stock records from the Financial Year 2021/2022 to 2024/2025 showed a total of TZS 4.43 billion for 8,046.7 metric tons of maize.

310. This loss stems from the need to sell degraded maize at a reduced price, as recommended by the NFRA Advisory Board, compared to the original procurement value.

(c) Inadequate Maintenance of Storage Facilities by NFRA

311. The review of the 2024/25 procurement reports and the monthly quality reports of a similar period revealed that NFRA had a warehouse infrastructure with a total design capacity of 295,000 metric tons. However, due to inadequate maintenance, facilities with a combined capacity of 57,000 MT were rendered unusable, thereby reducing storage capacity to 238,000 MT. This shortfall contravenes the provisions of the NFRA Establishment Act, 2008, and the Operational Manual (2015), both of which require the Agency to maintain adequate and functional storage infrastructure to safeguard the integrity and security of national grain reserves. **Table 18** provides a detailed observation.

Table 18: Deteriorated Warehouse and Actual Usable Capacity as of 2024/25

Zones	Capacity of Deteriorated Warehouse (MT)	Actual Usable Warehouse Capacity (MT)
Arusha	-	58,000
Dodoma	9,000	31,500
Kipawa	20,000	33,500
Makambako	-	22,000
Songwe	1,000	16,000
Shinyanga	4,500	15,500
Songea	-	32,000
Sumbawanga	22,500	29,500
Total	**57,000**	**238,000**

Source: Auditors' Analysis on NFRA Procurement Report July 2024/2025, 2025

312. **Table 18** shows that the Arusha, Makambako, and Songea zones reported no deterioration in warehouse infrastructure, thereby maintaining full operational storage capacity. In contrast, Dodoma, Kipawa, and Sumbawanga zones experienced the most pronounced deterioration, resulting in substantial reductions in their effective storage capacity.

313. As a consequence of reduced storage capacity in the Financial Year 2024/25, NFRA undertook an expanded grain procurement exercise totalling 572,000 MT. This necessitated the use of temporary outdoor storage shades,

which exposed the grains to uncontrolled risks, such as moisture and pest infestation, thereby compromising the quality of the stored grain stocks.

314. According to the reviewed back-to-office report of June 2025, following stock-taking, the audit observed that consignments totalling 19,055.63 MT at Songwe, Kakozi, Ileje and Makambako were stored in non-standard facilities, including open sheds and sheds without roofs. Valued at approximately TZS 13.3 billion, based on a unit purchasing price of TZS 700,000 per metric ton, these consignments had started to deteriorate due to prolonged exposure. This deterioration was directly linked to inadequate permanent storage infrastructure, necessitating that NFRA store the grains outdoors under unfavourable conditions.

5.3.4 Inadequate Coordination Among Actors and MoA in Managing the SGR

315. The review of the agency establishment instrument revealed inadequate coordination between the Ministry of Agriculture (MoA) and the National Food Reserve Agency (NFRA), resulting in duplication of functions and activities. This was contrary to Strategic Objective F of the National Post-Harvest Handling Strategy, which emphasises strengthening institutional capacity, coordination, partnerships, and stakeholder participation among post-harvest management actors to enhance the implementation of the National Post-Harvest Management Strategy.

316. The analysis of data from the Disbursement-Linked Indicator (DLI) 5.2 report for June 2025 revealed that both institutions operated parallel departments responsible for managing storage infrastructure and marketing functions. For instance, both NFRA and MoA had departments tasked with identifying domestic and international markets for grain, but their establishment instruments lacked clear boundaries for this mandate.

317. This resulted in duplication of activities and efforts, inefficient use of public resources, and reduced operational effectiveness. The absence of a clearly defined institutional framework expressing the respective roles and responsibilities of MoA and NFRA has contributed to persistent infrastructure gaps.

5.4 Impact on the Attainment of the FYDP and SGDs

318. The shortfall in NFRA's storage capacity was equivalent to 43% of the FYDP III target. This has significant implications for national food security.

Reliance on temporary storage not only increases operational costs but also weakens the strategic grain reserve's ability to stabilise food prices and ensure equitable access for all groups during food shortages.

319. This gap undermines Tanzania's progress toward SDG 2, particularly Targets 2.1 and 2.2, by limiting the country's ability to guarantee safe, nutritious and sufficient food for vulnerable populations. If the storage capacity of 700,000 metric tons is not achieved by 2025/26, the nation risks food insecurity, market instability, and therefore a slowing in the attainment of both the FYDP III and the SDGs by 2030.

320. I found that, up to the Financial Year 2024/25, NFRA's storage capacity was 303,000 metric tons, which is equivalent to 43% of the set target. This has resulted in NFRA utilising temporary storage, thereby increasing operational costs. I further noted that NFRA did not achieve the required closing stock of the strategic grain reserve to support price stabilisation and to ensure access for all groups of people during food shortages. I also noted that this highlighted the risks of failing to achieve the set targets to increase grain storage capacity to 700,000 metric tons by 2025/26, as per the FYDP III, to ensure access to food as indicated in the SDGs by 2030.

CHAPTER SIX

MANAGEMENT OF WORKPLACE SAFETY AND COMPENSATION SERVICES TO WORKERS

6.1 Introduction

321. This chapter presents the main audit findings from the two performance audit reports on the management of occupational safety and health inspections at workplaces and the provision of workers' compensation services. The Chapter describes the audit areas, the Government entities involved in the audit, links to the SDGs and the FYDP III, and their impacts.

322. The covered performance audits include:

(a) Performance Audit on the Management of Occupational Safety and Health Inspections at Workplaces; and

(b) Performance Audit on the Provision of Workers' Compensation Services.

6.1.1 Background Information

323. Occupational Safety and Health (OSH) inspections are intended to protect workers' health, safety, and welfare by identifying and controlling workplace risks. For the workplace to be inspected, it must be registered by OSHA[8]. However, according to the OSHA database, there are 37,382registered workplaces, fewer than the estimated 179,196 workplaces identified by the National Bureau of Statistics (NBS), a key stakeholder in workplace identification.[9] Moreover, a review of OSHA's workplace database shows that, in collaboration with PSSSF, OSHA has identified 1,472 workplaces at public institutions as of June 2025. However, only 260 of these institutions (about 18%) were successfully registered with OSHA. The Workers' Compensation Fund (WCF) Report of 2024/25 also shows a rising trend in workplace accidents and occupational diseases, with total incidents increasing by 1,783 cases (39%) from 2,730 cases in 2020/21 to 4,513 cases in 2023/24.

[8] Section 15 of the Occupational Safety and Health Authority Act, 2003
[9] https://microdata.nbs.go.tz/index.php/catalog/46/related-materials

324. The Workers' Compensation Fund (WCF) also faces significant challenges that hinder its effectiveness. One major issue is the limited public awareness of the Fund and its benefits among workers. Another concern is the slow processing of claims and inadequate claims settlements, which delay the much-needed support for injured workers and their families. Non-compliance by employers with their monthly contributions to the WCF also weakens the Fund's financial stability.

6.1.2 Management of Occupational Safety and Health Inspections at Workplaces and Provision of Compensation Services to Workers' Initiatives as Linked to FYDP and SDGs

325. This section provides information on occupational safety and health inspections at workplaces and on the provision of compensation services to workers, aligned with the SDGs and FYDP III. The details are provided below:

(a) Occupational Safety and Health Inspections at Workplaces and the Provision of Compensation Services to Workers as Linked to SGDs

326. The Performance Audit on the Management of Occupational Safety and Health Inspections at Workplaces aligns with the Sustainable Development Goal (SDG) 8, Target 8.8, which calls for protecting labour rights and promoting safe and secure working environments for all workers, including vulnerable groups. Occupational safety and health inspections are also linked to SDG 3, target 3.9, which aims to substantially reduce deaths and illnesses from hazardous chemicals, pollution, and unsafe water, sanitation, and hygiene services.

327. Similarly, the Performance Audit on the Provision of Workers' Compensation Services aligns with SDG 8, Target 8.8, which calls for the protection of labour rights and the provision of safe workplaces for all workers. Provision of workers' compensation services also aligns with SDG 1, Target 1.3, which emphasises the implementation of nationally appropriate social protection systems and measures for all.

(b) Occupational Safety and Health Inspections at Workplaces and the Provision of Compensation Services to Workers as Linked to FYDP III

328. The linkage of the Performance Audits on the Occupational Safety and Health Inspections, and on the Provision of Workers' Compensation Services to FYDP III is indicated in **Table 19.**

Table 19: Linkage of the Occupational Safety, Health Inspections at Workplaces, and Provision of Workers' Compensation Services Activities to FYDP III

Audit Name	Development Plan	Priority Area	Sector	Interventions
Management of Occupational Safety and Health Inspections at Workplaces	FYDP III	Social Development for Inclusive Human Development	Human capital development	Enhance public safety, law, and order
Provision of Workers' Compensation Services	FYDP III	Social Development for Inclusive Human Development	Human capital development	Improve and protect the welfare and working conditions of workers in all sectors;

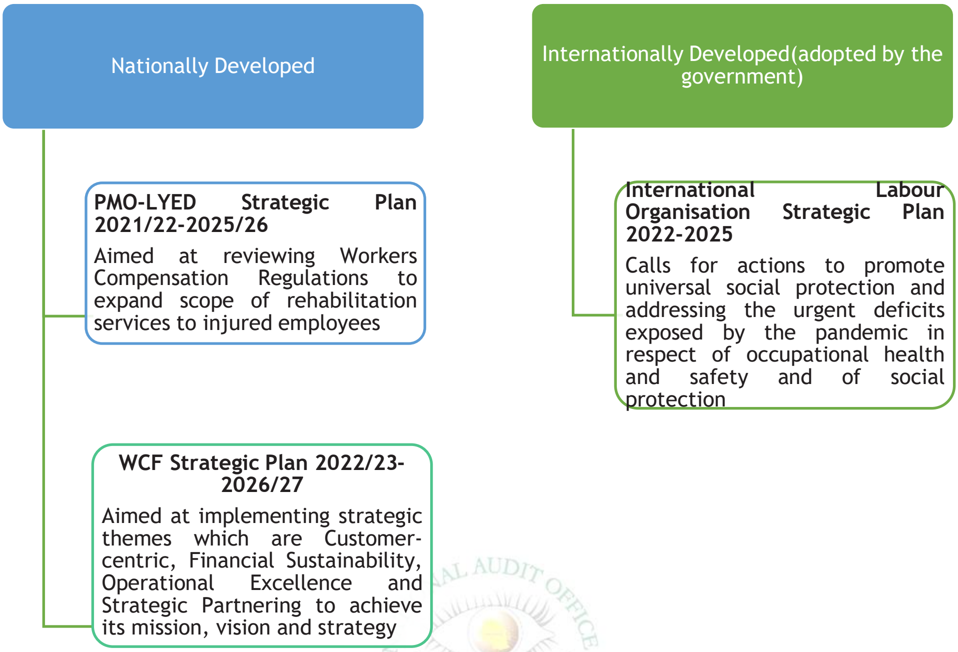
Source: Auditors' Analysis of FYDP III (2025)

6.1.3 Government Strategies and Efforts on the Management of Occupational Safety and Health Inspections at Workplaces and Provision of Compensation Services to Workers

(a) Government Strategies in Managing Occupational Safety and Health Inspections at Workplaces and Provision of Compensation Services to Workers

329. To ensure the effective management of occupational safety, health inspections at workplaces and provision of workers compensation services, the government, through the Occupational Safety and Health Authority (OSHA), Prime Minister's Office - Labour, Employment and Relations (PMO-LER) and the Workers' Compensation Fund (WCF) has set various strategies that provided directions toward achieving workplaces safety and compensation services to workers in the country. These strategies are described in **Figure 19.**

Figure 19: Strategies for Management of the Workers' Compensation Services



Source: Auditors' Analysis on Government Strategies, 2025

330. Similarly, the Government strategies that govern the management of the occupational safety and health inspections include:

<u>Occupational Safety and Health Strategic Plan (2021-2026)</u>

The strategies enable OSHA to adequately manage workplace registration, conduct workplace OSH inspections, and coordinate with other institutions to manage workplace inspections.

<u>PMO-LER Strategic Plan 2021/22 – 2025/26</u>

PMO-LER is mandated to formulate and monitor the implementation of Policies on Labour including Occupational Health and Safety.

(b) Government Efforts in Managing Occupational Safety and Health Inspections at Workplaces and Provision of Compensation Services to Workers

331. To ensure effective occupational health and safety at workplaces, during the Financial Year 2024/25, the government, through the Occupational Safety and Health Authority, has continued to fulfil its primary role of registering workplaces in accordance with the Occupational Health and Safety Act No. 5 of 2003. In carrying out this role, the Government has focused on ensuring that all workplaces in the country are accessible and registered, sensitising employers on the importance of registration in accordance with legal requirements, and improving the registration system by making it faster, easier, and user-friendly.

332. Similarly, the government, through the Workers' Compensation Services, continues to provide compensation to employees who sustain occupational injuries or occupational diseases arising out of and in the course of their employment, and, in cases of work-related deaths, to support dependents. The compensation service for employees is enhanced through employers' registration and contribution collection, benefits payment, investment activities, public awareness, and rehabilitation services.

6.2 Audit Objective and Scope

6.2.1 Audit Objective

333. The main objectives of the audits were to assess whether the Occupational Safety and Health Authority (OSHA), Prime Minister's Office - Labour, Employment and Relations (PMO-LER) and the Workers' Compensation Fund (WCF) effectively manage occupational safety and health inspections in workplaces and effectively provided workers' compensation services to employees and their related beneficiaries in cases of work-related injuries, diseases, or death.

334. Specifically, I assessed whether:

(a) The Occupational Safety and Health Authority and the Prime Minister's Office - Labour, Employment and Relations effectively manage Occupational Safety and Health Inspections in workplaces to control occupational accidents, diseases, and deaths; and

(b) The Workers' Compensation Fund effectively manages the provision of workers' compensation services to employees and their related beneficiaries in cases of work-related injuries, diseases, or death.

6.2.2 Audit Scope

335. For the audit on the Management of Occupational Safety and Health Inspections at Workplaces, the main audited entities were the Prime Minister's Office – Labour, Employment and Relations (PMO-LER) and the Occupational Safety and Health Authority (OSHA). The audit examined the completeness of the workplaces register, the efficiency of data-sharing arrangements with other public institutions to support workplace inspections, the adequacy of inspection plans, tools, and resources, the timeliness, coverage, and quality of OSHA inspections. The audit covered the period from the Financial Year 2021/22 to 2025/26.

336. Furthermore, in the audit related to the Provision of Workers' Compensation Services, the main audited entity was the Workers' Compensation Fund (WCF). The audit assessed the effectiveness of claim management processes, from submission and assessment through approval and the actual awarding of compensation to intended beneficiaries. The audit also assessed the extent of registration of eligible employers, contributing employers, and beneficiaries, as well as the mechanisms in place to promote awareness among workers and employers. The audit covered the period from Financial Year 2021/22 to 2024/25.

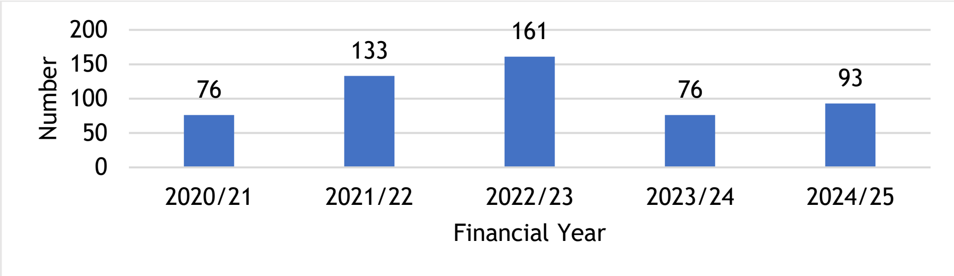
6.3 Main Audit Findings on the Management of Occupational Safety and Health Inspections at Workplaces

337. I noted shortfalls in the management of occupational safety and health inspections. The key issues noted were an increased workplace fatality rate, inadequate workplace registration, and inadequate implementation of statutory inspection, as detailed below.

6.3.1 Increased Workplace Fatality Rate by 22%

338. I found that from Financial Year 2020/21 to 2024/25, the number of work-related deaths fluctuated from 76 in Financial Year 2020/21 to 161 in 2022/23, then dropped to 76 in Financial Year 2023/24, before rising to 93 in 2024/25, as shown in **Figure 20.**

Figure 20: Inconsistent Trend in Reduction of Workplace Fatalities



Source: Auditors' Analysis of the Annual Implementation Reports, 2025

339. **Figure 20** shows that workplace fatalities reported by OSHA did not decrease consistently over the period of Financial Year 2020/21–2024/25, but instead fluctuated. The number of recorded workplace deaths increased from 76 in Financial Year 2020/21 to 161 in Financial Year 2022/23, more than doubling over a two-year period. After that peak, fatalities dropped sharply back to 76 in Financial Year 2023/24, then rose again to 93 in 2024/25, indicating an inconsistent pattern rather than steady improvement.

340. Despite OSHA's interventions to reduce workplace accidents and fatalities, trends in workplace fatalities continue to fluctuate, underscoring the need for stronger policy measures and sustained enforcement efforts.

6.3.2 Inadequate Registration of Workplaces to Support Occupational Safety and Health Inspections

341. I found inadequate workplace registration by OSHA, despite planned efforts to identify workplaces through Memoranda of Understanding (MoU), Data Sharing Agreements (DSA), the use of Geographic Information System (GIS), and the promotion of online registration, as stated under objective C of the OSHA Strategic Plan 2021 – 2026. This situation was contrary to Sections 15 and 16 of the Occupational Safety and Health Act, 2003, which mandates OSHA to identify and register all workplaces to ensure compliance with OSH standards. Detailed information on these identified issues is provided below.

(a) Low Registration of Workplaces

342. I learned that OSHA did not register 79% of the 179,196 workplaces identified by the NBS. This is contrary to Section 17 (5) of the OSHA Act, 2003, which prohibits workplace occupiers from operating without being registered with the Occupational Safety and Health Authority. Also, I found that the gap in unregistered workplaces continued to grow, as shown in **Table 20.**

Table 20: Increases in Unregistered Workplaces by OSHA

Financial Year	Number of Workplaces (NBS)	OSHA-registered workplaces	Gap	Gap (%)
2023/24	87,556	28,238	59,318	67.7
2024/25	179,196	37,382	141,814	79.1

Source: Auditors' Analysis on the Data from NBS and OSHA, 2025

343. **Table 20** shows that, compared to NBS data, the number of unregistered workplaces increased from 67% to 79%. This trend shows that OSHA is not making adequate efforts to register workplaces. Moreover, a review of OSHA registration status for workplaces indicated OSHA has identified 1,472 workplaces at public institutions as of June 2025. However, only 260 of these institutions (18%) were successfully registered with OSHA, leaving other workplaces unregistered, indicating areas for improvement.

344. Inadequate workplace registration has been attributed to insufficient collaboration among OSHA, the National Bureau of Statistics (NBS), WCF, the National Social Security Fund (NSSF), the Tanzania Revenue Authority (TRA), Tanzania Investment Centre (TIC), Ministry of Health (MoH), the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG), Contractors Registration Board (CRB), Government Chemist Laboratory Agency (GCLA), the Energy and Water Utilities Regulatory Authority (EWURA), Tanzania Shipping Agencies Corporation (TASAC), and the Business Registration and Licensing Authority (BRELA) to share workplace data. This limits the effectiveness of data-sharing and workplace registration efforts.

345. Limited registration of public institutions led to unregistered institutions being excluded from routine inspections to ensure compliance with OSH standards, leaving public sector employees exposed to undetected hazards and increasing the likelihood of workplace accidents and occupational diseases.

(b) Non-charging of Penalties for Workplaces Operating without OSHA's Registration Certificate

346. I found that 11,578 workplaces without registration certificates were not penalised, which was contrary to Section 17(5) of the OSHA Act of 2003, which requires OSHA to impose a penalty of TZS 1 million to TZS 5 million for unregistered workplaces to enforce workplace registration.

347. The absence of routine audit or verification mechanisms to detect unregistered workplaces has contributed to inadequate workplace registration due to a shortage of inspectors to locate them. As a result, many workplaces continued to operate without OSHA's registration certificate and were not penalised. **Table 21** presents the increasing trend in unregistered workplaces in the country, along with the corresponding uncharged penalty.

Table 21: Uncollected Penalties from Workplaces without Registration Certificates

Financial Year	No. of Unregistered Workplaces (a)	Minimum Penalty, in TZS (b)	Amount of Uncollected Penalty in TZS (a x b)
2020/21	439	1,000,000	439,000,000
2021/22	1,691	1,000,000	1,691,000,000
2022/23	2,662	1,000,000	2,662,000,000
2023/24	3,747	1,000,000	3,747,000,000
2024/25	3,039	1,000,000	3,039,000,000
Total	**11,578**		**11,578,000,000**

Source: Auditors' Analysis of OSHA's Workplace Database and OSHA Act of 2003, 2025

348. **Table 21** indicates that OSHA did not impose penalties of approximately TZS 11.5 billion on workplace owners who failed to register their workplaces in accordance with the OSHA Act, 2003.

349. Non-enforcement of penalties weakens workplace registration requirements, allowing unregistered workplaces to continue operating in violation of Occupational Safety and Health (OSH) standards and denying OSHA the opportunity to collect funds that could be used to increase its inspection capacity and support workplace safety programs. This, in turn, undermines OSHA's core mandate to ensure safe work environments, thereby creating a risk of poor OSH compliance.

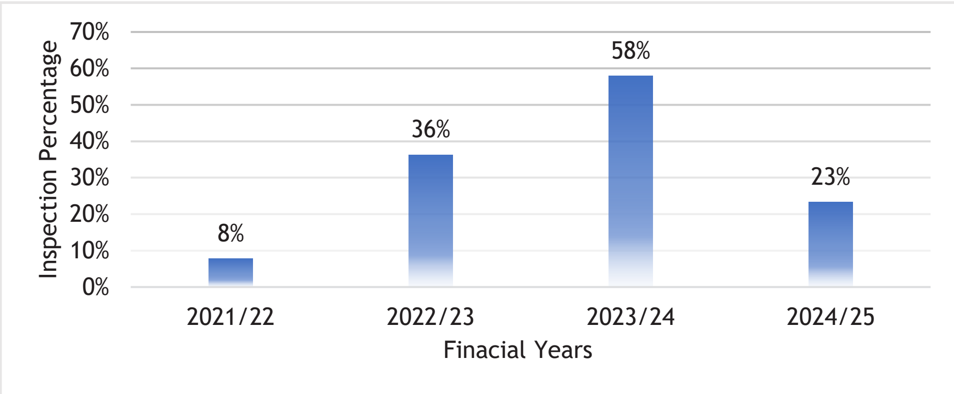
6.3.3 Inadequate Implementation of Statutory Inspection Plans by OSHA

350. I found that OSHA did not adequately implement its statutory inspection, contrary to the requirements of Article 2 of the International Labour Organisation Convention No. 81, which requires that the labour inspection in industrial workplaces apply to all workplaces in respect of which legal provisions relating to conditions of work and the protection of workers while engaged in their work are enforceable by labour inspectors. The specific shortfalls are explained below.

(a) Inadequate Inspection of Registered Occupational Safety and Health Workplaces

351. I noted that OSHA inspected an average of 31.3% of registered workplaces, contrary to the requirement under Section 6(2) of the Occupational and Safety and Health Act, 2003, as shown in **Figure 21.**

Figure 21: Inadequate Inspection of Registered Occupational Safety and Health at Workplaces



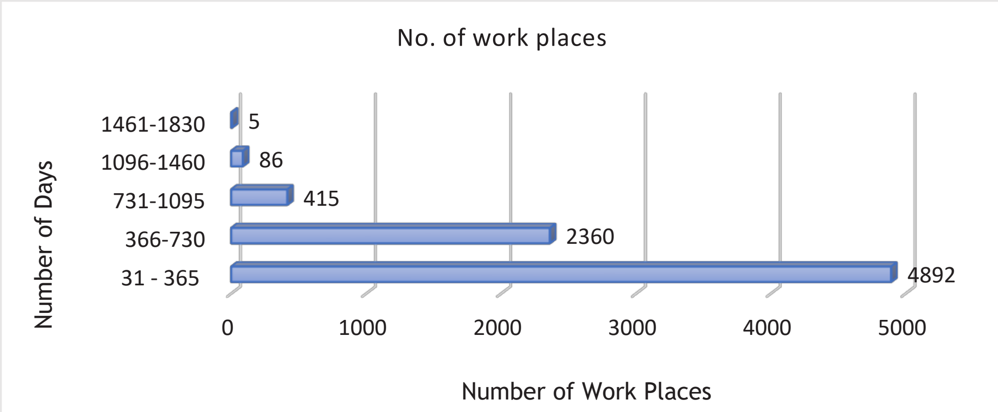
Source: Auditors' Analysis on Data of Registration and Inspection Conducted by OSHA, 2025

352. **Figure 21** shows that, over the past five years, OSHA has conducted inspections in fewer than 60% of all registered workplaces. The highest percentage of workplace inspections was recorded in the Financial Year 2023/24, while in 2024/25, the number of inspected workplaces decreased to 23% of registered workplaces. However, I noted that OSHA had a shortage of 66% of the needed inspectors (123 out of 365), implying that the current workforce covers only 33.7% of the required inspectors. This was noted to affect the timeliness and comprehensiveness of workplace inspections.

(b) Delayed Inspections of Workplaces after their Registration

353. I found that the workplaces were not inspected within 30 days after registration as required by Paragraph 5.3.1 of the OSHA Client Service Charter, 2023, as shown in **Figure 22.**

Figure 22: Summary on Delayed Inspection of Workplaces After Registration

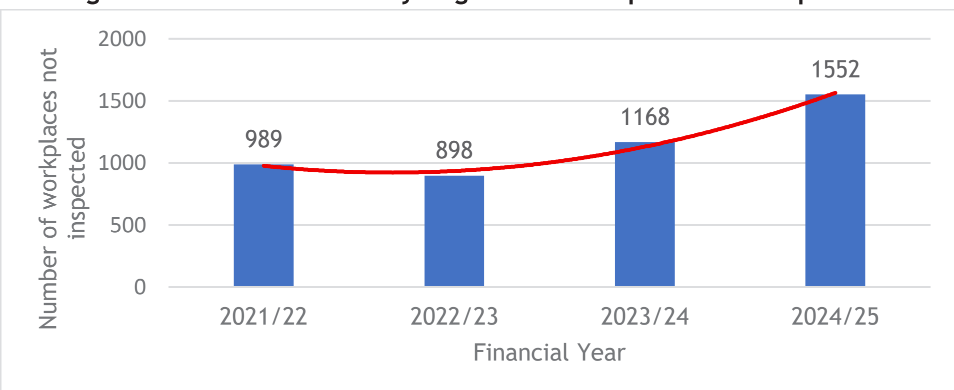


Source: Auditors' Analysis on OSHA's WIMS, 2025

354. **Figure 22** shows that the largest number of workplaces delayed in receiving the first inspection after registration ranged from 31 to 365 days, with a maximum delay of 335 days, while the fewest workplaces received the first inspection between 1461 and 1830 days, with a maximum delay of 1800 days. This delay undermines the primary objective of registration, which is to facilitate early verification of compliance with Occupational Safety and Health (OSH) standards.

355. Moreover, I noted an increasing number of newly registered workplaces that were not inspected after their registration, as shown in **Figure 23**.

Figure 23: Number of Newly Registered Workplaces not Inspected



Source: Auditors' Analysis on OSHA Database, 2025

356. As shown in **Figure 23,** the number of newly registered workplaces that remained uninspected remained very high over the past four years, ranging from 989 to 1,552 between 2021/22 and 2024/25. Untimely workplace inspections have been attributed to inadequate OSHA strategies to accommodate the increased workload from adding newly registered workplaces to annual inspection plans. Consequently, uninspected new workplaces operated for months without any OSH enforcement.

6.3.4 Inadequate Interventions to Support Oversight of OSH Inspections in the Workplaces

357. I found that the oversight interventions carried out by PMO-LER were not effective in supporting the Ministry's oversight role of the implementation of OSH at workplaces and in achieving national safety and health objectives, as presented below:

(a) Absence of OSH Inspections Oversight by PMO-LER

358. I noted that PMO-LER has not established or operationalised a functional monitoring and evaluation framework to oversee the implementation of the National Occupational Safety and Health (OSH) Policy and the performance of occupational safety and health inspections in the country. This is contrary to Paragraph 3 of Chapter 5 of the Occupational Safety and Health Policy 2009, which requires PMO-LER to develop a more focused, systematic, and well-defined monitoring and evaluation system after formulating a strategic intervention for policy implementations. Further analysis of information from the Ministry's Monitoring and Evaluation Reports and Annual Performance Reports revealed that the reports did not address oversight of OSH inspections or their management.

359. The primary reasons for this situation are the absence of a dedicated, systematic monitoring and evaluation mechanism for OSH policy implementation within PMO-LER and a lack of clarity about the Ministry's oversight role in relation to OSHA in the Ministry's strategic plan, which impairs PMO-LER in its mandate to monitor policy implementation and inspections effectively. As a result, the Ministry currently relies on OSHA's internal accountability to its Board of Directors, without a complementary external oversight framework.

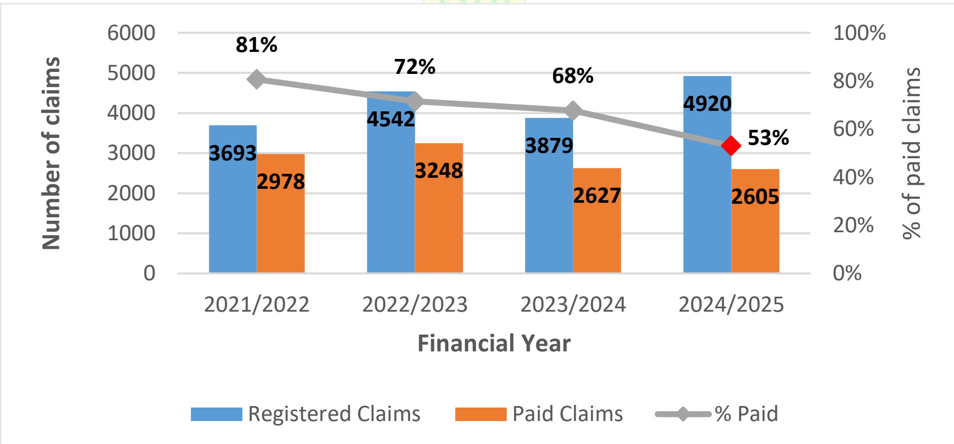
6.4 Main Audit Findings on the Provision of Workers' Compensation Services

360. I noted shortfalls in the provision of workers' compensation. The key issues noted were a decrease in the percentage of compensated claims, delayed claim processing, not registering all the identified employers, unremitted interest charges from non-compliant registered employers and ineffective awareness provision on compensation services, explained below:

6.4.1 Decrease in the Percentage of Compensated Claims

361. I learned that from Financial Year 2021/22 to 2024/25, WCF compensated 67% of registered claims for employees who sustained injuries, contracted occupational diseases, or died in the course of employment in Mainland Tanzania, as shown in **Figure 24.** This was contrary to the requirement of The Workers' Compensation Act, [CAP. 263 R.E. 2015] which states that the objective of the establishment of the WCF is to provide for compensation to employees for disablement or death caused by or resulting from injuries sustained or diseases contracted in the course of employment.

Figure 24: Extent of Compensated Claims Compared to Registered Claims from 2021/22 to 2024/25



Source: Auditors' Analysis on Claims Registration, Processing and Payment Records from 2020/21 to 2024/25, 2025

362. From **Figure 24**, it can be seen that the payment rate for registered claims declined from 81% in 2021/22 to 53% in 2024/25. A sharp decline in the percentage of paid claims compared to the registered claims was mainly caused by a number of factors, as explained below:

(a) 33% increase in the Number of Registered Claims

363. I identified that the number of registered claims increased from 3,693 in 2021/22 to 4,920 in 2024/25, equivalent to a 33% increase. The increase in registered claims led to greater demand for investigations, which, in turn, delayed the approval of payment claims.

(b) Rejection of the Registered Claims and an Increase in Unprocessed Claims

364. I found that the Fund rejected registered claims from 17% in 2021/22 to 10% in 2024/25 for various reasons, including those submitted with insufficient supporting evidence and those submitted beyond the required statutory time limit of 12 months. Reviewed Statistics on the Rejected Claims for the Financial Years 2021/22 to 2024/25 noted that 1.24% of the rejected claims were attributed to having been submitted beyond the statutory period of 12 months. The decline in compensated claims was also driven by an increase in unprocessed claims, from 1% in the Financial Year 2021/22 to 25% in the Financial Year 2024/25.

(c) Centralisation of Claims Administration and Assessment Activities

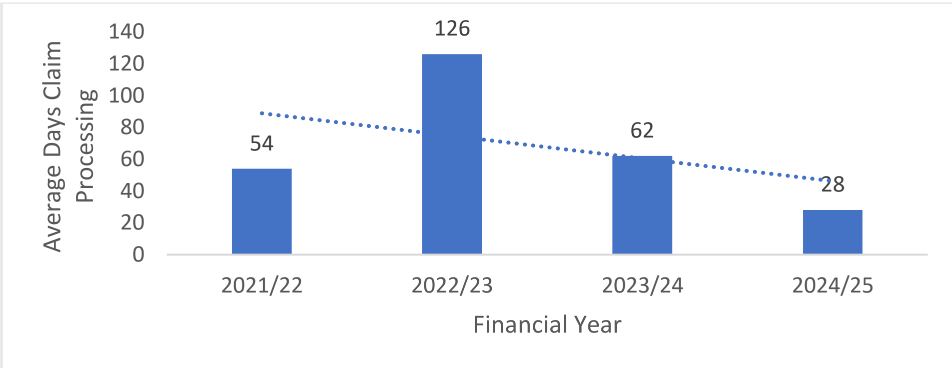
365. I noted that WCF implements claims assessment activities only within the Claims Assessment Section at the Dar es Salaam Sub-Head Office and the Dodoma Zonal Office, despite the establishment of nine Regional/Zonal Offices led by in-charges. I further learned that the existence and operation of these offices are not found in the Approved Functions and Organisation Structure of the WCF (Approved by the President on 5 November 2018 and communicated to WCF on 15 November, 2025 by the President's Office, Public Service Management and Good Governance).

366. The inadequate implementation of claims administration and assessment activities in the WCF regional/zonal offices was mainly attributed to the absence of an instrument that clearly documents the establishment of WCF regional offices, including their roles and responsibilities, reporting structure, action plans, and budgets. This situation resulted in delayed approval and settlement of claims.

6.4.2 Delayed Claim Processing

367. I found delays in processing and approving payments to the claims submitted by workers who sustained occupational injuries or diseases from 2021/22-2024/25. This was contrary to Para 10 of the WCF Client Service Charter, 2020, that set timelines for payments of temporary total disablement, temporary partial disablement, and lump sum compensation to injured employees within 30 working days upon receipt of an eligible claim application with complete documentation. **Figure 25** presents the average number of days WCF takes to process claims from the date of claim registration.

Figure 25: Average Days Taken by WCF to Process Complete and Valid Claims



Source: Auditors' Analysis on Paid Claims from the Financial Years 2021/22 to 2024/25

368. **Figure 25** indicates that the average time taken to process complete and valid claims was 54 days in 2021/22, increased to 126 days in 2022/23, and declined to 62 days in 2023/24, all of which were above the 30-working-day standard. However, for the Financial Year 2024/25, 28 days were meeting the standards set out in the Client Service Charter.

369. Delays across the different stages of claim processing adversely affect the overall efficiency of the compensation system. The extended period between claim registration and payment limits the Fund's ability to provide timely financial aid to injured workers, thereby undermining the Fund's purpose: to provide compensation services.

370. Further, I found that those delays in claim processing were attributed to the following factors:

(a) Over 40% of Claims Needed Onsite Investigation

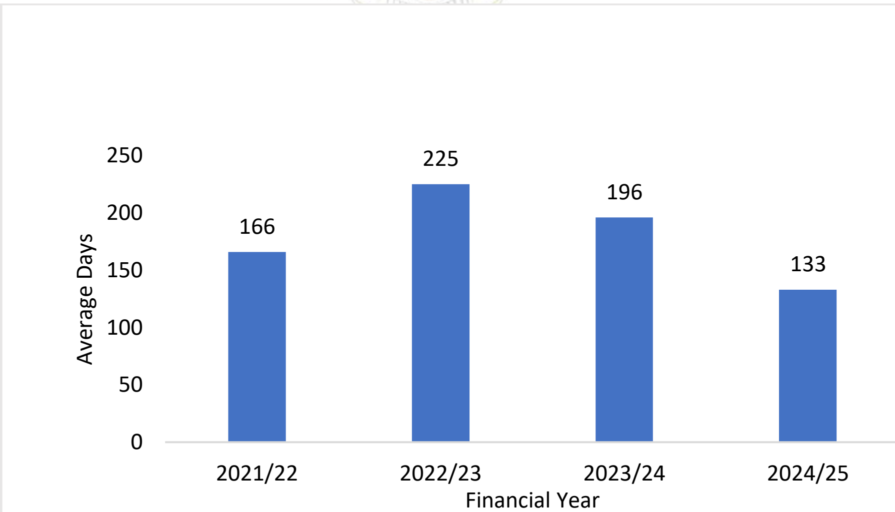
371. I found that approximately 40% of all processed claims required on-site rather than on-desk investigation. According to the officers, this stage is inherently time-consuming, as it requires workplace visits and interviews to validate claims and mitigate fraud.

(b) Prolonged Timeline from Claims Registration to Claims Processing

372. Delayed claim processing was also attributed to the average time from claim registration to the submission of all documents by the employer, employees, or any other person responsible for the claims. Once all necessary documentation was submitted, the claims were deemed valid for processing by the Fund and were termed benefit-ready.

373. I learned that, on average, it took 180 days from registration to the point when the claim had complete documentation for the Financial Years 2021/22 to 2024/25, as shown in **Figure 26.**

Figure 26: Time Taken from Registration to the Stage of Benefit Ready Claim



Source: Auditors' Analysis of Paid Claims by WCF for the Financial Years 2021/22-2024/25, 2025

374. **Figure 26** shows that the number of days taken by the responsible person to fully submit the required documents for the claims to be ready for processing rose by 59 days, equivalent to 26% increase from Financial Year

2021/22 to 2022/23, then declined by 92 days equivalent to 13% decrease from the Financial Year 2022/22 to 2024/25. The prolonged submission of the required documents was attributed to inadequate enforcement by WCF of the document submission requirements and low awareness of WCF claim procedures among employers and employees.

6.4.3 WCF did not Register all the Identified Employers

375. I found that, for the Financial Years 2021/22 to 2024/25, WCF identified 12,982 employers but registered only 4,676, representing 36% of those identified. This was contrary to Regulation 9(1) of the Workers' Compensation Regulations, 2016, which requires every employer to, within 30 calendar days from the date of recruitment of the first employee, submit their particulars of registration to the Director General of WCF.

376. The under-registration of employers relative to the identified employers was attributed to WCF's ineffective enforcement and follow-up to ensure that identified employers are formally registered by the responsible officials at both the head office and zonal office levels. The lack of realistic registration targets based on identification data also contributed to the inadequate number of employer registrations.

377. Consequently, this results in a substantial number of eligible employers operating outside the WCF registration framework, directly affecting the Fund's ability to collect contributions and extend compensation benefits to workers across sectors. Additionally, the limited registration restricts growth in the number of contributing employers and beneficiaries.

6.4.4 Uncollected Interest Charges from Non-Compliant Registered Employers

378. I found that WCF was unable to collect interest charges from non-compliant employers. This was contrary to Regulation 13(7) of the WCF Regulation, 2016, as amended by Workers' Compensation (Amendment) Regulations, 2021(GN NO. 668 Published on 10/09/2021), which requires the employer to pay a sum not exceeding two per cent of the unpaid amount as interest following the date from which the payment should have been made. The amount of interest shall be recovered by the employer as a debt to the Fund. During the audit, it was noted that employers who did not contribute to the Fund owed uncollected interest, as shown in **Table 22**.

Table 22: Uncollected Interest Charges from Non-compliant Employers

Financial Year	Public Sector		Private Sector		Total	
	No. of Employers	Uncollected interest (TZS "000")	No. of Employers	Uncollected interest (TZS "000")	No.of Employers	Uncollected Interest (TZS "000")
2021/22	60	102,793	6,651	779,376	**6,711**	882,169
2022/23	93	132,235	9,167	809,361	**9,260**	941,596
2023/24	181	147,012	21,622	885,571	**21,803**	1,032,583
2024/25	230	72,747	25,205	347,243	**25,435**	419,990
Total		**454,787**		**2,821,551**		**3,276,338**

Source: Auditors' Analysis on WCF Uncollected Interest Charges for the years 2021/22 to 2024/25, 2025

379. **Table 22** shows that WCF was unable to collect interest amounting to TZS 454.79 million from public sector employers and TZS 2.82 billion from private sector employers, totalling TZS 3.28 billion of uncollected interest for the reviewed four Financial Years from 2021/22 to 2024/25. It was noted that uncollected interest charges in the private sector peaked at TZS 885.571 million in 2023/24, driven by an increase in non-compliant employers resulting from inadequate enforcement of demand notices issued to registered employers.

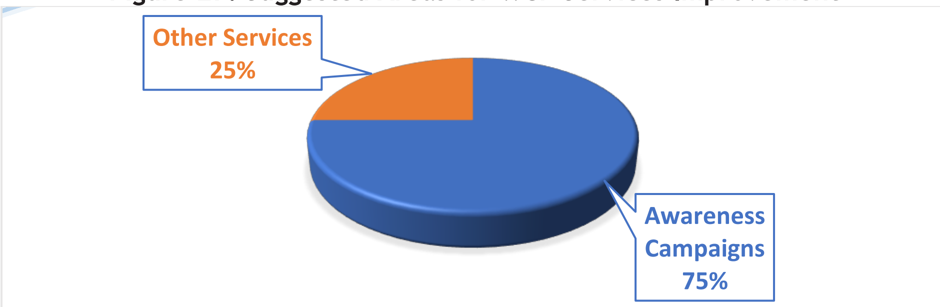
380. Insufficient enforcement of interest payments resulted from the delayed or failure by employers to remit contributions to the Fund. I noted that, as of 30 June, 2024/25, a total of TZS 3.99 billion in contributions from both public- and private-sector employers had not been collected by the Fund.

6.4.5 Ineffective Awareness Provision on Compensation Services by WCF

381. I found that WCF rarely conducts visits or awareness-raising initiatives. This practice is contrary to Section 13(g) of The Workers' Compensation Act, [CAP. 263 R.E. 2015], and Para 3.5 (i) of the WCF Functions and Organisation Structure, 2018, which require the Fund to promote public awareness of the rights and obligations of employees, dependents, and employers, and to implement public education programmes through its Public Relations Unit.

382. Further, I learned that despite the planned awareness initiatives, 75% of workers interviewed in six visited regions expressed a need for awareness campaigns on WCF services for their colleagues, indicating significant gaps in outreach and communication, as shown in **Figure 27.**

Figure 27: Suggested Areas for WCF Services Improvement



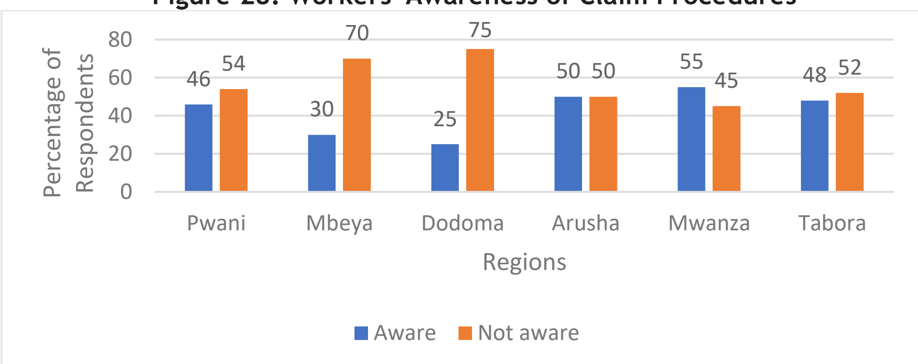
Source: Auditors' Analysis form Questionnaires Administered to Workers from the Visited Employers in the Sampled Regions, 2025

383. **Figure 27** shows 75% of workers from the six visited regions requested awareness campaigns for both employers and employees on WCF services, while the remaining 25% suggested improvements in other WCF services, such as ensuring timely and adequate compensation for workers affected by occupational injuries and diseases. This indicates a significant gap in awareness of WCF matters as detailed below.

(a) Inadequate Awareness of Claims Procedures

384. I revealed that on average, 60% of employees were unaware of the procedures for claiming compensation benefits from WCF. The percentage of respondents in each visited region is shown in **Figure 28.**

Figure 28: Workers' Awareness of Claim Procedures



Source: Questionnaires Distributed to Workers from the Visited Employers in the Sampled Regions, 2025

385. As shown in **Figure 28,** awareness of procedures for claiming WCF compensation benefits varied across regions. The highest percentage of

employees unaware of the procedures was recorded in Dodoma Region (75%), followed by Mbeya (70%) and Pwani (54%). Moderate awareness levels were observed in the Arusha and Tabora regions, where 50% and 52% of respondents, respectively, were unaware of the procedures. On the other hand, Mwanza Region recorded a higher percentage of respondents aware of the claim procedures than those unaware, with a five percentage-point difference.

386. Lack of structured awareness planning, clear targets, and performance indicators has weakened WCF's outreach efforts at both the central and zonal levels. This has resulted in a limited understanding of WCF services among workers and employers.

6.5 Impact on the Attainment of the FYDP and SGDs

387. The Government has implemented various strategies to strengthen occupational safety, workplace health inspections, and the provision of compensation services to employees who sustain occupational injuries, diseases or deaths. However, the audits identified gaps in implementation, hindering the attainment of both FYDP and SDG targets, as outlined below:

388. The gaps identified in the Performance Audit on the Management of Occupational Safety and Health Inspections at workplaces have contributed to a 22% increase in the workplace fatality rate. This implied that public safety and workplace protection are at risk, thereby limiting the attainment of Sustainable Development Goal (SDG) 8, Target 8.8, and FYDP III, which call for enhanced public safety, protection of labour rights, and the promotion of safe and secure working environments for all workers.

389. Similarly, gaps identified through the Performance Audit on the Provision of Compensation Services led to a decrease in the percentage of compensated claims among registered claims. This indicates that workers' rights to labour compensation were compromised, thereby limiting the country's efforts in achieving SDG 8, specifically Target 8.8, which calls for protecting labour rights and ensuring safe workplaces for all workers, including vulnerable and migrant groups, and SDG 9, specifically Targets 9.4 and 9.5, which call for promoting sustainable, resource-efficient.

CHAPTER SEVEN

REGULATION OF WATER UTILITIES

7.1 Introduction

390. This chapter presents the main audit findings from the performance audit report on the Regulation of Water Utilities. The chapter describes the audit areas, the Government entities involved in the audit, links to the SDGs and the FYDP III, and their impacts. The Audit involved is the Performance Audit on the Regulation of Water Utilities.

7.1.1 Background Information

391. The water and sanitation sector is fundamental to public health, environmental protection and economic development. Despite playing a key role in people's lives and in the country's development, water and sanitation services are still not adequately provided. As of 2023, only 72% of the population had access to at least basic drinking water services, while access to safely managed water services stood at 45% in urban areas and 24% in rural areas[10]. Regulating water utilities is essential to ensuring access to safe, affordable, and sustainable water services. Because water supply is often a natural monopoly, regulation protects consumers, promotes efficiency, and ensures compliance with technical and quality standards (OECD, 2015).

392. In Tanzania, water supply and sanitation services are governed by the Water Supply and Sanitation Act,2019 and regulated by the Energy and Water Utilities Regulatory Authority (EWURA), established under the EWURA Act, CAP. 414. EWURA licenses utilities, approves tariffs, monitors performance, and enforces service standards. The Water Supply and Sanitation Act, 2019, complements this by assigning service delivery to Water Supply and Sanitation Authorities (WSSAs). As of 2024, there were 82 licensed WSSAs classified as Regional, District, or National Project (NP) authorities.

[10] National Bureau of Statistics (NBS) & UNICEF/WHO Joint Monitoring Programme (JMP) for Water Supply, Sanitation and Hygiene (2023). Progress on household drinking water, sanitation and hygiene 2000–2022: Special focus on gender.

7.1.2 Regulation of Water Utilities as Linked to FYDP, SDGs and Government Strategies

393. This section provides insights into how the regulation of Water Utilities aligns with the SDGs and the Five-Year Development Plan (FYDP III), as follows:

(a) Regulation of Water Utilities as Linked to SDGs

394. The regulation of Water Utilities is intertwined with Goal 6 of the Sustainable Development Goals (SDGs), which aims at ensuring the availability and sustainable management of water and sanitation for all by 2030. Targets 6.1 and 6.2 of Goal 6 specifically aim to enforce standards for safe, affordable drinking water and sanitation. Additionally, targets 6.3 and 6.4 of Goal 6 aim to improve water quality by reducing pollution, eliminating dumping, and minimising the release of hazardous chemicals and materials, and halving the proportion of untreated wastewater. Also, it contributes to SDG 3, especially target 3.9, which aims to reduce waterborne diseases.

395. These targets highlight the crucial importance of effective management of Water Supply to ensure adequate availability of quality water. Adequate regulation of water utilities ensures the availability of water and wastewater treatment services.

(b) Regulation of Water Utilities as Linked to FYDP III

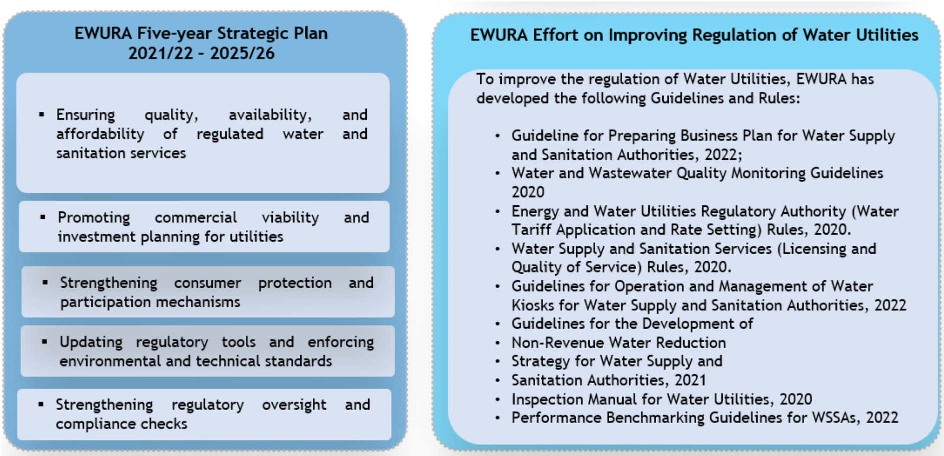
396. The regulation of water utilities supports Tanzania's National Five-Year Development Plan III (2021/22–2025/26), which aims to improve access to quality, sustainable water and sanitation services. This priority emphasised reducing non-revenue water and expanding service coverage. EWURA, as a regulatory body, helps achieve these goals by setting and enforcing performance standards for Water Supply and Sanitation Authorities (WSSAs) and by promoting consumer protection through fair pricing and improved service reliability.

7.1.3 Government Strategies and Efforts in the Regulation of Water Utilities

397. Among the Government strategies associated with the Regulation of Water utilities include the development of EWURA's five-year strategic plan 2021/22 – 2025/26. Furthermore, the Government has made efforts to develop

various rules governing water utilities/WSSAs. The Summary of Government strategies and efforts for regulating water is presented in **Figure 29.**

Figure 29: Summary of Strategies and Effort in Relation to the Regulation of Water Utilities



Source: Auditors' Analysis on EWURA Strategic Plan 2021/22-2025/26 and Developed Rules and Guidelines by EWURA, 2025

7.2 Audit Objective and Scope

7.2.1 Audit Objectives

398. The main audit objective was to assess whether EWURA's regulation of water utilities through the licensing of Water Authorities, tariff setting, and monitoring of water and wastewater quality has contributed to enhanced regulation of water utilities in Tanzania, to improve access, quality, and sustainability of water and sanitation services.

399. Specifically, the audit focused on assessing whether:

(a) EWURA's licensing process has enabled Water Authorities to deliver quality and affordable Water services;

(b) EWURA has adequately set, monitored and enforced tariff orders for Water Authorities to enhance accessibility and affordability of water and sanitation services; and

(c) EWURA has effectively monitored water quality and wastewater services to confirm compliance with the required standards

7.2.2 Audit Scope

400. The main audited entity was the Energy and Water Utilities Regulatory Authority (EWURA). The audit mainly focused on the licensing process; setting, monitoring, and enforcement of water tariff orders; and adequacy and effectiveness of water quality and Wastewater effluent monitoring. The audit covered five Financial Years from 2020/21 to 2024/25.

7.3 Main Audit Findings on the Regulation of Water Utilities

401. This section presents a summary of the findings on the Regulation of Water Utilities. The details of the findings are given below.

7.3.1 Inadequate Oversight of Water Authorities for Service Delivery

402. The audit found that EWURA has not adequately ensured that Water Authorities provide sufficient water supply and sanitation services across the Country. This shortcoming resulted in inadequate water quality and access, a high level of non-revenue water, non-attainment of the wastewater coverage target, and inadequate improvement in the financial sustainability of water and sanitation services. The audit analysed the Utilities Performance Reports for four Financial Years, from 2020/21 to 2023/24 and found performance gaps as explained below.

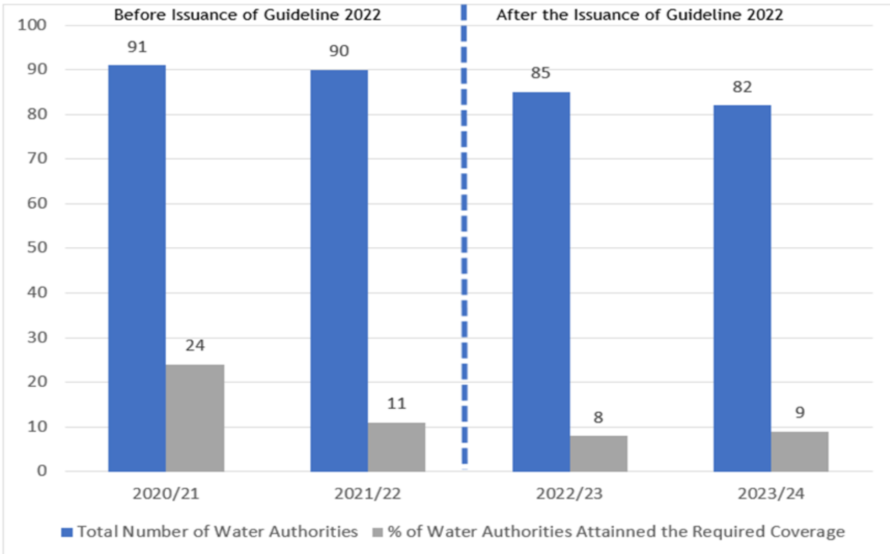
(a) EWURA's Regulation did not enhance Adequate Access to Water and Sanitation Services for the Communities

403. The review of water utilities' performance reports for the Financial Years 2020/21 to 2023/24 revealed inadequate attainment of the target of access to water and Sanitation services in the water utilities' service areas as follows;

(i) Slow Progress in Expanding Water Accessibility in Water Authorities' Service Areas

404. Based on the reviews of the Utilities performance report for the period 2020/21 to 2023/24, I found that the target for access to water in the water utilities service area was not adequately met. Generally, the Report shows that water utilities have not achieved the 84% water coverage as required by EWURA under the Performance Benchmarking Guidelines for Water Supply and Sanitation Authorities of 2022. **Figure 30** shows the number of Water utilities and the percentage that achieved at least 84% coverage in their service areas.

Figure 30: The Number of Water Authorities and the Percentages that Attained 84% of Water Coverage in their Service Areas



Source: Auditors' Analysis of Utility Performance Reports from 2020/21 to 2024/25

405. **Figure 30 i**ndicates that, over the four Financial Years, the maximum percentage of Water Authorities achieving the required access to water in their service areas ranged from 8 per cent to 24 per cent. The highest performance was noted in 2020/21, and the lowest in 2022/23. The figure further shows a falling trend from the Financial Year 2020/21 to 2021/22, from 24% to 11%, which was before the issuance of the 2022 guideline, and an increasing trend from the Financial Year 2022/23 to 2023/24, from 8% to 9%. Despite an increasing trend in coverage, persistent gaps in water service coverage remain evident across the Financial Years indicated above.

406. The failure of Water Authorities to achieve service coverage was due to clustering/extending services to areas with low service access, as revealed in interviews with EWURA officials. The review of the clustered Water Authorities noted that 43 Water Authorities clustered beyond/extended their service areas in the Financial Year 2019/20. Inadequate attainment of the required coverage set out in the performance benchmark has resulted in limited access to clean, safe water services for communities and increased exposure to health risks. In addition, coverage gaps in water service provision have contributed to delays in achieving SDG 6, particularly targets 6.1, 6.2, and 6.3, which focus on access to clean water.

(ii) Slow Progress in Expanding Coverage of Wastewater Treatment Systems

407. In reviewing the Water Authorities' performance reports for the Financial Years 2020/21 to 2023/24, I noted that not all water utilities had sewer networks and wastewater treatment facilities within their areas of jurisdiction. Sewer networks and wastewater treatment facilities play a crucial role in ensuring that wastewater discharged into the environment meets required standards. The absence of Wastewater facilities is contrary to the First Schedule of the Water Supply and Sanitation Services (Licensing and Quality of Service) Rules, 2020, which requires the application for a licence to include a sketch layout map of the water and wastewater system. **Table 23** provides the status of wastewater system availability at water utilities.

Table 23: Availability of Wastewater Treatment Facilities in Water Authorities

Financial Year	Total Number of Water Authorities Required to Have Wastewater Treatment Facilities[11]	Number of Water Authorities with Wastewater Treatment Facilities	Water Authorities with Wastewater Treatment Facilities (%)
2020/21	84	19	23
2021/22	83	20	24
2022/23	78	21	27
2023/24	76	23	30

Source: Auditors' Analysis of Wastewater Quality Compliance on the Water Authorities' Performance Reports from 2020/21 to 2023/24

408. **Table 23** shows that, from the Financial Year 2020/21 to 2023/24, a total of 82 Water Authorities were available; however, only 23 (30%) had wastewater systems, including sewer networks and faecal treatment systems. Specifically, the table indicates that from 2020/21 to 2023/24, the number of Water Authorities with wastewater systems increased from 19 to 23 WSSAs. This indicates a 7% increase in such facilities over the period of four Financial Years. The low coverage of wastewater infrastructure was due to a lower priority given to its construction relative to water supply infrastructure.

409. Due to inadequate sewer network coverage, communities lack adequate areas for household wastewater disposal, leading to waste disposal in unregulated areas and exacerbating environmental pollution.

[11] This exclude National WSSAs who only supply water to other water utilities

(b) EWURA's Regulation did not Improve the Provision of Quality Water and Wastewater Effluent Services Across all Water Authorities

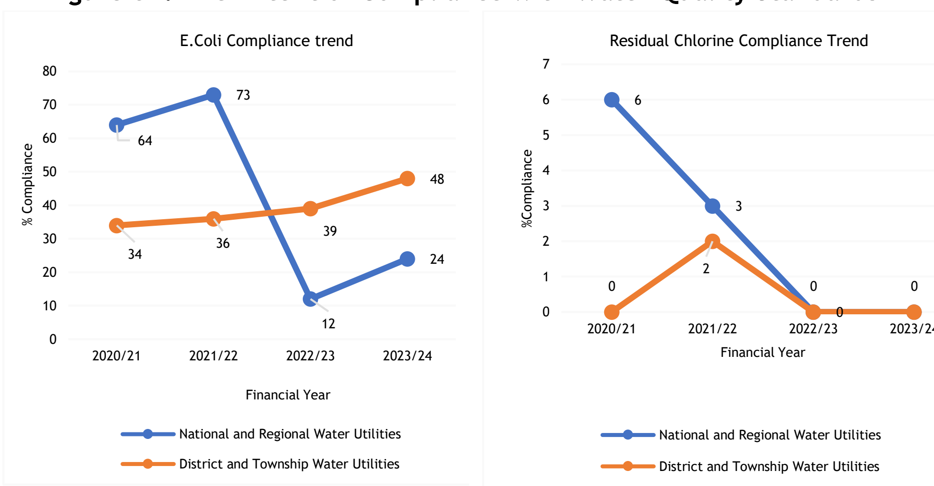
410. My review of the Water Authorities Annual Performance Reports from 2020/21 to 2023/24 showed that not all Water Authorities achieved the required standards of water quality and Wastewater effluent. The detailed analysis is presented below.

(i) Water Supplied by the Water Authorities did not Comply with the Required Water Quality Standards

411. A review of the Water Utilities' performance reports for the Financial Years 2020/21 to 2023/24 revealed that not all Water Authorities in the country met the required standards for water supply. The audit analysis of EWURA's reports on common parameters, including E. Coli, Turbidity, Residual Chlorine, and pH, indicated that the Water Authorities did not meet the required standards. This was contrary to section 7(1)(c) (ii) of the Energy and Water Utilities Regulatory Authority Act, 2006, which requires EWURA to monitor the performance of the regulated sectors in relation to the standard of services. Since EWURA regulates water utilities, it must ensure that they supply water in accordance with the required water quality standards.

412. Figure **31** presents water quality records from 2020/21 to 2023/24 for E. coli and Residual Chlorine compliance.

Figure 31: The Extent of Compliance with Water Quality Standards



Source: Auditors' Analysis of Water Quality Compliance in the Water Utilities Annual Performance Reports from 2020/21 to 2023/24

413. **Figure 31** shows that, across all four Financial Years from 2020/21 to 2023/24, compliance with water quality standards for E. coli and residual chlorine was not fully achieved by all water utilities. High performance was noted for E. Coli in the Financial Year 2021/22, with compliance of 73% and a minimum compliance of 12% in the Financial Year 2022/23 for the National and Regional WSSAs. Compliance with residual Chlorine was below 10% across all four financial years, with a high of 61% in 2020/21.

414. Interviewed officials from EWURA indicated that the low level of compliance resulted from inadequate implementation of EWURA directives, some of which require investment. However, due to financial constraints, some initiatives were not implemented, such as installing automatic choline dosing machines. Consequently, deficiencies in water quality remained unresolved, and Authorities continued to supply water that did not consistently meet the required standards, thereby putting the community at risk of waterborne diseases.

(ii) Inadequate Meeting of Effluent Discharge Standards among the Regulated Water Authorities

415. The review of Water Utility Performance Reports from the Financial Year 2020/21 to 2023/24 showed that compliance with effluent discharge standards remained below the standard across the period. This was contrary to Tanzanian Standard TZS 860:2006, which sets maximum limits of 30 mg/l for Biochemical Oxygen Demand (BOD) and 60 mg/l for Chemical Oxygen Demand (COD). The results of the analysis are presented in **Table 24**, which shows that between 36% and 56% of utilities with sanitation services met the BOD and COD standards annually.

Table 24: Compliance with Wastewater Effluent Standard

Financial Year	Number of Water Authorities Required to have Wastewater Infrastructure	Number of Water Authorities with Sewer Network EWURA Assessed	Water Authorities Complying with BOD and COD Standards	Water Authorities which Met BOD & COD Standards (%)
2020/21	84	9	5	56
2021/22	83	11	4	36
2022/23	78	11	6	55
2023/24	76	11	4	36
2024/25	-	-	-	-

Source: Auditors' Analysis of Wastewater Quality Compliance on the Water Utilities Performance Reports from 2020/21 to 2023/24, 2025

416. **Table 24** further shows that, over the four Financial Years from 2020/21 to 2023/24, the highest level of wastewater quality compliance was 56% of Water Authorities with sewer networks. In 2020/21, 56% of Water Authorities with sanitation services met the BOD and COD standards. Performance declined to 36% in 2021/22, then improved to 55% in 2022/23, before dropping again to 36% in 2023/24. Although the number of Water Authorities with sewer networks increased from nine in 2020/21 to 11 in subsequent years, this expansion did not translate into sustained improvements in compliance.

417. EWURA's response indicated that compliance with effluent standards depends heavily on the adequacy of wastewater treatment facilities' capacity relative to influent flow. This was evidenced by a site visit to the Waste Stabilisation Ponds at Kurasini under DAWASA. The visit revealed that the ponds were full and undisturbed, resulting in low wastewater retention. As a result, the ponds operated at low efficiency, and test results for COD and BOD did not meet the required standards.

418. This discharge of wastewater that does not meet the required quality standards of 30 mg/l for BOD and 60 mg/l for COD contributes to environmental pollution and poses risks to public health by contaminating water bodies and surrounding ecosystems.

7.3.2 Inadequate Licensing of Water Authorities

419. I found that although all 83 authorities were licensed between 2020/21 and 2024/25, the proportion of Water Authorities with wastewater treatment facilities as of 2023/24 was 30% among the 76 licensed Water Authorities, excluding National Water Projects that sell water to other Water Authorities without supplying it directly to communities. This indicates the remaining 72% were licensed without a wastewater treatment system.

420. This was contrary to Part II of the First Schedule of the Water Supply and Sanitation Services (Licensing and Quality of Service) Rules, 2020, which requires submission of layout maps for water and wastewater systems as part of the licence application conditions, indicating that they are required to have wastewater infrastructure as one of the criteria for licensing. This indicates that some Authorities were licensed without meeting the required criteria. The situation was mainly attributed to limited investment in wastewater treatment infrastructure and inadequate enforcement of licence conditions. As a result, communities in those areas lack adequate wastewater disposal facilities, and when septic tanks are full, environmental pollution occurs.

7.3.3 Inadequate Tariff Setting, Tariff Order Monitoring and Enforcement

421. During the audit, I found shortfalls in the tariff-setting and review process, including failure to consider affordability during tariff setting, deficiencies in cost considerations, Water Authorities continuing to operate under expired tariffs, and insufficient monitoring and enforcement of tariff orders and their conditions, as presented below.

(a) Incomplete Revenue Requirements Assessment During Tariff Setting

422. The audit found that EWURA did not adequately set, monitor or enforce water tariff orders. Out of 15 tariff orders approved under the four visited zones for the Financial Years 2020/21 to 2024/25, significant errors were identified. 10 Water Authorities contained depreciation errors, 1 Water Authority had omissions in return on investment, and 15 water utilities missed prior-period adjustments. These weaknesses undermine cost recovery and increase the risk of unaffordable tariffs. This is contrary to Section 3 of the Second Schedule to the EWURA (Water Tariff Application and Rate Setting) Rules, 2020, which requires depreciation to be calculated on the rate base using the straight-line method and aligned with the remaining useful life of each asset.

(b) Approved Tariffs Operating Beyond Their Valid Period

423. The audit found that, for the period from 2020/21 to 2024/25, regulated water utilities continued to operate under tariffs that were not revised within the prescribed cycle. Since the framework allows multi-year tariff applications, the limited submission of reviews led to prolonged use of outdated tariffs, contrary to Rule 26(a) of EWURA (Water Tariff Application and Rate Setting) Rules, 2020, which requires approved multi-year tariffs to cover only three years. The details of the Water Authorities operated under expired tariffs in the four visited zones are summarised in **Table 25**.

Table 25: Number of Water Authorities in the four Visited Zones using Expired Tariff

Zones	Number of Water Utilities in the Zone	Water Authorities Operating Under Expired Tariffs				
		2020/21	2021/22	2022/23	2023/24	2024/25
Eastern	10	6	6	7	7	8
Lake	15	5	10	15	14	14
Southern Highlands	20	16	15	10	17	17
Northern	14	9	13	8	7	7
Total	**59**	**36**	**44**	**40**	**45**	**46**

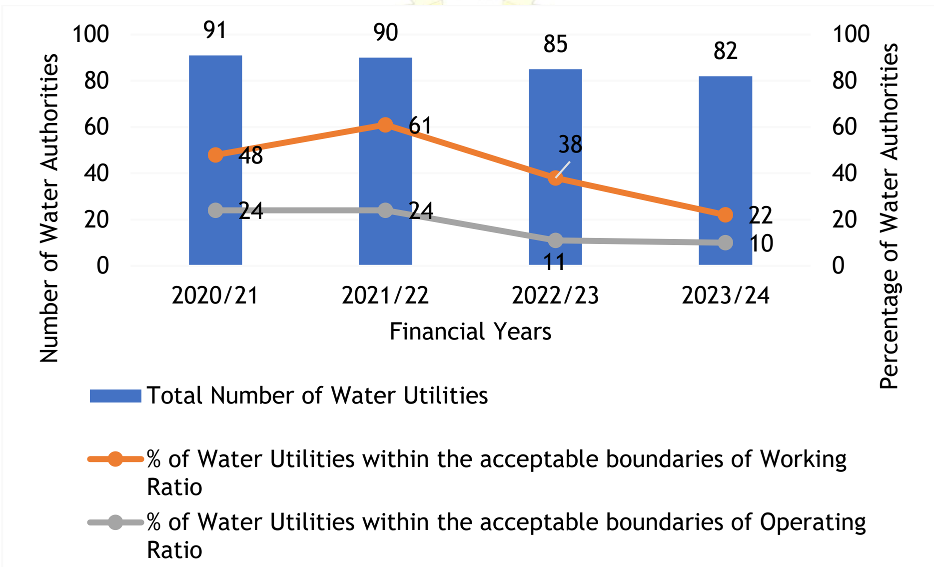
Zones	Number of Water Utilities in the Zone	Water Authorities Operating Under Expired Tariffs				
		2020/21	2021/22	2022/23	2023/24	2024/25
Water Utilities Operating under Expired Tariff (%)		61	74	68	76	78

Source: Auditors' Analysis on Water Authorities License Register and their Operating Tariff Orders from Financial Years 2020/21to 2024/25, (2025)

424. **Table 25** shows that up to 2024/25, 46 Water Authorities, approximately 78% of Water Authorities, continued to operate under expired tariffs. The Table indicates that between Financial Years 2020/21 and 2024/25, 61% to 78% of utilities operated under expired tariffs.

425. The 46 Water Authorities operated under expired tariffs up to 2024/25 in the visited zones due to the ministerial suspension of review processes, particularly those related to consumer affordability, which influenced the postponements. This resulted in water utilities operating with tariffs that were not cost-reflective. In my review of the operating and working ratios of Water Authorities for the Financial Years from 2020/21 to 2023/24, I noted the following, as presented in **Figure 32**.

Figure 32: Working Ratio and Operation Ratio of Water Authorities from the Financial Years 2020/21 to 2023/24



Source: Auditors' Analysis of Utility Performance Report from 2020/21 to 2023/24, 2025

426. **Figure 32** shows that, across all four years, both the working ratio and operating ratio were below 65%. The year 2021/22 recorded a high working ratio

of 61%, and the years 2020/21 and 2021/22 recorded a high operating ratio of 24%. This indicates that 61% of Water Authorities recovered operating costs from water sales revenue in 2021/22, and that, for the rest of the year, revenue recovery was below 50%.

427. A review of Water Utilities Performance Reports for the Financial Years 2020/21 to 2023/24 indicated that failure to attain cost recovery ratios was mainly due to high depreciation charges and dilapidated infrastructure. Discussions with EWURA further revealed that tariff freezes in 2019/2020 and 2023/2024 negatively affected WSSAs' ability to generate sufficient revenue, as utilities continued to use outdated tariff rates that did not reflect actual operating costs. On 2 September 2025, the Ministry of Water issued a letter (Ref. No. BC. 9/186/01-F/79) directing all WSSA Managing Directors to submit business plans to EWURA for new tariff reviews. This measure was intended to enable affected utilities to apply for revised tariffs upon approval of their business plans.

(c) Inadequate Monitoring and Non-enforcement of Tariff Orders and their Conditions

428. I learned that Tariff Monitoring and enforcement were limited. This was due to inadequate submission of tariff implementation reports on compliance with the Tariff order Conditions, whereby in the Financial Year 2020/21, one out of 91 water utilities submitted reports, and in the Financial Year 2021/22, only four out of 90 water utilities submitted reports, and none submitted reports from Financial Year 2022/23 to 2024/25. EWURA did not issue any clearance certificates to water utilities that submitted reports, nor issue any warning letters to water utilities that did not submit them. In addition, Inspection coverage remained low, with 32% of 31 water utilities having active tariff orders in the visited zones that were required to be monitored for the period 2020/21 to 2024/25, but which were unmonitored, particularly Class III and provisional utilities.

429. This was contrary to Rule 65 of the EWURA (Tariff Application and Rate Setting) Rules, 2020, which requires Water Authorities to submit annual reports detailing how they have implemented the tariff conditions. The Rule also requires EWURA to evaluate these reports and issue a clearance certificate, warning letters, or compliance orders accordingly.

430. The reason for not issuing warning letters during the period was due to incidents of tariff suspension, which affected the smooth implementation of

the tariff orders and their conditions. This has resulted in inadequate implementation of tariff order conditions, which ranged from 49% to 61% during the Financial Years 2020/21 to 2024/25. As a result, the expected improvement in water supply provisions during the implementation of the approved tariff was not achieved.

7.3.4 Inspections were Conducted with Inadequate Coverage Parameters to Ensure Compliance with Water Quality Standards

431. The audit found that EWURA's water quality inspection was inadequate, as not all parameters specified in the Water Quality Monitoring Programme were tested during the inspection. In the four visited zones, one Water Authority, namely, Chunya, did not have a Water Quality Monitoring Programme in place at the time of the audit in October 2025, as it was still incorporating comments. The remaining three Water Authorities had established Water Quality Monitoring Programmes. The parameters that EWURA did not test during water quality inspection (monitoring), despite being included in the water utilities' Water Quality Monitoring Programmes, are presented in **Table 26**.

Table 26: Water Quality Parameters that were not Tested by EWURA

Utility Name	Common Untested Audit Monitoring Parameters for the Period from 2020/21 to 2024/25
Mwanza WSSA	Aluminium, Arsenic, Ammonium, Colour, Cyanide, Chromium, Cadmium, Fluoride, Iron, Manganese, Zinc and Sulphate
Moshi WSSA	Manganese, Iron and Nitrate
DAWASA	Ammonia, Calcium, Alkalinity, Total Hardness, Sulphate, Barium, Mercury, Arsenic, Lead, Chromium, THMs and Particles

Source: Auditors' Analysis of Tested Parameter in the Water Quality Laboratory Reports from 2020/21 to 2023/24 by EWURA and Water Quality Monitoring Programme from the Visited Water Utilities, 2025.

432. **Table 26** shows that most of the untested parameters belonged to heavy metal elements and inorganic ions, which pose a significant health risk, including cancer, neurological disorders, kidney and liver damage, infant methemoglobinemia, and fluorosis as described by WHO[12]. This was caused by not following the approved water utility water quality monitoring programme when selecting the test parameters.

[12] Diseases caused by caused by consuming water with Arsenical as viewed at Arsenic on 04 October 2025

7.4 Impact on the Attainment of the FYDP and SGDs

433. The persistent non-compliance with water standards has significant implications for national health development. Inadequate residual chlorine levels increase the risk of waterborne diseases, therefore undermining the implementation of SDG 3. With only 9% of the 82 water utilities achieving the required service coverage within their designated service areas in 2023/24, large segments of the population remain excluded from safe and affordable water services. This indicates the risks of not achieving the FYDP III targets by 2025/26 and SDG 6 by 2030 (which aim to enforce standards for safe, affordable drinking water and sanitation).

434. Therefore, leaving communities vulnerable to pollution and untreated wastewater. Without urgent improvements, the country risks falling behind on both national and global commitments to sustainable access to water and sanitation.

CHAPTER EIGHT

MANAGEMENT OF THE TRANSPORT SYSTEM

8.1 Introduction

435. This chapter presents the main audit findings from the performance audit reports on the Management of the Transport System. The chapter describes the audit areas, the Government entities involved in the audit, links to the SDGs and FYDP III, and their impacts.

436. The performance audits include:

(a) Performance Audit on the Management of the Planning Process for Road Infrastructure Improvement;

(b) Performance Audit on the Management of Weighbridge Operations; and

(c) Performance Audit on the Management of Urban Transport Services in Major Cities.

8.1.1 Background Information

437. Tanzania's transport system is dominated by land transport infrastructure, which serves as the backbone of passenger and freight movements and is central to economic and social development. Through various road construction, upgrading, and rehabilitation projects, as well as regulating transport services, the country is actively improving its road infrastructure and service delivery to promote economic growth, enhance regional connectivity, and support poverty reduction. This results in significant sector contribution to national development, accounting for 7.8% of Tanzania's GDP and generating an estimated USD 2.6 billion in foreign exchange earnings in 2024.

438. Despite notable progress, the road sector still faces significant challenges, largely due to ineffective infrastructure planning, leading to cost overruns, maintenance backlogs, delayed fund disbursements, and insufficient funding for long-term infrastructure improvements.

439. Overloaded vehicles also remain a significant contributor to the rapid deterioration of road infrastructure, resulting in increased maintenance costs, reduced road lifespan, and heightened safety risks for road users.

440. Urban transport services in major cities present challenges related to safety, traffic congestion, and inconsistent service delivery. For example, in 2023, Tanzania recorded 1,733 road accidents involving motorcycles, resulting in 1,647 deaths and 2,716 injuries, with motorcyclist deaths rising by 13.3% from 2022 to 2023.

8.1.2 Management of the Transport System as Linked to FYDP and SDGs

441. The Performance Audits on the Management of the Planning Process for the Roads Infrastructure Improvement, Weighbridge Operations and Urban Transport Services in Major Cities align with SDG Goal 11, Target 11.2, and SDG Goal 9, Target 9.1, as well as FYDP III, as detailed in **Table 27.**

Table 27: Management of Transport System as Linked to FYDP III and SDGs

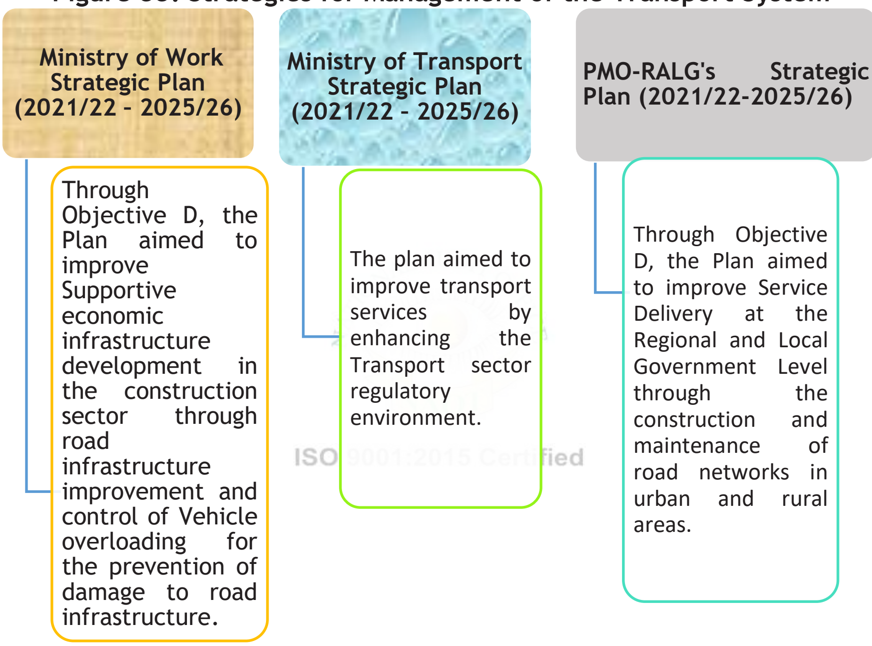
Audit Name	Plans	Priority Area	Interventions
Management of the Planning Process for Road Infrastructure Improvement	FYDP III	Unlocking Transport Infrastructural Competitiveness	• Construction of the Roads Infrastructures; and • Enhance Training Institutions in the Road Sector.
	SDGs	Goal 11, Make cities and human settlements inclusive, safe, resilient and sustainable.	• Target 11.2 by 2030, provide access to safe, affordable, accessible and sustainable transport systems for all.
		Goal 9, Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.	• Target 9.1 by 2030: Develop quality, reliable, sustainable, and resilient infrastructure to support economic development.
Management of Weighbridge Operation	FYDP III	Unlocking Transport Infrastructural Competitiveness	• Construction of the Roads Infrastructures; and • Enhance Training Institutions in the Road Sector.
	SDGs	Goal 9, Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.	• Target 9.1 by 2030: Develop quality, reliable, sustainable, and resilient infrastructure to support economic development.
Management of Urban Transport Services in Major Cities	FYDP III	Unlocking Transport Infrastructural Competitiveness	• Decongestion of Major Cities • Automate Land Transport Services; and • Enhancing Regulation of Land Transport Services
	SDGs	Goal 11, Make cities and human settlements inclusive, safe, resilient and sustainable.	• Target 11.2 by 2030, provide access to safe, affordable, accessible and sustainable transport systems for all.

Source: Auditors' Analysis of the FYDPs and SGDs, 2025

8.1.3 Government Strategies and Efforts in the Management of the Transport System

442. To ensure the effective management of the transport system, the government, through the Ministry of Transport (MoT), the Ministry of Works (MoW), and the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG), has set various strategies that provided roads map toward an accessible, affordable, safe, and sustainable transport system in the country. These strategies are described in **Figure 33.**

Figure 33: Strategies for Management of the Transport System



Source: Auditors' Analysis of the Government Strategies in the Management of Transport System in the Country, 2025

Furthermore, the government's efforts in managing the transport system are shown in **Figure 34.**

Figure 34: Efforts in the Management of the Transport System in the Country

Decongestion of Major Cities to improve urban mobility	Transport Infrastructure Development	Protection of Roads Infrastructure
• Reduce traffic congestion in major cities such as Dar es Salaam, Dodoma, and Arusha. These include construction of flyovers, expansion of major roads, development of bypass roads (ring roads), and implementation of the Dar es Salaam Bus Rapid Transit (DART).	• Construction, upgrading, and rehabilitation of trunk, regional, and rural roads to strengthen national and regional connectivity, facilitate trade, and support economic growth.	• Providing the weighbridge operations manual as a supporting tool for the enforcement of the Vehicle Load Control Act and its regulations.

Source: Auditors' Analysis of the Government Efforts in Management of Transport System, 2025

8.2 Audit Objective and Scope

8.2.1 Audit Objective

443. The main objective of the audits was to assess and determine whether the Ministry of Works (MoW), the Ministry of Transport (MoT), and the Prime Minister's Office - Regional Administration and Local Government (PMO–RALG) have managed the transport system to ensure accessible, reliable, and sustainable quality transport services in the country.

444. Specifically, the Audit Assessed whether:

(a) The Ministry of Works (MoW) and the Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) effectively manage the planning process for infrastructure improvements;

(b) The Ministry of Works (MoW) and Tanzania National Road Agency (TANROADS) have effectively managed weighbridge operations to control vehicle overloading; and

(c) The Ministry of Transport (MoT) and Prime Minister's Office - Regional Administration and Local Government (PMO–RALG) have effectively managed the Public Transport Services to ensure accessible, reliable, and sustainable quality transport services in major cities.

8.2.2 Audit Scope

445. For the Performance Audit on the Management of the Planning Process for the Roads Infrastructure Improvement, MoW and PMO-RALG were the main audited entities. My audit assessed the identification of road infrastructure improvement needs, prioritisation, resource mobilisation, and planning for their implementation. The audit covered the period from 2021/22 to 2024/25.

446. Meanwhile, for the Performance Audit on the Management of Weighbridge Operations, MoW and TANROADS were the main audited entities. The audit focused on assessing whether MoW and TANROADS effectively enforced legal procedures for all offences committed by transporters, established and implemented measures to enhance weighbridge operational, implemented maintenance and calibration practices of weighbridge equipment, and adequately coordinated, monitored, and evaluated weighbridge operations. The audit covered four Financial Years from 2021/22 to 2024/25.

447. I also assessed the efficiency of the transport services in the major cities of Dar es Salaam, Mwanza, Arusha, and Mbeya, with MoT and PMO-RALG as the main audited entities. In this regard, I assessed the planning of urban transport services, the extent to which the services ensure accessibility, and the extent to which institutional and regulatory frameworks effectively support coordination, regulation, and monitoring of urban transport. I also covered the utilisation of existing infrastructure, traffic congestion management, and the monitoring and evaluation of urban transport services. The audit scope covered five Financial Years from 2020/21 to 2024/25.

8.3 Main Audit Findings on the Management of the Planning Process for Road Infrastructure Improvement

448. I identified shortcomings in the management of the planning process for road infrastructure improvements to ensure improved accessibility. My assessment of the improvement work on regional and district roads under TANROADS and TARURA, respectively, revealed that the annual infrastructure improvement activities did not effectively improve the overall condition of these roads.

449. My assessment on the regional and district roads condition survey (2021/22-2024/25) revealed that, despite of annual improvements activities

from 2021/22 to 2024/25, the percentage of regional roads in good condition decreased from 28% in 2021/22 to 17% in 2024/25, while the percentage of regional roads in poor condition remained 9% over three Financial Years (2021/22-2023/24), then increased to 15% in 2024/25. The impact of implemented road infrastructure improvements was reflected in a slight increase in the percentage of roads in fair condition, from 63% in 2021/22 to 67% in 2024/25.

450. Additionally, the percentage of district roads in poor condition decreases from 45% in 2021/22 to 37% in 2022/23, then remained unchanged in 2023/24 before slightly decreasing to 36.8% in 2024/25. Meanwhile, district roads in good condition increased from 19% in 2021/22 to 30% in 2022/23, but then declined to 28% in 2023/24 and rose slightly to 29% in 2024/25. Despite decreases in district roads classified as being in poor condition, the intended milestones set by TARURA, which were to reduce the percentage of roads in poor condition to 41% in 2021/22 and to 25% in 2024/25, were not attained.

451. These gaps were attributed to inadequate planning for the road infrastructure improvement as detailed hereunder:

8.3.1 Inadequate Identification and Establishment of the Road Infrastructure Improvement Needs

452. I found the following gaps in the establishment of road infrastructure improvement needs:

(a) Lack of Formalised Roads Infrastructure Upgrading Needs Identification

453. My review of the Strategic Plan (2021/22-2025/26) from TANROADS and TARURA revealed that MoW and PMO-RALG had not established a structured framework for identifying road infrastructure needs. Specifically, MoW and PMO-RALG had not established criteria for identifying the need to upgrade road infrastructure, thereby limiting the availability of a clear, objective basis for road investment decisions.

454. I found that the needs identification was limited to road maintenance activities, whereby TARURA and TANROADS established the District Roads Maintenance System (DROMAS) and Road Maintenance Management System (RMMS), respectively, as tools for determining the maintenance requirements of existing road networks, while no formal established mechanism was in place for identifying the need for road upgrading.

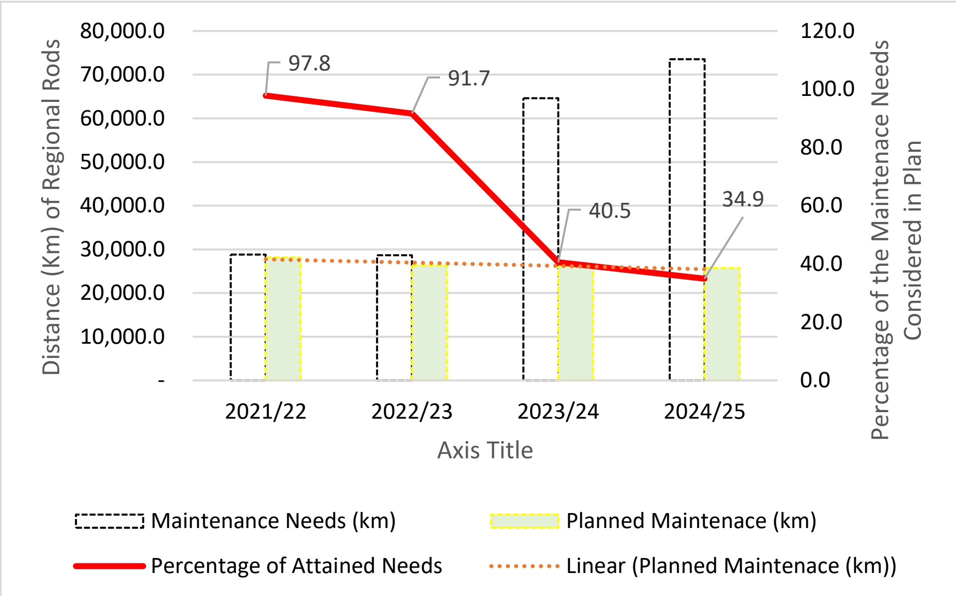
455. I further learned that, in preparation for the Strategic Plan (2021/22–2025/26), the road infrastructure upgrading projects were included in the plan as identified infrastructure needs. However, the reported road upgrading needs were not supported by systematic needs assessment reports, indicating that key factors, such as road condition, traffic volumes, connectivity importance, and socio-economic considerations, were not adequately assessed. This was contrary to Section 6(f) of the National Roads Act, 2007, which requires road authorities to undertake assessments to facilitate road planning, development, and improvement activities.

456. This resulted in the absence of a sound basis for prioritising road infrastructure upgrading projects, as prerequisite information—such as traffic volumes, economic importance, and social significance of the identified road needs—was not adequately established.

(b) Limited Consideration of Maintenance Needs in Planning for Roads' Infrastructure Improvement

457. My review of TANROADS Annual Business Plans for the Financial Years 2021/22–2024/25 and the TARURA Annual Action Plans revealed that MoW and the PMO-RALG did not effectively ensure that existing road maintenance needs were adequately reflected in the planned maintenance activities. I further noted that the annually planned regional roads maintenance targets showed a declining trend in addressing the existing maintenance needs, as shown in **Figure 35.**

Figure 35: Percentage of Identified Road Maintenance Needs Addressed by the Annual Road Maintenance Plan



Source: Auditors' Analysis of the TANROADS Annual Business Plans (2021/22-2024/25)

458. **Figure 35** shows that planned regional road maintenance works addressed 97.8% and 91.7% of the identified maintenance needs in the Financial Years 2021/22 and 2022/23, respectively. However, the extent to which identified needs were reflected in planned maintenance declined from 91.7% in 2023/24 to 40.5% in 2024/25, and further to 34.9% in 2024/25. This implies that 59.5% of the identified regional road maintenance needs were not addressed in the 2023/24 maintenance plans, rising to 65.1% in the 2024/25 Financial Year, indicating a growing backlog of regional road maintenance works.

459. On the other hand, my review of TARURA's Annual Maintenance Reports for the Financial Years 2021/22-2024/25 revealed that, on average, 26% of the identified district road maintenance needs were addressed in the Annual Maintenance Plans. Specifically, in 2021/22, the reflection of maintenance needs in the Annual Maintenance Plan was 24%; it rose to 26% in 2022/23 and 2023/24, then to 27% in 2024/25. This indicates that approximately 73% to 76% of the existing district road maintenance needs were not accommodated in the Annual Maintenance Plan. Such a situation reflects a growing backlog of road maintenance work and increases the risk of accumulated deterioration, leading to deteriorating road conditions.

460. The limited consideration of maintenance needs was due to use of budget ceilings in place of needs-based prioritisation of maintenance activities, as I noted during the review of the Annual Business Plan (2021/22-2024/25) for roads maintenance activities, that, the annual targets were derived from the given ceiling, while no attention was given to the existing maintenance needs to ensure that the planned targets guarantee the sustainability of roads infrastructure improvement.

8.3.2 Ineffective Prioritisation of Road Infrastructure Development Projects in the Country

461. I found that MoW and PMO-RALG did not ensure that the prioritisation of existing road infrastructure improvement needs was effectively conducted. The TANROADS' Strategic Plan (2021/22–2024/26) identifies the need for road improvements to meet the country's socio-economic demands. The Plan identifies road infrastructure improvement as a cross-cutting enabler for agriculture, industrialisation, mining, trade, tourism, urban development, and social services.

462. However, despite the existing improvement needs and inadequate funding, my review of the Planned Roads Upgrading Projects for the Financial Years 2021/22 to 2024/25, as well as planned feasibility studies, revealed that the regional and district roads upgrading projects were not identified through prioritisation analysis. Projects were identified based on directives, demands, and submissions from regional offices. However, this identification process lacked a systematic assessment of key factors, including existing road infrastructure, road condition, economic importance, social impact, and financial rate of return. This was contrary to Section 6(2)(a) of the Road Act 2007, which requires MoW to develop roads in accordance with the national roads' investment and development programme. These factors were essential to ensuring that infrastructure improvement projects deliver optimal value and align with national development priorities.

463. Ineffective prioritisation was attributed to the absence of a standardised prioritisation tool for road upgrading projects, which would provide clear criteria and a systematic approach for evaluating, ranking, and selecting projects based on factors such as road condition, economic and social significance, safety, and cost-effectiveness.

464. Consequently, this project selection practice increases the risk that limited resources are allocated to less critical roads, while more urgent or high-impact projects remain overlooked, thereby affecting the country's progress toward achieving a sustainable transport system. Prioritisation was limited to maintenance activities due to the establishment of maintenance prioritisation tools such as RMMS and DROMAS for regional and district roads, respectively.

8.3.3 Inadequate Resource Mobilisation for Road Infrastructure Improvement

465. I noted the following regarding inadequate resource mobilisation for road infrastructure improvement projects:

(a) Ineffective Allocation of Funds for Road Infrastructure Improvement

466. My assessment of the trend in funds allocated to improving regional and district road infrastructure projects from Financial Year 2021/22 to 2024/25 revealed that the MoW and PMO-RALG did not effectively allocate these funds. This was contrary to Para 5.11.2.2 of the National Transport Policy (2003), which stipulates that, to ensure adequate urban infrastructure planning and financing, road authorities should identify and mobilise resources, including those from the private sector.

467. Analysis of allocated funds shows that, for the Financial Year 2021/22, a total of TZS 94.64 billion was allocated for regional roads' infrastructure improvement activities, which decreased by TZS 89.6 billion in 2022/23, followed by TZS 87.27 billion in 2023/24 and 2024/25, respectively.

468. On the other hand, the analysis of funds allocated by PMO-RALG for district road infrastructure improvement shows that TZS 716.8 billion were allocated in the Financial Year 2021/22. However, despite the growing need for road improvements, allocated funds decreased to TZS 704.9 billion in 2022/23 and further to TZS 704.7 billion in 2023/24, which remained constant for the Financial Year 2024/25.

469. The decrease in funds allocated to road infrastructure development was due to the use of budget ceilings rather than needs-based prioritisation of road infrastructure improvement activities. I noted during my review of the Annual Business Plan (2021/22-2024/25) that the annual targets were derived from the given ceiling, with limited attention given to the existing improvement needs to ensure that planned improvements guarantee the sustainability of road infrastructure.

470. As a result, this practice limited the MoW and PMO-RALG's capacity to effectively plan and implement road improvement milestones that reflect existing demand. This exposed the roads' infrastructure to continuous deterioration, as evidenced by declines in the number of regional roads in good condition.

(b) Ineffective Disbursement of Funds for Road Infrastructure Development by MoW and PMO-RALG

471. I learned that funds for road improvement activities were not disbursed effectively. Through the review of both TANROADS and TARURA's Annual Performance Reports (2021/22-2024/25), I noted that funds allocated by the MoW for regional road improvements were fully disbursed in two of the four audited Financial Years, with disbursement rates of 116% and 104% in 2021/22 and 2023/24, respectively. However, in the Financial Years 2022/23 and 2024/25, the disbursement rates were 51% and 88%respectively.

472. Similarly, funds allocated by PMO-RALG for district road development under TARURA were not fully disbursed, with the maximum disbursement in 2021/22 at 93%, declining to 86% in 2022/23. In the remaining two Financial Years, fund disbursements were 78% in 2023/24 and 57% in 2024/25. This implies that the disbursement of funds for road infrastructure improvements was inconsistent, indicating gaps in financial planning to ensure the timely mobilisation of resources to support these activities.

473. This was contrary to Regulation 11(1) of the Road (Financing and Participation of Public-Private Partnership) Regulations, 2013, which requires the MoW and PMO-RALG to allocate resources for development works in accordance with the approved long-term investment program and the annual budget approved by the Parliament.

474. Review of a Letter with reference number CD.145/569/01A/96 from TANROADS to MoW regarding the status of outstanding payments for road improvement projects revealed that insufficient disbursement of allocated funds for road infrastructure development has led to a rising trend in unpaid payments nationwide.

475. I further found that, by June 2021/22, the outstanding payments for road improvement projects under TANROADS were TZS 0.633 trillion, which then increased to TZS 0.701 trillion in 2022/23, thereafter to TZS 1.295 trillion, and finally to TZS 1.221 trillion for the Financial Years 2023/24 and 2024/25, respectively.

476. I also found that delayed disbursements not only hindered the progress of road infrastructure improvements but also led the Government to incur additional costs due to interest charges on the delayed payments or exchange rate differences, since payments were made in foreign currency. For instance, as of the time of this audit, four projects from a sampled region had an interest charge of TZS 5.6 billion due to delayed payments. These projects were the Nachingwea–Nanganga and Chunya–Makongorosi road projects, which incurred interest charges of TZS 2.984 billion and TZS 824.86 million, respectively, and the Nsalaga–Ifisi road in Mbeya and the Dodoma Ring Road Lot I, which incurred interest charges of TZS 764.51 million and TZS 1.03 billion, respectively.

477. The ineffective disbursement was attributed to unrealistic budgeting for road infrastructure improvement, as the budgeted amount did not reflect the project's cash flow requirements, indicating that the cash flow forecast during budget preparation was insufficient. This created a burden on disbursements, as the high amount of requested funds was not reflected in the approved budget.

8.4 Main Audit Findings on the Management of Weighbridge Operations

478. I found the challenges in the Management of Weighbridge Operations, relating to operation efficiency, enforcement of legal procedures, Maintenance of Weighbridge facilities, as well as coordination, as detailed below:

8.4.1 Inadequate Weighbridge Operations to Reduce Vehicle Processing Time

479. I found the following, which affected the efficiency of the weighbridge operation:

(a) Lack of Interoperability for the Weighbridge Operating System

480. Through physical verification of 10 sampled weighbridges, I noted that the weighbridge facilities were operating in a fragmented manner, with no data exchange between weighbridges at the same station (e.g., East and West weighbridges). This practice is contrary to Section 13 (1) and (2) of the East African Community Vehicle Load Control Act, 2016, which requires the Partner States to establish and manage information and communications technology systems for the Road Network, and in particular for weighbridges and weighing stations, and the systems to facilitate the sharing of information within the regional network of weighbridges.

481. Although TANROADS utilised software such as T-Load, Tan-Weight, and Smart Scale across weighbridge stations, these systems faced challenges with integration and interoperability. As a result, a vehicle registered on one side of the station (e.g., East/North) could not have its registration details automatically captured at the opposite side (West/South) within the same premises.

482. I learned that the lack of interoperability in the weighbridge operating system was primarily due to inadequate ICT system design and to MoW and TANROADS' inability to coordinate the establishment of a harmonised ICT framework for weighbridge operations, which could be linked to transporter registrations to enable the capturing of the initial information at weighbridge stations.

483. This tendency leads to duplicate and manual processes and longer processing times, in turn, causing unnecessary traffic congestion during vehicle registration. Due to this congestion, weighbridge operators were forced to shift to manual verification of vehicles and recording weight data as was observed at Vigwaza North and South Weighbridges, whereas, in September 2025, out of 35,015 weighed vehicles, 12,512 were verified as being out of the system using a manual logbook, which accounts at 35.7% of all verified vehicles.

(b) Ineffective Management of the Data Management System (Duku System) Leading to Loss of TZS 5.089 billion

484. I found an ineffectiveness in the management and implementation of the Data Management System (Duku System). The system was designed to enable remote monitoring of weighbridge operations, enhance transparency, and support real-time data sharing by centralising the management of weighing and CCTV data.

485. Through my review of Contract No. TRD/HQ/1031/2015/16, I noted that on 29 April 2016, TANROADS, on behalf of the Ministry of Works (MoW), procured a supplier for the design and installation of the said system in 13 weighbridge stations, including Vigwaza, Mikese, Nala, Njuki, Himo, Mikumi, Mpemba, Mingoyo, Mutukula, and Nyakahura along the trunk road network, with an estimated contract value of TZS 7.780 billion.

486. Verification at the sampled weighbridge stations revealed that at 13 stations where the new system had been installed, it was subsequently

uninstalled, and TANROADS reverted to using the T-LOAD operating system, which does not support remote monitoring of weighbridge operations.

487. Through review of the letter Ref. No. ED.191/388/05/05 dated 24 February 2022, I learned that the rollback occurred because the supplier failed to provide TANROADS with the required server credentials necessary for data transfer and storage management.

488. This was attributed to ineffective contract planning to ensure full ownership of the implemented system. Consequently, weighbridge operations continue to rely on non-integrated systems, which affects data management, reporting, and enforcement, particularly the recovery of penalties from overloaded vehicles, which currently relies on a manual-based system. Additionally, this represents a potential loss of TZS 5.089 billion paid for a system that was installed but subsequently uninstalled.

(c) Mismatch of Vehicle Arrival Rates with Weighing Capacity

489. Through physical verification and a review of the Drivers' feedback correspondence, I noted that the TANZAM Highway corridor experienced vehicle congestion, especially at weighbridge stations such as Vigwaza and Mpemba. The traffic congestion at the weighbridge station extended approximately 700 m beyond the weighbridge.

490. This is contrary to Para 1.4 (v) of the TANROADS Weighbridge Operational Manual of 2018, under the objectives of vehicle load control, which requires TANROADS to reduce congestion associated with slow-moving heavy trucks, thereby enhancing time and cost in the transportation of transit goods.

491. This shortcoming was attributed to:

(i) **Position of the Weighbridge on One Side of the Road against the Traffic Volume;** I noted that the positioning of the weighbridge infrastructure influenced vehicle congestion at several weighbridge stations. This was because weighbridges were constructed only on one side of the carriageway, in the opposite direction to the dominant traffic flow. In this context, the existing physical layout restricts vehicle turning movements, particularly during peak traffic hours. This results in long queues of vehicles waiting to be weighed,

(ii) **Slow Operations due to Manual Recording Processes;** Through physical verification of the visited weighbridge, I noted that the operational systems in use, namely, T-Load, Smart Scale, and Tan-Weight, required manual data entry for essential information, such as vehicle axle configurations, driver particulars, and load registrations, before the weighing process could be affected. Consequently, the process led to prolonged weighing times, long queues of vehicles in the approach lanes, and congestion within the station premises.

8.4.2 Ineffective Enforcement of Legal Procedures for Offences

492. I observed the following gaps in enforcing the legal procedures for offences:

(a) Inadequate Enforcement of Road Damage Fees Amounting to TZS 1.618 billion

493. I found that vehicles charged with overload offences were permitted to proceed with their journey without being detained. This resulted in an outstanding overloading fee of TZS 1.618 billion as of 30 September, 2025. This practice is contrary to Regulation 13(1) of the East Africa Community Vehicle Load Control (Enforcement Measures) Regulations of 2018. This regulation requires an overloaded vehicle to be detained until the transporter settles the overloading fees.

494. Through my review of Monthly Weighbridge Reports, I noted that as of 30 September 2025, a total of 187 offences were released. Of them, 163 offences were released without any formal agreement to settle outstanding road damage fees. This led to an accumulation of fees totalling TZS 1.618 billion.

495. I found that these unpaid road damage fees were due to:

- ***Inefficient Records and Data Management System:*** I found that not all debts were captured in the monthly and the accountant's control records. I noted this during my review of Weighing Tickets Records and Daily Reports, 2025, from three stations in Luhimba, Mpemba and Msimba, where outstanding offences amounting to TZS 41.557 million were uncaptured and unreported;

- ***Inadequate Collection of Vehicle Information and Particulars at the Weighbridge Stations:*** I found non-compliance with the prescribed weighing procedures at the visited weighbridge stations. In this case, at 10 weighbridge stations audited, I found that out of 70 sampled vehicles/trucks observed, 18 were weighed without verifying the drivers' and vehicle details. This information was essential for enforcement as it serves as primary collateral for vehicles charged with overloading, enabling accountability for absconding vehicles. This, in turn, reduces incidences of unpaid or evaded road damage fees; and

- ***Inadequate Follow-up Mechanism on the Recovery of Outstanding Road Damage Fees*****:** I noted that TANROADS relies mainly on issuing notification and reminder letters to offending transporters. This practice did not lead to enforceability or to the guarantee of payment of the outstanding amounts.

(b) Inadequate Control of Escape Routes and Divergence from Weighbridge Stations

496. Through my review of the Fixed Weighbridge Map Version of May 2024, I found that the distribution of weighbridges across the national road network was insufficient, leaving other sections unmonitored and allowing transporters to bypass weighbridges. **Table 28** shows the national road network, including unmonitored road sections, escape routes, and weighbridge divergences.

Table 28: The Analysis of the Potential Divergences and Escape Routes

Road Corridor	Potential Divergence and Escape Routes
Arusha – Sirari	• Bypassing using the regional roads via Manyara or Lake Natron routes. The route links Arusha to the Kenyan border.
Morogoro – Mbeya	• Long distance between the weighbridges along the corridor. • Offload/divergence via Kilosa or Iringa-Mafinga rural roads, especially during night hours.
Southeast Coast	• High potential for coastal divergence or rural escapes along Mtwara - Newala or Lindi – Ruangwa.
Southern highland	• The route links Mbeya to the Malawi border • High potential of regional road escapes and divergences. • Absence of a weighbridge for inspection and control of export and import at the Malawi border. • Ilunda village – Idofi Village (Links the Makambako- Njombe Trunk Road and Makambako – Mafinga (TANZAM Highway)
Southern (Songea to Tunduru)	• Absence of a weighbridge for inspection and control of export and import at the Mozambique border. • Long distance between the weighbridges along the corridor, about 260km

Road Corridor	Potential Divergence and Escape Routes
Central Corridor (Dodoma)	• Decca Road - Bango - Fourways • Municipal Hospital Road - Kesi Fuel Station - Mnadani • Starting Sabasaba (jct to TIA) – Sepuka – Kizaga (jct to Singida - Malendi (Tabora border) 77+400 km • Starting Itigi (keep left Itigi – Chaya Tabora) - Mbeya road 7+500 Km to Mlongoji jct to Rungwa

Source: Auditors' Analysis of the Fixed Weighbridge Map Version TRD of May 2024, 2025

497. **Table 28** shows the national road network, including unmonitored road sections, escape routes, and divergences from weighbridges. These gaps in the distribution of weighbridges create opportunities for overloaded vehicles to bypass weighbridge stations through unmonitored roads.

498. In response to the control of escape routes, I learned that TANROADS, under Objective C of its Strategic Plan 2021–2026, planned to construct at least 13 new weighbridge stations from 2021/22 to 2024/25. However, as of the Financial Year 2024/25 plan, only six of the 13 planned weighbridges had been constructed. This indicates a limited control over the available divergence and escape routes. Consequently, overloaded vehicles are likely to expose these unmonitored road networks to excessive wear and accelerated pavement deterioration.

499. I found that this gap was due to the absence of a national weighbridge master plan, which could define optimal spacing based on road patterns and risk exposure.

8.4.3 Inadequate Maintenance and Calibration of the Weighbridge Equipment to Ensure Accuracy

500. I identified the following challenges in the Maintenance and Calibration of Weighbridge Equipment:

(a) Preventive Maintenance Schedules were not Adhered to

501. My review of weighbridge maintenance documents and certificates of correctness for the visited weighbridges revealed that TANROADS did not develop regular preventive maintenance and calibration plans. Only a calibration plan of a three-month interval for static weighbridges or after the major repairs as per Para 4.1 of the TANROADS Weighbridge Operational Manual of 2018.

502. This implied that the Agency lacked a structured framework for scheduling, monitoring, and documenting routine maintenance and calibration activities for weighbridges, including weigh-in-motion, static, and portable types.

503. Consequently, weighbridge facilities were maintained only after major breakdowns, rather than through a proactive, preventive maintenance programme. This practice is contrary to Paragraph 4.6 of the TANROADS Weighbridge Operational Manual of 2018, which recommends routine maintenance and inspection at least once a week.

504. The absence of preventive maintenance led to unexpected breakdowns, which in turn disrupted weighbridge operations due to major repairs. **Table 29** provides details of the reactive maintenance conducted at the sampled weighbridges.

Table 29: Frequencies of the Reactive Maintenance in the Sampled Weighbridges

Name of Region	Weighbridge Stations	Reactive Maintenance Frequency				Total
		2021/22	2022/23	2023/24	2024/25	
Dar es Salaam	Kurasini (East and West)	2	3	1	5	11
Coast	Vigwaza (South and North)	-	4	12	8	24
Lindi	Mingoyo (South and North)	-	2	5	4	11
Tanga	Horohoro	4	5	4	6	19
Arusha	Kimokouwa (East and West)	-	10	16	8	34

Source: Auditors' Review of Monthly Weighbridge Reports from 2021/22-2024/25, 2025

505. **Table 29** shows that the Vigwaza, Kimokouwa, and Horohoro weighbridges recorded 6 to 16 reactive maintenance events annually, equivalent to the number of breakdowns. This breakdown leads to vehicle congestion and reduced efficiency of weighbridges on major transport corridors.

(b) The Absence of Calibration and Certification of the Weighbridge Facilities

506. During my interviews with TANROADS officials at the visited weighbridge stations, I found that TANROADS did not ensure that weighbridge parts were calibrated and certified before installation. The weighbridge

facilities lacked documented calibration and certification in all 10 sampled weighbridge stations.

507. This practice was contrary to Section 4 (1) (b) of the Standards Act CAP. 130. The Section directs the facilities for the testing and calibration of precision instruments, gauges, and scientific apparatus, for the determination of their degree of accuracy and traceability by comparison with standards, to be approved by the Minister of Industry and Trade based on the recommendation of the Board of Directors, and this determines the issuance of certificates as well.

508. Despite the absence of calibration and certification for weighbridge parts, I found no Standard Operating Procedures for verifying the quality of spare parts before installation. This indicates that during maintenance, TANROADS relied heavily on suppliers for spare parts specifications rather than on compliance with TBS certification requirements.

509. This practice posed a risk to the lifespan of installed spare parts, thereby impacting the weighbridge's performance due to frequent breakdowns, as presented.

8.4.4 Inadequate Coordination, Monitoring and Evaluation Strategies for Weighbridge Operations

510. I found inadequate coordination on the enforcement of vehicle load control among the MoW, TANROADS, and other regulatory bodies, including LATRA, TBS, the Police Force, and the Ministry of Transport (MoT). Specifically, between the Financial Years 2021/22 and 2024/25, MoW held two intersectoral meetings, none of which addressed vehicle load control issues.

511. This practice was contrary to Paragraph 2.5.5 of the MoW Strategic Plan 2021/22–2025/26, which requires the Ministry to strengthen coordination across ministries and institutions through sector-wide programmes.

512. The inadequate coordination stemmed from the absence of a clear enforcement and coordination framework to govern inter-agency collaboration on vehicle load control. Similarly, there were no formal guidelines, binding instruments, or institutional arrangements that clearly defined roles, responsibilities, reporting lines, or accountability mechanisms among key stakeholders, namely MoW, TANROADS, and other regulatory bodies.

513. Consequently, enforcement efforts were fragmented, information sharing was limited, and the application of axle load regulations was inconsistent across agencies, thereby undermining the overall effectiveness of vehicle load control operations.

514. Furthermore, due to Inadequate coordination, I found that vehicles existed with configurations that did not comply with the East African Community Vehicle Load Control Vehicle Dimension and Axle Configuration Regulations of 2018. This Regulation provides specifications of all allowable vehicle configurations together with their permissible axle load and Gross Vehicle Mass (GVM) limits.

515. Since weighbridge operating systems are configured based only on the vehicle types listed in the Weighbridge Operating Manual and the EAC Act, these vehicles cannot be weighed at weighbridge stations, as their allowable limits are unknown and are not provided in the Weighbridge Operating Manual. This raises challenges in load weight compliance.

8.5 Main Audit Findings on the Management of Urban Transport Services in Major Cities

516. During my assessment of urban transport services in Major Cities, I found that reliability was compromised by the prevalence of informal operations that lacked fixed timetables and regulated service standards. Users often experience unpredictable waiting times and poor vehicle conditions. Furthermore, I found shortcomings in planning for urban transport services and the management of the Rapid Bus Transport System (BRT), as detailed below:

8.5.1 Inadequate Planning and Regulation of Urban Public Transport Services

517. I found the following in Planning and Regulation of Urban Public Transport Services:

(a) Limited Growth of Formal Public Transport and Increasing Reliance on Low-Capacity Modes

518. I noted that the system for licensing and regulating transport operators had been attracting informal urban transport service providers. Specifically, I noted that, LATRA had been issuing licences to urban transport service providers offering low occupancy vehicles including tricycles and motorcycles urban transport services, contrary to Para 5.7.2.2 of the National Transport

Policy, 2003 which encourage the mass transit as it emphasise on importation and licensing of passenger vehicles with high capacity ranging from 30 passengers for minibuses and up to 90 passengers for large buses.

519. Analysis of road licence data for the fourth quarter, covering the Financial Years 2020/21 to 2024/25, showed that mass transit public transport had neither been registered nor licensed. However, LATRA has been issuing licenses to public transport service providers that have low occupancy vehicles, resulting in a tremendous 95% increase as of 2024/25, whereby between 2020/21 and 2024/25, motorcycle licenses rose by 145% from 18,408 to 45,078, making them the most licensed urban transport mode.

520. In contrast, high-occupancy vehicles for public transport contracted sharply. Public service vehicles decreased by 55 per cent, commuter buses by 19 per cent, and mass transit systems, such as DART, dropped to zero, signalling limited investment and weak institutional support.

521. I learned that the situation was attributed to weak planning and coordination among transport regulatory authorities, as well as to the absence of integrated urban transportation strategies to encourage and improve formal public services. As a result, major cities are experiencing worsening mixed traffic conditions, leading to severe congestion, longer travel times, and an increase in traffic accidents, which in turn negatively affect the achievement of efficient urban mobility and safety.

(b) The Major Cities' Master Plans did not Align with the National Transport Master Plan

522. My review of the implementation of the Transport Master Plan (2020/21–2024/25) in Dar es Salaam, Mbeya, Arusha, and Mwanza revealed consistent delays, weak enforcement, inadequate integration, and incomplete implementation of planned actions. Key initiatives, including the expansion of Dar es Salaam Bus Rapid Transit (BRT), dedicated public transport lanes, multimodal hubs, traffic decongestion schemes, and the integration of the road-ferry system, remained partially implemented or pending. This was contrary to the requirements of Para 2.3 and 2.4 of the National Transport Policy (2003), which requires that urban transport master plans be aligned with national transport strategies to ensure integrated, efficient, and sustainable transport systems and calls for the development of multimodal transport systems, with clear implementation mechanisms at the city level. **Table 30** provides a detailed analysis of the transport master plan in the sampled Major Cities.

Table 30: Detailed Analysis of City Master Plans

Region	Overall Observation (2020/21-2024/25)	Efficiency Implications
Dar es Salaam	Implementation was inconsistent, with delays in BRT Phase II, weak feeder integration, stalled intermodal hubs, partial traffic upgrades, and limited review of the master plan.	Persistent congestion, limited modal shift, poor accessibility, poor integration of available transport modes in Dar es Salaam city, and unmet efficiency goals.
Mbeya	Key initiatives, such as dedicated lanes, transport integration, and master plan operationalisation, were delayed or not implemented, with minimal stakeholder engagement.	Continued inefficiencies, mixed traffic congestion, and a lack of strategic coordination.
Arusha	Master plan updates and decongestion schemes were delayed or limited; non-motorised transport and enforcement of regulations were weak.	Increased congestion, proliferation of informal operators, and transport inefficiency.
Mwanza	Road-ferry integration, structured routes, and terminal upgrades faced delays or weak enforcement; pre-BRT and integrated plans remain pending.	Limited connectivity and unreliable transport services.

Source: Auditors' Analysis of Transport Plan 2020/21-2025/26 and Cities Master Plans of 2020/21-2025/26, 2025

523. **Table 30** presents the implementation gaps in the transport master plans of four major cities. The gaps include unimplemented initiatives such as dedicated lanes and integration, as well as delayed implementation of the planned initiatives, such as road-ferry integration in Mwanza and BRT Phase II in Dar es Salaam.

524. The noted Limited alignment stems from inadequate translation of the National Transport Policy (2003) and the National Transport Plans into actionable city-level plans, and low prioritisation of master plan actions.

525. Non-alignment has led to persistent congestion, limited accessibility, the proliferation of informal transport services, which undermine the achievement of national transport objectives, and increase urban traffic inefficiencies.

8.5.2 Limited Accessibility, Reliability, and Affordability of Public Transport Services

526. I noted that urban transport services in major cities were insufficient to meet the growing population's needs, with major challenges in accessibility, reliability, and affordability as detailed below.

(a) Inadequate Consideration of Accessibility and Inclusivity in Urban Transport Services

527. I found that Inclusive design principles had not been systematically mainstreamed into urban transport planning and budgeting processes. Specifically, there was limited engagement of individuals or organisations representing persons with disabilities and other vulnerable groups during project design, implementation and evaluation stages. In Dar es Salaam, commuter train stops and bus terminals lacked basic accessibility features, including ramps, pedestrian walkways, and crossings. Furthermore, there were deficiencies in lighting, signage for visually impaired users, and loading or offloading platforms, rendering them largely unfriendly to vulnerable users.

528. Furthermore, my review of city plans showed that inclusive design principles had not been systematically integrated into urban transport planning and budgeting by the MoT, LATRA, PMO–RALG, or LGAs. I confirmed this through visits to sampled cities, noting that commuter trains and Daladala buses lack accessibility features, including low-floor access, wheelchair ramps, priority seating, and audio announcements. The absence of ramps, low-floor access, and communication systems within these modes has significantly restricted mobility for persons with disabilities, the elderly, and other vulnerable passengers.

529. This situation was primarily attributed to the registration and licensing processes administered by TRA and LATRA, which issued vehicle registrations and operating licences without adequately considering accessibility requirements for special and vulnerable groups. Consequently, these have restrained the mobility of people with disabilities, the elderly, women and children. This perpetuated social exclusion and restricted access to economic opportunities, healthcare, and education for marginalised populations.

(b) Inequitable Distribution of Transport Resources in Peripheral Areas

530. I found that transport infrastructure and services are heavily concentrated in urban city centres, neglecting the needs of residents in peripheral areas, resulting in limited-service coverage, reduced frequency, and fewer transport options.

531. Furthermore, through my review of LATRA's Annual Reports, Board meeting minutes, and Statistics data from the Road and Railways Information Management System (RRIMs) from the Financial Year 2020/21 to 2024/25, I noted that there was a practice of commuter bus operators illegally shortening

or altering routes, prioritising high-demand areas while bypassing the peripheral areas, as presented in **Table 31.**

Table 31: Shortening Routes Incidents by the Commuter Bus Operators' Caught Shortening Routes

LGA / Financial Year	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Mbeya CC	0	18	24	25	6	73
Dar es Salaam	0	7	1	0	46	54
Mwanza CC	2	3	83	187	401	676
Arusha CC	0	4	11	25	51	91

Source: Auditors' Analysis of Customers' Complaints 2020/21-2024/25, 2025

532. **Table 31** shows that Mwanza City Council experienced a sharp increase in route-altering cases, rising from 2 in 2020/21 to 401 in 2024/25, for a total of 676 cases. Arusha CC recorded 91 cases, followed by Mbeya CC with 73 and Dar es Salaam with 54 cases between 2021/22 and 2024/25. This practice, driven by operators' efforts to maximise revenue, negatively affects transport accessibility in peripheral areas.

(c) Weak Enforcement of Fare Regulations

533. I noted that the enforcement of LATRA's approved fares across the urban cities was weak and inconsistent. Commuter buses frequently charged fares above the approved rates. These deviations persisted throughout FY 2022/23–2023/24 and varied according to city, route, and time of day. Specifically, fare violations were particularly prevalent in high-demand areas, such as city centres and during peak hours.

534. This was attributed to limited monitoring of operators' tendency to disregard LATRA-approved fares, as I found that monitoring mechanisms were largely reactive. Additionally, Cooperation between LATRA and the local Traffic Police in addressing non-compliance was minimal. Collectively, these factors led to inconsistent enforcement and eroded public confidence in fare regulation.

535. This was contrary to the requirement of Section 7(1) of the Land Transport Regulatory Authority Act 2019, which requires the Land Transport Regulatory Authority (LATRA) to regulate fares in the transport sector to ensure fairness, affordability, and economic sustainability.

(d) Disintegration Between Transport Infrastructure Development and Urban Growth Trends

536. I revealed that the existing transport infrastructure did not adequately support future growth or emerging technological demands in the sector. The infrastructure expansion and upgrading efforts remain insufficient to accommodate rapid urbanisation, rising vehicle ownership, and the increasing adoption of digital and smart mobility systems.

537. This was contrary to the requirement of the National Transport Policy (2003), LATRA's Strategic Plan (2021–2025), and Sustainable Development Goal (SDG) 11, which collectively establish the criterion that transport infrastructure should be developed in synchrony with urban expansion, population growth, and technological advancement to ensure safe, accessible, and sustainable mobility.

538. Further review of the LATRA Transport Sector Performance Report (2023) revealed that the significant urban growth in cities such as Dar es Salaam, Mwanza, Arusha, and Mbeya has not been matched by corresponding investments in transport infrastructure. For instance, between 2020 and 2023, the total urban land area in these cities expanded by 27% while the length of newly constructed urban access roads increased by only 8.5%. **Table 32** presents a comparison of Urban Growth versus Transport Infrastructure Expansion (2020–2025), further illustrating the widening gap between population-driven demand and infrastructure provision.

Table 32: Urban Growth vs Transport Infrastructure Expansion (2020-2025)

City	Urban Land Growth (%)	Road Infrastructure Growth (%)	Access Gap Indicator (km² land/km road)
Dar es Salaam	21	-	-
Arusha	25.8	8.1	4.3 km^2/km
Mbeya	24.2	7.3	4.9 km^2/km

Source: Auditors' Analysis of Information from the LATRA Transport Sector Performance Report 2023, 2025

539. **Table 32 shows** that while cities are expanding spatially at rates of 21%, 25.8%, and 24.2%, infrastructure development lags behind significantly. The infrastructure growth rate was 8.1% in Arusha and 7.3% in Mbeya, while information for Dar es Salaam was not recorded. With ratios of 4.3 km^2 and 4.9 km^2 of land per 1 km of road, for Arusha City and Mbeya City, respectively, transport access was far below optimal planning thresholds, typically recommended at 1.5–2.0 km^2/km in dense urban zones (World Bank Urban

Access Standards, 2015). This gap reflects systemic underinvestment and coordination.

540. The condition observed is a widening infrastructure-service gap, particularly in access road coverage, last-mile connectivity, and terminal upgrades. These deficiencies are especially pronounced in peri-urban wards, where population density now exceeds 5,000 people per square kilometre, but road coverage remains below 2.5 kilometres per square kilometre.

541. The primary cause of this misalignment was the absence of integrated urban planning. LATRA, LGAs, TARURA, and TANROADS operate in parallel rather than through synchronised project frameworks. This fragmentation results in delays in terminal development, limited corridor expansions, and the prioritisation of trunk roads over urban mobility corridors.

542. Consequently, public transport systems are strained by congestion, route inefficiency, and limited coverage in newly urbanised areas. This leads to longer commute times, higher travel costs, and a modal shift toward informal and non-motorised transport.

8.5.3 Inadequate Monitoring, Evaluation, and Feedback by Responsible Ministries

543. I found that urban transport services have underperformed due to limited adherence to schedules, inadequate vehicle availability, unsafe driving practices, and weak customer service. These issues are exacerbated by weakness in service monitoring as described below.

(a) Lack of Monitoring and Evaluation of Urban Transport Services by the MoT and PMO-RALG

544. I noted that MoT and PMO–RALG did not conduct regular evaluations of LGAs and LATRA to monitor and regulate urban transport services. This was contrary to the requirement of Para 6.1 of FYDP III, which requires Ministries to conduct regular, results-oriented evaluations of Local Government Authorities (LGAs) and regulatory bodies such as LATRA to inform service improvements and ensure accountability.

545. The inadequate monitoring and evaluation of urban transport services by the MoT and PMO–RALG was primarily due to a lack of clear planning and scheduling for routine evaluations, which hindered effective monitoring and evaluation.

546. As a result, oversight of urban transport services proved challenging, with inefficiencies, inconsistencies, and substandard service delivery by LGAs and transport operators. The lack of regular, results-oriented evaluations undermined accountability and limited the Ministries' ability to identify gaps and drive improvements in urban transport service quality.

(b) Lack of an Integrated Data System for Effective Monitoring

547. I learned that, as of September 2025, there were no centralised integrated data management systems for urban transport services, including BRT and Commuter Trains. Data on passenger numbers, revenues, safety records, service performance, and customer satisfaction were collected in fragmented formats by various institutions, such as LATRA, PMO–RALG, LGAs, the Traffic Police, BRELA and the Tanzania Railway Corporation (TRC), without harmonization or integration of the systems.

548. This was contrary to Para 4.2.3 of the National Transport Policy, 2003, which requires transport agencies to establish integrated information management systems. These frameworks emphasise the need for centralised, reliable, and accessible data to support evidence-based planning, monitoring, regulation, and reporting.

549. The absence of a centralised system was primarily attributed to ineffective institutional coordination, limited investment in ICT-based infrastructure, and limited technical capacity to operationalise data-sharing protocols.

550. This fragmentation has led to inconsistent and unreliable performance information, thereby undermining effective planning and decision-making. It has delayed the detection of service gaps, such as low ridership, accident hotspots, and operational inefficiencies, and has reduced transparency and accountability. Additionally, it posed a risk of wasted resources due to duplicated data collection efforts.

8.5.4 Inadequate Planning and Operation of Rapid Bus Transport (BRT) System

551. I found challenges that affect the effectiveness of the management of the BRT system, as detailed below:

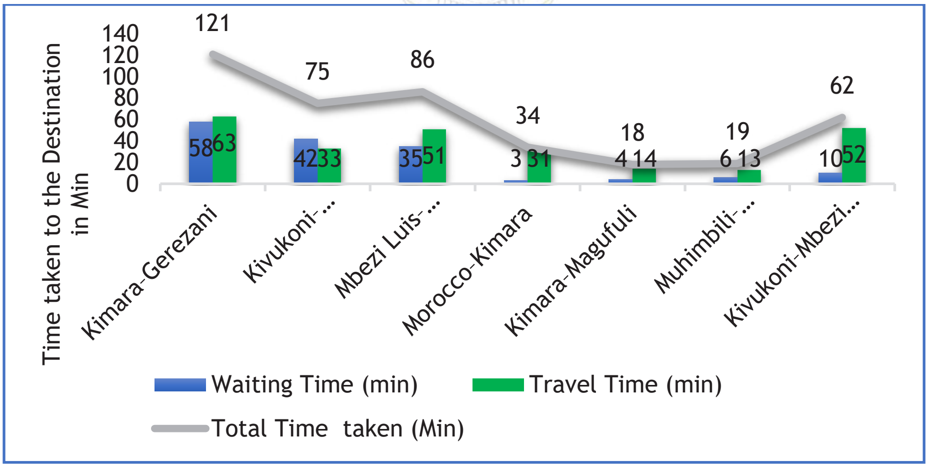
(a) Inadequate BRT Intermodal Connectivity with Other Transport Services

552. Through physical verification, I noted that Dar es Salaam's urban transport modes, including BRT terminals, were not effectively integrated or coordinated with other commuter services. For example, ferry services across the Kivukoni channel were not synchronised with the BRT. At the same time, daladala and boda-boda pick-up and drop-off points were often inadequate, not integrated with the BRT. Additionally, the e-card used for BRT was also not integrated with other modes of transport.

553. This was contrary to the requirement of Para 3.2.3 of the Public-Private Partnership (PPP) Policy, 2009, which stipulates that urban transport systems must be multi-modal, coordinated, and user-friendly, enabling seamless transfers and enhancing network efficiency.

554. Inadequate intermodal connectivity leads to congestion and delays for commuters. **Figure 36** details the time taken by BRT in picking up the passengers and the travel time to their destination.

Figure 36: Time Taken by BRT in Picking up Passengers and Travel Time to their Destination



Source: Analysis from DART Data, 2025

555. **Figure 36** shows the inefficiencies in BRT operations, with passengers experiencing long wait times, a maximum of 58 minutes for the Kimara-Gerezani Route, and longer travel times on major routes such as Kimara-Gerezani and Mbezi Luis-Muhimbili. These suggest the need for improved bus scheduling, route management, and traffic control to enhance service reliability and reduce total commuting time.

556. This was contrary to Para 2.4.7 of the DART Strategic Plan (2021/22–2025/26), 2021, which requires DART to ensure sufficient buses are available to meet public demand and reduce congestion. Additionally, the International BRT Standards (Institute for Transportation and Development Policy - ITDP) suggest one bus every 3–5 minutes at peak hours.

557. This inefficiency stems from inadequate coordination and joint planning among relevant stakeholders, the absence of integrated transport policies, and insufficient investment in physical infrastructure at interchange points.

558. Inadequate intermodal connectivity reduces the effectiveness of BRT as a backbone of the urban transport system. It discourages its use, particularly among commuters who must travel beyond station areas, thereby leading to continued reliance on private vehicles and informal public transportation. This undermines the objectives of integrated urban transport development and limits the impact of investments made in BRT infrastructure.

(b) Continued Reliance on Manual Fare Collection Undermines Efficiency and Revenue Assurance in Public Transport Services

559. During a site visit on 9 September 2025 to verify BRT operations in Dar es Salaam, I noted that public transport operators on the BRT relied on manual fare collection, as evidenced by a batch of already-printed fare tickets. Furthermore, through the review of the Monitoring Reports by LATRA in 2024, I noted that, although UDART had implemented electronic ticketing, the tickets issued lacked passenger details, and the electronic card system was not operational, while the UDART mobile app, used by passengers for ticket purchases, was reported to be unstable and frequently dysfunctional.

560. This was contrary to Para 3.5.7 of the Strategic Plan, Objective G, which emphasises automating the DART system to enhance fare collection, security, and system monitoring. The planned automation of these elements aims to improve efficiency, protect revenue, and ensure the safety of staff, commuters, and physical infrastructure.

561. The continued reliance on manual fare collection in the BRT system was primarily due to delays in the full deployment and enforcement of integrated electronic ticketing solutions, as well as challenges with LATRA's regulatory follow-up. Although Policy and Strategic Frameworks insist on automations, implementation remained partial due to the limited availability of e-cards and weak internal controls over cash handling. These gaps were compounded by the absence of fare integration across transport modes and by insufficient ticketing

infrastructure at high-volume terminals, leading operators to default to manual ticketing despite regulatory requirements.

8.6 Impact on the Attainment of the FYDP III and SGDs

562. Although the Government has undertaken various efforts to improve transport system management, performance audits of the planning process for road infrastructure improvement, weighbridge operations, and urban transport services revealed shortcomings that affect the achievement of the government's objectives. Specifically, these shortcomings hindered progress toward achieving the SDGs and FYDP III targets, as explained below.

8.6.1 Impact on the Attainment of SDGs

563. Inadequate management of the planning processes for road infrastructure improvement, weighbridge operations, and urban transport services directly impedes the achievement of SDG 11.2 by limiting access to these services.

564. Specifically, inadequate prioritisation of road infrastructure improvement projects, ineffective disbursement of funds for these projects, and noted gaps in the management of the road planning process contributed to their ineffective implementation. This, in turn, resulted in continued deterioration of road infrastructure condition.

565. Additionally, road infrastructure was affected by gaps in weighbridge operations management. These included inadequate control of escape routes in road corridors and limited automation of weighbridge operations, which create loopholes for overloaded vehicles that deteriorate road infrastructure.

566. Furthermore, inadequate planning and regulation of urban transport services led to the non-prioritisation of the needs of special groups in urban transport planning and to limited intermodal connectivity.

567. The stated consequences (road condition deterioration and limited intermodal connectivity in urban transport) limit the government's efforts to ensure that roads, transport infrastructure, and urban transport services are accessible and reliable, thereby affecting the achievement of target 11.2 of the SDGs. This target calls for the provision of access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of

those in vulnerable situations, women, children, persons with disabilities, and older persons.

8.6.2 Impact on the Attainment of FYDP III

568. FYDP III is affected by inadequate management of road infrastructure planning and transport service delivery, as well as inadequate weighbridge operation. Specifically, the noted gaps, such as inadequate needs identification and prioritisation, inadequate regulation of transport services, and limited control on overloaded vehicles, hinder the achievement of key FYDP III targets. These targets include ensuring decongestion in major cities and unlocking the transport system through infrastructure development.

CHAPTER NINE

ENVIRONMENTAL PROTECTION

9.1 Introduction

569. This chapter presents the key audit findings on environmental protection. The chapter further provides background information, the objectives and scope of the audits, Government strategies and interventions, linkages to the Sustainable Development Goals (SDGs) and the Third Five-Year Development Plan (FYDP III), and the impacts arising from the audits.

570. The audits covered in this chapter include:

(a) Performance Audit on the Implementation of Climate Change Adaptation Actions in Tanzania;
(b) Performance Audit on the Management of Reforestation Activities; and
(c) Performance Audit on the Implementation of Renewable Energy Projects.

9.1.1 Background Information

571. Tanzania faces significant climate change impacts that threaten economic growth and livelihoods, with associated costs projected at 1–2% of GDP annually by 2030[13]. To address these challenges, the country developed its first National Climate Change Strategy in 2012, and later updated it with the National Climate Change Response Strategy 2021–2026 to strengthen adaptation and mitigation efforts and to mainstream climate change considerations across all sectors. However, Tanzania is increasingly experiencing the effects of climate change, including higher temperatures, frequent droughts, extreme rainfall, floods, and declining agricultural productivity[14].

572. Moreover, Tanzania's forests, covering 48.1 million hectares and vital to ecosystems, livelihoods, and the economy, are lost at an annual rate of approximately 376,970 hectares due to agriculture, wildfires, woodfuel use, and unsustainable practices. Despite national policies and strategies for forest conservation and reforestation, deforestation persists, threatening FYDP III targets to halve forest loss by 2025/26 and SDG 15.2 goals for sustainable forest

[13] https://unfccc.int/sites/default/files/NDC/202206/TANZANIA_NDC_SUBMISSION_30%20JULY%202021.pdf
[14] https://www.taees.org/wp-content/uploads/2021/09/NCCRS-2021-2026_-Final_PK.pdf

management and landscape restoration, highlighting the need for effective reforestation and sustainable forest management initiatives.

573. On the other hand, the slow progress in renewable energy development raises concerns about missed opportunities to enhance energy security, reduce costs, and improve rural electrification. The review of the Minister of Energy's speech (2020-2024) indicated that, despite Tanzania's vast potential for renewable energy, including solar, wind, hydro, and geothermal, the country remains heavily dependent on fossil fuels, particularly natural gas, for electricity generation. As of May 2022, 60.27% of electricity in the national grid was generated from natural gas, while only 33.91% came from hydropower and a mere 0.62% from biomass, with negligible contributions from other renewable sources such as solar and wind. Furthermore, the renewable energy sector in Tanzania continues to face challenges, including limited awareness of energy efficiency benefits, insufficient information on advanced energy technologies and efficient practices, and a shortage of skilled personnel.

9.1.2 Environmental Protection as Linked to FYDP and SDGs

574. Environmental protection, such as climate change adaptation, reforestation, and renewable energy projects, supports FYDP III objectives and multiple SDGs by promoting climate change resilience, conserving ecosystems, and enabling sustainable, low-carbon economic growth, as highlighted in **Table 33.**

Table 33: Linkage of Environmental Protection to FYDP III & SDGs

Name of Audit	Plans	Priority Area	Intervention (s)
Performance Audit on the Implementation of Climate Change Adaptation Actions	FYDP III	Environmental and Natural Resources Management	Strengthen national capacity to address climate change, adaptation, and mitigation measures.
	SDG	Goal 13, taking urgent action to combat climate change and its impacts.	Target 13.1 insists on strengthening resilience and adaptive capacity to climate-related hazards by 2030
		Goal 6, ensuring the availability and sustainable management of water for all.	Target 6.1 aims to achieve universal and equitable access to safe and affordable

Name of Audit	Plans	Priority Area	Intervention (s)
			drinking water for all by 2030.
		Goal 2, ensuring food security, improved nutrition, and promoting sustainable agriculture.	Target 2.3 insists on doubling the agricultural productivity and incomes of small-scale food producers by 2030
Performance Audit on the Management of Reforestation Activities	FYDP III	Environmental and Natural Resources Management	Reduced land degradation and biodiversity conservation
	SDG	Goal 15, Life on Land	Target 15.1 insists on ensuring the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services by 2030
Performance Audit on the Implementation of Renewable Energy Projects	FYDP III	Environmental and Natural Resources Management	Promote renewable green energy technologies (biogas, LPG, Solar Energy), and Climate change adaptation
	SDG	Goal 7, Affordable and Clean Energy	Target 7.2 emphasises increasing the share of renewable energy in the national energy mix.
		Goal 15, Life on Land	Target 15.2 intends to minimise deforestation and habitat loss by promoting renewable energy alternatives.

Source: Auditors' Analysis of FYDP III & SDGs, 2025

9.1.3 Government Strategies and Efforts in Environmental Protection

575. The Government has implemented a range of strategies and initiatives to promote environmental protection and clean energy management, as highlighted in **Table 34.**

Table 34: Government Strategies and Efforts in Environmental Protection

Focus Area	Strategy	Efforts
Climate Change Adaptation Actions	• National Environmental Master Plan for Strategic Interventions 2022 – 2032: This strategy provides a roadmap for addressing the environmental challenges posed by climate change • National Climate Change Response Strategy 2021- 2026: This strategy aims to enhance national resilience to the adverse impacts of climate change. • VPO's Medium Term Strategic Plan 2021/22 – 2025/26: This strategy provides a roadmap for addressing the environmental challenges posed by climate change.	• The Government, through VPO, has undertaken various initiatives for climate change adaptation and mitigation. These include coastal adaptation projects, REDD+ financing efforts, carbon stock monitoring, and the promotion of sustainable practices like tree planting, efficient cookstoves, and drought-resistant farming.
Reforestation Activities	• National Environmental Master Plan for Strategic Interventions (2022-2032): This strategy promotes nationwide tree planting and mandates each district to plant 1.5 million trees annually. • National Forest Policy Implementation Strategy (2021-2031): This strategy aims to restore 5.2 million hectares and reduce annual deforestation by 70% by 2031. • REDD+ Strategy: This strategy promotes tree planting and forest restoration with emphasis on sustainable forest management.	• The Government, through the Ministry of Natural Resources and Tourism (MNRT) and the Prime Minister's Office - Regional Administration and Local Government (PMO-RALG), developed the National Forest Policy Implementation Strategy (2021-2031) and the National Forest Landscape Restoration Strategy (2023-2033) to strengthen forest conservation in Tanzania.
Renewable Energy Projects	• National Energy Efficiency Strategy 2024-2034: This strategy aims to achieve a cleaner, more inclusive energy future by diversifying its energy mix, promoting decentralised off-grid systems, and improving energy efficiency across all sectors. • Ministry of Energy Strategic Plan 2021 - 2026: This strategy calls upon the development of	• The Government has articulated clear ambitions to raise the contribution of renewable energy to 75% through investments in solar, wind, hydro, and geothermal technologies (World Bank, 2025, p. 8), and attaining 100% accessibility and 75% connectivity to electricity services by 2030 (PSMP, 2025, p.23).

Focus Area	Strategy	Efforts
	renewable energy sources, including solar energy, wind energy, geothermal energy, biomass and biofuel by 2026; • EWURA Strategic Plan (2022/23 – 2026/27): This strategy focuses on systematic monitoring of renewable projects by 2025	

Source: Auditors' Analysis of the Government Strategies and Efforts in Environmental Protection, 2025

9.2 Audit Objective and Scope

9.2.1 Audit Objective

576. The main objective of the audits was to assess whether the Government, through the responsible entities, has ensured effective management of environmental protection in alignment with the FYDPs and SDGs.

577. Specifically, I assessed whether:

(a) The Vice President's Office (VPO) ensured the effective implementation of climate change adaptation actions to enhance the country's resilience to climate change impacts;
(b) The Ministry of Natural Resources and Tourism (MNRT) and the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG) effectively managed the implementation of reforestation activities to ensure forest restoration in the country; and
(c) The Ministry of Energy and EWURA adequately managed renewable energy projects to ensure a balanced energy mix for enhancing energy security and sustainability in the country.

9.2.2 Audit Scope

578. My Audit on the Implementation of Climate Change Adaptation Actions in Tanzania covered the Vice President's Office and the Ministries of Agriculture, Energy, and Water. It also assessed the status of implementation of climate change adaptation actions, including resource allocation, reporting, coordination, monitoring, and evaluation. The assessment covered five Financial Years from 2021/22 to 2024/25.

579. Moreover, my audit on the Management of Reforestation Activities covered the Ministry of Natural Resources and Tourism (MNRT) and the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG). It assessed the effectiveness of planning, implementation, coordination, and monitoring and evaluation of reforestation activities over the period of four Financial Years (2021/22–2024/25).

580. For the audit on the Management of Renewable Energy Projects, the main audited entities were the Ministry of Energy and EWURA. The audit examined whether the Ministry of Energy and EWURA were adequately managing renewable energy projects through pre-development activities, development activities (including procurement, construction, and commissioning), project operation, and coordination and performance measurement. The assessment covered five Financial Years from 2021/22 to 2024/25

9.3 Main Audit Findings on the Implementation of Climate Change Adaptation Actions in Tanzania

581. I found that the implementation of climate change adaptation actions in Tanzania's water, agriculture, and energy sectors was inadequate. In the water sector, only 43% of priority actions had been implemented; in agriculture, the implementation rate was 44%; in the energy sector, the average implementation progress was 52%. Key challenges included limited resource mobilisation, inadequate reporting, weak coordination and insufficient monitoring and evaluation. The details are provided below.

9.3.1 The Vice President's Office did not Adequately Facilitate Resource Mobilisation for the Implementation of Climate Change Adaptation Actions

582. My review of the UNEP Evaluation Report (2021) and the Vice President’s Office (VPO) Annual Performance Report (2022/23) revealed that the VPO did not sufficiently facilitate resource mobilisation for climate change adaptation actions nationwide. This shortfall was evident in inadequate financing for critical climate adaptation initiatives, which limited the timely implementation of planned activities.

583. Additionally, there was limited capacity and training at the Local Government Authority (LGA) level, hindering local officials' ability to effectively plan, execute, and monitor climate change adaptation actions. I also noted that

the transfer and adoption of climate-resilient technologies were insufficient. These gaps collectively slowed progress in implementing climate change adaptation actions and compromised the country's ability to protect communities and ecosystems from its impacts.

584. The details of the findings are highlighted below.

(a) Inadequate Climate Adaptation Financing

585. My review of the Medium-Term Strategic Plan (2021/22–2025/26) revealed that Tanzania has constrained funding for climate change adaptation interventions. This was evident in the case of UK aid to Tanzania, which declined by 68% from the budgets for the Financial Years 2020/21 and 2021/22. On the other hand, I noted that Government revenues from external sources declined from TZS 3.6 trillion to TZS 2.1 trillion over the five years.

586. I also found that the funds actually disbursed to enhance the implementation of VPO's climate change adaptation actions were insufficient, as shown in **Table 35**.

Table 35: Annual Disbursement of Funds to Enhance the Implementation of Climate Change Adaptation Actions by VPO

Financial Year	Budgeted Amount (TZS million)	Disbursed Amount (TZS million)	Disbursed Amount (%)
2021/22	207.24	206.44	99.6
2022/23	398.39	240.02	60
2023/24	757.61	545.48	72
2024/25	1,938.80	1,298.99	67
Total	3,302.04	2,290.94	**70**

Source: VPO's Medium-Term Expenditure Frameworks (MTEFs) (2021/22 – 2024/25), 2025

587. The information presented in **Table 35** indicates that between 2021/22 and 2024/25, VPO significantly increased its budget for climate change adaptation, from TZS 207 million to TZS 1.94 billion. However, only 70% of the total budgeted funds were disbursed over the four Financial Years. The interviews with officials from key ministries, including the Vice President's Office, revealed that the inadequate disbursement of funds was due to the lack of a proper mechanism to ensure that climate change issues are prioritised during disbursements.

588. In fact, limited disbursement of funds delays adaptation efforts and exposes communities to greater climate vulnerability. Thus, delayed or

insufficient action to address climate impacts can lead to higher adaptation costs in the future. For instance, inadequate adaptation funding in the agriculture sector resulted to 20% reduction in productivity due to climate-related risks, such as droughts and floods.

(b) Limited Capacity and Training for Effective Climate Change Adaptation at LGAs

589. My review of monitoring and evaluation reports on the Least Developed Countries Fund (LDCF) project at the Vice President’s Office (VPO), combined with interviews with officials from the Ministry of Agriculture (MoA), Prime Minister’s Office – Regional Administration and Local Government (PMO-RALG), and VPO, revealed that the training provided to the district environmental focal points and other participants on vulnerability mapping and monitoring under the LDCF project lacked practical field exercises and hands-on experience, which limited the capacity of many district officials to effectively implement climate change adaptation strategies. This limitation arose because funds for field-based training were not allocated in the project budget, thereby undermining the potential for meaningful capacity building at the local level.

590. Generally, this inadequacy was attributed to the lack of a national capacity-building programme for EMOs. I further found that there was no coordinated national programme to build EMOs' capacity across the country. The absence of a structured, nationwide training framework has led to uneven dissemination of knowledge and skills among officers, with some districts receiving training while others remain unsupported. This gap undermines the consistency and effectiveness of climate change adaptation efforts, leaving many LGAs ill-equipped to integrate climate considerations into environmental planning and decision-making.

9.3.2 Ineffective Reporting on the Implementation of Climate Change Adaptation Actions

591. I found that reporting on the implementation of climate change adaptation actions was ineffective. This was because the key stakeholders, including sector ministries, did not submit their Climate Change Adaptation Actions (CCAA) reports to VPO. Similarly, the status of implementation of these actions was inconsistently included in the Annual Performance Reports of the sector ministries. Moreover, VPO's external reporting on climate change issues was inadequate. Further details are provided in the following subsections:

(a) The Sampled Sector Ministries did not submit their Climate Change Adaptation Actions (CCAA) Reports to VPO

592. I noted that the sampled sector ministries, including the Ministry of Energy (MoE), the Ministry of Water (MoW), and the Ministry of Agriculture (MoA), did not regularly submit reports to the Vice President's Office (VPO). This practice was in compliance with section 32(1a) of the Environmental Management Act [CAP. 191 R.E. 2023], which directs the Sectoral Ministries, through the Sector Environmental Coordinator, to submit to the Director of Environment a bi-annual report concerning the state of the environment, including climate change issues.

593. Specifically, each of the stated Ministries planned to submit two reports on the state of the environment for each Financial Year from 2021/22 to 2024/25; however, no sector ministry submitted the planned report to VPO. This was attributed to the absence of an established mechanism within the VPO to provide timely and structured feedback to the responsible sector ministries. Consequently, coordination among key stakeholders was inadequate, hindering the continuous improvement of sectoral plans and jeopardising accountability in addressing climate change priorities.

(b) Absence of VPO's Feedback Mechanism for Climate Change Reporting

594. My review of Strategic Plan and Annual Action Plans at the Vice President's Office (VPO) found that no arrangements were in place to provide feedback to sector ministries regarding the status of their climate change adaptation reporting. Consequently, the ministries were unable to fulfil their legal obligation to report to the VPO on the status of climate change adaptation interventions. The absence of a feedback mechanism also compromised continuous improvement in reporting practices, limiting opportunities to address gaps, enhance compliance, and improve the frequency, quality, and timeliness of report submissions.

595. The situation was caused by inadequate inter-ministerial communication between sector ministries and the VPO, as well as insufficient training and capacity-building, as reflected in the low engagement of ministry officials in climate change adaptation training programmes, particularly during the Financial Year 2023/24.

596. I realised that the absence of a feedback mechanism for VPO climate change adaptation reporting to sector ministries hindered effective monitoring

and evaluation, limited learning, and weakened communication and coordination, thereby compromising the overall effectiveness of the country's climate adaptation efforts.

(c) Inadequate External Reporting of Climate Change Issues by VPO

597. I identified that external reporting on climate change adaptation by VPO was characterised by gaps at both the national and international levels, as discussed below.

(i) External Reporting at the National Level

598. My review of the VPO's Annual Progress Reports, for the Financial Years 2021/22 to 2023/24, noted that the VPO did not issue any report on the state of the environment. This practice was contrary to para 4.6.2 of VPO's Strategic Plan, which emphasises the reporting of the state of the environment, including climate change adaptation actions, to the National Assembly Office on a biannual basis. This shortfall was attributed to insufficient staffing, as only 39 of the 56 required positions in the environmental cadre were filled, representing a 17% staff shortage at VPO.

(ii) External Reporting at the International Level

599. My review of Tanzania's "Initial and Second National Communication" reports to the United Nations Framework Convention on Climate Change (UNFCCC) indicated that the First Communication covered data from 1993 to 2004, while the Second Communication covered data from 1995 to 2005 and was submitted only in 2014. Furthermore, as of October 2024, Tanzania had not submitted any subsequent reports, implying non-compliance with external reporting requirements for nearly 10 years. This has left the country without current climate change adaptation data and lessons learned to inform climate resilience efforts, contrary to UNFCCC obligations that require Tanzania to submit biennial reports on progress in adaptation and mitigation actions.

9.3.3 Inadequate Coordination with Stakeholders During the Implementation of Climate Change Adaptation Actions

600. I found that there was limited coordination with key stakeholders, evidenced by the weak functioning of the National Climate Change Technical Committee (NCCTC) and the Steering Committee (NCCSC), the absence of mechanisms to strengthen the Environment Trust Fund and establish the

National Climate Change Financing Mechanism, and infrequent national climate change forums. This falls short of paragraph 4.2 of the National Climate Change Response Strategy (2021–2026), which assigns VPO a central role in coordinating environmental management in the country. The shortfalls I noted are further elaborated as follows:

(a) Inadequate Coordination of the National Climate Change Technical Committee (NCCTC) and the National Climate Change Steering Committee (NCCSC)

601. I found that the VPO did not adequately coordinate the National Climate Change Technical Committee (NCCTC) and the National Climate Change Steering Committee (NCCSC), as meetings were irregularly conducted. This practice was not in compliance with the Environmental Management Act [CAP. 191 R.E. 2023] and the National Climate Change Response Strategy (2021 – 2026), which entrusts VPO with the overall mandate to coordinate environmental actors.

602. The noted issue was attributed to inadequate financial resources to support the planned activities, which constrained the implementation of climate change adaptation actions. As a result, the planned adaptation actions were not adequately implemented, thereby reducing the effectiveness of efforts to adapt to climate-related risks and increasing the vulnerability of communities, ecosystems and economic sectors to the adverse impacts of climate change.

(b) Absence of Coordination Arrangements to Strengthen the Environment Trust Fund and Establish the National Climate Change Financing Mechanism

603. I learned that the VPO has not adequately coordinated with sector ministries to strengthen the National Environmental Trust Fund, contrary to Section 213(1) of the Environmental Management Act [CAP. 191 R.E. 2023], which sets out the requirements for the Fund.

604. This was due to the absence of a database of climate change actors and initiatives, the lack of established resource needs, and the lack of a tracking system for domestic and international climate finance flows. However, by February 2025, the Government, through the Ministry of Finance, was in the final stages of establishing a Climate Finance Unit to mobilise, track, and

coordinate climate finance across Government institutions, Development Partners, the private sector and CSOs.

605. I also found a lack of financial arrangements to strengthen the National Environmental Trust Fund, which has contributed to limited engagement and low awareness among the private sector regarding climate change issues.

606. Consequently, the absence of sustainable financial arrangements hinders the long-term financing of climate change initiatives, as existing arrangements are largely project-based rather than programme-based, limiting progress toward achieving climate-related Sustainable Development Goals (SDGs).

(c) Limited Annual National Climate Change Forum

607. Despite VPO's efforts to promote initiatives from different stakeholders and forums, including state and non-state climate communication networks, I noted that the annual national climate change forum, which brings together all relevant stakeholders, was not held. This was contrary to Para 4.2 of the National Climate Change Response Strategy of 2021-2026, which requires the Vice President's Office to coordinate the Annual National Climate Change Forum (ANCCF).

608. My further assessment indicated that VPO had undertaken only one forum on climate change adaptation during the Financial Years 2021/22 to 2023/24. This was noted to result from the absence of a systematic platform that brings together the key stakeholders and actors, thus limiting opportunities to assess progress in implementing the national climate change strategy and to promote climate action through the adoption and scaling-up of innovative solutions and technologies.

9.3.4 Inadequate Monitoring and Evaluation of the Implementation of Climate Change Adaptation Actions by VPO

609. I learned that the VPO did not adequately monitor and evaluate the implementation of climate change adaptation actions. This was evident in the M&E indicators, which were not fully integrated into VPO's routine monitoring and evaluation systems, and in the absence of a centralised data management system. Consequently, the indicators outlined in VPO's Strategic Plan were not fully operationalised. The specific inadequacies are detailed as follows:

(a) Indicators set in VPO's Medium-Term Strategic Plan were not Fully Integrated into VPO's Annual Action Plans

610. I found that VPO's Annual Action Plans for the Financial Years 2021/22, 2022/23, 2023/24, and 2024/25 did not fully integrate the climate change adaptation indicators and targets from its Medium-Term Strategic Plan (2021/22–2025/26). This omission does not comply with Para 4.6 of the Guideline for Integrating Climate Change Adaptation into National Sectoral Policies, Plans, and Programmes of Tanzania (2012), which directs VPO to establish performance indicators for monitoring and evaluation. **Table 36** provides further details.

Table 36: Integration of VPO's Strategic Plan Indicators in the Annual Action Plans

Indicators in the Medium-Term Strategic Plan	The Indicators in the Annual Action Plan			
	2021/22	2022/23	2023/24	2024/25
Number of projects for addressing Climate Change adaptation and mitigation developed and implemented	To facilitate the preparation of three climate change adaptation project proposals and three climate change mitigation proposals	To prepare three (3) climate change adaptation project proposals and three (3) climate change mitigation proposals for donor funding	Nil	Nil
Number of awareness programmes on climate change adaptation and mitigation	To facilitate the preparation and implementation of an awareness-raising programme on climate change issues	To prepare and implement an awareness-raising programme on climate change issues	Nil	Nil
Number of sectors, Ministries and LGAs that have mainstreamed climate change issues into their plans and budgets	To facilitate monitoring of the implementation of the National climate change strategy, REDD+ Strategy, NDCs and NAPA at the Sectoral and LGA levels	To review guidelines for Mainstreaming Climate Change into Sectors and LGAs To monitor the Implementation of the National Climate Change Strategy, REDD+ Strategy, NDCs and NAPA at the	To monitor the implementation of the national Environmental policy of 2021 and the Environmental Management Act [CAP. 191 R.E. 2023]in all the sector ministries and LGAs	Nil

Indicators in the Medium-Term Strategic Plan	The Indicators in the Annual Action Plan			
	2021/22	2022/23	2023/24	2024/25
		Sectoral and LGA levels		
Number of Private S ector and Civil Socie ty Organisations engaged in Climate Change adaptation and mitigation.	Nil	Nil	Nil	Nil

Source: Auditors' Analysis of VPO Medium-Term Strategic Plan and Annual Action Plan, 2025

611. From **Table 36**, it can be deduced that indicators set in VPO's Medium-Term Strategic Plan were not adequately incorporated into the annual action plans. The indicator for ensuring the engagement of private sector and civil society organisations in climate change adaptation and mitigation was not integrated into VPO's Annual Action Plans at all.

(b) The Absence of a Centralised Data Management System for Monitoring the Implementation of Climate Change Adaptation Actions

612. My review of VPO's performance reports revealed the absence of a Centralised Data Management System for monitoring the implementation of climate change adaptation actions, despite a prior commitment by VPO, through NEMC, to establish one in the Financial Year 2007/08. This practice was not in compliance with Section 174 of the Environmental Management Act [CAP. 191 R.E. 2023], which directs VPO, through NEMC, to establish and operate a Central Environmental Information System (CEIS) for compiling findings, data, and statistics generated by both public and private institutions in the course of environmental observation and management.

613. The absence of a centralised data management system was attributed to insufficient technical expertise to design, implement, and maintain the system. This poses a risk that decision-makers will lack comprehensive data to inform progress and challenges in climate change adaptation.

(c) VPO did not Adequately Disseminate the Report on the Results of Monitoring and Evaluation

614. My review of documents and interviews with officials from the Ministry of Agriculture (MoA), the Ministry of Water (MoW), and the Ministry of Energy (MoE) found that VPO had neither issued nor disseminated the monitoring and evaluation report to the public. This practice is not in compliance with Section 175 of the Environmental Management Act [CAP. 191 R.E. 2023], which requires

VPO, through the Director of Environment, to publish a report on the state of the environment and environmental management every two years, with the report to be tabled in the National Assembly. My further analysis revealed that VPO did not disseminate state of environment reports to the public in 2021, 2023, and 2025, meeting the requirement only in 2019. This limited stakeholders, particularly the National Assembly, in accessing critical environmental information, including climate change information, and undermined transparency, accountability, and informed decision-making. The gap was attributed to the limited prioritisation of these activities in VPO's plans and budgets.

9.4 Main Audit Findings on the Management of Reforestation Activities

615. Despite the National Environmental Policy, 2021, which emphasises enhancing forest ecosystem conservation to sustainably provide environmental goods and services, I noted that Tanzania continued to experience significant forest cover loss, with an average annual deforestation rate of 376,970 hectares between 2016 and 2021. This is primarily driven by agricultural expansion, population growth, heavy reliance on wood fuel, and overgrazing.

616. Also, tree planting activities across LGAs from 2021/22 to 2024/25 achieved only 67–87% of targets, with an average national achievement of 80.43% and a low average tree survival rate of 50.9%, further undermined by the lack of post-planting monitoring and tracking systems.

617. These shortcomings resulted from ineffective planning and implementation of reforestation activities, weak coordination between MNRT and PMO-RALG in managing reforestation initiatives, and inadequate monitoring and evaluation of activities implemented by LGAs and TFS, as elaborated hereunder.

9.4.1 Ineffective Planning for the Reforestation Activities

618. I found that the planning process for the reforestation activities and forest conservation was not adequately developed to ensure effective implementation of reforestation activities, contrary to Para 14.2 of National Environmental Master Plan for Strategic Interventions (NEMPSI), 2022–2032, which calls for sector ministries and LGAs to prepare annual and quarterly work plans for better planning and implementation of the tree planting activities. Further details of this observation are provided below.

(a) Reforestation Strategies were not Sufficiently Detailed

619. My assessment of the reforestation strategies noted that they were not effectively linked to highly deforested areas. The PMO-RALG and MNRT relied on a uniform annual target of planting 1.5 million trees per LGA, without accounting for the existing variation in forest cover and deforestation rates across the country.

620. Furthermore, my review of the Mapping and Monitoring of Forest Cover Report (2021) revealed variation in forest cover and deforestation rates across the country. Among the country's regions, Ruvuma recorded the highest deforestation rate, followed by Lindi, Tabora, and Morogoro. Despite this variation in deforestation rates and forest cover across the country, the audit noted that reforestation targets on planting only 1.5 million trees per LGA, without considering variation in forest cover and deforestation rates, contrary to Para 2.1 of the National Forest Policy Implementation Strategy (2021 – 2031), which emphasises the use of a situational analysis to guide the formulation of strategies and targets for forest management.

621. I also learned that drivers of deforestation are not considered in reforestation strategies. This was reflected in the initiatives implemented by PMO-RALG, and MNRT did not adequately address the underlying drivers of deforestation across different regions. This shortfall was due to the lack of a formal coordination mechanism among key sectors, including land, agriculture, and livestock. The audit also noted that weak cross-sectoral coordination reduces the effectiveness of reforestation initiatives in addressing deforestation caused by activities in other sectors.

(b) LGAs did not Prepare a Plan for the Implementation of the Given 1.5 million Tree Planting Target

622. My review of the annual budget implementation plans and interviews conducted with officials in the six sampled LGAs revealed that none of the LGAs prepared a plan to facilitate the implementation of the 1.5 million tree-planting target. This was contrary to Para 14.2 of the National Environmental Master Plan for Strategic Interventions (2022–2032), which calls on LGAs to prepare plans for the implementation of tree planting as one of the reforestation activities; hence, it undermined the effectiveness of achieving the 1.5 million tree-planting target.

623. The absence of a tree-planting plan was attributed to inadequate monitoring of tree-planting activities by PMO-RALG and insufficient follow-up and enforcement by MNRT and PMO-RALG. Consequently, this lack of planning has led to the non-attainment of intended targets, with five of the six visited LGAs failing to meet their tree-planting goals for four consecutive Financial Years (2021/22-2024/25). It also limits LGAs' capacity to anticipate, manage, and respond to challenges, undermining the success and sustainability of reforestation efforts.

(c) Management Plans for the Reserved Forest were not Effectively Prepared

624. My analysis of the list of reserved forests revealed that, of the country's 2,306 forests, about 1,571, equivalent to 68%, lacked a management plan to guide reforestation activities. This means that only 735, or 32%, had a Forest Management Plan. This ineffective preparation of the forest management plan was contrary to Section 11 of the Forest Act, CAP. 323, which requires all National, Local Government, and Village Forest Reserves to have a Forest Management Plan (FMP) that includes provisions for forest conservation, such as reforestation activities.

625. Further analysis by forest reserve category revealed significant gaps in the management plan preparation. Specifically, 58% of the total national forest reserves lacked a management plan, 51% of local Government forests lacked a forest management plan, and 72% of village forests lacked a management plan.

626. Consequently, the absence of forest management plans for reserved forests suggests that these forests were managed without a guiding framework to support effective restoration, including reforestation.

9.4.2 Ineffective Implementation of Reforestation Activities

627. I identified weaknesses that affect the effectiveness and efficiency of reforestation implementation. These weaknesses included inadequate provision of seedlings for reforestation, limited attainment of planned seed collection targets, and insufficient post-planting measures to improve tree survival rates. The challenges found are detailed below:

(a) Insufficient Provision of Seedlings for Reforestation Activities

628. My interviews with PMO-RALG officials revealed that, during the implementation of reforestation activities in LGAs, seedlings were sourced from TFS nurseries. This was evident during the visit to the sampled LGAs, where all six visited LGAs depend on seedlings produced from TFS. Further analysis of the seedlings production under TFS revealed that the seedlings produced by TFS were not sufficient to meet the intended target of 1.5 million tree plantings in all 184 LGAs, as shown in **Table 37.**

Table 37: TFS Seedlings Production Vs. LGA's Demand (2021/22-2024/25)

Years	Demands for 184 LGAs- Number of Tree Seedlings (N)	Number of Seedlings Produced by TFS (n)	Deficit (%)
2021/22	276,000,000	33,515,523	87.9
2022/23	276,000,000	33,068,643	88.1
2023/24	276,000,000	34,126,916	87.7
2024/25	276,000,000	35,039,365	87.3

Source: Auditors' Analysis of the TFS's Annual Performance Reports 2021/22-2024/25, 2025

629. **Table 37** shows that TFS seedling production fell short of the required demand by 87.9%, 88.1%, 87.7%, and 87.3% in the Financial Years 2021/22, 2022/23, 2023/24, and 2024/25, respectively. This shortfall was due to LGAs not prioritising the establishment of tree nurseries for reforestation.

630. Consequently, these shortfalls hinder the achievement of the intended targets. Among the six visited LGAs, five did not meet the annual tree-planting target of 1.5 million trees. Only Ushetu DC reached the target, despite not having its own nursery; instead, it benefited from support from tobacco companies that established nurseries to facilitate reforestation in the district.

(b) TFS did not Effectively Attain the Planned Seed Collection Targets

631. My review of TFS's Strategic Plan (2021/22-2024/25) and the annual performance report for 2024/25 shows that, despite the expansion of seed source from 270 hectares in 2020/21 to 689.5 hectares by 2024/25, the overall trend in tree seed collection was declining. This was contrary to Para 6.3 of the National Forest Policy Implementation Strategy (2021 - 2031), which requires MNRT, through TFS, to ensure the availability of seeds to support planned reforestation interventions.

632. My interviews with TFS officials revealed that inadequate seed collection was attributed to the limited number of specialised tree climbers

responsible for collecting seeds from forests and submitting them to seed centres for further processing.

633. Consequently, inadequate seed collection has constrained TFS's capacity to meet the identified demand. Although TFS's Strategic Plan (2021/22–2024/25) specifies an annual seed requirement of 40 tonnes, actual collection fell short, ranging from 25.3 to 29.4 tonnes annually over the 2021/22–2024/25 period, due to ineffective collection practices.

(c) Formal Post-Planting Control and Monitoring on the Planted Trees was not Established

634. My interview with PMO-RALG Officials revealed that LGAs had not established a formal post-planting control to ensure the survival of planted trees. This was also confirmed through field visits to the six LGAs, where none had established formal post-planting controls or measures to monitor the annual planted trees and ensure their survival. This practice was contrary to Section 20(10) and Section 66(2)(c) of the Forestry Act, CAP. 323, which requires MNRT, through TFS, and PMO-RALG, through LGAs, to implement post-planting care measures, including training and community engagement in the management of planted trees, to enhance their survival.

635. The audit found that inadequate establishment of post-planting measures was attributed to the absence of a comprehensive tree-planting plan outlining a roadmap for the implementation and follow-up of tree-planting activities. The situation was further attributed to the LGAs' emphasis on achieving tree-planting targets without regard for the long-term sustainability of the planted trees.

9.4.3 Ineffective Coordination Between MNRT and PMO-RALG in the Management of the Reforestation Activities

636. My assessment of coordination in the implementation of reforestation activities revealed shortcomings in reporting on reforestation progress, collaboration between LGAs and TFS, and the coordination of NGOs' contributions to reforestation activities, as detailed below.

(a) Ineffective Reporting in the Implementation of Reforestation Activities in the Country

637. I learned that, although PMO-RALG had collected tree-planting statistics from LGAs at the request of the Vice Prime Minister's Office –

Environment, the statistics were neither shared nor submitted to MNRT. This was contrary to Para 7.6.3 of the Forest Policy Implementation Strategy of 2021-2031, which requires institutions implementing the forest policy to prepare periodic progress and performance reports detailing the achievements of reforestation activities.

638. Additionally, I noted that MNRT, despite overseeing the implementation of the stated strategy, did not issue any reminders or requests to emphasise compliance with the established reporting mechanism. The absence of consolidated reporting and regular stakeholder discussions hindered the identification and resolution of challenges, including illegal harvesting, encroachment, and forest degradation. Consequently, efforts toward achieving national reforestation and forest conservation objectives were undermined.

639. I also found that TFS prepares annual performance reports outlining achievements in reforestation activities, including seedling production, preparation of management plans for reserved forests, and other conservation initiatives. Despite being subsequently incorporated into the MNRT annual implementation report, these reports were not systematically discussed at the annual review meeting with stakeholders to assess progress against the policy targets, as required by the Strategy.

(b) NGOs' Contributions in Reforestation Activities were not Effectively Coordinated and Monitored

640. My interviews with officials from PMO-RALG revealed that PMO-RALG did not monitor the NGOs' reforestation activities to assess their performance in forest conservation. This was contrary to Para (vii) of the Guide for Management of NGOs, 2024, which requires PMO-RALG to coordinate and monitor the performance of NGOs within their respective areas of operation.

641. Moreover, following my discussions with the three visited NGOs, I noted that their operations within the LGAs were officially reported to the Ministry of Community Development, Gender, Women, and Special Groups annually. However, there was no structured reporting mechanism to PMO-RALG, despite its mandate to oversee and monitor NGO operations, including reforestation activities at the LGA level.

642. I further noted that the ineffective coordination among NGOs was attributed to the absence of an established PMO-RALG database for NGOs implementing reforestation-related activities in the country. This was also

accompanied by ineffective coordination between NGOs, Desk Officers and Forest Officers.

643. Moreover, ineffective coordination and monitoring of NGOs meant their reforestation performance was not evaluated, as they did not submit reports to LGA forest officers. However, engagement mainly occurred at NGOs' request for community access rather than for oversight, making it difficult to track their reforestation contributions.

(c) Ineffective Collaboration between TFS and LGAs in the Implementation of Reforestation Activities

644. My reviews of annual plans and progress reports (2021/22-2024/25) from MNRT, PMO-RALG, and TFS, along with interviews with officials from visited LGAs, revealed the limited collaboration in the implementation of reforestation activities. Collaboration among these entities was usually done during the national events such as the Uhuru Torch ceremonies, international tree-planting days, and international environmental days. During these events, District Forest Officers (LGA) and District Forest Conservators (TFS) jointly conduct tree-planting activities in their respective Districts.

645. The ineffective collaboration was attributed to MNRT's lack of follow-up on reforestation activities implemented by both TFS and LGA, thereby weakening collaboration between the two. This, in turn, undermined the effective implementation of the National Forest Policy, particularly in achieving national reforestation objectives.

9.4.4 Ineffective Monitoring and Evaluation of the Reforestation Activities Implemented by LGAs and TFS

646. I assessed the monitoring activities conducted by MNRT and PMO-RALG on LGAs' and TFS's undertakings and identified shortcomings in monitoring reforestation activities to ensure sustainable forest conservation. The identified gaps concerned the establishment of reforestation monitoring tools, follow-up on the implementation of reforestation activities, and the evaluation of LGAs and TFS's performance in achieving the intended reforestation objectives. The specific shortcomings are detailed below.

(a) Ineffective Preparation of Tools to Facilitate Monitoring Reforestation and Forest Conservation

647. My assessment of monitoring tools found them to be poorly prepared to facilitate monitoring of reforestation and forest conservation. My review of the PMO-RALG Strategic Plan 2021/22 – 2025/26 revealed the inadequate establishment of measurable base and target values to facilitate monitoring of reforestation activities. This was contrary to Para 4.4.1 of the National Forest Policy (1998), which provided directives to the Forest Managing Agencies to establish a comprehensive strategic planning for the forest administration to ensure strategically focused National Forest Management Activities.

648. The lack of comprehensive performance indicators has limited PMO-RALG's capacity to monitor and evaluate the effectiveness of reforestation and forest conservation efforts. Consequently, PMO-RALG lacked the basis to identify challenges hindering the implementation of reforestation activities and, more generally, forest conservation, thereby preventing timely remedial actions.

(b) Non-follow-up on the Implementation of Reforestation Activities

649. My review of Annual Performance Reports (2021/22-2024/25) for MNRT and PMO-RALG, and an interview with officials from both MNRT and PMO-RALG, revealed that neither MNRT nor PMO-RALG has effectively followed up on the implementation of reforestation activities.

650. Ineffective monitoring of reforestation activities was attributed to their exclusion from monitoring plans, with priority instead given to donor-funded programs and development projects. Consequently, it limits MNRT and PMO-RALG's ability to identify and address implementation obstacles, including low seedling survival rates, inadequate community participation, forest encroachment, and delayed implementation of forest management plans.

(c) Evaluation of the Implementation of Reforestation Activities by MNRT and PMO-RALG

651. My review of annual performance reports (2021/22-2024/25) for MNRT and PMO-RALG, along with an interview with officials from both, revealed that neither has effectively followed up on the implementation of reforestation activities. The specific shortcomings are detailed below.

(i) MNRT did not Adequately Evaluate the Performance of the TFS in the Implementation of Reforestation Activities

652. My review of Annual Implementation Reports for the Financial Years 2021/22 to 2024/25 revealed that MNRT had not evaluated TFS's performance in reforestation activities, including assessing its progress against the planned forest restoration milestones. This was contrary to Para 4.8.1 of the MNRT's Strategic Plan 2021/22 – 2025/26, which requires the MNRT to conduct an Annual Evaluation of initiatives implemented.

653. The absence of evaluations has limited the Ministry's ability to consistently assess the extent to which implemented reforestation activities contribute to improving forest conservation efforts.

(ii) PMO-RALG did not Evaluate the Reforestation Activities at the LGAs

654. My review of Annual Implementation Reports for the Financial Years 2021/22 to 2024/25 revealed that evaluations of reforestation activities in the LGAs were not conducted. As a result, reforestation activities implemented in the LGAs remained unevaluated, thereby constraining the Ministry's ability to assess progress and effectiveness in advancing reforestation efforts across all LGAs.

655. In addition, I found that although PMO-RALG annually received tree-planting statistics from all LGAs, no analysis was conducted to evaluate their performance against the national target of planting 1.5 million trees per year. The absence of evaluation was attributed to the lack of comprehensive performance indicators to measure the outcomes of reforestation activities. Consequently, no corrective measures were taken to address the underperformance reflected in the reported statistics. Main Audit Findings on the Implementation of Renewable Energy Projects.

9.5 Main Audit Findings on the Implementation of Renewable Energy Projects

656. This section presents findings related to the management of renewable energy projects.

9.5.1 Insufficient Contribution of Renewable Energy Projects to the Targeted Energy Mix

657. I found that the contribution of renewable energy, particularly solar, wind, and geothermal, remained significantly below national targets throughout 2021/22–2024/25. Despite incremental improvements in hydropower, the hydro contribution rose to 66.9% following the commissioning and partial operation of the Julius Nyerere Hydropower Project (JNHPP). Inadequate power evacuation infrastructure has led to limited utilisation of the generated hydro power.

658. The overall renewable share (excluding large hydropower) remained below 5%, compared with the Power System Master Plan (PSMP) 2024, which projected 15%. I further noted that the shortfalls in production of energy from renewable sources have resulted from delayed project development and operational inefficiencies across the renewable energy portfolios. The following factors have also contributed to the slow progress towards the achievement of the PSMP renewable energy targets for the National Energy Mix:

(a) Prioritisation towards Natural Gas and Hydropower Projects

659. I found, through review of the Ministry of Energy progress reports, that national priorities between 2021 and 2025 continued to emphasise natural gas and large hydropower projects such as JNHPP (2,115 MW), Ruhudji (358 MW), Rumakali (222 MW), Malagarasi (49.5 MW), Kikonge (300 MW), and Kakono (87 MW), at the expense of the renewable energy projects, particularly solar and wind. This investment pattern shows a continued bias toward gas and large hydropower projects, hindering diversification and delaying the achievement of the PSMP 2024 renewable energy mix targets.

(b) Lack of Implementation Plans for the Power System Master Plan, 2020

660. The review of the Power System Master Plan (PSMP 2020) and the National Energy Compact (2025) revealed that the enabling frameworks to attract renewable energy investments were not operationalised during the period 2020–2025. The absence of implementation strategies under the PSMP created a policy-to-execution gap, resulting in delays to critical initiatives, including the Renewable Independent Power Producers (IPPs) Procurement Framework, which was deferred until 2026. This reflects a limited institutional readiness and inadequate coordination in delivering on renewable energy priorities.

661. Based on these factors, the share of renewable energy in the national energy mix stagnated at below 5%, far short of the 15% target set for 2025. The delayed operationalisation of PSMP projections has slowed energy diversification, eroded investor confidence, and impeded Tanzania's transition toward a resilient and balanced energy system.

9.5.2 Incomplete Acquisition of Strategic Areas Identified in the PSMP 2020 Update

662. I revealed that 45 generation project areas identified under the Power System Master Plan (PSMP) 2020 were not formally acquired. These areas were identified for projects with a combined potential of 5,705.6 MW for short-term planning by the end of 2028, comprising 2,995.6 MW of hydropower, 715 MW of solar, 1,000 MW of wind, and 995 MW of geothermal. Contrary to Para 4(6) of the Electricity (Development of Small Power Projects) Rules, 2020, none of these projects has progressed to the land ringfencing or resource-acquisition phase.

663. Furthermore, neither TANESCO nor Local Government Authorities have demarcated the identified areas to prevent encroachment before formal acquisition. This increases the risk of encroachment and potential land conflicts. The absence of timely land securing and demarcation demonstrates that the Ministry of Energy and TANESCO have not prioritised the formal acquisition of these strategic areas. The absence of early legal or administrative land protection exposes PSMP-identified sites to encroachment, delays, reallocation, and higher costs.

9.5.3 Inadequate Implementation of the Power Evacuation of JHNPP

664. I found that the power evacuation infrastructure for JNHPP was not completed, hindering the utilisation of installed generation capacity and the stabilisation of the national grid, despite the PSMP 2020 targeting the completion of the Chalinze–Dodoma and Chalinze–Kinyerezi transmission lines by 2022. According to the PSMP (2024) and the Progress Report as of December 2025, in the construction of the Chalinze–Dodoma 400 kV transmission line, a key evacuation corridor for JNHPP, had reached 55.37 per cent of completion, with an expected completion date of September 2026. I further noted that the Ministry of Energy is implementing the Chalinze–Mkuranga 400 kV transmission line, which will further enhance power evacuation from the JNHPP, and that the project has reached 48.07 per cent progress and is expected to be completed by November 2026.

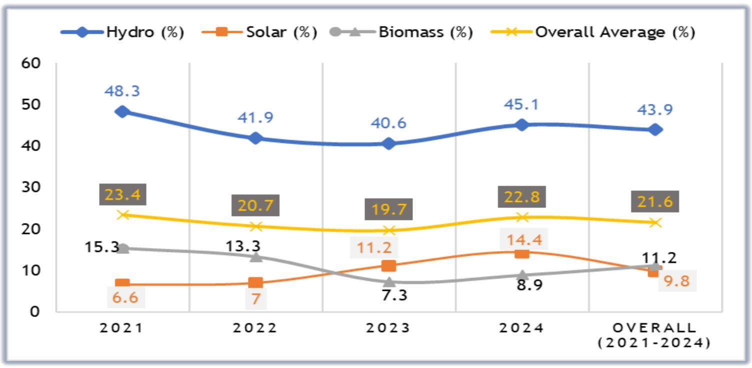
665. Despite the project being completed and operational, the existing transmission infrastructure has not been able to evacuate the entire installed capacity of 2,115 MW. As of December 2025, only four turbines were operational, generating approximately 940 MW, while five turbines representing about 55 per cent of the installed capacity remained on standby due to insufficient evacuation capacity into the main grid.

666. The delayed completion of power evacuation infrastructure at the JNHPP is attributed to inadequate funding for the execution of the designed transmission line projects. As a result, the JNHPP has been unable to evacuate its optimal generation capacity to meet system demand when required, leaving 1,175 MW of installed capacity on standby, equivalent to five turbines, each with an installed capacity of 235 MW.

9.5.4 Unreliable Renewable Energy Generation due to Variations in Plant Utilisation

667. I learned that the performance of renewable energy plants, measured by plant utilisation, showed significant variations across the period from 2021 to 2024, as shown in **Figure 38**. Plant utilisation reflects the ratio of actual generation to the maximum possible output if the plant operated at full capacity throughout the year and therefore serves as a key indicator of efficiency, reliability, and utilisation of installed capacity. **Figure 37** presents the mean and Standard Deviation of Utilisation Capacity for each plant.

Figure 37: Extent of Utilisation of Power Generating Plants



Source: Auditors' Analysis on EWURA Renewable Energy Generation Report 2021-2024, 2025

668. As shown in **Figure 37**, hydropower plants recorded the highest average utilisation rates, ranging from 40% to 48%, confirming their significant contribution to renewable energy generation. In contrast, solar and biomass projects consistently demonstrated low utilisation levels, averaging below 15% throughout the period, indicating limited operational efficiency and a modest contribution to the energy mix. The overall average utilisation of 21.6% indicates that, despite increased installed capacity, the renewable energy sector remains underutilised.

669. The results show that while national renewable energy generation increased significantly from 2,573 GWh in 2023 to 6,125 GWh in 2024, output stability remains a concern. Over-reliance on hydropower, coupled with pronounced variability in plant utilisation, increases vulnerability to seasonal water flows and climate variability. The absence of consistent contribution from other renewable technologies, particularly wind and solar, further compounds the risk of energy insecurity.

9.5.5 Inadequate Inspections of Licensed and Registered Developers

670. I reviewed EWURA's Action Plans, Implementation Report, and inspection reports for the Financial Years 2021/22 to 2024/25 and found that EWURA did not adequately conduct inspections of licensed and registered power plants. On average, EWURA inspected 19% of licensed power plants and 3% of registered power plants during the four Financial Years from 201/22 to 2024/25.

671. Further records showed the lowest inspection coverage in the Financial Year 2022/23, with only 2 of 34 registered power plants inspected, while in 2024/25, no registered power plants were inspected. This is contrary to Section 31 of the Electricity Act, 2008, which mandates the Energy and Water Utilities Regulatory Authority (EWURA) to monitor and regulate all licensed energy suppliers, including conducting post-commissioning inspections to ensure compliance with technical standards, licensing conditions, safety requirements, and service reliability benchmarks.

672. Although the number of licensed and registered power plants increased from 87 in 2021/22 to 127 in 2024/25, the inspection coverage did not keep pace with the sector's expansion. For this reason, most operational power plants were not subject to regulatory verification and compliance assessments during the audit period.

9.6 Impact on the Attainment of the FYDP and SGDs

9.6.1 Impact of the Performance Audit on the Implementation of Climate Change Adaptation Actions in Tanzania on the Attainment of the FYDP and SGDs

673. The inadequate implementation of climate change adaptation actions in Tanzania's water, agriculture and energy sectors has negatively affected the country's ability to achieve the objectives of the Third Five-Year Development Plan (FYDP III) and related Sustainable Development Goals (SDGs). Insufficient progress in areas such as water resource management, climate-smart agriculture, and climate-resilient energy systems has led to increased community vulnerability, reduced agricultural productivity and reliance on climate-sensitive energy sources.

674. These shortcomings undermine efforts to ensure sustainable economic growth, food security, access to clean water and energy, and ecosystem protection, which are core targets of FYDP III. Furthermore, the limited implementation of climate change adaptation actions impedes progress toward attaining the Sustainable Development Goals (SDGs), particularly those related to zero hunger, clean water and sanitation, affordable and clean energy, and climate action.

9.6.2 Impact of the Performance Audit on the Management of Reforestation Activities on the Attainment of the FYDP and SGDs

675. Inadequate management of reforestation activities undermines the attainment of the Third National Five-Year Development Plan (FYDP III) and the Sustainable Development Goals (SDGs) by accelerating forest degradation, reducing ecosystem services, and weakening climate resilience. It contributes to continued deforestation, biodiversity loss, and diminished carbon sequestration capacity, thereby compromising environmental sustainability targets at both national and global levels.

676. Moreover, this situation threatens forest-dependent livelihoods, heightens vulnerability to climate risks, and constrains sustainable economic growth in Tanzania. Consequently, it undermines the goals of FYDP III and slows progress toward key SDGs related to poverty reduction, food security, clean

energy, climate action, and ecosystem protection, thereby hindering both national development and international sustainability commitments.

9.6.3 Impact of the Performance Audit on the Implementation of Renewable Energy Projects on the Attainment of the FYDP and SGDs

677. The Government of Tanzania, through its Third Five-Year Development Plan (FYDP III), aims to expand access to renewable energy as part of its broader goal of improving livelihoods and supporting industrial growth. The plan identifies solar, wind, biomass, and other clean energy sources as key solutions for rural electrification and reducing environmental harm. It emphasises expanding access to renewable energy for underserved communities. It encourages private-sector participation through public-private partnerships and investment incentives, including the promotion and development of renewable energy technologies (such as biogas, geothermal, LPG, solar, and wind), particularly for rural households and clean-cooking initiatives, to address climate change.

678. The Sustainable Development Goal 7 emphasises ensuring access to affordable, reliable, sustainable, and modern energy for all, specifically Target 7.2, which calls for a substantial increase in the share of renewable energy in the global energy mix. Although efforts to achieve SDG 7 and to implement FYDP III have been acknowledged, they require stronger action. However, the Government faces challenges in transitioning from non-renewable to cleaner, more efficient energy sources, as the audit findings reveal. Despite having renewable energy potential, such as solar, wind, hydro, and geothermal, the country continues to face challenges in ensuring sufficient contribution of renewable energy projects to the targeted energy mix, acquisition of Strategic areas identified for the establishment of renewable energy, and unreliable renewable energy generation due to variations in plant utilisation.

CHAPTER TEN

MANAGEMENT OF LOCAL CONTENT PROVISIONS IN THE MINING INDUSTRY

10.1 Introduction

679. This chapter presents the key audit findings arising from the Performance Audit on the Management of Local Content Provisions in the Mining Industry. The chapter also describes the audit focus areas and the Government entities involved. Furthermore, it explains how the audit relates to the Sustainable Development Goals (SDGs) and the Third Five-Year Development Plan (FYDP III), and assesses the extent to which the audit contributes to the realisation of the FYDP III targets and the SDGs.

10.1.1 Background Information

680. The National Multi-Sectoral Local Content Guidelines (2019) define local content as the value added to the economy through the deliberate use of Tanzanian human and material resources in investments, particularly in employment, procurement, technology transfer, value addition, and skills development. Despite the country's rich mineral and natural gas endowment, Tanzanian participation in these sectors remains limited.

681. To address this, the Government introduced the National Economic Empowerment Policy (2004) to expand citizens' access to economic opportunities in line with Tanzania Vision 2025. In the mining sector, the Ministry of Minerals operationalised these objectives through a policy and legal framework, including the Mining Act (CAP. 123), 2019 and the Mining (Local Content) Regulations, 2018, aimed at strengthening Tanzanian participation in the industry. Although the Government has invested in promoting local content in the mining sector, progress has been constrained by limited local employment opportunities, inadequate skills development and insufficient technology transfer[15].

10.1.2 Management of Local Content Provisions as Linked to FYDP and SDGs

682. Effective management of local content provisions supports Tanzania's attainment of FYDP III targets and the SDGs by enhancing accountability and ensuring that mineral resource exploitation delivers wider socio-economic

[15] Kinyondo, A. (2024b). Local Content Management in Tanzania's Extractive Sector: How effective is it? The Extractive Industries and Society, DOI: https://doi.org/10.1016/j.exis.2024.101435.

benefits. The specific linkages between local content, FYDP III priorities, and the SDGs are outlined below.

(a) Linkage to FYDP III

683. The Performance Audit on Local Content Provisions in the Mining Industry is directly linked to the objectives of the Third Five-Year Development Plan (FYDP III), which emphasise economic transformation, industrialisation and an inclusive economy. Specifically, the audit is linked to the mining intervention in the priority area, focusing on deepening industrialisation and service provision. Therefore, FYDP III prioritises strengthening productive economic sectors, enhancing local value addition, increasing domestic participation in strategic industries, and creating employment opportunities for Tanzanians. The audit supports these priorities by assessing whether local content requirements in the mining sector are effectively managed to promote Tanzanian employment, procurement of local goods and services, technology transfer, skills development and value addition.

(b) Linkage to SDGs

684. The management of local content provisions aligns with the United Nations Sustainable Development Goals (SDGs), particularly SDG goal number 8 *(Decent Work and Economic Growth)* through job creation and enterprise development; SDG goal number 9 *(Industry, Innovation and Infrastructure)* through promotion of local industries, technology transfer, and value addition; and SDG goal number 12 *(responsible consumption and production)* through improved governance and sustainable management of natural resources.

10.1.3 Government Strategies and Efforts in the Management of Local Content Provisions in the Mining Industry

685. The Government, through the Ministry of Minerals, the Mining Commission, and the National Economic Empowerment Council (NEEC), has set strategies and efforts to effectively address local content issues in the mining industry. The key strategies are indicated in **Table 38.**

Table 38: Government Strategies and Efforts in the Management of Local Content Provisions

Entity	Strategy	Efforts
Ministry of Minerals (MoM)	The Ministry of Minerals' Strategic Plan (2019/20–2023/24) and the Interim Strategic Plan 2024/25 - 2025/26 emphasise strengthening mineral resource management and development by formulating and implementing Corporate Social Responsibility (CSR) and Local Content strategies within the mining sector.	The Government, through the Ministry of Minerals, has established a policy and legal framework, including the Mining Act (CAP. 123), 2019
Mining Commission	The Tanzania Mining Commission Strategic Plan 2019/20 – 2023/24 and Interim Strategic Plan 2024/25 - 2025/26 aim to enhance compliance with local content requirements in the Mining industry, ensuring that the sector effectively contributes to the national economy.	• Development of an online local content information system (LCCSR-MIS), the Financial, Tax Review and Local Content Audit Manual in 2020 and the Mining (Local Content) Regulations in 2018
National Economic Empowerment Council (NEEC)	The NEEC Strategic Plan 2018/19 - 2025/26 focuses on coordinating multi-sectoral efforts to promote local content, economic empowerment, and unlock economic opportunities. This is done by identifying and addressing gaps in economic empowerment and local content within key policies, plans, and projects.	• Development of Multisectoral Local Content Guidelines in 2019 to provide harmonised guidance during the implementation of local content provisions across various sectors

Source: Auditors' Analysis of the Government Strategies and Efforts in the Management of Local Content Provisions, 2025

10.2 Audit Objective and Scope

10.2.1 Audit Objective

686. The main objective of this audit was to assess whether the Ministry of Minerals, the Mining Commission, and the National Economic Empowerment Council (NEEC) effectively managed the local content provisions in the mining industry to enhance local participation and maximise benefits for local businesses.

10.2.2 Audit Scope

687. My audit on the Management of Local Content Provisions in the Mining Industry covered the Ministry of Minerals, the Mining Commission, and the National Economic Empowerment Council (NEEC). It examined the entire process for the management of local content, supervision of the implementation of approved local content plans, development of local capacity initiatives, monitoring and coordination of local content implementation within the mining industry. The assessment covered five Financial Years, from 2020/21 to 2024/25.

10.3 Main Audit Findings on the Management of Local Content Provisions in the Mining Industry

688. I found that the implementation of local content provisions led to a 171% increase in local employment in the mining sector between 2020 and 2024. However, foreign employment grew by 63% during the same period. Moreover, there were wage disparities, with foreigners earning considerably higher salaries than Tanzanians in similar positions. Furthermore, I noted that from 2020 to 2024, the total value of procurement from local suppliers accounted for 33%, while the procurement from foreign suppliers accounted for 67%. These issues highlight gaps in the management of local content provisions as discussed hereunder.

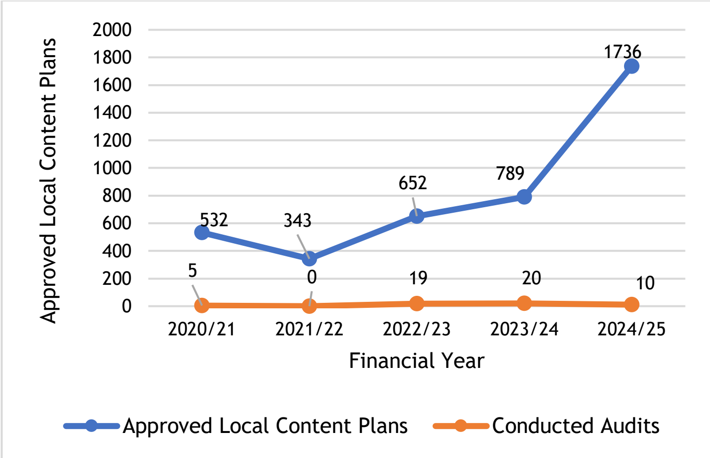
10.3.1 The Mining Commission did not Adequately Supervise the Implementation of Local Content Plans

689. My review of Mining Companies' Local Content Plans and Mining Commission's Annual Action Plans for the Financial Years 2020/21 to 2024/25 revealed that the Mining Commission did not adequately supervise their implementation. This was contrary to Regulation 6 of the Mining (Local Content) Regulations, 2018, which mandates that the Mining Commission oversee the implementation of local content provisions. The noted shortfalls are explained hereunder.

(a) Insufficient Auditing on Local Content by the Mining Commission

690. My analysis of the Mining Commission’s performance reports for the Financial Years 2020/21 to 2024/25 showed that the audit scope was insufficient relative to the approved local content plans, as shown in **Figure 38**.

Figure 38: Number of Approved Local Content Plans Versus Local Content Audit Conducted



Source: Auditors' Analysis of Mining Commission Action plans and Performance Reports 2020/21-2024/25, (2025)

691. **Figure 38** indicates that for the Financial Year 2020/21 the number of conducted local content audits was 5 out of 532 approved Local Content Plans; in the Financial Year 2021/22, none of the 343 Local Content Plans was audited; in the Financial Year 2022/23, Mining Commission conducted 19 audits out of 652 approved Local Content Plans; 20 audits out of 789 approved Local Content Plans were conducted in the Financial Year 2023/24 and in the Financial Year 2024/25, Mining Commission conducted 10 audits out of 1,736 approved Local Content Plans.

692. The insufficiency of local content audits was primarily due to a shortage of staff within the Mining Commission, as only 9 of the 13 required staff were available to undertake the audits. This suggests increased workload, posing a risk of delayed audits and incomplete verification, thereby undermining the effectiveness of local content implementation in the mining industry.

(b) Limited Field Visits for Supervision by the Local Content Committee

693. My review of the Mining Commission's Annual Action Plans for the Financial Years 2020/21 to 2024/25 showed that the Local Content Committee planned to conduct one field visit to mining companies per year to oversee the implementation of local content provisions and verify reported data. However, the review of the Annual Performance Reports revealed that Local Content Committee members did not conduct any of the planned field visits from the Financial Years 2020/21 to 2024/25.

694. This was attributed to a lack of effective coordination among members of the Local Content Committee in planning and conducting joint field visits. Consequently, this reduced the Mining Commission's ability to review and verify reported information and increased the risk of non-compliance with local content requirements by mining companies.

(c) Inadequate Review of Submitted Local Content Performance Reports from Licencees, Contractors, Subcontractors, and other Allied Entities

695. My review of the Local Content Committee Minutes and approved Local Content Performance Reports (2020 to 2024), revealed that the performance reports were inadequately reviewed, contrary to Regulation 38, (1) and (2) of the Mining (Local Content) Regulations, 2018 (as amended), which requires the Mining Commission to review a Local Content Performance Report within 50 working days after receiving to review and give feedback on the submitted reports. **Table 39** provides details on the Mining Commission's review of performance reports.

Table 39: The Status of the Review of the Local Content Performance Reports

Year	Approved Plans	Performance Reports Submitted	Performance Reports Reviewed	Reviewed Reports (%)
2020	87	82	82	100
2021	477	86	Not reviewed	0
2022	437	46	Not reviewed	0
2023	882	68	Not reviewed	0
2024	151	56	30	54

Source: Auditors' Analysis of Local Content Committee Minutes and Local Content Performance Reports from 2020/21 to 2024/25

696. **Table 39** indicates that the Mining Commission reviewed all submitted reports in 2020, but only 54% in 2024, and that no performance reports were reviewed between 2021 and 2023, despite reports being submitted. This was due to the Mining Commission prioritising the preparation and submission of local content plans over assessments of actual performance.

697. The limited review of performance reports hindered the Mining Commission's ability to effectively monitor compliance with the Local Content Regulations, identify implementation gaps, and enforce regulatory requirements.

10.3.2 Inadequate Development of Local Capacities and Mineral Value Addition in the Mining Industry

698. I found the local capacity in the mining industry to be inadequate. This was reflected by the fact that the Mining Commission did not ensure the transfer of technology from foreign experts and companies to the locals. Additionally, the audit highlighted that the Ministry of Minerals had limited promotion of mineral value addition, inadequate oversight of career development, and insufficient succession plans to develop local capacity. The noted issues are elaborated below.

(a) Inadequate Development of Local Capacities in the Mining Industry

699. My review of local content correspondence files for the period under review noted that the development of local capacities was not adequately conducted, contrary to Section 104 of the Mining Act [CAP.123 R.E. 2019], which requires the mineral right holders to develop local capacities in the mining industry value chain. The noted issues were evidenced by:

(i) Absence of Technology Transfer to Locals

700. My review of the Annual Local Content Performance Reports for the Financial Years 2020/21 to 2024/25 noted that Mineral Rights Holders focused more on training local employees to operate and maintain existing or newly installed mining equipment, rather than on the actual transfer of technology to enable the creation of new products or technology. This was attributed to the absence of a national policy for technology transfer in the mining industry to guide it. This was contrary to Regulation 25 of the Mining (Local Content) Regulations, 2018, as amended in 2022, which requires the Ministry of Minerals to establish a national policy on technology transfer for the mining industry.

701. The absence of a national policy hindered the formulation of a national plan and guidelines to guide contractors, subcontractors, licensees, and allied entities in supporting and implementing programmes that promote the technological advancement of locals.

(ii) Ineffective Joint Venture Agreements Between Foreign and Local Companies to Promote Technology Transfer

702. My review of local content correspondence files from the Ministry of Minerals and interviews with Mining Commission officials revealed that the

Tanzanian companies entering joint ventures with foreign firms were not operating in the same line of business. The joint ventures mainly focused on meeting the minimum 20% indigenous shareholding requirement rather than ensuring meaningful participation of local companies in mining operations, thereby limiting the intended benefits of local content provisions. This hindered technology transfer from foreign to local companies, limiting the development of indigenous capacity and perpetuating reliance on foreign firms.

(b) Limited Promotion of Value Addition of Minerals by the Ministry of Minerals

703. My review of Value Addition correspondence files from the Ministry of Minerals and interviews with the Ministry's officials noted that the Ministry did not adequately promote value addition within the country. This was contrary to the requirements of Schedule for Mineral Value Addition of the Mining (Value Addition) Regulations, 2020, which requires the Ministry of Minerals to ensure that mining companies conduct minerals' value addition within the country before exportation. **Table 40** provides further elaborations.

Table 40: Performance of Local Mineral Value Addition during 2020/21-2024/25

Category of Minerals	Name of Mineral Value Addition Method	Percentage Processed Locally (%)	Percentage Exported for Processing (%)
Metallic Minerals	Smelting and refining	53.8	46.2
Gemstones	Cobbing, faceting and polishing	38.7	61.3
Industrial Minerals	Froth floatation, calcination, Purification, Evaporation, Electrostatic and Magnetic Separation	97.4	2.6
Building Materials	Sieving and Sizing	99.8	0.2

Source: Auditors' Analysis of the Minerals Production Statistics, 2025

704. **Table 40** shows that performance in local value addition remained high for industrial minerals and building materials, which accounted for 97.4% and 99.8% of total production's local value addition, respectively. This was attributed to the fact that industrial minerals and building materials require simple, locally available methods and technologies. In contrast, local value addition for metallic minerals accounted for 53.8%, while that for gemstones

accounted for 38.7%. This was due to inadequate coordination between the Ministry and other key stakeholders to promote local value addition.

705. Unpromoted mineral value addition has led to the loss of employment opportunities, revenues, and technology transfer that would have resulted from the establishment of locally value-added industries.

(c) Limited Oversight on Career Development and Succession Plans in Mining Operations by the Ministry of Minerals

706. Based on a review of Annual Local Content Performance Reports for the years 2020 to 2024 from the sampled mining companies, I noted that the Ministry of Minerals did not adequately ensure local career development and succession planning. Additionally, the review of similar reports noted that local career development programs were primarily implemented through continuous on-the-job training and the placement of field students and graduates for practical training.

707. Additionally, my review of the Annual Local Content Performance Reports for the period under review found that the succession programs implemented were not adequately managed. **Table 41** shows the trend of foreign experts in occupying technical positions.

Table 41: Trend of Foreign Experts Occupying the Technical Position in the Sampled Mines

Mine Company	Year				
	2020	2021	2022	2023	2024
Geita Gold Mine	50	52	62	61	54
Ruvuma Coal Mine	0	0	6	9	27
Dangote Cement Industry	3	3	3	3	3
Williamson Diamond Ltd	2	5	5	5	7

Source: Auditors' Analysis of the Annual Local Content Performance Reports, 2025

708. **Table 41** shows a steadily increasing number of technical positions held by foreign experts. Ruvuma Coal Company Limited recorded the largest increase in the number of foreign experts, rising from 0 in 2020 to 27 in 2024, a 100% increase. Dangote Cement Company Limited had a constant presence of foreigners for four consecutive years. Williamson Diamonds Company experienced a 71% increase in the number of foreign experts from 2020 to 2024. Geita Gold Mine Limited consistently maintained more than 50 foreign experts across all four years. This was caused by the absence of succession

implementation reports or periodic evaluations of the progress of selected personnel who would succeed foreigners.

709. Inadequate management of succession plans led to continued reliance on foreign experts and technology, limiting locals' full utilisation of opportunities in the mining industry.

10.3.3 Inadequate Monitoring of the Implementation of Local Content

710. My review of the Ministry of Minerals and the National Economic Empowerment Council (NEEC) Monitoring and Evaluation Plans and their corresponding Performance Reports for the Financial Years 2020/21 to 2024/25 revealed that the Ministry of Minerals and the National Economic Empowerment Council (NEEC) did not adequately undertake monitoring for the implementation of local content provisions, as explained below.

(a) Inadequate Monitoring of the Performance of the Mining Commission on the Management of Local Content Provisions by the Ministry of Minerals

711. My review of the Ministry of Minerals' Annual Performance Reports for the Financial Years 2020/21 to 2024/25 revealed that local content activities were inadequately monitored. This is contrary to the requirements of Sections 19(b) and (c) of the Mining Act CAP. 123, which requires the Ministry of Minerals to monitor the performance of all bodies or establishments responsible for minerals and report to the Cabinet.

712. I also noted that inadequate monitoring was evidenced by the lack of key performance indicators to assess the Mining Commission's performance in managing local content provisions. However, Para 4.7.1 of the Ministry of Minerals' Strategic Plan (2019/20-2023/24) emphasises the preparation of monitoring plans, including indicators, baseline values, and target values. Moreover, in the absence of key performance indicators, the Ministry of Minerals was unable to effectively monitor and assess the Mining Commission's performance in implementing local content provisions.

713. In general, inadequate monitoring of the performance of the Mining Commission was attributed to the following facts:

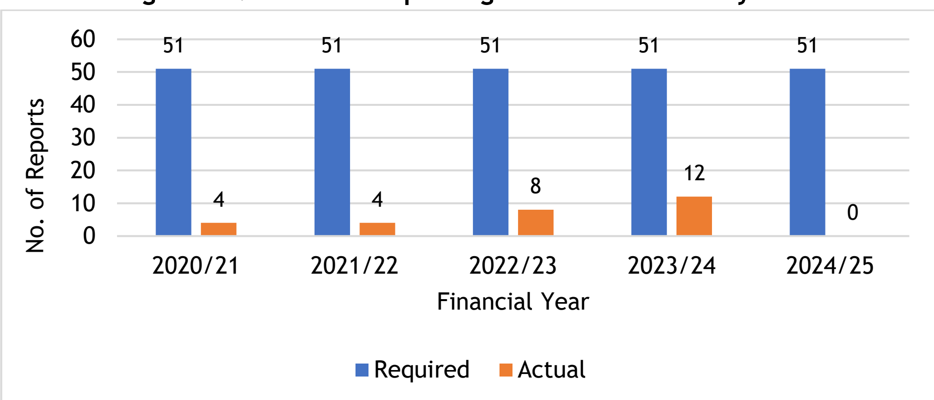
(i) **Absence of Monitoring Framework:** My review of the Ministry of Minerals' Annual Action Plans and their respective Reports, as well as interviews with responsible officials, revealed the absence of a monitoring framework outlining the frequency, scope, methodology, and performance indicators for assessing compliance with local content requirements in the mining industry. This limitation affected the Ministry's capacity to measure progress toward increasing Tanzanian participation in employment, procurement, and value addition.

(ii) **Lack of Funds Disbursement to Facilitate Monitoring and Evaluation:** My review of the Ministry of Minerals' Annual Performance Reports for the Financial Years 2020/21 to 2025/26 indicated that the ministry did not disburse any funds to fulfil its monitoring role. This resulted from limited prioritisation of monitoring and evaluation activities during the disbursement of funds. As a result, the Ministry of Minerals (MoM) did not adequately monitor the Mining Commission's performance in managing local content aspects.

(b) Inadequate Monitoring of Implementation of Local Content Provision by the National Economic Empowerment Council (NEEC) across the Priority Sectors

714. I found that NEEC primarily monitored the implementation of local content by collecting and consolidating reports from the respective priority sectors of the economy. However, my review of annual local content reports for the Financial Years 2020/21 to 2024/25, prepared by NEEC, found inadequate reporting as NEEC did not cover all institutions in the respective sectors, as shown in **Figure 39**. This was contrary to the requirement in Paragraph 3.7(1) of the National Multisector Local Content Guidelines, 2019, which requires NEEC to monitor the implementation of local content across all priority sectors of the economy.

Figure 39: Status of Reporting on Local Content by NEEC



Source: Auditors' Analysis of Annual Implementation Local Content Performance Reports from NEEC, 2020/21 – 2024/25

715. **Figure 39** indicates that over the two Financial Years (2020/21 and 2021/22), NEEC's reporting on local content remained stagnant, with only 4 out of 51 institutions achieving the actual value, equivalent to 8%. The actual value slightly increased from 4 to 8 (16%) in 2022/23 and further to 12 (24%) in 2023/24.

716. Inadequate monitoring by NEEC was attributed to the absence of a legal framework, such as laws and regulations, that require NEEC to monitor the implementation of local content provisions across the priority sectors. Consequently, local content provisions have been implemented in only a few entities across various sectors, resulting in limited opportunities for locals.

(c) Inadequate Reporting on the Implementation of Local Content Provisions by NEEC

717. My review of the Annual Progress Reports from the National Economic Empowerment Council (NEEC) for the Financial Years 2020/21-2024/25 revealed that some priority sectors were not covered in NEEC's annual local content reports. This was caused by inadequate submission of performance reports on initiatives related to economic empowerment and local content implementation across priority sectors, including the minerals sector. This practice was contrary to Para 4.2.1 of the National Multisector Local Content Guidelines, 2019, which requires NEEC to receive biannual reports from implementing institutions, as provided in **Table 42**.

Table 42: Status of Reporting on Local Content Implementation from Five Priority Sectors to NEEC

Priority Sector	2020/21 Submitted (%)	2021/22 Submitted (%)	2022/23 Submitted (%)	2023/24 Submitted (%)	2024/25 Submitted (%)
Extractive and Energy Sector	25	8	0	75	0
Works, Transport and Communication Sector	9.5	21	50	19	0
Manufacturing and Trade Sector	0	5	19	40	0
Agriculture, Livestock and Fisheries Sector	0	11	0	0	0
Tourism	0	6	0	0	0

Source: Local Content Annual Performance Report by NEEC, 2020/21-2024/25

718. **Table 42** indicates that reporting on local content implementation to the National Economic Empowerment Council (NEEC) was generally low, inconsistent, and declined over the period 2020/21–2024/25. While the Extractive and Energy and the Works, Transport and Communication sectors showed occasional improvements, their performance fluctuated. The Manufacturing and Trade sector improved temporarily before dropping to zero, while the Agriculture, Livestock and Fisheries, and Tourism sectors were consistently, but at low levels, reported.

10.3.4 Ineffective Coordination of the Implementation of Local Content Provisions

719. The Ministry of Minerals and NEEC play a central, proactive role by coordinating closely with stakeholders, including mining companies, local communities, regulatory bodies, and educational institutions. Their efforts aim to ensure that Tanzanians are integrated into the mining industry through employment, skills development, and local procurement. However, I noted the following shortfalls:

(a) Inadequate Coordination of Research and Establishment of Database for Locally Produced Goods and Services

720. My review of the local content-related files submitted by the Ministry of Minerals indicated that the Ministry did not coordinate any research on Local Content issues. This violates Para 3.1.3 (i) of the Approved Functions and Organisational Structure of the Ministry of Minerals, 2018, which requires the Ministry of Minerals to coordinate research on available local capacity to provide goods and services required by mining companies and to recommend appropriate measures to enhance this capacity.

721. Further review of the Ministry's budget and annual action plans for the Financial Years 2020/21 to 2024/25 indicated a lack of dedicated financial resources allocated for research and development on local content in the mining sector. Notably, there was no standalone budget earmarked to support research on local content and to establish a comprehensive database of local suppliers within the mining industry. This funding gap was attributed to the Ministry's lack of clearly defined strategies, such as financial planning, to facilitate research that supports local suppliers.

722. Consequently, the Ministry's ability to generate evidence-based insights, monitor supplier development, and guide policy interventions in the

mining sector remained constrained, making it difficult to measure the impact of local content initiatives and identify areas needing improvement.

(b) Irregular Sitting of Multi-Sector Local Content Technical Committees and Local Content Sector Committees

723. My review of the meeting minutes for the Financial Years 2020/21 to 2024/25 revealed that the meetings were not regularly held as required, as indicated in **Table 43.** This was contrary to Para 2.1.4 of the National Multi-Sector Local Content Guidelines, 2019, which requires the National Multi-Sector Local Content Technical Committee to hold meetings twice a year.

Table 43: Status of Conducted National Multi-Sector Local Content Technical Committee Meetings

Financial Year	Meetings Required	No. of Meetings Conducted	Performance (%)
2020/21	2	0	0
2021/22	2	1	50
2022/23	2	1	50
2023/24	2	0	0
2024/25	2	0	0

Source: Auditors' Analysis on NEEC's Meeting Minutes on Local Content, 2020/21-2024/25

724. **Table 43** indicates that, over the five Financial Years from 2020/21 to 2024/25, a total of 10 meetings were required, but only 2 were held, resulting in an overall performance of 20%. Performance peaked in 2021/22 and 2022/23, achieving 50% each year, while no meetings were held in 2020/21, 2023/24, and 2024/25. This was attributed to the absence of legal instruments, such as laws and policies, for the respective sectors and NEEC, which could enforce the implementation of local content provisions.

725. I found that irregular sittings were attributed to the inadequate establishment of the local content sector committees in all priority sectors. I further noted that such a committee existed only in the mining sector and was not established in the other priority sectors.

726. Consequently, awareness of local content issues among stakeholders is very limited in the country. During the interview with an official from NEEC, the reasons given for that situation were the absence of legal documents to support enforcement decisions.

(c) Limited Participation of NEEC in Government Negotiations in the National Strategic Projects

727. I learned that the NEEC's participation in the Government Negotiation Teams to ensure local content is incorporated into project contracts was limited. This was contrary to Paragraph 3.7(5) of the National Multisector Local Content Guidelines, 2019, which requires NEEC to participate in Government Negotiation Teams for all large investments to ensure that Local Content is incorporated into contracts.

728. I further found that the National Economic Empowerment Council (NEEC) participated in only two Government Negotiation Teams for national strategic projects, namely, the LNG and EACOP projects, out of a total of 17 projects, representing just 12% participation. As a result, NEEC missed critical opportunities to advocate for and secure local content benefits, thereby limiting the extent to which Tanzanians could gain from these strategic investments.

10.4 Impact of this Audit on the Attainment of the FYDP and SGDs

729. Inadequate management of local content provisions in the mining industry undermines the achievement of the Third Five-Year Development Plan (FYDP III) and the SDGs by limiting Tanzanians' participation in employment, procurement, and participation in mining-related activities. This also constrains the growth of local industries and suppliers, reduces opportunities for skills development and technology transfer, and results in continued dependence on foreign expertise and inputs. This diminishes value addition within the country, lowers income generation, and restricts the creation of local jobs, thereby slowing industrialisation and inclusive economic growth.

730. Consequently, the expected socio-economic benefits from mineral resource exploitation, such as poverty reduction, private sector development, and sustainable use of natural resources, are not fully realised, impeding progress toward achieving SDGs related to decent work, industry development, and responsible resource management.

CHAPTER ELEVEN

MOBILISATION AND MANAGEMENT OF FINANCIAL RESOURCES

11.1 Introduction

731. This chapter presents the main audit findings related to the Mobilisation and Management of Financial Resources, with a focus on Non-tax Revenue and Capitation Grants in Public Schools. The chapter describes the audit areas, the Government entities involved in the audit, links to the SDGs and the FYDP III, and their impacts.

732. The performance audits include:

(a) Performance Audit on the Management of Non-tax Revenue Collection; and
(b) Performance Audit on the Management of Capitation Grants in Public Schools.

11.1.1 Background Information

733. The Government of the United Republic of Tanzania is adopting various measures to mobilise and manage financial resources to ensure the provision of services to citizens. Among the sources used for resource mobilisation is the non-tax revenue.

734. The Government of Tanzania has implemented reforms to strengthen non-tax revenue management, including the rollout of the Government Electronic Payment Gateway (GePG) to enhance efficiency, transparency, and accountability. Despite these measures, significant challenges persist. There was underperformance in non-tax revenue collection from 2021/22 to 2024/25, with the rate declining from 84.4% to 74.3% over three years.

735. Moreover, Tanzania introduced capitation grants in 2002 and 2016 to support public primary and secondary schools, respectively, to offset revenue losses resulting from the abolition of fees. The grants aimed to improve educational quality, eliminate financial barriers, enhance accessibility, and boost students’ enrolment.

11.1.2 Mobilisation and Management of Financial Resources as linked to FYDP III and SDGs

736. This section provides insights into the Mobilisation and Management of Financial Resources, and their alignment with the SDGs and the Five-Year Development Plan (FYDP III).

737. The Performance Audit on the Management of Non-Tax Revenue Collection align with Goal 17, which aims to strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

738. Similarly, the performance audit on the Management of Capitation Grants in public schools aligns with Goal 4, which ensures inclusive and equitable quality education and promotes lifelong learning opportunities for all. The target areas for interventions are detailed in **Table 44.**

Table 44: Target Areas of Intervention for SDG Regarding Non-Tax Revenue and Capitation Grants

Name of the Audit	Goals	SDG-Target Area of Intervention	Priority Area of FYDP III
Management of Capitation Grants in Public Schools	Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	5.5.1. To increase spending on inclusive education, skills and innovation-related research and development initiatives.
Management of Non-Tax Revenue	Goal 17. Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	17.1: To strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	6.4.1. To enhance fiscal sustainability by continuing to maintain stable macroeconomic conditions to contribute to economic growth, increase revenue collections by expanding the tax base, increase tax net and improve the tax administration system.

Source: Auditors' Analysis of SDGs, 2025

739. **Table 44** indicates that Non-Tax Revenue aligns with Targets 17.1 and 17.4, which aim to mobilise financial resources to ensure the implementation and sustainability of the SDGs.

740. In addition, the management of Capitation Grants aligns with Target 4.1, which aims to ensure that by 2030, all girls and boys complete free, equitable and quality primary and secondary education. Among other aspects, capitation grants facilitate the provision of free and equitable education.

741. Table 44 also indicates that Non-Tax Revenue aligns with Target 6.4.1, which aims to mobilise financial resources to ensure the implementation of the FYDP III. In addition, the management of Capitation Grants aligns with Target 6.4.1, promoting increased spending on inclusive education.

11.1.3 Government Strategies and Efforts in the Mobilisation and Management of Financial Resources

742. Apart from the SDGs and FYDP III, individual ministries have developed specific ministerial strategies within their medium-term plans. **Figure 40** presents Government strategies for the Non-Tax Revenue Collection and Capitation Grants.

Figure 40: Government Strategies in Management of Non-Tax Revenue Collection and Capitation Grants

NATIONAL DEVELOPMENT VISION, 2025

- ✓ Emphasises strong and effective economic management.
- ✓ Promotes enhanced domestic revenue mobilisation.
- ✓ Aims to reduce dependency on donor funding.
- ✓ Macroeconomic Stability manifested by low inflation economy and basic macroeconomic balances

FYDP III 2021/22 - 2025/26

- ✓ Mobilises domestic and external resources to finance development.
- ✓ Enhances non-tax revenue collection from all potential sources.
- ✓ Promote equitable participation and completion of fee-free basic education for all.

STRATEGIES FOR MANAGEMENT OF NON-TAX REVENUE COLLECTION AND CAPITATION GRANTS FOR PUBLIC SCHOOLS

PMO-RALG, MoF, MLHHSD and MICAS Strategic Plan (2021/22 - 2025/26)

- MoF Focuses on optimising non-tax revenue collection to finance national development, setting clear revenue targets, strengthening fiscal discipline, and expanding digital systems to improve efficiency and minimise leakages. Its midterm review emphasises increased government revenue and reduced budget deficits, with non-tax revenue as a key indicator relative to GDP.
- MLHHSD prioritises efficient financial management through strong planning, controls, and M&E, while improving revenue collection by strengthening capacity for land revenue assessment, expanding ICT use in surveying and titling, involving LGAs in land processes, and enhancing land information systems, policies, and infrastructure.
- MICAS focuses on effective planning, budgeting, and resource management, supported by strong institutional performance. Its key revenue related strategies include strengthening planning and M&E, improving financial and revenue management systems and internal controls, enhancing institutional performance, and upgrading ICT systems and data security.
- PMO-RALG among of the priorities being to support fee free basic education.

MoW Medium-Term Strategic Plan (2019/20 - 2023/24)

Focuses on enhancing revenue collection by increasing investments in water supply, wastewater management, and water resources development, improving cost recovery for services, reducing non-revenue water, strengthening M&E, and mobilising financial resources for sector projects.

NIRC Medium Term Strategic Plan (2023/24 - 2027/28)

Focuses on increasing irrigated areas, ensuring quality, mobilising resources through the Irrigation Development Fund, using ICT for revenue collection, engaging the private sector, supporting irrigators, and promoting technology and crop diversification.

Source: Auditors' Analysis on Strategic and Plans Governing, Non-Tax Revenue and Capitation Grants, 2025

743. Moreover, I noted major Government efforts in non-tax revenue, including the adoption of digital systems to enhance transparency and reduce leakages. The installed digital systems are:

(i) **Government Electronic Payment Gateway (GePG):** Implemented to standardise electronic-bill revenue collections across Ministries, Departments, and Agencies (MDAs);
(ii) **TAUSI System:** Deployed specifically for Local Government Authorities (LGAs) to streamline local revenue collection; and
(iii) **ICT Integration:** MDAs are encouraged to upgrade ICT systems for better data security and management, such as the land information systems at MLHHSD.

744. Likewise, in the management of capitation grants, the Education Sector Development Plan 2021/22 to 2025/26 focuses on improving good governance and public financial management. The government's main effort is to ensure monthly disbursements of capitation grants directly to schools.

11.2 Audit Objective and Scope

11.2.1 Audit Objectives

745. The main objective of the audit was to assess whether the MoF and the PMO-RALG had adequately mobilised and managed financial resources to ensure the implementation of planned interventions.

746. Specific objectives were to assess whether the:

(a) The Ministry of Finance has effectively managed the collection of non-tax revenue to ensure adequate mobilisation of domestic funds. The Scope of the Audit was four Financial Years, from 2021/22 to 2024/25; and

(b) The Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) adequately manages capitation grants provided by the Government to cover operational activities and the acquisition of textbooks, thereby promoting equal access to education.

11.2.2 Audit Scope

747. Also, for the Performance Audit on the Management of Non-Tax Revenue, the main audited entity was the Ministry of Finance. The Audit also covered the National Irrigation Commission, the Ministry of Lands, Housing and Human Settlements Development, the Ministry of Information, Culture, Arts and Sports and the Ministry of Water among the MDAs with sources of non-tax revenue. The

Audit also covered the Treasury Registrar, a sole Government entity that manages the performance of all Public Authorities in the country. In addition, 4 Public Authorities were covered: the Tanzania Forest Services Agency and the Tanzania Fertiliser Regulatory Authority for the non-commercial entities. The National Housing Corporation and the Tanzania Petroleum Development Corporation are the commercial entities.

748. Furthermore, the Audit covered four LGAs: Musoma DC, Momba DC, Tanga CC, and Mtwara MC. The Regional Secretariats for Mara, Songwe, Tanga, and Mtwara were visited because the LGAs remit their non-tax revenue to them. The focus of the audit was to assess the institutional setup and organisational structure; identify new revenue sources aligned with the principles of revenue collection; ensure effective systems and processes to produce realistic estimates of non-tax revenue; and implement efficient collection systems and processes, with adequate follow-up and reporting on non-tax revenue collection. The audit covered four (4) Financial Years from 2021/22 to 2024/25.

749. On the other hand, for the audit of the Management of Capitation Grants in Public Schools, the main audited entity was the Prime Minister’s Office - Regional Administration and Local Government (PMO–RALG). The PMO–RALG was required to budget and allocate capitation grants to each school based on the number of students enrolled. PMO-RALG was also responsible for supervision and managing the utilisation of capitation grants. Additionally, the audit included the Tanzania Institute of Education (TIE). This is a Government institution responsible for the production/procurement, and distribution of textbooks to public schools.

750. The audit specifically focused on the preparation, disbursement, and utilisation of capitation grants' budgets. The audit covered a period of three (3) Financial Years: 2022/23, 2023/24, and 2024/25.

11.3 Main Audit Findings on the Management of Non-tax Revenue Collection

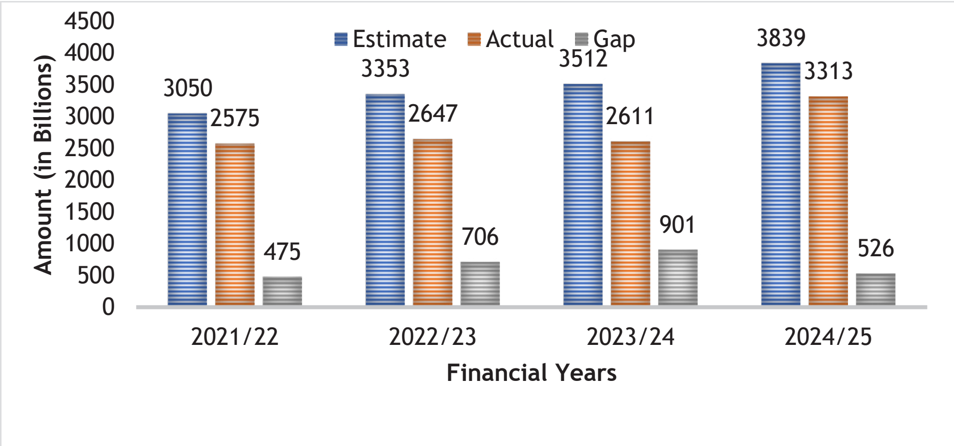
11.3.1 Ineffective Collection and Contribution of Non-Tax Revenue

751. I found that Non-Tax Revenue was not being collected effectively. This was evidenced by the failure to achieve non-tax collection targets and by the low contribution to the respective entities' revenue, as presented hereunder.

(a) **Inadequate Attainment of the Set Non-Tax Revenue Collection Targets**

752. I learned that the set target for Non-Tax Revenue (NTR) has not been achieved at 100% in the sampled Financial Years, as detailed in **Figure 41.**

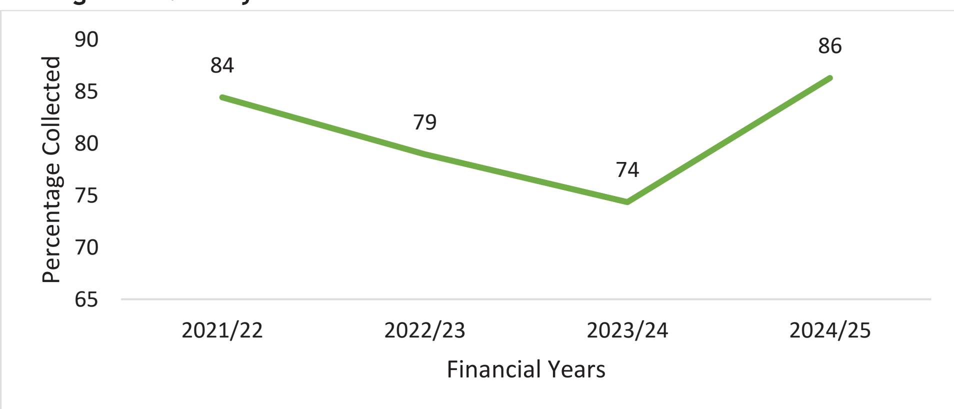
Figure 41: Analysis of the Estimate versus Actual Collection of NTR



Source: Auditors' Analysis of the MoF Volume I Revenue Estimates (2021/22-2024/25), 2025

753. **Figure 41** shows that, despite estimates of non-tax revenue increasing over the sampled Financial Years, the gap in NTR collection widened between 2021/22 and 2023/24, then narrowed in 2024/25, reflecting a partial recovery in collection performance. The performance trend for NTR over the past four Financial Years is shown in **Figure 42**.

Figure 42: Analysis of the Estimates Versus Actual Collection of NTR



Source: Auditors' Analysis of the Collected Non-Tax Revenue at the MoF, 2025

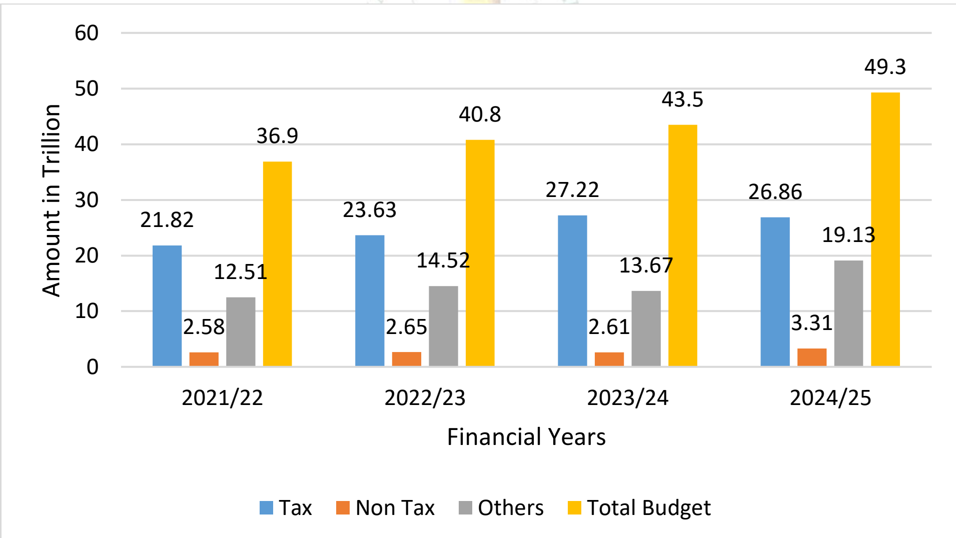
754. **Figure 42** shows that the NTR declined in the Financial Years 2022/23 and 2023/24, reaching 79% and 74%, respectively. The NTR decreased due to non-performance by Public Authorities, attributed to the introduction of a fertiliser subsidy at TFRA and to inadequate enforcement of dividend remittance at TPDC. Furthermore, the Audit noted that the MoF did not track the highest and lowest contributing sources of non-tax revenue due to the absence of detailed information on these sources, as the Ministry of Finance lacked a Non-Tax Revenue Management Information System. This led to inadequate monitoring of performance trends by source and non-identification of underperforming/dormant revenue streams.

755. Underperformance in non-tax revenue leaves the Government unable to finance public projects and increases its dependence on external grants.

(b) Inadequate Contribution of Non-Tax Revenue to the National Budget

756. I found that the contribution of Non-Tax Revenue to the National Budget has ranged from 6% to 6.9%, from 2021/22 to 2024/25, as detailed in **Figure 43.**

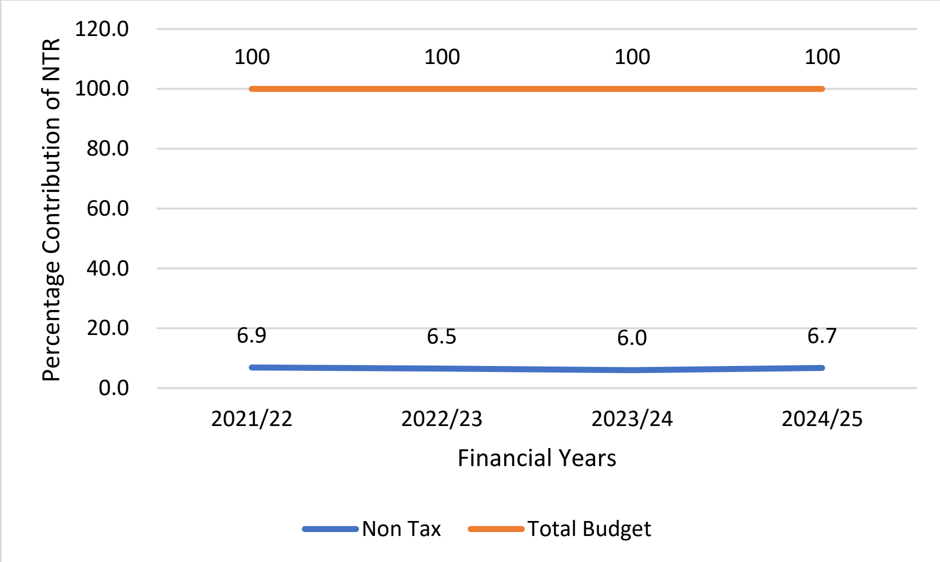
Figure 43: Budget Analysis According to the Sources



Source: Auditors' Analysis on the Budget Execution Reports, 2025

757. **Figure 43** shows that non-tax revenue has been the least significant source of revenue in the country, with the lowest contribution in the Financial Year 2021/22. Further analysis was conducted to assess the NTR's percentage contribution, as detailed in **4.**

Figure 44: Percentage Contribution of Non-Tax Revenue to the National Budget



Source: Auditors' Analysis on the MoF Budget Execution Reports, 2025

758. **Figure 44** shows that the contribution of non-tax revenue to the National Budget has ranged from 6% to 6.9%, indicating that the country relied heavily on tax collection.

759. Furthermore, the Audit analysed the budget contribution percentages of the sampled entities, as detailed in **Table 45.**

Table 45: Analysis of the Gap Estimated Versus Actual Percentage Budget Contribution

Entity		Percentage Budget Contribution Gap (Estimated-Actual)			
		2021/22	2022/23	2023/24	2024/25
MDAs	NIRC	585.8	561.4	51.0	2.9
	MLHHS	139.7	152.5	244.8	107.7
	MICAS	0.5	0.0	0.9	0.5
	MoW	0.1	0.1	-0.2	0.3
Non-Commercial Entity (15%)	TFS	-0.29	-0.60	-0.90	-2.23
	TFRA	2.36	-0.25	1.17	0.00
Commercial Entity (Dividends)	TPDC	-0.02	-0.03	0.96	-0.33
	NHC	0.25	0.00	0.00	-0.74
LGAs	Momba DC	0.3	-2.0	-4.8	-1.3

Entity		Percentage Budget Contribution Gap (Estimated-Actual)			
		2021/22	2022/23	2023/24	2024/25
	Musoma DC	0.8	0.4	-0.4	-0.7
	Mtwara MC	4.7	5.5	2.5	-5.3
	Tanga CC	-0.2	0.5	0.4	5.4

Source: Auditors' Analysis on the Percentage Budget Contribution of the Estimated versus Actual Contribution, 2025

760. **Table 45** shows that, for the MDAs, NIRC and MLHHS contributed less than the estimated budget in all sampled years, followed by TFRA for the Public Entities. However, the LGAs' percentage gap contribution was less than 5.5.

761. This resulted from the underutilisation of potential revenue sources, insufficient performance of the collection systems, and non-attainment of the estimated NTR projected to be collected from the TR and MDAs.

11.3.2 Inadequate Institutional Setup and Capacity for the Management of Non-Tax Revenue

762. I noted a shortfall in the institutional setup and capacity to manage Non-Tax Revenue, as detailed below.

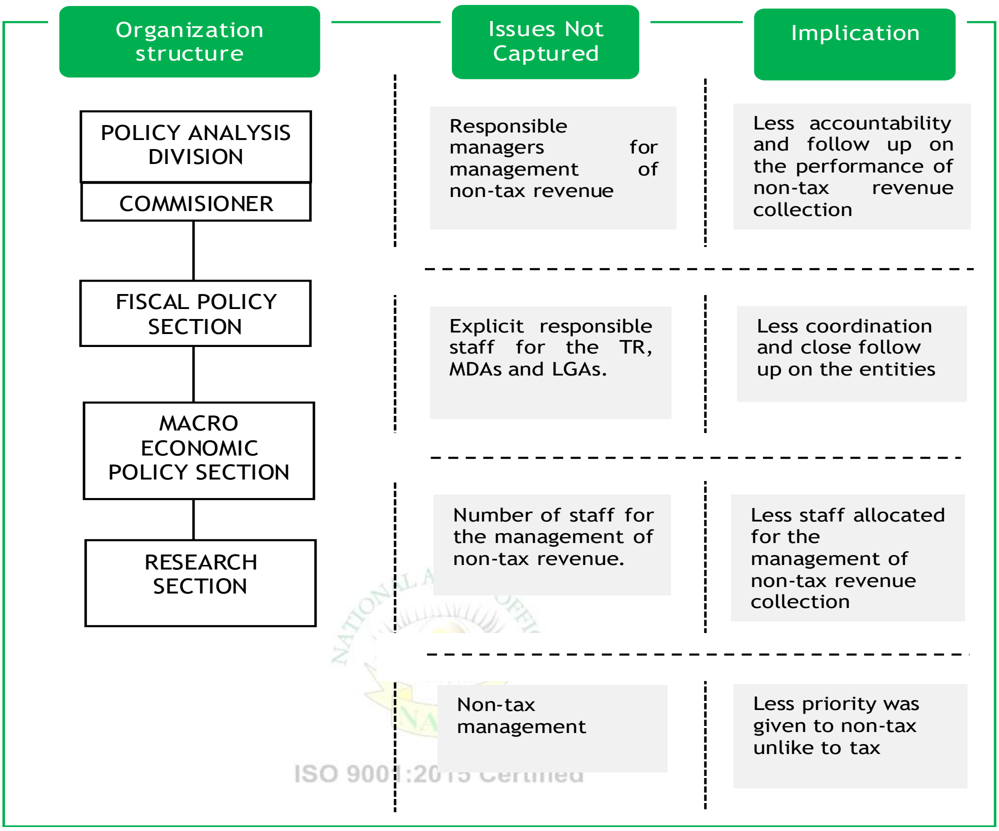
(a) Insufficient Capacity and Defined Structures for the Management of Non-Tax Revenue Collection

763. I found that 3 out of 22 staff in the Fiscal Policy Section at MoF were responsible for managing non-tax revenue collection across all 74 Ministries and Departments, and the 70 entities under the Treasury Registrar. This staff shortage was compounded by unclear task allocation and responsibilities, resulting in inadequate follow-up with the respective Ministries.

764. This lack of adequate staff to manage non-tax revenue stemmed from an insufficient organisational structure that limited the identification of responsibilities for non-tax revenue, as illustrated in **Figure 45**.

765. The lack of defined roles led to an unassessed staffing gap, and consequently, the necessary staff positions were not updated in the Ministry of Finance's Staff List. This was contrary to Section 5 of the Public Finance Act [CAP.348 R.E. 2020], which requires the Minister of Finance to ensure effective systems, structures, and capacities for managing and collecting public revenue.

Figure 45: Analysis of the Gap and Implications on the Missing Roles



Source: Auditors' Analysis on the Roles and Responsibilities at MoF, 2025

766. **Figure 45** indicates that the Ministry of Finance has not explicitly defined the management of non-tax revenue collection. I noted that 5 out of 10 roles outlined in the Ministry of Finance Organisational Structure, 2023, were tax-related. While the remaining five roles covered both tax and non-tax aspects, no role was explicitly assigned to managing non-tax revenue.

767. In addition, the existing legal and regulatory frameworks, mainly the Public Finance Act and its Regulations, provided only general provisions without detailed operational guidance specific to non-tax revenue.

768. These weaknesses collectively limited the government's capacity to effectively coordinate, monitor, and expand non-tax revenue collection.

769. Further, I learned of the absence of the Non-tax Management Information System, which would enhance monitoring of non-tax revenue sources at the Ministry Level. The Ministry of Finance lacked a comprehensive, centralised database of non-tax revenue sources. Information was scattered across multiple unintegrated systems, including the Centralised Budget Management System, PlanRep, and Treasury Registrar records, without Ministry-wide full access.

770. This gap was due to inadequate management of non-tax revenue, leaving the Ministry of Finance without a database on its sources.

771. As a result, planning, collection, monitoring, and accountability of non-tax revenue across Government Entities were weakened.

(b) Insufficient Inter-agency Coordination Mechanism between the Entities

772. I found that the Ministry of Finance took a step by directing MDAs (via a letter with Ref. CAB.481/558/01 dated 14 July 2023) to appoint focal persons for non-tax revenue to enhance coordination. However, no defined coordination structure specified meeting frequencies and information-sharing protocols between the focal people and the Ministry of Finance. These gaps are detailed in **Table 46**. This lack of a defined mechanism was contrary to Section 5.2.5 of the Third National Five-Year Development Plan (FYDP III, 2021/22 – 2025/26), which requires the Government to rationalise non-tax revenue sources and payment procedures.

Table 46: Analysis of the Coordination Mechanism on the Management of Non-Tax Revenue

Items Analysed	Ministries	Treasury Registrar	Local Government Authorities
Frequency of the Reports	v	v	x
Sources of Revenue	x	x	x
Site Visit	v	x	x
Focal Personnel Meetings	x	v	x
General Meeting	v	v	x

Source: Auditors' Analysis on the Coordination between MoF, PMO-RALG and TR

Key:
V - Incorporated
X - Not incorporated

773. **Table 46** shows that there were defined gaps in the coordination of management of non-tax revenue, despite the focal personnel at TR and the respective Ministries submitting monthly reports; the process has not been

documented. Further, the reports did not provide details on revenue sources, and there were no defined timelines for meetings with focal personnel and stakeholders regarding the management of non-tax collection.

774. I further noted that the lack of a defined coordination mechanism between the Ministry of Finance, the PMO-RALG and LGAs has hindered effective information sharing.

775. I also found that inadequate coordination resulted from the absence of a formal coordination framework and the presence of institutional silos in the management of non-tax revenue collection.

(c) Inadequate Strategic Focus on Non-Tax Revenue

776. I learned that MoF also lacked a comprehensive strategy for non-tax revenue mobilisation during the audit period (2021/22 to 2024/25). However, the Medium-Term Revenue Strategy (MTRS) was launched in 2025. However, I noted that the launched MTRS emphasised the following sectors: Mining Sector - Royalty and Inspection Fees; PMO-RALG - Land Rent; Tourism Sector – Tourism Charges, Fees and Levies; and from State Owned Enterprises - Dividends and Contributions. The MTRS also considered Service Levy, Produce Cess, Property Rate, Billboard and Business Licence Fees.

777. In addition, I noted that MTRS considered a few sources of non-tax revenue for mobilisation and had a few strategies for overall mobilisation of non-tax revenue.

778. This was attributed to inadequate consideration of all non-tax revenue sources, resulting from insufficient research into the preparation of a strategy for non-tax revenue mobilisation that would encompass all sources. This has limited the MoF’s ability to fully exploit all possible revenue streams.

11.3.3 Inadequate Identification of New Revenue Sources that align with the Principles of Revenue Collection.

779. During the audit, I found stagnation and decline in the number of revenue sources for the sampled MDAs, namely MICAS, MLHHS, MoW, and NIRC. Also, 1 out of 4 sampled public authorities, namely TFS, TPDC, TFRA and NHC, had new sources of revenue. In addition, in 3 out of 4 sampled LGAs, namely, Momba DC, Musoma DC, Mtwara MC, and Tanga CC, identification of the revenue sources was increasing. Inadequate identification of new revenue sources was attributed to:

(a) Absence of Formalised Procedures in Place for the Identification of New Revenue Sources

780. I found that, for the Financial Years 2021/22 to 2024/25, none of the sampled PAs, MDAs, and LGAs had defined procedures for identifying new revenue resources. This is despite Section 2.3.2 of the Plan and Budget Guidelines for 2024/25 indicating that the strategies for domestic revenue collection include widening the revenue base, identifying new sources, and ensuring these sources align with revenue collection principles.

781. However, in one of the four sampled Public Authorities (i.e., TFS), the research mechanism was used to identify new revenue sources and to review the rates charged, though this was not documented.

782. This was caused by the absence of defined procedures from the Ministry of Finance for identifying new revenue sources. Likewise, there was no enforcement mechanism from the Ministry of Finance to ensure that all Ministries, Departments, Public Authorities and LGAs have defined procedures for identifying new sources of revenue.

(b) Insufficient Comprehensive Database for Sources of Non-Tax Revenue

783. I found that MoF lacked a comprehensive, centralised database of non-tax revenue sources. Information was scattered across multiple unintegrated systems, including the Centralised Budget Management System, PlanRep, and Treasury Registrar records, without Ministry-wide full access.

784. MoF used the Centralised Budgeting Management System (CBMS) to record the actual sources of the Ministries and Departments with votes. Through the CBMS System, the Ministry of Finance had access to revenue sources from Ministries and Departments. The Ministry of Finance did not have a comprehensive database of revenue sources from the Public Authorities and the Local Government Authority. The Treasury Registrar and the PMO-RALG kept records of revenue sources from the Public Authorities and the LGA, respectively, through the Plan Rep System, which the Ministry of Finance does not have access to.

785. The lack of a comprehensive system was due to the absence of directives mandating database integration. Data ownership for non-tax revenues was fragmented across institutions. Also, inadequate follow-up by the Ministry of Finance and the absence of roles and responsibilities for each actor

in the overall management of non-tax revenue have contributed to the absence of a comprehensive database for non-tax revenue sources.

786. As a result, the Ministry of Finance had limited visibility into revenue streams, making it difficult to ensure that all revenue sources were captured, tracked, and monitored, and that underutilised or uncollected revenue was identified.

787. Further, I found that there was no comprehensive database of all potential revenue sources to assist in prioritising their operationalisation. The Ministry of Finance kept records of stakeholders' proposals on tax and non-tax rates that were discussed and analysed by the Ministry. However, the Ministry of Finance did not maintain records of potential non-tax revenue sources, resulting in inadequate planning for revenue mobilisation.

(c) Absence of Studies for Identification of New Sources of Revenue

788. I found that the MoF did not conduct studies to identify new revenue sources during the audit period (2021/22 to 2024/25). As a result, the non-tax revenue continued to rely on the same traditional revenue stream. **Table 47** details potential aspects to be explained in the study to identify new revenue sources.

Table 47: Aspect to be Explained in the Study for Potential Sources of Non-Tax Revenue

Aspect	Details
Alignment with Policy Objectives	Support for Government goals
Resilience of the Source	Stable income
Sustainability	Environmental and social responsibility
Equity	Fair contribution and accessibility
Efficiency	Effective collection process and low administrative costs
Flexibility	Adaptability to change and dynamic responses

Source: Auditors' Analysis on the Best Practices for the Study on the Potential Sources of Revenue, 2025

789. **Table 47** shows that key details on potential revenue sources are missing because these sources have not been adequately studied. The observed gap was due to the absence of a structured research function within the MDAs, PAs, and PMO-RALG responsible for managing non-tax revenue, and to undefined institutional responsibilities for developing non-tax revenue.

790. The inability to explore new non-tax revenue sources hindered diversification and growth of domestic revenue, resulting in reliance on limited traditional revenue streams. Additionally, the lack of comprehensive studies on non-tax revenue strategies has impaired the identification of opportunities, stakeholder engagement, and economic impact analyses.

(d) Untapped Potential Sources of Revenue

791. I noted that MoF did not ensure that all the potential sources of revenue had been tapped. This is MoF, which relied solely on existing revenue streams recorded in CBMS for MDAs, while no mechanism existed to capture or track potential sources across MDAs, PAs, and LGAs. At the Ministry level, the Audit noted untapped revenue potential that the Ministries had not identified or had not conducted thorough studies on. Details are provided in **Table 48.**

Table 48: Some of the Untapped Revenue Sources

Entity	Untapped Revenue Sources
MLHHS	Land Information Sales (GIS Spatial Data -Digital Maps)
	Fines and Penalties for Late Land Repayments
MICAS	Commercial Naming Rights for Stadiums
MoW	Waste Water Discharge Permit
NIRC	Irrigation Training and Certification
	Fines and Penalties for Late Repayments
TFS	Carbon Credit from Forest Conservation
TFRA	Registration Fees
	License Fees
NHC	Fines and Penalties for delayed payments
	Vertical Development Rights
	Solar Roof Top Leasing on Public Building
TPDC	Gas Transportation Tariffs
	Carbon Credit for Gas Flaring Reduction
Momba DC	Disco/sport levy, Parking charges, Fertilizer
	House rent, Meat inspection fee (chicken), Betting Rent - shop space, Magulio fee
Musoma DC	Disco/sport levy, Penalty fee, Fertilizer, House rent, Licences for natural medicine, Permit for Traditional Medicines, Group Registration, By-law fines and Rent-shop space
Mtwara MC	Aggregates, Soil, Bricks, Sand, Hire of transport, vehicles and craft, Meat inspection fee (chicken), Betting, Rent - shop space, Sale of books and Magulio fee
Tanga CC	Hotel licence fee, Advertisement, Bricks, Penalty fee, Fertiliser, Meat Inspection Fee
	Betting, Group Registration, Sale of books, Shrimp (uduvi) and Magulio fee

Source: Auditors' Analysis on the Potential Sources of Revenue at the Sampled MDAs, PAs and LGAs,2025

792. **Table 48** shows the presence of untapped revenue resources. The Table also shows that, among the sampled LGAs, none has identified or utilised the sources of revenue that other LGAs were utilising. This was due to inadequate coordination between the LGAs and a lack of sharing of best practices that could be implemented in the respective LGAs to expand non-tax revenue sources.

11.3.4 Inadequate Systems and Processes to Ensure Realistic Estimates for Non-Tax Revenue

793. I found that the approach used to estimate Non-Tax Revenue was inadequate, as outlined below.

(a) Undefined Processes to Guide Estimation of Non-tax Revenue

794. I learned that the Ministry of Finance and the Government Entities had not defined processes to guide the estimation of non-tax revenue. The Government Entities used historical data to forecast estimates. This led to the missing procedures that were critical for guiding the formulation of accurate estimation processes.

(b) Absence of the Effective Estimates at the Government Entities

795. I found that MDAs and PAs did not ensure effective estimates of non-tax revenue, as estimates fluctuated while the number of revenue sources either remained constant or decreased. In some cases, revenue estimates rose sharply despite fewer revenue sources, while in others, estimates remained high even when actual performance was consistently low.

796. This is contrary to Section 39(3) of the Public Finance Regulations, 2001 (as amended in 2022), which requires that all revenue estimates be comprehensive, realistic, and based on reliable information. The trend in sources, estimates, and collections of non-tax revenue among MDAs is presented in **Table 49.**

Table 49: Sources, Estimates and Collections of Non-Tax Revenue among MDAs (TZS billions)

Ministries and Departments	2021/22			2022/23			2023/24			2024/25		
	Sources	Estimates	Collected	Sources	Estimates	Collected	Sources	Estimates	Collected	Sources	Estimates	Collected
NIRC	11	30	0.7	9	126	0.9	9	10	2.1	8	3.6	1.5
MICAS	9	1	0.8	4	0.9	0.9	4	1.0	0.7	4	1.0	0.9
MLHHS	11	221	131	11	250	155	11	300	139	11	250	157
MoW	3	1	1	3	1	1.2	3	1.2	1.3	3	1.4	1.2

Source: Auditors' Analysis from MoF Volume I Revenue Estimates 2021/22-2024/25

797. **Table 49** shows that estimates among MDAs did not consistently reflect either the number of available revenue sources or the entities' actual performance. Instead, the estimates fluctuated, with entities such as NIRC and MLHHS consistently overestimating, while MICAS underperformed relative to the estimates.

798. I further noted that the situation for Public Authorities' (PAs) estimates did not consider the number of sources in place or the proposed collection rate, as presented in **Table 50**. They only considered historical data and the existing trend.

Table 50: Estimate for the Sampled Public Authorities (Amount in TZS billion)

Financial Years	TFS		TFRA		NHC		TPDC	
	Estimate of Non-Tax Revenue	Percentage Increase / Decrease	Estimate of Non-Tax Revenue	Percentage Increase / Decrease	Estimate of Non-Tax Revenue	Percentage Increase / Decrease	Estimate of Non-Tax Revenue	Percentage Increase / Decrease
2021/22	21,824	N/A	8,190	N/A	1,500	N/A	2,500	N/A
2022/23	20,000	-8	14,658	79	1,000	-33	2,000	-20
2023/24	24,268	21	2,334	-84	1,200	20	20,000	900
2024/25	26,150	8	24,268	940	1,200	0	20,000	0

***Source*:** Auditors' Analysis on the Estimates of Non-Tax Revenue, 2025

799. **Table 50** shows that the Public Authorities have not been adhering to the Treasury Registrar's requirement to increase estimates by 10 per cent each year. TFS had the lowest decrease in its estimate for the Financial Year 2022/23, while TFRA had the highest decrease for the Financial Year 2023/24.

800. The causes of these shortcomings were the absence of defined processes to guide the estimation of non-tax revenue. Government Entities use historical data to forecast, but no processes have been defined to guide the estimation process and ensure effective estimates are in place.

801. As a result, the Government faced persistent overestimation or underestimation of non-tax revenue, undermining budget credibility and execution. This limited the potential for domestic resource mobilisation, reduced predictability of revenue flows, and created financing gaps that increased reliance on external borrowing or donor funding.

(c) Inadequate Review of the Rates for Non-Tax Revenue to Align with Market Price and Public Service Costs

802. I found that TFS conducted regular, systematic reviews of non-tax revenue rates in 2023/24 and 2024/25. Likewise, NHC conducted a review in 2023/24. No reviews of non-tax revenue rates were conducted among the visited MDAs in the period covered by the 2021/22 to 2024/25 rates. Charges remained unchanged for several years despite changes in market values and service-delivery costs, as detailed in **Table 51.** MICAS maintained stadium ancillary charges at the same levels throughout 2021/22–2024/25, while NIRC continued to charge Irrigation service, registration, and annual fees without revision. Similarly, MLHHS retained cadastral and land registration fees at the same levels despite rising costs of survey, valuation, and administration.

Table 51: Status of the Review of Rates Among Public Authorities

Public Authorities	2021/22	2022/23	2023/24	2024/25
NHC	x	x	v	x
TPDC	x	x	x	x
TFRA	x	x	x	x
TFS	x	x	v	v

Source: Auditors' Analysis on the State of Review of Rates among Public Authorities, 2025

Key
V-Review conducted
X-Review not conducted

803. **Table 51** shows unchanged charges due to the absence of a clear framework or a legal requirement from the Ministry of Finance to enforce periodic rate reviews among the Government Entities. Inadequate periodic review and adjustment of non-tax revenue rates result in under-pricing of Government services and under-collection of potential revenue.

804. This reduces the government's capacity to mobilise adequate domestic resources, widens the financing gap for development projects, and increases dependence on external financing. Additionally, stagnant and outdated rates create inequities, undervaluing public resources and services and discouraging efficiency and accountability in service delivery.

11.3.5 Inefficient Collection System and Processes

805. I identified inefficient collection systems and processes, as evidenced by the absence of standard operating procedures for non-tax revenue and the inadequate use of a digital platform for its efficient collection. This situation contravenes Regulation 57 of the Public Finance Regulations, 2001 (as amended in 2022), as detailed below:

(a) Absence of Standard Operating Procedures for Non-Tax Revenue

806. I found that the visited entities lacked Standard Operating Procedures, leading to operational inconsistencies in the collection of Non-Tax Revenue. For example, the absence of SOPs has contributed to the accumulation of debt at NIRC, leading farmers to default on their debts due to inconsistent practices. The MLHHS has different payment systems across the regions. While the payment systems have now been harmonised for 5 regions (Mwanza, Tanga, Dodoma, Arusha, and Mbeya), Dar es Salaam continues to use a separate system.

807. This has led to complaints from non-tax payers, as various Government institutions act independently and in isolation in the collection and administration of revenue sources. As a result, there was a decline in the business environment, compliance rates, and non-tax revenue collection.

(b) Inadequate Use of a Digital Platform for the Efficient Collection of Non-Tax Revenue

808. I found inefficiencies in the collection system and a lack of internet access in some areas, especially in Momba DC and Musoma DC. This situation hinders the implementation of the Tanzania Digital Economy Strategic Framework 2024–2034.

809. Also, I found inefficient billing systems and ineffective information, as evidenced at the MLHHSD, where customers needed to visit the premises to obtain billing information. The MLHHSD has not effectively implemented a digital billing platform, thereby hindering the collection of non-tax revenue.

810. Moreover, I revealed an insufficient number of POS in the LGAs of Momba District Council (DC), Mtwara Municipal Council (MC), Musoma District Council (DC), and Tanga City Council (CC), as shown in **Table 52**.

Table 52: Status of POS found at Visited LGAs

Name of LGAs	Required POS	Available POS	Number of POS in use	Number of Defective POS	Number of POS Gap
Momba DC	72	56	45	11	27
Musoma DC	63	87	43	44	20
Mtwara MC	90	72	37	15	53
Tanga CC	200	134	86	48	114

Source: Auditors' Analysis from LGA's Assessment of Revenue Sources, 2025

811. **Table 52** highlights the insufficient number of Point of Sale (POS) devices per Local Government Authority (LGA) for non-tax collection. Momba DC underutilised its available 56 POS devices, with a gap of 27. Musoma DC had 87 devices, but 44 were defective, leading to an effective gap of 20. Mtwara MC showed a significant gap of 53, with only 37 of 72 devices in use, while Tanga CC had the largest shortfall, with 114 out of the required 200 devices. This inadequacy hindered revenue collection, violated Section 17A(1) of the Local Government Finance Act, 2019, and suggests a need for improved electronic revenue collection systems.

11.3.6 Inadequate Follow-up and Reporting of the Collection of Non-tax Revenue

812. I found that the Ministry of Finance did not ensure adequate follow-up and reporting on the collection of non-tax revenue, as evidenced by the following:

(a) Absence of Defined Procedures and Plans for Follow-up and Reporting on the Performance of the Collection of Non-tax Revenue

813. I noted that the Ministry of Finance had no formally defined procedures and plans for follow-up and reporting on the performance of non-tax revenue collection. This lack of a structured framework contravened Section 4.6.1(vii) of the Plan and Budget Guideline 2024/25.

814. Furthermore, I found that MoF has not issued standardised templates for assessing non-tax revenue performance, resulting in inconsistent information submitted by MDAs. While MDAs prepared internal revenue

collection strategies or submitted monthly cash flow projections, there was no evidence that they produced consolidated performance reports on non-tax revenue. The follow-up process, therefore, remained reactive and dependent on correspondence rather than on an established performance monitoring framework.

(b) Inadequate Data-driven System for Tracking and Follow-up on the Performance of Non-tax Revenue Collection

815. I found that MoF had not established a centralised, data-driven system (digital or manual) to track and follow up on the performance of non-tax revenue collection across MDAs. Also, there was no integration of the tracking system with MoF, TR, and PMO-RALG. Despite that, section 4.6.1 (ix) of the Plan and Budget Guideline 2024/25 requires strengthening the monitoring and evaluation of the implementation of the plan and budget, establishing robust monitoring and evaluation systems, and ensuring the plans reflect the FYDP III goals.

816. However, there was still no system in place to generate follow-up reports. Monitoring and follow-ups were conducted mainly through manual processes, including the submission of Monthly Revenue Cashflow reports via email or hard copies, as directed by letters from MoF.

(c) Absence of Key Performance Indicators for Follow-up on the Performance of Non-tax Revenue Collection

817. I found that MoF and the visited MDAs had not established or used Key Performance Indicators (KPIs) to measure or evaluate the performance of non-tax revenue collection. While MDAs regularly submitted their Monthly Revenue Cashflow reports to MoF, these reports mainly focused on absolute figures for estimates and collections, without assessing performance against standardised indicators.

818. As a result, follow-up remained limited to comparing reported figures against targets, without deeper analysis of efficiency, compliance, or the sustainability of non-tax revenue sources. The absence of KPIs was mainly due to the lack of formal guidelines and a performance management framework for non-tax revenue at the Ministry of Finance.

(d) PMO-RALG and MoF did not Conduct a Follow-up of Non-tax Revenue Collection for LGAs

819. The audit further noted that PMO-RALG and MoF did not conduct a follow-up on non-tax revenue collection by Local Government Authorities. Instead, there were training sessions on how to use the TAUSI system to collect non-tax revenue and update it. However, monitoring and follow-up on what LGAs are collecting in non-tax revenue were not carried out, contrary to Section 5.1.3 of the Government Monitoring and Evaluation Framework.

820. Inadequate structured follow-up and reporting have limited the government's ability to identify, develop, and maximise potential non-tax revenue sources. Consequently, opportunities to expand the domestic revenue base remain underexploited, constraining the government's fiscal space and increasing its reliance on external financing.

11.4 Main Audit Findings on the Management of Capitation Grants in Public Schools

821. During the audit, I found that Capitation Grants to Public Schools for operational expenses and the acquisition of textbooks were underallocated; the allocated funds were under-released and released in an imprecise manner; and the released funds were inappropriately utilised in some cases, as detailed in subsequent sections.

11.4.1 Insufficient Allocation of Capitation for Public Schools

822. I found that Capitation Grants allocated to Public Schools for operation expenses and acquisition of textbooks were insufficient as presented hereunder:

(a) Insufficient Allocation of Capitation Grants for the Acquisition of Textbooks

823. I identified persistent budget deficits in the allocation of funds for textbook acquisition relative to student enrolment as required by Para 3 of the PMO–RALG Guidelines for Capitation Grants for Primary and Secondary Schools, 2015. The budget deficits ranged from 46% to 74%, as indicated in

824.

825.

826. **Table 53.**

Table 53: The Required and Actual Budget Allocations for the Procurement of Textbooks

Financial Year	Expected Budget based on the Number of Students (TZS million)	Actual Budget (TZS million)	Budget Deficits (TZS million)	Budget Deficits (%)
2022/23	81,717	44,000	37,717	46
2023/24	88,955	34,400	54,555	61
2024/25	93,678	24,309	69,369	74

Source: Auditors' Analysis from Annual Schools Census, the Expenditure Guidelines of 2015 and PMO-RALG's Budget Development Expenditure Details of Annual Estimates and Forward Budget, 2025

827. **Table 53** indicates that in the Financial Year 2022/23, the allocated budget was TZS 44,000 million against the planned TZS 81,717 million, resulting in a 46% deficit. This gap increased to 61% in 2023/24 with TZS 34.4 billion allocated versus TZS 88.96 billion required, and widened to 74% in 2024/25 with only TZS 24.31 billion allocated against TZS 93.68 billion needed.

828. This was attributed to the budget ceiling provided by the Ministry of Finance (MoF) to the Prime Minister's Office - Regional Administration and Local Government; however, it did not account for the number of students in the acquisition of textbooks. This has posed a risk of failing to achieve the targeted student-textbook ratio for the period from 2025/26 to 2029/30. I further noted that, for academic years 2022, 2023, and 2024, a few subjects exceeded the targeted textbook-to-student ratio of 1:2.

829. Textbook-to-student ratios at the primary school level did not meet the recommended standard of one textbook per pupil throughout the period under review. This may jeopardise achieving the textbook-pupil ratio of 1:1 by the end of June 2030, as set out in the Education Sector Development Plan of 2025/26 to 2029/30.

(b) Inconsistent Allocation of Capitation Grants to Cater for Operational Expenses to Primary and Secondary Public Schools

830. I found that Capitation Grants allocated for operational expenses for public primary schools were consistently overfunded for Financial Year 2022/23, 2023/24, and 2024/25; and for secondary schools faced underfunding in 2022/23 and 2023/24, except for 2024/25, as compared with enrolled students, as detailed in **Table 54.**

Table 54: The Required and Actual Budget of Capitation Grants for Operating Expenses

Financial Year	School Level	Budget According to Ceiling (TZS)	Required Budget (TZS)	Over/(Under) Budgetary (TZS)
2022	Primary	73,964,982,000	65,235,048,000	8,729,934,000
	Secondary	32,407,575,000	35,294,850,000	(2,887,275,000)
2023	Primary	76,255,740,000	64,946,244,000	11,309,496,000
	Secondary	35,387,575,000	38,466,937,500	(3,079,362,500)
2024	Primary	76,596,924,000	64,439,850,000	12,157,074,000
	Secondary	42614112500	41,427,475,000	1,186,637,500

Source: Auditors' Analysis from Annual School Census Reports, Annual Budget Ceiling of 2025

831. **Table 54** indicates that operational expenses allocated for primary schools in Financial Years 2022/23, 2023/24, and 2024/25 exceed the required amounts of TZS 8.7 billion, TZS 11.3 billion, and TZS 12.2 billion, respectively. In contrast, secondary schools faced underfunding in 2022/23 and 2023/24, amounting to TZS 2.9 billion and TZS 3.1 billion, respectively. However, in 2024/25, there was an overfunding of TZS 1.19 billion.

832. I further noted that PMO-RALG indicated that the situation was attributed to budget projections, including students not counted in the annual school census, which concludes on 31 March each year, while revealing accurate enrolment figures for pre-primary and form one students, whereas the form five numbers were unknown.

833. This prompted Primary Schools to be allocated more Capitation Grants than required, while secondary schools were allocated less than required.

(c) Inadequate and Uneven Monthly Allocations of Capitation Grants to Secondary and Primary Schools

834. During the audit, I noted that on average, the lowest monthly Capitation Grant was TZS 1,365.15 for primary schools and TZS 16,815 for secondary schools, with the highest amounts reaching TZS 3,564,190 and TZS 4,228,923, respectively. Additionally, an average of 15% of secondary schools and 26% of primary schools received monthly Responsibility Allowance grants of TZS 250,000 and TZS 200,000, respectively, for head teachers. **Table 55** provides information on the minimum and maximum monthly capitation grants disbursed to primary schools, along with data on schools that received capitation grants lower than the head teacher's responsibility allowance.

Table 55: Trend in Capitation Grants Disbursement to Primary Schools

Financial Year	No. of Schools	Rate of Funds Disbursed Monthly (TZS)		Schools allocated the Capitation Grant less than the Responsibility Allowance for the Head Teacher's monthly	
		Minimum Amount	Maximum Amount	Number	Percentage (%)
2022/23	17,202	3,072.00	3,746,793	4,263	25
2023/24	17,823	501.69	3,582,502	4,821	27
2024/25	18,044	521.76	3,363,275	4,970	28
Average	**17,690**	**1,365.15**	**3,564,190**	**4,685**	**26**

Source: Auditors' Analysis of the Requests from PMO-RALG to MoF from 2022/23 to 2024/25, 2025

835. **Table 55** highlights disparities in monthly capitation grants received by primary schools for operating expenses: some received TZS 3,072, TZS 501, and TZS 521 in 2022/23, 2023/24, and 2024/25, respectively, while others received up to TZS 3,746,793 during the same period. The same situation was experienced in secondary schools as presented in **Table 56**.

Table 56: Trend in Capitation Grants Disbursement to Secondary Schools

Financial Year	No. of Schools	Range of Funds Disbursed Monthly (TZS)		Schools allocated with the Capitation Grant with smaller amounts of Monthly Responsibility Allowances for the Head Teachers	
		Minimum Amount	Maximum Amount	Number	Percentage (%)
2022/23	4,263	21,118	3,895,981	621	15
2023/24	4,821	14,248	4,227,935	840	17
2024/25	4,970	5,078	4,562,853	628	13
Average	4,685	16,815	4,228,923	696	15

Source: Auditors' Analysis of Fund Requests from PMO-RALG to MoF from 2022/23 to 2024/25

836. **Table 56** indicates disparities in monthly capitation grants received by secondary schools for the acquisition of teaching and learning materials, with some receiving TZS 21,118, TZS 5,078 and TZS 14,248 over the Financial Years 2022/23, 2023/24, and 2024/25, respectively, while others received up to TZS 4,562,853 during the same period.

837. The inadequate and inequitable allocation of capitation grants was attributed to the approach used to compute them, which accounted only for the number of students without factoring in other costs.

838. This affects small schools with small student numbers. Schools with small enrollments were often located in remote areas. These schools had to

wait several months for funds to accumulate to avoid transport costs that could exceed the funds received.

11.4.2 Inadequate and Inaccurate Disbursement of Capitation Grants

839. During the audit, I found that not all allocated funds were released. Additionally, the computation of the release grant was inaccurate relative to the required number of enrolled students and the rate per student, as detailed in subsequent sections.

(a) Under Release of Capitation Grants Allocated for Acquisition of Textbooks

840. I found that Capitation Grants disbursed for the procurement of textbooks for the Financial Years 2022/23 to 2024/25 were TZS 59.3 billion (equivalent to 58%) of the allocated amount of TZS 102.7 billion. The details of under-disbursement of funds for the procurement of textbooks are shown in **Table 57.**

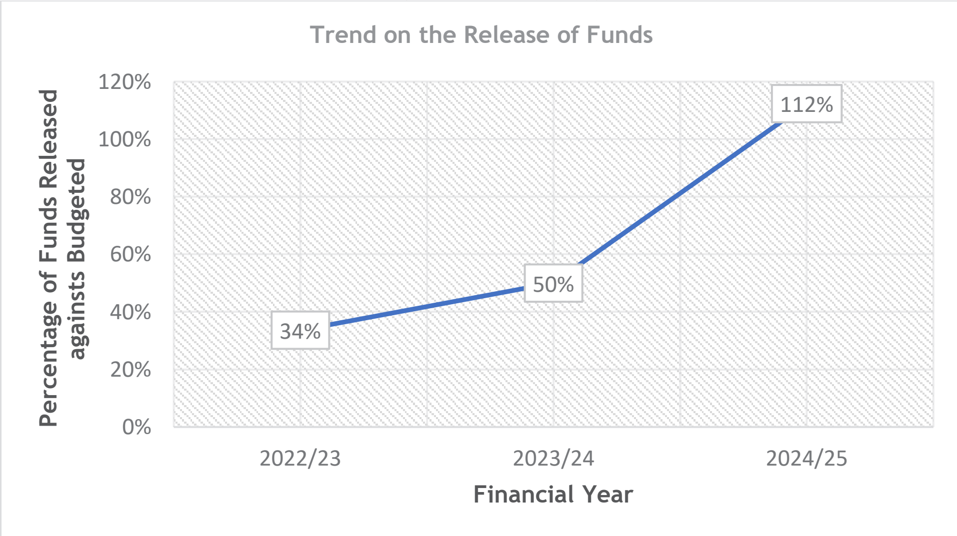
Table 57: Budgeted vs Released Funds for Procurement of Textbooks

Financial Year	Amount (TZS billion)			Funds Released (%)
	Budgeted by PMO - RALG	Released by MoF	Budget Deficits	
2022/23	44	14.8	29.2	34
2023/24	34.4	17.2	17.2	50
2024/25	24.3	27.3	-3	112
Total	102.7	59.3	43.4	58

Source: PMO–RALG Budgeted and the Actual Amount Released for Procurement of Textbooks for the Period from 2022/23 to 2024/25

841. **Table 57** shows that from the Financial Year 2022/23 to 2024/25, TZS 59.7 billion of the budgeted TZS 102.7 billion for textbook procurement in public schools was released, leaving TZS 43.4 billion (42% of the budget) not released. This shortfall hindered the timely and equitable availability of textbooks to public schools. Although fund disbursements showed an upward trend, this suggests a positive outlook for future budgeting efforts, as shown in **Figure 46.**

Figure 46: Increased Trend in Release of Funds for the Procurement of Textbooks in Primary and Secondary Public Schools



Source: Auditors' Analysis from PMO-RALG Budgeted and the Actual Amount Released for Procurement of Textbooks for the Period from 2022/23 to 2024/25, 2025

842. **Figure 46** shows the proportion of budgeted capitation funds disbursed during the Financial Years 2022/23 and 2024/25. In the 2022/23 and 2023/24, only 34% and 50% of the budgeted amounts were disbursed, respectively. However, in 2024/25, 112% of the budgeted funds were released, representing an overpayment relative to the approved budget.

(b) Over-disbursement of Capitation Grants to Public Schools

843. I found that, based on the number of enrolled students as per the Annual School Census, Capitation Grants for operating expenses requested by PMO-RALG to MoF for disbursement directly to schools exceed the required amount of TZS 14,475 million from Financial Year 2022/23 to 2024/25, as presented in **Table 58.**

Table 58: Variation between Disbursed and the Required Amount

Financial Year	Amount Disbursed (TZS million)	Amount that was Required to be Disbursed (TZS million)	Differences (TZS million)
2022/23	107,088	105,505	1,583
2023/24	114,549	109,744	4,806
2024/25	119,991	111,905	8,086
Total	**341,628**	**327,154**	**14,475**

Source: Auditors' Analysis of the Monthly Requests from PMO-RALG to MoF from 2022/23 to 2024/25, 2025

844. **Table 58** shows that disbursement of capitation grants increased annually from 2022/23 to 2024/25. That means, the amount of capitation grants disbursed in excess of the required amount increased from TZS 1,583 million in 2022/23 to TZS 8,086 million in 2024/25.

(c) Inaccurate Computation of Capitation Grants Disbursed Directly to the Public Schools

845. I found that the rate used to compute capitation grants disbursed directly to schools was inaccurate. For primary school, it ranged from TZS 501.01 to TZS 528.18 per pupil per month, instead of the required TZS 500 per pupil per month as presented in **Table 59**. For secondary schools, it ranged from TZS 1,054.39 to TZS 1,176.42 per student per month compared to the required TZS 1,041.667 per student per month as presented in **Table 60**.

Table 59: The Range of Capitation Grants Disbursed to Primary Schools against the Required Amounts

Financial Year	Rate Per Pupil per Month in TZS			Amount of Fund Increased in TZS
	Required Amount	Range of the Requested Amount	Difference of the Requested Amount	
2022/23	500	501.01 - 518.06	1.01 - 18.60	690,041,538
2023/24	500	501.69 - 518.18	1.69 - 18.18	1,999,320,000
2024/25	500	521.76 - 528.18	21.76 - 28.18	3,486,471,500

Source: Auditors' Analysis on the Monthly Requests from PMO-RALG to MoF from 2022/23 to 2024/25, 2025

846. **Table 59** shows that in Financial Year 2022/23, the rate used to compute the capitation grant disbursed increased from TZS 1.01 to TZS 18.6 per pupil per month. This variation increased to TZS 21.76 per pupil per month and further to TZS 28.18 per pupil per month in 2024/25. This resulted in disbursed funds exceeding the required amount, increasing from TZS 690,041,538 in 2022/23 to TZS 3,486,471,500 in 2024/25. A similar situation was observed in secondary schools, as presented in **Table 60**.

Table 60: The Range of Capitation Grants Disbursed to Secondary Schools Against the Required Amounts

Financial Year	Rate Per Student per Month in TZS			Impact of the Increased Rate in TZS
	Required Amount	Range of the Requested Amount	Difference of the Requested Amount	
2022/23	1,041.67	1,054.39 - 1,129.68	12.73 - 88.01	893,274,260
2023/24	1,041.67	1,095.32 - 1,141.76	53.65 - 100.10	2,806,400,181
2024/25	1,041.67	1,159.85 - 1,176.42	676.42 - 659.85	4,599,361,713

Source: Auditors' Analysis on the Monthly Requests from PMO - RALG to MoF from 2022/23 to 2024/25, 2025

847. **Table 60** shows that, in 2022/23, the rate used to compute the capitation grant disbursed ranged from TZS 12.73 to TZS 88.01, then to TZS 676.42, and finally to TZS 659.85 per month per student in 2024/25. This resulted in disbursed funds exceeding the required amount, increasing from TZS 893,274,260 in 2022/23 to TZS 4,599,361,713 in 2024/25.

848. PMO-RALG highlighted that this was one of the components of the fee-free education programme. It happened that funds were first allocated to other programme components, and any remaining balance was subsequently allocated to cater for capitation grants, without adhering to the approved rate per pupil/student. This practice led to the disbursement of TZS 14.47 billion, exceeding the required amount, over the three Financial Years to both primary and secondary schools.

11.4.3 Inappropriate Utilisation of Capitation Grants

849. I found that grants allocated and released for operating expenses and the acquisition of textbooks were, in some cases, used inappropriately, as detailed in the subsequent sections:

(a) Procurement of Textbooks for Non-Beneficiaries

850. I noted that a total of 760,549 textbooks for the English medium curriculum, worth TZS 1,410,893,336, were procured for public English medium schools from the Financial Years 2022/23 to 2024/25. This was contrary to Part 3.10 of Circular No. 6 of 2015 of the Ministry of Education, Science and Technology, which prohibits capitation grants from being used for public schools owned by public organisations or institutions that operate like private schools. It was revealed that TIE procured textbooks for all public schools because they were unaware of the directives and stated that the order/request received from PMO–RALG included textbooks for English-medium schools.

851. I further observed that a total of 760,549 textbooks for the English medium curriculum worth TZS 1,410,893,336 were procured by PMO-RALG through the Tanzania Institute of Education (TIE) using capitation grants for public English medium schools, as presented in **Table 61**. This was contrary to Para 3.10 (ii) of Circular No. 3 of 2016 on the implementation of the fee-free basic education programme issued by the Ministry of Education, Science and Technology, which prohibits the use of capitation grants to cater for expenditures made in public schools or schools owned by public organisations or institutions but operating like private schools.

Table 61: Trend in Procurement of Textbooks for the Pre and Primary English Medium Curriculum Schools

Financial Year	Number of Textbooks Procured	Total Cost (TZS)
2022/23	24,662	130,203,580
2023/24	352,222	471,236,615
2024/25	383,665	809,453,141
Total	**760,549**	**1,410,893,336**

Source: Auditors' Analysis from Suppliers Contracts from the Financial Year 2022/23 to 2024/25, 2025

852. **Table 61** shows that the number of textbooks procured for public English-medium pre-primary schools has been increasing annually.

853. I also found that some of the textbooks of English-medium schools were in the schedule of requirements, while PMO-RALG did not request others to TIE. **Table 62** provides the trend in English medium curriculum textbooks ordered by PMO-RALG.

Table 62: Trend Analysis of English Medium Curriculum Textbooks Ordered by PMO-RALG

Financial Year	Number of Textbooks Ordered	Total Cost (TZS)
2023/24	297,105	382,810,960
2024/25	85,236	284,168,716
Total	**382,341**	**666,979,676**

Source: Auditors' Analysis from PMO-RALG's Schedules of Requirement for Financial Year from 2022/23 to 2024/25, 2025

854. As provided in **Table 62**, PMO–RALG distributed 382,341 textbooks to English-medium schools in 2023/24 and 2024/25. PMO-RALG revealed that textbooks for English-medium curricula were procured to address shortages in public English-medium schools. However, the audit found that the decision was contrary to the Guidelines for the utilisation of capitation grants.

855. The utilisation of capitation grants for the procurement of textbooks in English-medium schools has contributed to existing gaps in textbook distribution and hinders efforts to achieve a 1:1 pupil-to-textbook ratio, thereby hindering the National goal of ensuring equitable access to education services for all Tanzanian children.

(b) Mismatch between Number and Value of Textbooks Ordered by PMO-RALG and Textbooks Distributed by TIE

856. I found a mismatch between the number and value of textbooks ordered by PMO-RALG and those distributed by TIE, as presented in **Table 63**.

Table 63: A Mismatch between the Textbooks that were Required by PMO-RALG and those Procured by TIE

Financial Year	Number of Textbooks that were Required by PMO - RALG	Value of Textbooks that were ordered by PMO-RALG (TZS)	Number of Procured Textbooks by TIE	Total Cost of Procurement (TZS)	Difference in the Number of Textbooks
2023/24	9,981,903	17,207,678,613	3,546,529	9,211,568,225	6,435,374
2024/25	12,468,514	24,309,498,000	13,161,905	24,007,056,934	(693,391)
Total	**22,450,417**	**41,517,176,613**	**16,708,434**	**33,218,625,159**	**7,128,765**

Source: Auditors' Analysis PMO-RALG's Schedules of Requirement and Implemented Suppliers Contracts for Financial Year 2022/23 to 2024/25, 2025

857. **Table 63** shows that the variation in the number of textbooks was significant in 2023/24. The number of textbooks ordered by PMO-RALG in 2023/24 was 9,981,903, while the number of textbooks procured was 3,546,529, resulting in a deficit of 6,435,374 textbooks. In 2024/25, the number of textbooks ordered was 12,468,514, while the number of textbooks produced and supplied was 13,161,905, resulting in a surplus of 693,391.

858. TIE revealed that fewer textbooks were produced or acquired than the required number issued by PMO–RALG because in 2023/24, parties entered into an MoU to produce 9,981,903 textbooks at an estimated cost of TZS 17,200,000,000.

859. TIE reported that it produced or acquired only 3,546,529 textbooks valued at TZS 9,211,568,225B ecause PMO–RALG disbursed funds to TIE at the end of the Financial Year.

860. Further, my audit found that in 2023/24, TIE distributed 2,011,421 textbooks worth TZS 5,468,433,162; however, these textbooks were not the ones ordered by PMO-RALG.

861. Moreover, my audit found that, in the Financial Year 2024/25, of 13,161,905 textbooks, only 9,977,388 were procured in accordance with the schedule of requirements issued by the PMO-RALG. However, it was further revealed that the remaining 3,184,517 textbooks, costing TZS 6,339,176,382, were procured outside the PMO-RALG's schedule of requirements.

862. This situation implies inadequate monitoring and follow-up of textbook production and distribution processes by PMO-RALG to check if the kind and quantity of textbooks distributed by TIE to LGAs correspond to the orders placed by PMO–RALG.

11.5 Impact on the Attainment of the FYDP and SGDs

863. Target 4.1 of SDG 4 aims to ensure that all girls and boys complete free, equitable, and quality primary and secondary education by 2030, with capitation grants playing a vital role in achieving this goal. At the primary education level, performance has shown consistency, averaging around 80%. In contrast, ordinary secondary education has seen notable improvements, with pass rates exceeding 92% in 2024. Advanced secondary education performance remains high, with steady increases in enrolment figures.

864. Additionally, from 2022 to 2024, there has been significant progress toward inclusivity in education, particularly concerning gender and disability. Gender parity indicators reveal that female enrolment at the primary and secondary levels has slightly surpassed that of males. In 2022 and 2023, male student enrolment was 51% and 52%, respectively. The trend shifted slightly in 2024, with males taking the lead at 53%, although the gender gap remains minimal across all three years.

CHAPTER TWELVE

CONCLUSION AND RECOMMENDATIONS

12.1 Introduction

865. This chapter draws conclusions based on reviews and analyses of the findings from 18 performance audit reports conducted by the Controller and Auditor General in 2025. The chapter also provides specific recommendations to the respective audited entities.

12.2 Overall Conclusion

866. My audits recognised the efforts of the audited entities to improve their performance in achieving the FYDP III and SDGs, which focus on economic transformation and human development. Specifically, improvements were observed in the provision of health services, the provision of social care and legal services to citizens, management of strategic grain reserve, the management of workplace safety and compensation services to workers, the regulation of water utilities, management of the transport system, environmental protection, the management of local content provisions, and the public financial management and revenue mobilisation. Despite the efforts, significant challenges remained, hindering the attainment of desired objectives. Weaknesses identified in those areas call for immediate interventions to align Government efforts with SDGs and FYDPs, ensuring sustainable economic and human development.

12.2.1 Specific Conclusions

(i) Provision of Health Services

867. Despite significant efforts to ensure the provision of healthcare services in the country, I conclude that the Ministry of Health, the Prime Minister's Office - Regional Administration and Local Government, and the Medical Stores Department (MSD) have not adequately ensured or managed their provision. In general, I noted insufficient provision of neurological healthcare services for children through inadequate diagnosis of the children with neurological disorders at the primary level of healthcare, which hindered the timely provision of treatment and rehabilitation. Further, I concluded that the Ministry of Health (MoH) and PMO-RALG have not sufficiently ensured the provision of maternal healthcare services, resulting in high maternal mortality and

suboptimal progress toward SDG 3.1 targets. Lastly, I noted MSD, MOH, and PMO-RALG did not ensure adequate availability of essential medicines in public health facilities, thereby affecting the adequacy of health services to citizens.

(ii) Provision of Social Care and Legal Services to Citizens

868. Through the performance audits conducted, I have found that Tanzania's systems for supporting vulnerable populations are fragmented and underperforming, leaving both access to justice and the quality of life for destitute elders unmet. Legal aid services are unevenly distributed, with nearly 30% of providers concentrated in the Eastern Zone and urban centres, while rural regions remain critically underserved. Identification of destitute elders relies on invalid statistics and inconsistent methodologies, resulting in 99.92% of needy individuals lacking access to Government social care. Elderly homes face dilapidated infrastructure and a 67% staffing shortage, with residents often without medical insurance, nutritious food, or assistive devices.

869. The absence of monitoring and coordination compounds these challenges. Elderly homes have received no supportive supervision over a four-year period, and performance indicators are lacking. Collectively, these gaps place at risk the achievement of the National Five-Year Development Plan (FYDP III) and Sustainable Development Goals.

(iii) Management of Strategic Grain Reserve

870. The audit concludes that the National Food Reserve Agency (NFRA) and the Ministry of Agriculture (MoA) have not efficiently and effectively managed the strategic grain reserve, thereby undermining optimal food availability and price stability. This is due to inadequate management of the procurement process to maintain sufficient strategic grain reserves as NFRA attained only 58% of the set target; and inadequate management of Grain Storage Infrastructures with the storage capacity of 57%, inadequate assurance of quality of grain stock, and inadequate maintenance of storage facilities by NFRA leading to storage capacity of 57,000MT not to being in use.

871. Also, there is inadequate coordination among actors and the MoA in managing the SGR, with both NFRA and the MoA having departments tasked with identifying domestic and international grain markets.

(iv) Management of Workplace Safety and Compensation Services to Workers

872. The audit acknowledges Government efforts through the Occupational Safety and Health Authority (OSHA) and the Workers' Compensation Fund (WCF) to manage workplace safety and workers' compensation services nationwide. However, despite these efforts, management of occupational safety and health inspections in workplaces and provision of compensation services to workers remain ineffective in the country. Weaknesses contributing to this deficiency include: an increased workplace fatality rate, inadequate inspection of registered workplaces, delayed workplace inspections, and the absence of oversight of occupational safety at workplaces. WCF also ineffectively processed compensation claims and delayed their payment. Furthermore, WCF does not adequately register eligible employers, collect contributions from employers, or enforce compliance among registered employers as required by the Workers' Compensation Regulations, 2016.

(v) Regulation of Water Authorities

873. The audit concludes that EWURA has not adequately regulated Water Authorities. Despite EWURA's regulatory efforts, not all Water Authorities supply water that meets the required quality standards for the community. Furthermore, some licensed Water Authorities lack wastewater treatment facilities; only 28% have them in place.

874. Although EWURA approves tariffs, challenges were noted, including some Water Authorities operating under expired tariffs, and weaknesses in tariff setting and monitoring. In addition, EWURA conducted inspections without testing all parameters specified in the Water Quality Monitoring Programme. As a result, EWURA lacked assurance that the water supplied to the community met the required standards for the parameters that were not tested.

(vi) Management of the Transport System

875. I conclude that MoW, MoT, and PMO-RALG have not effectively managed the transport system due to weaknesses in road infrastructure planning and prioritisation, fragmented and inadequate weighbridge maintenance, and inadequate planning and regulation of urban transport services. These shortcomings have limited improvements in road conditions, weakened axle

load enforcement, and reduced the accessibility, efficiency, and inclusiveness of urban transport services.

(vii) Environmental Protection

876. My audit concludes that the Vice President's Office (VPO) and the responsible sector ministries have not ensured the effective management of environmental protection in alignment with the FYDPs and SDGs. This is evidenced by the VPO's failure to ensure the effective implementation of the necessary climate change adaptation actions to enhance the country's resilience to climate change impacts. Also, the Ministry of Natural Resources and Tourism (MNRT) and the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG) do not adequately manage reforestation activities, as I noted that insufficient seedlings, weak post-planting care, low adoption of participatory forest management, lack of management plans, limited resource allocation by LGAs, and limited stakeholder collaboration characterise these activities.

877. Despite the government's investments in renewable energy projects, including large-scale infrastructure projects such as the 2,115 MW Julius Nyerere Hydropower Project, the Ministry of Energy and EWURA ineffectively managed these projects to ensure a balanced energy mix that enhances energy security and sustainability in the Country. This is because there are still challenges in ensuring sufficient contribution of renewable energy projects to the targeted energy mix.

(viii) Management of Local Content Provisions in the Mining Industry

878. My audit concludes that the Ministry of Minerals, the Mining Commission and NEEC have not effectively managed local content provisions in the mining sector. Tanzanian participation in the mining value chain remains limited, with a constant number of foreign experts employed in managerial and technical positions; local earnings remain lower than those of foreign experts. Moreover, between 2020 and 2024, procurement from local suppliers accounted for only 33%, compared to 67% from foreign suppliers. Additionally, skills development and technology transfer to Tanzanians were inadequate, as only 30% of employees received training across the assessed mining companies in 2024.

(ix) Mobilisation and Management of Financial Resources

879. I conclude that MoF has ineffectively managed the collection of non-tax revenue, thereby failing to ensure adequate mobilisation of domestic funds. Moreover, PMO–RALG has not effectively managed the provision of capitation grants to public schools to cover operational costs and textbook acquisition, thereby affecting the equitable delivery of education services.

12.3 Recommendations

880. This section presents the audit recommendations based on the analysis of challenges discussed in Chapters Three to Eleven. To address the observed weaknesses in the provision of health services, the provision of social care and legal services to citizens, management of strategic grain reserve, the management of workplace safety and compensation services to workers, the regulation of water utilities, management of the transport system, environmental protection, the management of local content provisions, and the public financial management and revenue mobilisation. I recommend the following:

(a) The Ministry of Health, Prime Minister's Office – Regional Administration and Local Government and Medical Stores Department are urged to ensure adequate provision of Maternal and Neurological Healthcare Services and adequate availability of essential medicines in public health facilities;

(b) The Ministry of Constitution and Legal Affairs should develop and formally adopt a National Legal Aid Policy and a digitised national registry to eliminate the current "strategic vacuum" in service delivery;

(c) The Prime Minister's Office – Regional Administration and Local Government and the Ministry of Community Development (MoCDGWSG) should standardise the identification process for destitute elders and prioritise a comprehensive infrastructure rehabilitation plan for the 13 government-owned homes;

(d) The Ministry of Agriculture and the National Food Reserve Agency should strengthen strategic coordination, procurement, storage, and inventory management systems to enhance cost-effective grain procurement and quality control mechanisms, warehouse condition assessments with structured maintenance schedules, and implementing robust inventory-tracking to ensure optimal Strategic Grain Reserve levels, preserve grain quality and quantity, and enhance transparency, efficiency, and sustainability in food reserve management;

(e) The Occupational Safety and Health Authority is urged to enhance workplace registration processes to ensure timely registration and implement the occupational safety and health inspections for workplaces using a risk-based approach to ensure they have an impact on reducing occupational accidents and deaths;

(f) The Workers' Compensation Fund is urged to enhance decentralised operations for zonal offices by establishing clear performance targets, along with a follow-up process, and developing measurable awareness plans that would cover all the target groups, including both private and Government employers and employees;

(g) The Energy and Utility Regulatory Authority is urged to strengthen its regulatory oversight framework by enhancing enforcement of licence conditions, water quality monitoring and tariff orders by instituting an effective tariff correction mechanism during tariff setting, thereby improving service quality, infrastructure development, environmental compliance, and overall regulatory effectiveness;

(h) The Ministry of Transport and Prime Minister's Office – Regional Administration and Local Government are urged to improve public transport services by ensuring that urban transport system planning and implementation consider multimodal connectivity, inclusiveness for all vulnerable groups, and integration of data systems for all urban transport systems to enable effective monitoring and regulation of services;

(i) The Ministry of Works is urged to improve road infrastructure by prioritising road projects effectively to ensure high-impact projects are given precedence. Priority should also be given to road infrastructure maintenance in resource allocation to improve the overall condition of road networks, including weighbridge facilities.

(j) The Vice President's Office (VPO) and the responsible sector ministries are urged to strengthen the management of environmental protection by ensuring adequate financing, effective coordination among stakeholders, robust monitoring and evaluation mechanisms, and enhanced technical capacity at all levels, particularly within Local Government Authorities;

(k) The Ministry of Natural Resources and Tourism and the Prime Minister’s Office – Regional Administration and Local Government should strengthen the management of reforestation activities by ensuring the effective preparation and implementation of reforestation plans, enhancing coordination among stakeholders, as well as robust monitoring and evaluation mechanisms to support sustainable forest restoration;

(l) The Ministry of Energy, through the Energy and Water Utilities Regulatory Authority, is urged to conduct periodic inspections of power plants and associated transmission infrastructure under development to ensure that construction aligns with acceptable quality standards and agreed commercial operation dates;

(m) The Ministry of Minerals, the Mining Commission, and NEEC strengthen local content management by promoting local industries, enhancing technology transfer policies, improving supervision and auditing, and establishing a national legal framework to ensure effective monitoring and enforcement across sectors;

(n) The Ministry of Finance is urged to establish procedures for identifying new revenue sources; establish effective systems and processes to ensure realistic estimates are in place, based not only on historical data but also on baseline data for the sources; and ensure standardised collection procedures across all entities to ensure uniformity and transparency, and strengthen internal controls, monitoring and enforcement mechanisms; and

(o) The Prime Minister's Office - Regional Administration and Local Government is urged to compute capitation grants by considering the appropriate rates and by using official statistics on the number of students per annual school census; Liaise with the MoF to ensure all pending transactions are addressed promptly in the subsequent disbursements; and use the allocated Capitation Grants for Order for the intended purpose at the PMO-RALG and at the school Level.

Appendix

Appendix 1: Performance Audits Conducted and their Corresponding SDG Themes and FYDPs Priority Areas and Interventions

Name of the Audit	SDG	Target	Priority Area of FYDP
Provision of Neurological Healthcare Services to Children	SDG 3	3.8 emphasis on the achievement of universal health coverage, including access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all	FYDP III, 5.5: Human Development
Availability of Essential Medicines in Public Health Facilities	SDG 3	3.8 emphasis on Good Health and Well-Being, particularly target 3.8, which aims to achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all	FYDP III, 5.5: Human Development
Provision of Quality Maternal Healthcare Services in Tanzania	SDG 3	3.1 aims to reduce the global maternal mortality ratio (MMR) to less than 70 per 100,000 live births by 2030	FYDP III, 5.5: Human Development
Accessibility of Legal Aid Services to the Indigent Population	SDG 1	1.3: specifically requires implementing social protection systems to achieve substantial coverage for the poor and vulnerable.	FYDP III, 5.5: Human Development
	SDG 5	5.2: Eliminate all forms of violence against women and girls in public and private spheres	
	SDG 10	10.3: Ensure equal opportunity and reduce inequalities of outcome by eliminating discriminatory laws, policies, and practices	
	SDG 16	16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all, particularly	

Name of the Audit	SDG	Target	Priority Area of FYDP
		for marginalised and vulnerable populations.	
Provision of Food, Shelter and Care Services for Elderly People	SDG 1	Target 1.3: which requires countries to implement nationally appropriate social protection systems and measures for all to achieve substantial coverage for the poor and vulnerable.	FYDP III, 5.5: Human Development
	SDG 3	3.8: access to quality healthcare and affordable medicines for all, including the elderly.	
Management of Strategic Grain Reserve	SDG 2	2.1: End hunger, achieve food security and improve nutrition. 2.2: Promote sustainable agriculture.	FYDP III, 5.3: Deepening Industrialisation and service provision.
Management of Inspection of OSH at Workplaces	SDG 8	8.8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	FYDP III, 5.5: Human Development.
	SDG 3	3.9: Ensure healthy lives and promote well-being for all at all ages.	
Provision of Workers' Compensation Services	SDG 8	8.8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	FYDP III, 5.5: Human Development
	SDG 1	1.3: End poverty in all its forms everywhere.	
Regulation of Water Utilities	SDG 6	6.1: Ensure availability and sustainable management of water and sanitation for all by ensuring Safe and affordable drinking water for all. 6.2: Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation. 6.3: Improve wastewater treatment and pollution reduction.	FYDP III, 5.5: Human Development

Name of the Audit	SDG	Target	Priority Area of FYDP
Management of the Planning Process for Road Infrastructure Improvement	SDG 11	11.2: Make cities and human settlements inclusive, safe, resilient and sustainable.	FYDP III, 5.2: Realising an Inclusive and Competitive Economy.
	SDG 9	9.1: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation	
Management of Weighbridge Operations	SDG 9	9.1: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation	FYDP III, 5.2: Realising an Inclusive and Competitive Economy.
Management of Urban Transport Services in Major Cities	SDG 11	11.2: Make cities and human settlements inclusive, safe, resilient and sustainable	FYDP III, 5.2: Realising an Inclusive and Competitive Economy.
Implementation of Renewable Energy Projects	SDG 7	7.2: Ensure access to affordable, reliable, sustainable and modern energy for all.	FYDP III, 5.2: Realising an Inclusive and Competitive Economy.
Implementation of Climate Change Adaptation Actions in Tanzania	SDG 2	2.3 insists on doubling the agricultural productivity and incomes of small-scale food producers by 2030	FYDP III, 5.3: Deepening Industrialisation and service provision.
	SDG 6	6.1 aims to achieve universal and equitable access to safe and affordable drinking water for all by 2030.	
	SDG 13	13.1 insists on strengthening resilience and adaptive capacity to climate-related hazards by 2030	
Management of Reforestation Activities	SDG 15	15.1 insists on ensuring the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services by 2030	FYDP III, 5.3: Deepening Industrialisation and service provision.
Management of Local Contents Provision in the Mining Industry	SDG 8	8.5: Achieve full and productive employment and decent work for all	FYDP III, 5.3: Deepening Industrialisation and service provision.
	SDG 9	9.3: Increase access of small-scale enterprises to industrial value chains	

Name of the Audit	SDG	Target	Priority Area of FYDP
		9.5: Enhance research, technological capabilities, and innovation	
	SDG 12	Target 12.6: Encourage companies to adopt sustainable practices and reporting	
Management of Public Debt	SDG 17	17.4 Assist developing countries in attaining long-term debt sustainability	FYDP III, 5.2: Realising an Inclusive and Competitive Economy.
Management of Non-tax Revenue Collection	SDG 17	17.1: To strengthen domestic resource mobilisation	FYDP III, 5.2: Realising an Inclusive and Competitive Economy.
Management of Capitation Grants in Public Schools	SDG 4	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education	FYDP III, 5.5: Human Development

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