



**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE PLANNING AND INVESTMENT
NATIONAL PLANNING COMMISSION**



LONG-TERM PERSPECTIVE PLAN 2026/27- 2050/51

A Prosperous, Just, Inclusive
and Self-Reliant Nation

JANUARY 2026



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JANUARY 2026

Contents

Abbreviations and Acronyms	vi
List of Tables	xiv
List of Figures	xvi
Executive Summary	xviii

CHAPTER ONE

THE CONTEXT

1.1. Introduction	1
1.2. Rationale of Long-Term Perspective Plan	1
1.3. External Dynamics and Trends	2
1.4. Critical Issues Driving LTPP	3
1.5. Focus of LTPP 2026/27 – 2050/51	4
1.6. Methodology	5
1.7. Document Layout	6

CHAPTER TWO

CONCEPTUAL FRAMEWORK

2.1 Overview	8
2.2. The Central Agenda	8
2.3. High-Level Goals and Targets	9
2.4. Salient Features of Tanzania versus UMICs	11
2.5. Avoiding the Middle-Income Trap	13
2.6. Development Philosophy	14
2.7. Strategic Infusion for Transformation	15
2.8. Theory of Change Framework	16
2.8.1. <i>Development Challenges</i>	17
2.8.3. <i>Interventions</i>	17
2.8.4. <i>Results: Growth Drivers and Critical Success Factors</i>	18
2.8.5. <i>Outputs, Outcomes, Impact, and Dira 2050</i>	19
2.9. Oversight for Implementation	19
2.10. Change Mechanism	20
2.10.1. <i>Framework for Enhancement of Internal Productive Capacities</i>	20
2.10.2 <i>Requisite Conditions for Growth and Change</i>	21
2.11. Roles of the Private Sector, and Public and Statutory Corporates	23
2.11.1 <i>Private Sector</i>	24
2.12. Prioritisation and Sequencing Framework for LTPP	24

CHAPTER THREE

PATHWAYS TO PROSPERITY

3.1. Overview	28
3.2. Strong, Inclusive and Competitive Economy	28
3.2.1 <i>Macroeconomic Stability and Predictability</i>	29
3.2.2 <i>Enhancing Fiscal Sustainability</i>	31
3.2.3 <i>External Sector Resilience and Diversification</i>	33
3.2.4 <i>Transformative Sectors</i>	35
3.2.4.1 <i>Transforming Real Sectors to Bolster Productivity Capacity</i>	35
3.2.4.2 <i>Enhancing Development of Service Sector</i>	62
3.2.4.3 <i>Transforming Trade and Commerce Sector</i>	79
3.2.4.4 <i>Bolstering Benefits of Blue Economy</i>	83
3.2.4.5 <i>Enhancing Participation in Carbon Trade</i>	86
3.2.4.6 <i>Fostering Participation in Commercial Forestry</i>	90
3.2.5. Building a Robust Private Sector	93
3.2.6. Leveraging Bilateral, Regional and Global Engagement	96
3.2.7. Navigating Global Dynamics	99
3.2.8. Formalisation of the Economy	102
3.3. Building Human Capabilities and Social Development	105
3.3.1 <i>A Well-Educated, Skilled and Learning Society</i>	105
3.3.2 <i>A Capable and Motivated Workforce</i>	112
3.3.2.1 <i>Managing and Harnessing the Population Demographic Dividends</i>	115
3.3.2.2 <i>Labour Market and Employment Landscape</i>	117
3.3.3 <i>A Socially Protected and Inclusive Society</i>	119
3.3.4 <i>Improved Health Care for All</i>	126
3.3.5 <i>Improved Housing and Human Settlements</i>	129
3.3.6 <i>Enhanced Food Security and Nutrition</i>	132
3.3.7 <i>Water and Sanitation Access and Connectivity</i>	137
3.3.8 <i>A Cohesive, Responsible and Engaging Society</i>	139
3.3.8.1 <i>Inclusive Rural Development</i>	142
3.3.8.2 <i>Cooperatives Transformation</i>	144
3.3.8.3 <i>Expanding the Middle-Income Class</i>	146
3.4. Environmental Integrity and Climate Change Resilience	146
3.4.1. Environmental Integrity	153
3.4.1.1 <i>Sustainable, Well-Planned and Managed Urbanisation</i>	155
3.4.1.2 <i>Sustainable Land Management and Reforms</i>	158
3.4.2 <i>Climate Change Resilience</i>	161
3.4.2.1 <i>Strengthening Early Warning System and Institutional Capacity</i>	164
3.5. Harnessing Drivers of Development	164
3.5.1 <i>Energy for Unleashing Transformation and Rapid Growth</i>	164
3.5.2 <i>Integrated Logistics for Enhancing Penetration into Global Markets</i>	172
3.5.3 <i>Leverage Advancement of Science, Technology and Innovation</i>	184
3.5.4 <i>Foster Quality Research and Development Ecosystem</i>	186

3.5.4.1. Investing in a Sustainable Data-Driven Ecosystem	191
3.5.5. Enhancing Digital Transformation	196
3.5.5.1. Expanding Accessibility of ICT Infrastructure and Services	201
3.5.5.2. Robust and Reliable Communication and Courier Services	203
3.5.6. Facilitative Business Environment and Investment Promotion	205
3.6. Flagship Programme Areas	212
3.7. Foundations for Realisation of LTPP	216
3.7.1. Enhancing Good Governance, Democracy, Security and Stability	216
3.7.1.1. Building Effective and Strong Local Governance	221
3.7.2 Strengthening Digital Governance and Smart Data	225
3.7.3. Bolstering Mindset Change and Reforms	227

CHAPTER FOUR

IMPLEMENTATION AND MANAGEMENT OVERSIGHT

4.1 Overview	232
4.2. A Review of LTPP 2025 Implementation Oversight	232
4.2.1. An Institutional Arrangement for Implementation Oversight	232
4.2.2 Achievements and Challenges under LTPP 2025	233
4.3. Lessons Learned	234
4.3.1. Lessons from Vision 2025 and LTPP 2025	234
4.3.2. Lessons from The Big Results Now Initiative	235
4.3.3. Lessons from Comparator UMICs	235
4.4. Underlying Core Values to Enhance Implementation Effectiveness	235
4.5. An Ecosystem for LTPP Implementation Oversight	236
4.5.1. The Anchor Institution	234
4.5.2. Supportive Think-Tanks	236
4.5.3. Private Sector	237
4.5.4. Tanzania National Business Council	237
4.5.5. Ministries, Departments, and Agencies	238
4.5.6. Regional Administration and Local Government Authorities	238
4.5.7. Ministry responsible for Finance	238
4.5.8. Public and Statutory Corporations	241
4.5.9. National Bureau of Statistics	241
4.5.10. Civil Society Organisations	242
4.5.11. Development Partners	242
4.5.12. The Parliament	242
4.6. Integrated Planning Process and Design	244
4.7. Results-Based Monitoring, Evaluation, Accountability and Learning Framework	244
4.7.1 Results-Based Monitoring, Evaluation and Accountability Framework	244
4.7.2 Performance Management	244
4.7.3 Reporting Mechanisms	245
4.7.4 Reviews of LTPP	245
4.8. Adaptive Learning and Knowledge Framework	245
4.9 LTPP Communication Strategy Framework	246

CHAPTER FIVE

FINANCIAL REQUIREMENTS AND MOBILISATION

5.1. Overview	248
5.2. Review of LTPP 2025 Financial Resource Mobilisation	248
5.3. Financing Requirements and Mobilisation Strategy.....	250
5.3.1. <i>Financing Requirements.</i>	250
5.3.2. <i>Finance Mobilisation Strategy.</i>	253
5.3.2.1. <i>Conventional Sources.</i>	253
5.3.2.2. <i>Alternative Financing Sources.</i>	255
5.4. Public Expenditure Management.	257
5.5. Private Sector Financing Strategy	258

CHAPTER SIX

RISK ASSESSMENT AND PROPOSED MITIGATIONS

6.1.Overview.	264
6.2.Key Risk Areas against LTPP Goals and Objectives	266
6.2.1 <i>Generic Risks Areas</i>	266
6.2.2 <i>Sector-Specific Risk Areas</i>	268
6.3..Risk Heatmap for Key Risk Areas	269
6.4 Mitigation Measures.....	270
ANNEX 1: UMIC COMPARATIVES AND DATA SOURCES	273
ANNEX 2: MONITORING AND EVALUATION FRAMEWORK	277



Abbreviations and Acronyms

3i	Investment Infusion Innovation
4Rs	Reforms, Reconciliation, Resilience, and Rebuilding
AADP	Agricultural Adaptation and Diversification Programme
ADF	Agriculture Development Fund
ADPs	Annual Development Plans
AI	Artificial Intelligence
AMCOS	Agricultural Marketing Cooperative Societies
AMR	Antimicrobial Resistance
AQRB	Architects and Quantity Surveyors Registration Board
AU	African Union
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
BADEA	Arab Bank for Economic Development in Africa
BETP	Beach Eco-Tourism Products
BIM	Building Information Modelling
BOT	Bank of Tanzania
BRELA	Business Registrations and Licensing Agency
BRN	Big Results Now
CAG	Controller and Auditor General
CAMFED	Campaign for Female Education
CBDC	Central Bank Digital Currency
CBN	Community Based Nutrition
CBNDP	Community Based Natural Disaster Preparedness
CMSA	Capital Markets and Securities Authority
COSTECH	Commission for Science and Technology
CRB	Contractors Registration Board
CSOs	Civil Society Organisations
CTI	Confederation of Tanzania Industries
DFIs	Development Finance Institutions
DPs	Development Partners
DLHTs	District Land Housing Tribunals
DSE	Dar es Salaam Stock Exchange
EAC	East African Community
ECE	Early Childhood Education

ECI	Export Complexity Index
EPZs	Export Processing Zones
ESG	Environmental, Social and Governance
EVs	Electric Vehicles
EWURA	Energy and Water Utilities Regulatory Authority
FCDO	Foreign, Commonwealth and Development Office
FDIs	Foreign Direct Investments
FYDPs	Five-Year Development Plans
FYDP IV	Fourth Five-Year Development Plan 2026/27–2030/31
FYDP III	Third Five-Year Development Plan 2021/22 - 2025/26
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GII	Gender Inequality Index
GIS	Geographic Information System
GNI	Gross National Income
GPP	Green Public Procurement
GST	Geological Survey of Tanzania
GoT	Government of Tanzania
HIV	Human Immunodeficiency Virus
HLGAs	Higher Local Government Authorities
ICD	Inland Container Depot
ICGL	International Conference on the Great Lakes Region (ICGLR),
ICOR	Incremental Capital-Output Ratio
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IORA	the Indian Ocean Rim Association (IORA)
IPPU	Investment Partnership Promotion Units
IRI	International Roughness Index
IRMIS	Integrated Results-Monitoring Information System
ISO	International Organisation for Standardisation
ITS	Intelligent Transport Systems
IUU	Illegal, Unreported and Unregulated (Fishing)
JITAP	Joint Integrated Technical Assistance Programme
KPI	Key Performance Indicator
LGA	Local Government Authority
LTPP 2050	Long-Term Perspective Plan 2050
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MFP	Multi-Factor Productivity
MIC	Middle-Income Country

MIT	Ministry of Industry and Trade
MSMEs	Micro, Small and Medium Enterprises
MW	Megawatt
MoEST	Ministry of Education Science and Technology
MoF	Ministry of Finance
MoW	Ministry of Works
NAM	Non-Aligned Movement (NAM)
NBS	National Bureau of Statistics
NCDs	Non-Communicable Diseases
NDC	Nationally Determined Contribution
NEEC	National Economic Empowerment Council
NEMC	National Environment Management Council
NEP	National Employment Policy
NEST	National Environmental Strategy for Transition
NGO	Non-Governmental Organisation
NIC	National Insurance Corporation
NIDA	National Identification Authority
NIT	National Institute of Transport
NM-AIST	Nelson Mandela African Institution of Science and Technology
NOC	National Oil Company
NSDS	National Spatial Data Strategy
NSSF	National Social Security Fund
PCCB	Prevention and Combating of Corruption Bureau
PMO-RALG	Prime Minister's Office – Regional Administration and Local Government
PPP	Public-Private Partnership
PSCs	Public and Statutory Corporations
PURA	Petroleum Upstream Regulatory Authority
R&D	Research and Development
RAS	Regional Administrative Secretary
RBMEA&L	Results-Based Monitoring, Evaluation, Accountability and Learning
REA	Rural Energy Agency
REDD+	Reducing Emissions from Deforestation and Forest Degradation Plus
RFB	Road Fund Board
RITA	Registration Insolvency and Trusteeship Agency
RS	Regional Secretariats
SACCOS	Savings and Credit Cooperative Societies
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SEZs	Special Economic Zones
SIDO	Small Industries Development Organisation
SRH	Sexual and Reproductive Health
STEM	Science, Technology, Engineering and Mathematics
STI	Science, Technology and Innovation

STR	Student-Teacher Ratio
TANESCO	Tanzania Electric Supply Company
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Agency
TAZARA	Tanzania-Zambia Railway Authority
TBS	Tanzania Bureau of Standards
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TCRA	Tanzania Communications Regulatory Authority
TDC	Tanzania Data Centre
TDV	Tanzania Development Vision
TEA	Tanzania Education Authority
TEU	Twenty-Foot Equivalent Unit
TIC	Tanzania Investment Centre
TIF	Tanzania Infrastructure Facility
TISEZA	Tanzania Investment and Special Economic Zones Authority
TMA	Tanzania Meteorological Authority
TPA	Tanzania Ports Authority
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzania Revenue Authority
TRC	Tanzania Railways Corporation
TSB	Tanzania Sugar Board
TTB	Tanzania Tourist Board
TVET	Technical and Vocational Education and Training
UDOM	University of Dodoma
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
UNSDCF	United Nations Sustainable Development Cooperation Framework
URT	United Republic of Tanzania
USAID	United States Agency for International Development
VETA	Vocational Education and Training Authority
VMMC	Voluntary Medical Male Circumcision
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation
WIR	World Investment Report
WTO	World Trade Organisation

→ Definition of Key Terms

CONCEPT	MEANING
Angel investors:	Individuals or entities that provide early-stage funding to start-ups or small businesses, typically in exchange for equity (ownership shares) or convertible debt.
Blue Economy:	The sustainable use of ocean, lake, and water resources to support economic growth, employment creation, and environmental protection.
Climate Change Resilience:	The ability of individuals, communities, and systems to anticipate, adapt to, and recover from the impacts of climate change, including extreme weather events and sea-level rise, while maintaining essential functions and supporting long-term sustainability.
Digital Transformation:	The integration of digital technologies across sectors to improve service delivery, enhance productivity, and foster innovation.
Drivers:	Key catalysts that propel the realisation of Dira 2050 and LTPP.
Economic Formalisation:	The process of integrating informal economic activities into the formal economy through regulation, registration, and access to legal and financial systems.
Employability Skills:	A set of essential hard and soft skills that enable individuals to secure and thrive in sustainable employment, contributing to economic growth and social inclusion.
Environmental Integrity:	The principle of maintaining the wholeness, health, and sustainability of natural ecosystems ensuring they remain stable, support life, preserve biodiversity, and safeguard resources like water and land for future generations.
Fiscal Sustainability:	A government's ability to meet current and future expenditure commitments while maintaining ensuring long-term financial stability.
Foundation:	The fundamental principles and base elements upon which Dira 2050 is built, including governance, peace, security and stability.

CONCEPT	MEANING
Gender Equality:	A state of equal rights for women, men, girls and boys. It entails the concept that all human beings, both men and women, can develop their abilities and make choices without the limitations set by stereotypes, rigid gender roles, or prejudices. Thus, Gender equality implies equal enjoyment of rights by men and women.
Gender Equity:	Means fair treatment for women and men according to their needs. This may include equal treatment or treatment that is considered equivalent regarding rights, benefits, obligations, and opportunities.
Gender:	Division of responsibilities and relationships between women and men in the community are socially constructed. This division results from attitudes built within the relevant community learned or acquired during socialization. These responsibilities can differ according to the period or between communities.
Good Governance:	A governance system characterised by adherence to constitutional principles, the rule of law, transparency, accountability, and citizen participation.
Human Capability:	The skills, knowledge and abilities that individuals need to lead fulfilling lives and contribute meaningfully to society
Inclusive Growth:	Economic growth that ensures equal opportunities and benefits for all members of society, reducing disparities and fostering social equity.
Inclusiveness:	The practice of ensuring that all individuals, regardless of their background, identity, or circumstances, have fair access to opportunities, resources, and participation in societal processes.
Infusion:	A national strategy to internalise global expertise, technology, and enterprise systems into Tanzania's economy to enhance transformation and competitiveness.
Innovation:	The introduction of a new or significantly improved product, service, or process that differs substantially from previous offerings and is made available to potential users.
Integrated Logistics	The coordination of transportation, warehousing, and information systems to optimise supply chain efficiency and enhance trade.
Justice (Just):	Refers to the quality of being fair, and equitable, ensuring that individuals are treated with impartiality and that their rights are upheld.

CONCEPT	MEANING
Labour Market:	A dynamic system that connects the supply of workforce skills with the demand for employment opportunities, playing a critical role in promoting inclusive economic growth, reducing poverty, and fostering social mobility.
Macroeconomic Stability and Predictability:	A stable economic environment where key indicators such as inflation, unemployment, and GDP growth remain relatively consistent, allowing businesses, investors, and policymakers to make informed decisions with confidence.
Mindset Change:	The process of shifting attitudes, beliefs, and ways of thinking to embrace new perspectives, behaviours, or approaches for the sustainable development of a country.
People with Disabilities:	Individuals who have long-term physical, mental, intellectual, or sensory impairments which, in interaction with various barriers may hinder their full and effective participation in the society on an equal basis with others.
Pillars:	Enablers of the effective functioning of Tanzania's core developmental priorities, ensuring the attainment of goals and the country's future prosperity.
Political Hygiene:	Practices and principles that ensure transparency, accountability, integrity, and ethical behaviour in governance and political processes, which are essential for fostering trust, stability, and sustainable development.
Poverty:	Poverty is a condition in which individuals or communities lack the financial resources, opportunities, and capabilities necessary to meet their basic needs for a decent standard of living. These needs typically include food, clean water, shelter, clothing, health care, and education. Poverty is not just about income; it also encompasses social exclusion, lack of access to services, vulnerability to shocks, and limited participation in economic and social life
Prosperity:	A state of overall well-being and success, marked by economic growth, improved living standards, and access to opportunities for a better quality of life.
Risk Management:	The systematic identification, assessment, and mitigation of potential uncertainties and opportunities to ensure the achievement of objectives, enhance resilience, and promote inclusive and sustainable growth.

CONCEPT	MEANING
Self-reliance	Self-reliance refers to the strategic utilisation of domestic resources, knowledge, and innovation to build the capacity to sustain development demands, while effectively integrating the national economy into global value chains.
Social Development:	Refers to enhancing the well-being of individuals and communities by widening access to essential services and opportunities.
Sustainability:	The ability to meet present needs without compromising the ability of future generations to meet their own, focusing on economic, social, and environmental balance.
Theory of Change:	A strategic planning framework that outlines how and why a desired change is expected to happen by mapping out the steps, interventions, and outcomes needed to achieve long-term goals.
Transformative:	High-potential economic and social sectors identified for their ability to drive sustainable growth, job creation, innovation, export potential and sector linkages.
Universal Health Coverage	Ensuring that all individuals have access to affordable quality health-care services.
Vulnerable groups	Defined as individuals or communities facing increased risks due to various social, economic, and cultural factors, making them more susceptible to harm or marginalisation.
Zero-Based Budgeting	A budgeting approach where every expense must be justified for each new budget period, starting from a 'zero base.' Unlike traditional budgeting, which typically uses the previous year's budget as a baseline and adjusts it, ZBB requires decision-makers to rebuild the budget from scratch, analysing and justifying all expenditures regardless of past spending.



List of Tables and Figures

Table 3.1: Macroeconomic Stability and Predictability	30
Table 3.2: Enhancing Fiscal Sustainability.	32
Table 3.3: External Sector Resilience and Diversification	34
Table 3.4: Scaling Agriculture Production, Productivity and Commercialisation ...	37
Table 3.5: Manufacturing Sector Development.	48
Table 3.6: Developing a Sustainable, inclusive and Competitive Construction Sector.	52
Table 3.7: Developing a Competitive and Inclusive Industrial-Based Mining Sector	54
Table 3.8: Transforming the Oil and Gas Sector	60
Table 3.9: Making Tourism Sustainable, Inclusive and Resilient	63
Table 3.10: Transforming the Financial Sector and the Financial System	67
Table 3.11: Transforming the Sports and Creative Industry	74
Table 3.12: Developing a Sustainable, Inclusive, and Competitive Real Estate Sector	77
Table 3.13: Transforming the Trade and Commerce Sector.	79
Table 3.14: Scaling-up a Sustainable Blue Economy.	83
Table 3.15: Making Tanzania a Regional Hub of Carbon Trade.	87
Table 3.16: Enhancing Competitive and Resilient Commercial Forestry.	91
Table 3.17: Achieving a Robust Private Sector	94
Table 3.18: Enhancing Bilateral, Regional and Global Engagement	97
Table 3.19: Navigating Global Dynamics.	100
Table 3.20: Formalising the Informal Sector to Enhance Productivity and Efficiency	103
Table 3.21: Building an Educated, Skilled and Learning Society	106
Table 3.22: Creating a Capable and Motivated Workforce	110
Table 3.23: Managing and Harnessing the Population Demographic Dividend ..	113

Table 3.24: Strengthening Labour Market Employment Landscape	116
Table 3.25: Ensuring a Socially Protected and Inclusive Society	118
Table 3.26: Improving Healthcare for All.	120
Table 3.27: Improving Housing and Human Settlements.	127
Table 3.28: Enhancing Food Security and Nourishment	129
Table 3.29: Fostering Universal Water and Sanitation Access and Connectivity	133
Table 3.30: Building a Cohesive, Responsible, and Engaging Society	138
Table 3.31: Fostering an Inclusive Rural Development.	140
Table 3.32: Promoting Credible and Well-Governed Cooperatives	143
Table 3.33: Expanding the Middle-Income Class	145
Table 3.34: Sequencing Interventions for Environmental Integrity.	153
Table 3.36: Strengthening a Sustainable and Productive Land Management	156
Table 3.37: Climate Change Resilience	158
Table 3.38: Building Early Warning Systems and Institutional Capacity.	162
Table 3.39: Enhancing Integrity and Excellence in Energy for Sustainable Development. .	166
Table 3.40: Establishing Modern and Efficient Transport and Logistics	174
Table 3.41: Promoting Sustainable Science, Technology and Innovation.	184
Table 3.42: Fostering a Robust and Sustainable Research and Development Ecosystem ..	187
Table 3.43: Building a Robust and Sustainable Data-Driven Ecosystem	191
Table 3.44: Realising Digital Transformation for Fast-Tracking Development.	197
Table 3.45: Building a Resilient Accessible ICT Infrastructure	202
Table 3.46: Building a Robust and Reliable Communication Sector	202
Table 3.47: Improving Business Environment for Investment Promotio.	204
Table 3.47: Improving Business Environment for Investment Promotion	207
Table 3.49: Flagship Programme Areas and Indicative Elements of Programme	212
Table 3.48: List of Flagship Programme Areas	212
Table 3.50: Enhancing Democracy, Security and Good Governance.	216
Table 3.51: Building Effective and Strong Local Governance	222
Table 3.52: Strengthening Digital Governance and Smart Data	225
Table 3.53: Fostering Mindset Change to Embed Reforms	227
Table 5.1: LTPP Financing Requirements	260
Table 6.1: Risk Mitigation Measures	271

➔ List of Figures

Figure 4: 1. Implementation Oversight Arrangement 238
Figure 4:2. Integrated Planning Process for Effective LTPP Implementation. 245
Figure 6:1. A Risk Heatmap 272

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➔ *Executive Summary*

1. Introduction

Over recent decades, Tanzania has pursued transformative development strategies, guided by Vision 2025 and the Long-Term Perspective Plan 2025 (LTPP 2025). Over this period, the economy recorded an average real GDP growth rate of 6.2 percent between 2002 and 2024, expanding sixfold from USD 14.1 billion to USD 85.2 billion. GDP per capita reached USD 1,277 in 2023. Key contributors to GDP (current prices) included agriculture (25.9 percent), construction (12.7 percent), mining and quarrying (9.5 percent), transport and storage (7.7 percent), and manufacturing (6.7 percent). Despite a succession of global shocks, including the COVID-19 pandemic, which slowed growth to 4.8 percent in 2020, Tanzania demonstrated remarkable resilience, underpinned by sound economic management. Inflation remained broadly stable, averaging 4.7 percent between 2014 and 2024. It had earlier peaked at 19.8 percent in December 2011 due to food supply shocks, but subsequently stabilised at around 3.0-3.5 percent in 2024, following improvements in food supply. Tanzania achieved Lower-Middle Income Country (L-MIC) status in July 2020, ahead of its scheduled timeline.

Education saw gains, achieving near-universal primary enrolment of over 95 percent following the introduction of fee-free primary education. Literacy rates rose from around 70 percent in 2000 to approximately 80 percent in 2022. Higher education in Tanzania has expanded significantly, from just a handful of institutions enrolling fewer than 20,000 students in 2000 to more than 79 accredited public and private institutions with a total enrolment of 334,854 (171,612 male, 163,242 female) by the 2023/24 academic year.

Healthcare achievements included a reduction in maternal mortality from 556 per 100,000 live births in 2000 to 104 per 100,000 live births in 2025, and a decline in under-five mortality from 147 to 43 per 1,000 live births. Food security remained strong, with food self-sufficiency at around 128 percent in 2025.

Infrastructure developments have improved economic competitiveness. Road networks expanded, the Standard Gauge Railway advanced logistics, and the modernisation of Dar es Salaam Port increased cargo throughput. Energy capacity more than doubled, digital connectivity expanded, and financial inclusion among Tanzanians aged 16 and above increased from under 10 percent to over 70 percent.

Despite significant strides under Vision 2025 and LTPP 2025, Tanzania continues to face substantial challenges that hinder progress towards becoming an Upper Middle-Income Country (UMIC). GNI per capita remains relatively low, estimated at approximately USD 1,275 in 2024, below the UMIC threshold of USD 4,516–14,005 (July 2024). Implementation challenges, including frequent policy reversals and institutional restructuring, notably the temporary dissolution of the National Planning Commission, have led to policy instability and inconsistent project planning and outcomes. Economic growth was moderate, particularly in agriculture, declining from 6.9 percent in 2014 to 4.0 percent in 2024, and has done little to alleviate rural poverty. Critical sectors, including agriculture and infrastructure, and public-sector projects have suffered from underfunding, ineffective execution, and insufficient private-sector engagement. Inadequate financial discipline in public spending has undermined the overall quality of public services. Infrastructure bottlenecks, inadequate urban planning, limited technological integration, and reliance on an unreliable power supply further constrain growth. Manufacturing remains modest, contributing only 6.6 percent of GDP in 2024, well below the LTPP 2025 target of 23 percent.

2. Vision and LTPP's Goals

The Long-Term Perspective Plan 2026/27 - 2050/51 (LTPP) serves as the principal implementation framework for Dira 2050. It articulates a national ambition to transform Tanzania into an Upper Middle-Income Country with a one-trillion-dollar economy by 2050, anchored in inclusive and sustainable growth. This vision is underpinned by four key pillars: a strong, inclusive, and competitive economy; human capabilities and social development; environmental integrity and climate change resilience; and good governance as a foundation. Goals encompass achieving a per capita GNI of at least USD 7,000, which falls within the UMIC range of GNI per capita (4,516–14,005). The aim is to eradicate extreme poverty, create sustainable employment opportunities for all social groups, and substantially improve governance and institutional effectiveness.

Critical drivers for achieving Tanzania's Vision 2050 aspirations include the significant expansion of infrastructure, particularly electricity generation and logistics infrastructure, to enhance connectivity and access to regional and global markets. Enablers critical to achieving the vision include improved quality-of-life indicators, notably better health and educational outcomes. Education and skills development are expected to advance through the attainment of universal primary and secondary education, combined with substantial improvements in the quality of vocational training, higher education, and research. Universal internet access will act as a transformative enabler, bridging the digital divide and fostering broader societal inclusion, innovation, and economic competitiveness. Gender equality serves as an enabler of empowerment, aiming to increase women's representation in leadership roles, eliminate all direct and indirect forms of discrimination, enhance economic participation, and achieve educational parity.

3. Development Philosophy and Theory of Change

The Theory of Change guiding Tanzania's LTPP is grounded in a people-centred development philosophy that envisions a prosperous, just, inclusive, and self-reliant society. It balances state-led initiatives, private-sector growth, and community participation, integrating liberal economic management with social welfare and environmental sustainability. The strategy emphasises the use of local resources, innovation, and the empowerment of women, youth, and marginalised groups, while also promoting cultural and creative industries, including Kiswahili, as tools for inclusion and soft power.

To realise this vision, LTPP adopts a three-stage pathway: Investment, Infusion, and Innovation. Investment mobilises foreign and domestic capital to drive industrial growth; Infusion links these investments to domestic value chains; and Innovation leverages knowledge and technology to drive economic transformation. The strategy addresses persistent challenges, including underdeveloped human capital, limited infrastructure, macroeconomic volatility, and governance deficits, through targeted reforms, aiming to position Tanzania as a competitive USD 1 trillion economy by 2050.

4. LTPP Strategic Direction

4.1. Economic Transformation and Diversification

The LTPP emphasises robust transformation and diversification across the agriculture, industry, and services sectors. The industrial sector's share of GDP is expected to rise from 32 percent in 2024 to 40 percent by 2050. Meanwhile, the services sector is anticipated to expand from 39 percent to 45 percent of GDP. This transformation will also involve a significant boost in agricultural productivity, from the current average of 1,200 kg per hectare towards the Upper Middle-Income Country (UMIC) benchmark of 3,500 to 5,000 kg per hectare of cereals production. It will enhance the global competitiveness of Tanzania's services sector. However, the agricultural sector's contribution to GDP is projected to decrease from 25.7 percent to 15 percent by 2050.

To realise these ambitious goals, LTPP prioritises foundational reforms and strategic investment in high-impact industries, including critical minerals and rare metals, natural gas, and steel, which are expected to drive the country's industrial transformation. The success of this agenda depends on the effective sequencing of reforms, beginning with governance, human capital development, and investment readiness. Crucially, the plan emphasises improvements in energy supply, integrated logistics development, and the upgrading of digital infrastructure. These reforms are key to unlocking industrial growth, advancing regional integration, and enabling participation in global value chains. Furthermore, the plan outlines targeted measures, including comprehensive regulatory reforms and the systematic formalisation of the informal sector. It also calls for intensive research and technology adoption, substantial investment in innovation ecosystems, and strengthened support for start-ups and small and medium-sized enterprises (SMEs).

Empirical analyses demonstrate the urgent need for substantial improvements in export complexity and economic diversification. Tanzania's Export Complexity Index (ECI) is approximately -1.09, significantly lower than the UMIC average of 0.1. Moreover, Tanzania's export basket remains heavily concentrated in basic primary commodities, whereas UMIC countries typically have highly diversified exports, with advanced manufactured goods and higher-value services. To this end, while strengthening traditional path-dependent industries rooted in existing value chains and historical economic trajectories, Tanzania needs strategic development in path-departure and transformative-path industries.

Path-departure industries represent significant capital-intensive opportunities, characterised by expanding global markets and existing competitive advantages within Tanzania. Transformative-path industries hold the potential for rapid, export-led growth, thereby catalysing broad economic benefits across multiple sectors. Identified transformative-path industries include:

- Battery Manufacturing Value Chain: covering mining, refining, electrochemical cell manufacturing, module manufacturing, and battery pack assembly;
- Rare Earth Minerals Value Chain: encompassing mining, oxide production, metal processing, and magnet manufacturing;
- Gas-Related Value Chains: including natural gas (NG, LNG & CNG) and ammonia production;
- Fertiliser Industry: bolstered by the development of the broader chemical industry; and
- Iron and Steel Industry: despite Tanzania's substantial iron ore reserves, the current trade balance remains negative and is widening, necessitating targeted interventions to reverse this trend and foster domestic capabilities in iron and steel to meet rising demand associated with planned infrastructure and logistics expansion.

4.2. Energy Sector Transformation

Energy demand by 2050 is projected to reach at least 70,000 megawatts (MW). The current production capacity of 4,032 MW highlights the scale of the required investment. Strategic plans include large-scale renewable energy projects, transmission network expansion, and regional interconnectivity through power pools. Additional electricity will be generated from coal, gas, geothermal resources, water, wind, uranium, and solar power. Benchmarking UMIC countries underscores the urgent need for substantial capacity expansion and the modernisation of energy infrastructure. Industrialisation, manufacturing and adding value to diverse minerals and agricultural produce, attracting and appealing to foreign direct investors, modernising 10 mega-cities, enhancing logistics and transportation (roads, railways, airports and maritime), oil and gas pipelines, digitalising governance and promoting IT, and hence installing modern data servers, will only succeed if the country has sufficient, reliable and cost-effective energy while complying with environmental standards.

4.3. Development of Logistics Infrastructure

LTPP for Dira 2050 will build on infrastructure initiatives launched under the LTPP 2025. Strategic infrastructure projects, including the Standard Gauge Railway (SGR), port expansions in Dar es Salaam and Tanga, extensive road network upgrades, and nationwide broadband internet infrastructure, will substantially enhance connectivity and economic integration, making Tanzania a regional logistics hub. Currently, Tanzania's railway network spans approximately 4,700 km, corresponding to approximately 4 km of railway per 1,000 km², compared with an average of 15–25 km per 1,000 km² in UMICs. This substantial gap underscores the strategic imperative to expand and densify the rail network to support economic transformation and regional integration. Broadband penetration in Tanzania is approximately 25 percent of the population, considerably lower than the typical UMIC standard of above 80 percent. Moreover, Dar es Salaam's port throughput, at around 17 million tonnes annually, falls short of that of flagship and major UMIC ports, which average approximately 270 million tonnes annually, underscoring the urgency of strategic infrastructure investment.

LTPP leverages Tanzania's strategic geographic location to position the country as a premier logistics and maritime hub. This initiative capitalises on the nation's extensive coastline (1,424 km), key maritime and inland lake ports (including Dar es Salaam, Tanga, Mwanza, and Kigoma), inland waterways, and a comprehensive road network covering 86,472 km. The ongoing development of the Standard Gauge Railway, currently over 700 km from Dar es Salaam to Dodoma, will be extended to a target length of 2,500 km, greatly enhancing regional connectivity. Critical pipeline projects, including the Tanzania Zambia Oil Pipeline (TAZAMA) (1,710 km) and the East African Crude Oil Pipeline (EACOP, 1,445 km), are further complemented by reverse pipeline infrastructure facilitating the transport of refined petroleum products to inland Tanzania and neighbouring countries - Burundi, Rwanda, Uganda, and the Democratic Republic of the Congo (DRC). Gas pipelines such as Mtwara to Es Salaam (542 km) and Songo Songo to Dar es Salaam (225 km), as well as planned projects to Kenya and Uganda, will collectively strengthen regional energy security and economic integration.

Furthermore, upgraded airport facilities in Dar es Salaam, Kilimanjaro, and Zanzibar, along with new facilities such as Msalato Airport in Dodoma, as well as strategic investments in cold-chain logistics, are expected to yield significant economic benefits. These developments are expected to increase port throughput at an annual growth rate exceeding 30 percent, alongside substantial employment opportunities. Additional infrastructure projects, such as the Kalema–Kalemie Port connections to the DRC and the Kilwa Port, which facilitate cargo movement to the Comoros, will further enhance regional trade volumes and economic growth.

4.4. Human Capital Development and Productivity Enhancement

LTPP emphasises the strategic importance of education, skills development, and human capacity enhancement to align Tanzania with its aspirations to become an Upper Middle-Income Country (UMIC). Current educational quality and existing skills mismatches pose significant development hurdles. Literacy rates in Tanzania, at approximately 78 percent, are notably lower than the UMIC average, which exceeds 95 percent. To address these gaps, LTPP prioritises continued comprehensive educational reforms, targeted vocational training, and enhancements to higher education that closely align with evolving market requirements. Specific interventions include further modernisation of ongoing educational curricula reforms, extensive teacher capacity-building initiatives coupled with improved remuneration and incentive structures, and significant investments in digital education platforms to broaden access and improve quality.

Human capital development, encompassing both upgraded skills and the overall health and well-being of the workforce, is recognised as a foundational pillar for accelerating industrialisation, modernising logistics, enhancing public service delivery, and strengthening governance systems. To this end, comprehensive and harmonised training programmes will be established, tailored to the evolving needs of key sectors, including manufacturing, port and railway operations, customs administration, and logistics management. These capacity-building efforts will be complemented by robust health and well-being initiatives to ensure a resilient and productive labour force. Designed at both national and regional levels, these programmes aim to cultivate a highly skilled cadre capable of managing complex, technology-driven supply chains. This strategic investment in human capital will be instrumental in sustaining Tanzania's long-term economic competitiveness and inclusive growth.

4.5. Research, Innovation, and Technology

Current Research and Development (R&D) expenditure in Tanzania remains below 0.5 percent of GDP, substantially below 1.5 to 2.5 percent typically observed in Upper Middle-Income Countries (UMICs). LTPP proposes a strategic increase in R&D investment, development of innovation hubs, and incentives for entrepreneurship. Science and Technology are critical drivers of innovation and productivity across all sectors. Comparable nations have successfully harnessed biotechnology research for a broad range of manufacturing and pharmaceutical industries.

LTPP emphasises increasing STEM funding and modernising polytechnic infrastructure, including advanced laboratories, technology centres, and specialised training facilities in schools and universities. Addressing shortages in STEM capacity, especially through targeted programmes for women and girls, will ensure equitable participation in Tanzania's innovation ecosystem. A national policy framework will advocate the adoption of transformative technologies, such as renewable energy and biotechnology, and address ethical concerns associated with emerging technologies, including Artificial Intelligence (AI). This strategic alignment with societal values will facilitate the broad adoption of technology across production and services.

Establishing globally competitive technology zones and adequately funded, staffed innovation hubs will enhance research capacity and innovation, particularly in agriculture, manufacturing, and healthcare. Such initiatives will ensure that domestic industries directly benefit from tailored technological advances, positioning Tanzania as a regional technological leader.

Enhanced cooperation among government entities, academia, industries, and international partners will facilitate technology transfer, disseminate global best practices, and bridge existing skills gaps, laying the groundwork for robust technology forecasting and assessment institutions. Gender-inclusive initiatives, including targeted scholarships, mentorship programmes, and early talent development, will empower women and girls and foster a diverse STEM workforce essential to socio-economic growth.

4.6. Environmental Integrity and Climate Change Resilience

Ensuring sustainable environmental management and climate resilience is a cornerstone of Dira 2050 and a defining pillar of Tanzania's development strategy. The LTPP seeks to position Tanzania among the top ten African countries for environmental stewardship and climate adaptation by 2050. Strategic interventions will restore ecological integrity, strengthen climate resilience, and embed green growth across all sectors. Key priorities include halting land degradation and deforestation; expanding afforestation and wetland restoration; integrating land-use planning; setting out ambitious actions to advance ocean-based mitigation and adaptation; and strengthening synergies across the climate-biodiversity-ocean nexus and community-based conservation. By 2050, the goal is to achieve universal access to safe water, 100 percent urban waste management coverage, and net-zero deforestation. Climate actions will be mainstreamed through a gender-responsive, low-carbon development pathway, with targeted investments in renewable energy, smart urban infrastructure, sustainable land management, and circular economy models. Institutional capacity, including the Tanzania Meteorological Authority (TMA), will be strengthened to deliver precision early-warning systems and climate services. With enhanced climate finance, ESG-aligned investments, and innovation in pollution control, water security, and waste-to-energy systems, Tanzania aims to build a prosperous, climate-ready, and environmentally sustainable future by 2050.

4.7. Flagship Programme Areas

LTPP has identified fourteen indicative flagship programme areas and projects to drive industrialisation, digital and green growth, human capital development, and inclusive competitiveness in regional and global markets, as follows:

No.	Programme
1	Tanzania Industrial Leap
2	Mining and Industrial Integration
3	Smart Tanzania: Digital Infrastructure and ICT Innovation Frontier
4	Resilient Tanzania: Climate and Green Growth Initiative
5	Connected Nation: Transforming Transport, Infrastructure and Logistics
6	NextGen Energy: Empowering a Sustainable Tomorrow
7	People First: Health, Education and Skills for the Future
8	The Transformative Governance Initiative
9	Future Cities Tanzania
10	Tanzania Open for Business: Trade and Investment Surge
11	Experience Tanzania: Tourism and Cultural Renaissance
12	AgriRise: Rural and Agricultural Transformation
13	Innovation Powerhouse Tanzania
14	Future Finance: Digital and Inclusive Financial Reform

5. Underpinning Conditions

5.1. Democracy, Constitutionalism, and Governance

Achieving Tanzania's USD 1 trillion GDP goal by 2050 requires significant governance and democratic reforms. Despite moderate performance in global governance indices, substantial improvements are needed to eliminate corruption and rent-seeking, reduce inefficiencies, and enable broader public participation in political and policymaking processes, which are essential for sustainable economic growth. LTPP places constitutional

reforms at its core, emphasising judicial and legislative independence, strengthened accountability frameworks, and transparency in public administration. Empirical evidence from successful upper-middle-income countries (UMICs) confirms that governance reforms underpin stable, prosperous economies.

Strengthening democratic institutions and constitutionalism is vital for safeguarding citizens' freedoms, ensuring equitable resource distribution, promoting peace and security, and ultimately maintaining national unity. Although Tanzania's political stability index improved from -0.86 (2003) to -0.05 (2023), it remains below the regional UMIC benchmark of 0.15 in 2024. Challenges persist in voice and accountability, electoral integrity, political pluralism, and media freedom. Therefore, LTPP prioritises comprehensive constitutional reforms by 2030 to align with recent developments, including the recent registration, to promote broader citizen participation and improve accountability.

Good governance reforms under LTPP aim to improve efficiency, enhance fiscal prudence, and modernise law enforcement mechanisms. Key measures include expanding digital government, institutionalising transparency, and achieving a top 80 global ranking in the Control of Corruption Index by 2040. Furthermore, decentralisation will be intensified to enable local government authorities to generate adequate own-source revenue, thereby significantly improving the efficiency of public service delivery at the grassroots level. These measures aim to enhance the effectiveness and responsiveness of the governance structure for efficient service delivery.

5.2. Mindset Change

LTPP for Dira 2050 demands more than institutional reforms. It requires a profound transformation of mindset across all sectors, with a focus on productivity, self-reliance, innovation, and the embrace of change. The private sector is expected to be the primary engine of growth, partnering with the government as it transitions from a survivalist mindset to a proactive and responsible development partner. The government needs to increasingly play a facilitative role as enabler and promoter of excellence in service delivery. Political leadership should embrace visionary, reform-oriented stewardship.

The civil service must move from gatekeeping to a professional, merit-based service. Citizens, too, must actively seek solutions and take ownership of their development agenda, shifting from dependence to active participation, demanding accountability, paying taxes, and engaging in innovation and entrepreneurship.

These mindset changes must be anchored in shared values practised within UMICs: meritocracy, responsibility, honesty, integrity, and innovation. Therefore, the core values guiding implementation include meritocracy, integrity, transparency, political neutrality, results orientation, competitiveness, equality, and sustainability. All these require the highest standard of political hygiene.

6. Implementation Framework and Institutional Coordination

Achieving Tanzania's ambitious goal requires robust oversight of implementation, policy and institutional/organisational coordination, and effective monitoring and evaluation mechanisms. Reviews of previous implementation plans (e.g., LTPP 2025) identified significant shortcomings, including delayed establishment of oversight structures, fragmented coordination, inadequate financing strategies, and an accountability framework that weakened resource allocation and diluted effectiveness.

Evaluations revealed that the absence of clear national priorities led to insufficient sequencing of interventions, inefficient project implementation, and limited coordination among ministries, departments, and agencies (MDAs), resulting in overlapping interventions and inadequate utilisation of resources. Moreover, weak institutional anchoring, particularly the instability and limited autonomy of the NPC, further impaired oversight and led to the selection of too many interventions, which spread resources thinly, thus limiting developmental impact.

Critical lessons drawn from past experiences and comparative insights from Upper-Middle-Income Countries (UMICs) underscore the need to establish independent oversight institutions early, to ensure robust institutional coordination, to adopt integrated financing strategies, to safeguard (ring-fence) funding for strategic interventions, and to implement comprehensive reporting frameworks. Additionally, the importance of a clear communication strategy to foster stakeholder awareness and engagement was emphasised.

To address these challenges and ensure inclusivity, the NPC may institute an organ for collaboration and networking with representatives from the private sector, civil society organisations (CSOs), and academia to discuss critical issues related to planning, review progress, examine the interconnections between sectoral policies and legal and regulatory frameworks, and propose the required actions and reforms to the Chairperson of the NPC.

Additionally, ensuring compliance with sectoral planning and implementation under the Five-Year Development Plans (FYDPs) will ensure coherence and effectiveness in policy execution. These plans are guided by established themes and are as follows:

FYDP IV	Reforms for Inclusive Economic Growth and Employment Creation
FYDP V	Enhancing Investment and Technological Infusion for Human Capital Capabilities and Social Development.
FYDP VI	Bolstering Innovation for Industrialisation and Human Development.
FYDP VII	Anchoring Production and Trade Infrastructure into the Global Value Chains.
FYDP VIII	Strategising a Leap Forward into a High-Income Country status

This structured approach ensures that sectoral strategies align with national objectives through proper sequencing, enhanced coordination, accountability, and sustained developmental impact.

The private sector is expected to be the principal engine and driver of economic growth, investment, job creation, and innovation in Tanzania's long-term development agenda. To this end, ongoing policy and institutional reforms are deliberately geared towards enabling a more competitive, efficient, and resilient private sector.

The implementation ecosystem will be anchored in robust public-private collaboration, supported by strategic partnerships with think tanks, academia, and development partners. Private-sector apex organisations, corporate actors, and industry bodies will play a central role in policy dialogue, investment mobilisation, and accountability. These efforts will ensure that the private sector not only participates in but also leads Tanzania's transformation towards a dynamic, inclusive, and sustainable economy.

Result-Based Monitoring, Evaluation, Accountability and Learning (RBMEA&L) will utilise advanced technological frameworks, including real-time data dashboards, automated reporting, and predictive analytics. Comprehensive guidelines will ensure alignment of planning, budgeting, and reporting processes across national, regional, and local government levels, thereby strengthening effective, accountable frameworks. The resulting coordinated, accountable, and data-driven governance structure aims to facilitate the effective realisation of Tanzania's long-term socio-economic transformation objectives under LTPP.

7. Financing and Resource Mobilisation

Achieving *Dira 2050* requires sustained, strategic investments averaging more than 35 percent of GDP annually, with a targeted Incremental Capital-Output Ratio (ICOR) of 4 or less. The total investment requirement increases progressively across the Five-Year Development Plans (FYDPs): USD 183 billion for FYDP IV, USD 289 billion for FYDP V, USD 542 billion for FYDP VI, USD 988 billion for FYDP VII, and USD 1.58 trillion for FYDP VIII. Based on historical fiscal performance, government revenues, including tax collections and concessional financing, are projected to cover approximately 22 percent of total financing needs. The majority of the investment gap, around 57 percent, is expected to be mobilised through Foreign Direct Investment (FDI). The remaining 21 percent will be financed by the domestic private sector and Public and Statutory Corporations (PSCs).

Fiscal space constraints, rising arrears, declining Overseas Development Assistance (ODA), stringent conditions on concessional loans, a narrow tax base, and a mounting debt burden require innovative financing mechanisms. Insights from LTPP 2025 indicate limited success in meeting financing targets and inadequate use of alternative funding sources, including PPPs, municipal and infrastructure bonds, and natural resource wealth. These insights highlight the critical need for robust institutional and policy frameworks to facilitate resource mobilisation.

Domestic revenue generation, historically below regional averages, needs significant improvement. Tanzania's tax-to-GDP ratio averaged approximately 12 percent between 2018 and 2024, below the Sub-Saharan Africa average of 16.3 percent. Challenges include administrative inefficiencies, tax exemptions with limited impact on economic growth, and limited taxation of the informal sector and some parts of the agricultural sector. Recommended reforms include expanding taxpayer registration, rationalising exemptions, formalising the informal sector, leveraging digital tax technologies, and strengthening Local Government Authorities' revenue collection through enhanced autonomy and stronger resource management capacity.

Private-sector involvement is pivotal, requiring deeper financial markets that harness capital from domestic, regional, and global investors. Tanzania's financial market, dominated by banks with limited long-term lending capacity, requires structural reforms. Recommended measures include gradual consolidation, a robust sovereign yield curve, incentives for the issuance of green and corporate bonds, and easing entry barriers to the Dar es Salaam Stock Exchange (DSE) to deepen the capital market.

Tanzania can strengthen its development financing through diverse, innovative instruments beyond traditional sources. Key strategies include diaspora bonds to mobilise savings from abroad for infrastructure, health, and education; blended finance to combine public, private, and philanthropic capital for sectors like agriculture and energy; and pension funds for long-term infrastructure investment. A sovereign wealth fund built on surplus revenues from natural resources can provide stable financing for strategic projects. Green and climate finance, including green bonds, carbon trading, and a proposed National Climate Fund, can attract ESG-aligned investments for renewable energy and low-carbon initiatives. Domestically, capital market instruments such as infrastructure and green bonds should be expanded.

Newer models, such as social impact bonds, blockchain financing, and marine biotechnology, offer additional revenue streams. Enabling policies like tax incentives and land value capture mechanisms, will further unlock private capital and enhance Tanzania's fiscal resilience and sustainable growth.

Strategic public expenditure management reforms are critical. Prioritising development expenditure over recurrent costs, implementing robust Medium-Term Expenditure Frameworks (MTEFs), and strengthening oversight through digital tracking systems will enforce fiscal discipline and ensure high fiduciary standards. Public Financial Management improvements, including Integrated Financial Management Information Systems (IFMIS) and zero-based budgeting (ZBB), are necessary to reduce waste and improve resource allocation efficiency.

Enhancing Tanzania's attractiveness to private investment requires regulatory simplification, robust investor protection mechanisms, avoidance of policy reversals, targeted and predictable fiscal incentives, and the establishment of effective Public-Private Partnership (PPP) frameworks. Strengthening institutional capacity and fostering international cooperation for resource mobilisation through multilateral institutions (the World Bank, AfDB, and the IMF) are integral strategies.

A strategic blend of conventional and innovative financing, rigorous fiscal reforms, enhanced private-sector involvement, and strengthened international partnerships is critical to achieving Tanzania's LTPP investment goals and sustainable economic growth.

8. Expected Benefits and Socio-economic Impact

The Long-Term Perspective Plan 2026/27 – 2050/51 promises transformative outcomes, significantly elevating Tanzania's socioeconomic landscape. Through strategic interventions, the plan aims to substantially increase GDP per capita, stimulate robust economic growth, and dramatically reduce poverty nationwide. By fostering gender-inclusive job creation across multiple sectors, LTPP seeks to achieve equitable income distribution, mitigate socioeconomic disparities, and ensure comprehensive equality for women, youth, and people with disabilities. Improved access to quality health care, maternal and childcare, and education will enhance human capital development, resulting in a more skilled, productive workforce ready to meet future economic challenges. Emphasising sustainability, LTPP integrates comprehensive environmental management practices to ensure growth is resilient to climate change and natural resource depletion. The expected broader outcomes include strengthened governance structures, increased foreign direct investment, accelerated industrialisation, and enhanced global competitiveness. Ultimately, through coordinated action, strong partnerships, and strategic investments in people, infrastructure, and innovation, Tanzania can realise its goal of becoming a Prosperous, Just, Inclusive, and Self-Reliant Upper-Middle-Income Nation by 2050.

9. Risks and Mitigation Strategies

The LTPP identifies 23 critical risk areas, comprising 13 generic and 10 sector-specific risks, that may undermine its long-term goals. Generic risks include economic instability, governance and political shortfalls, regulatory and business-environment barriers, technological threats, demographic shifts, weak education systems, public health gaps, and environmental degradation. Sector-specific risks span agriculture, manufacturing, mining, oil and gas, tourism, finance, sports and creative industries, carbon trade, water, sanitation, and energy.

Seven risks are rated extreme and require urgent intervention. These relate to governance, political tensions, internal security, regulatory complexity, infrastructure deficits, environmental shocks, and weaknesses in the energy system. Nine risks are considered high and require immediate action. These include economic and business vulnerabilities, technological disruptions, misalignment in education and health systems, and sectoral inefficiencies in agriculture, manufacturing, mining, and water and sanitation. Seven risks are deemed moderate and require steady improvements in control. These involve geopolitical and demographic pressures, as well as emerging challenges in the oil and gas, tourism, finance, sports, creative industries, and carbon trading sectors. These risks are interconnected and can be mitigated through diversifying the economy, strengthening governance and institutions, investing in infrastructure and human capital, enhancing environmental and security resilience, and leveraging technology and innovation to ensure inclusive, adaptive, and sustainable development across all sectors.



The Context

1.1. Introduction

Dira 2050 sets out Tanzania's long-term transformation path to becoming an Upper-Middle Income Country (UMIC) by 2050. This ambitious vision reflects the country's aspirations for sustained economic growth, social transformation, and environmental sustainability, underpinned by inclusive development and technological advancement. To operationalise this Vision, the Long-Term Perspective Plan 2026/27–2050/51 (LTPP) has been developed as a strategic framework outlining actionable priorities, sequenced interventions, and measurable outcomes. It provides a coherent roadmap for guiding national and sectoral planning, resource allocation, and coordination across sectors and levels of government over the next 25 years. It builds on past development achievements, addresses persistent challenges, and positions Tanzania to seize emerging opportunities in a rapidly evolving global landscape.

1.2. Rationale of Long-Term Perspective Plan

Tanzania has a long-standing and rich tradition of socioeconomic development planning, anchored in LTPPs since independence. In 1964, the Government launched its first LTPP, covering the period from 1964 to 1980. This was operationalised through three successive Five-Year Development Plans (FYDPs): the First FYDP (1964–1969), the Second FYDP (1969–1974), and the Third FYDP (1975–1980). However, implementation of these plans faced numerous challenges, including recurring droughts, global oil shocks, adverse weather conditions, and the war with Uganda under Idi Amin in the late 1970s. As a result, the Third FYDP was discontinued in 1976 due to these compounded crises.

In 1981, the Government introduced a second LTPP (1981–2000), intended to be implemented through four medium-term development plans. Despite being well articulated, these plans were not operationalised because of the ongoing economic crises of the late 1970s and early 1980s. The magnitude and persistence of these crises, triggered by global, regional, and national socio-economic shocks, prompted a shift to “needs-based” short-term programmes.

These included the National Economic Survival Programme (NESP 1981–1982), the Structural Adjustment Programme (SAP 1983–1985), and the Economic Recovery Programmes (ERPs 1986–1995). These emergency responses led to fragmented, crisis-driven planning that hindered strategic investment and coherent long-term development.

In response, the Government launched Vision 2025 in 2000 to guide the nation towards structured long-term development planning. Despite provisions for periodic assessments, the anticipated five-year plans were not developed concurrently. This delay was partly due to the institutional reform conditions under the Heavily Indebted Poor Countries (HIPC) Initiative, which required Tanzania to adopt Poverty Reduction Strategies (PRS) and short-term rolling plans to qualify for debt relief. While PRS (MKUKUTA I and II) offered short- to medium-term guidance, they lacked coherence and a strategic framework for realising Vision 2025.

Recognising this gap, the Government reviewed the implementation of Vision 2025 in 2010, and the findings underscored the need for a coordinated framework to align institutional efforts and prioritise resource allocation. This led to the formulation of the LTPP 2025 (2011/12–2025/26), designed to implement the remaining 15 years of Vision 2025. The LTPP 2025 was implemented through three thematic FYDPs: FYDP I – Unleashing Tanzania’s Latent Growth Potential; FYDP II – Nurturing Industrialisation for Economic Transformation and Human Development; and FYDP III – Realising Competitiveness and Industrialisation for Human Development.

LTPP 2025 has been instrumental in Tanzania’s socio-economic transformation, helping the country navigate multiple global crises, including the 2008 financial crisis and the COVID-19 pandemic. Notably, Tanzania transitioned to Lower Middle-Income Country (LMIC) status in 2020, marking a major milestone towards Vision 2025. Implementing flagship projects such as the Standard Gauge Railway (SGR) and the Julius Nyerere Hydropower Project (JNHPP) catalysed industrialisation, boosted competitiveness, and enhanced human development outcomes.

Through FYDPs, Tanzania has achieved progress in socio-economic transformation. These include consistent GDP growth averaging 6.2 percent between 2002 and 2024, improved access to education, healthcare, water, electricity, and communication services, and strengthened governance systems. These gains have improved livelihoods and laid the groundwork for sustained development. However, significant structural and social challenges remain. Key constraints include low agricultural productivity, limited industrialisation, and underdeveloped human capital. The dominance of the informal sector, coupled with misalignment between education outcomes and labour market needs, continues to limit innovation and economic inclusivity. Persistent skills gaps, especially among youth, women, and persons with disabilities, hinder competitiveness. Value addition across key sectors such as mining, agro-processing, and manufacturing remains limited, restricting Tanzania’s integration into global value chains. Socio-economic disparities, including regional inequalities, gender gaps, and inadequate WASH services, disproportionately affect rural women and vulnerable groups. Challenges such as maternal mortality and climate vulnerability further undermine inclusive well-being.

In addition, governance inefficiencies have constrained the full realisation of Vision 2025. Sub-institutional capacity, bureaucratic delays, and limited accountability mechanisms have slowed project execution and led to resource misallocation. Relatively few planned FYDP projects were completed on time. Furthermore, economic development remains unevenly distributed, with urban centres such as Dar es Salaam, Mwanza, Mbeya, Dodoma, and Arusha receiving most of the benefits, while rural regions have poverty rates exceeding 40 percent. These disparities pose risks to national cohesion and sustainable development.

As Vision 2025 draws to a close, the Government has prepared the LTPP as an implementation tool for Vision 2050, providing a strategic, forward-looking roadmap for the next 25 years of transformation and defining the path to UMIC status. It aims to deliver spatially balanced growth, enhance public-sector efficiency, and strategically target high-impact sectors to drive inclusive, forward and backward linkages and competitive development.

1.3. External Dynamics and Trends

The implementation of LTPP will be shaped by both regional and global factors, presenting both opportunities and challenges. As the country moves towards its vision, it is vital to assess how evolving global and regional dynamics will affect its future ambitions. These include shifting trade patterns, geopolitical tensions, and regional integration efforts. The African Continental Free Trade Area (AfCFTA) presents a valuable opportunity for Tanzania to expand its export markets and enhance its role in regional value chains. However, the current export base remains narrow, dominated by traditional commodities, which limits economic resilience. Diversifying into

higher-value sectors such as agro-processing, textiles, and processed minerals, and targeting emerging markets in Asia and the Middle East, are essential. Achieving this requires large-scale infrastructure development and the creation of a more competitive, efficient business environment. However, persistent logistical and regulatory hurdles drive up trade costs, undermining competitiveness. Regional security concerns and diplomatic frictions could also disrupt trade and infrastructure development. Nonetheless, Tanzania's legacy as a regional peace broker can be leveraged to foster cooperation, reinforce stability, and boost investor confidence, all of which align with LTPP's focus on transformation and integration.

On the global front, several emerging trends, including digitalisation, climate change, and evolving geopolitical dynamics, are poised to shape Tanzania's future development pathway. Digital transformation offers a crucial opportunity to enhance productivity across key sectors, including agriculture, manufacturing, and services. Yet with only a quarter of the population connected to the internet as of 2022, Tanzania faces a significant digital divide. Bridging this gap requires robust investment in digital infrastructure, education, and innovation to ensure inclusivity and competitiveness. At the same time, climate change remains a pressing threat, especially to the agriculture sector, which supports the majority of the workforce and a significant portion of GDP. Erratic weather patterns and declining crop yields are already impacting livelihoods and food security. Economic infrastructure and human settlements, both in rural and urban areas, especially in unplanned areas, are also vulnerable to the effects of climate change. Tanzania must adopt climate-smart practices, develop resilient infrastructure, and transition towards renewable energy in accordance

with global commitments while safeguarding national interests. Accessing global climate finance and the growing carbon trade will be critical to support these initiatives, ensuring both adaptation and sustainable growth. Together, these efforts will play a key role in realising long-term goals and fostering a more resilient, inclusive, and future-ready economy.

1.4. Critical Issues Driving LTPP

Based on the review of past implementation and external dynamics and trends, the following critical issues have been identified for LTPP to succeed:

- i. **Rapid Population Growth and Resource Pressure:** While offering economic and demographic opportunities, rapid population growth, if not managed, will strain natural resources, infrastructure, and social services, threatening long-term economic sustainability and social stability.
- ii. **Low Productivity and Economic Transformation Gaps:** Persistently low productivity across agriculture, manufacturing, and services will hinder structural transformation and limit Tanzania's ability to industrialise, modernise agriculture, and compete globally.
- iii. **Inequality and Human Capital Deficits:** Income disparities, gender inequality, inadequate access to quality education, health, and skills development, particularly for youth and vulnerable groups, will undermine employability, inclusive growth, and social cohesion.
- iv. **Inadequate Energy, Infrastructure, and Regional Connectivity:** Inadequate, unreliable, and unsustainable energy, underdeveloped urban infrastructure, and limited regional logistics capacity will constrain industrial growth, urban transformation, socioeconomic digitisation, and Tanzania's ability to become a regional trade and transport hub.
- v. **An unfavourable business environment** hampers investment, constrains entrepreneurial growth, fosters informality in social and economic activities, and slows social and economic development.
- vi. **Limited Access to Development Finance and Public Resource Leakages:** Tanzania faces significant challenges in mobilising sufficient financial resources to support the ambitious projects and reforms outlined in LTPP. These challenges are compounded by inefficiencies and inadequate prudence in public spending, which further constrain fiscal space. Achieving the Plan's objectives requires strengthening public financial management, a vibrant financial sector, and a transparent, stable, and competitive business environment to attract substantial private investment, particularly FDI.
- vii. **Limited Institutional Capacity:** Challenges, such as corruption, ineffectiveness, and accountability, if not addressed, will undermine the implementation of reforms and delivery of development outcomes.

- viii. **Unproductive Mindsets and Behavioural Norms:** Entrenched attitudes across the public sector, private sector, and citizenry: Civil servants – focusing more on controls than on a facilitative mindset; Private sector – risk aversion, defensiveness, and camouflaging in the informal sector; and citizenry – must take ownership of their development by focusing on increasing productivity, self-reliance, innovation, and embracing change.
- ix. **Tanzania's Rapid Urbanisation:** With urban areas projected to account for 50 percent of the total population by 2050, this poses a critical challenge due to inadequate infrastructure, unplanned settlements, rising unemployment, and environmental degradation. Addressing these pressures is essential to ensure equitable access to services, reduce regional disparities, and achieve environmentally resilient urban development.
- x. **Inadequate Investment in Science, Technology, Innovation, Data Management, and Statistics:** Inadequate investment in science, technology, innovation, data management, and statistics hampers technological advances and disrupts evidence-based decision-making. Underdeveloped infrastructure, low R&D investment, and limited technology transfer hinder progress in key sectors. These gaps constrain the country's ability to leverage innovation for sustainable growth and development.
- xi. **Widespread Economic and Business Informality:** A significant portion of the population relies on informal economic activities, limiting their access to finance, social protection, and business opportunities. This undermines tax and non-tax collection, hampers business growth, and reduces the country's competitiveness in the global market. Formalising the economy is essential for empowering individuals, enhancing inclusion, and unlocking broader economic opportunities.

1.5. Focus of LTPP 2026/27 – 2050/51

LTPP outlines strategic interventions with clear priorities and a defined sequence to address the pressing issues identified in the Vision 2025 Implementation Evaluation Report. Recognising the pressure of rapid population growth on land, services, and infrastructure, the Plan promotes sustainable urbanisation, integrated planning, and expanded access to quality public services. To accelerate economic transformation, the Plan prioritises productivity gains across agriculture, industry, and services through digitalisation, innovation, and targeted value-chain development.

Addressing limited access to development finance and curbing public resource leakages is central to the successful implementation of LTPP. To mobilise the scale of investment required for Tanzania's transformation, the Plan prioritises creating a stable, transparent, and investor-friendly business environment that attracts both domestic and foreign private capital. Key interventions include strengthening public financial management, including the rationalisation of recurrent

versus development expenditure, enforcing accountability, and undertaking legal and regulatory reforms to improve the efficiency of the investment climate. In doing so, LTPP aims to unlock substantial FDI to finance critical infrastructure, energy, and industrial initiatives, while catalysing entrepreneurship and job creation across all regions.

The Plan also emphasises governance reform and cultural transformation as key enablers of progress. By promoting institutional effectiveness, public-sector accountability, and citizen engagement, LTPP seeks to create a high-performing, merit-based, and inclusive service-delivery system. Human capital development remains central, with a strong focus on gender equality, digital and STEM, and climate-resilient livelihoods. It also supports climate-smart investment, sustainable resource management, and regional cooperation to strengthen Tanzania's competitiveness and resilience to external shocks.

1.6. Methodology

Preparation of the LTPP 2026/27 – 2050/51 adopted a semi-structured, participatory, and evidence-based approach aligned with Dira 2050 and grounded in development planning history and global best practices. The process began with a review of Vision 2025 and LTPP 2025 to identify achievements, challenges, and bottlenecks. Lessons from UMICs that have transitioned from agrarian economies to industrial and service-based systems informed the formulation, particularly those with similar population dynamics, over 100 million people, and land resource endowments. This enabled benchmarking of Tanzania's strategic position against UMICs (Annex 1).

A robust approach was employed, encompassing literature reviews, data analysis, and sectoral deep dives across priority areas, particularly agriculture, mining, oil and gas, energy, logistics, manufacturing, education, health, and social welfare. This approach enabled the translation of Dira 2050 strategic goals and aspirations into objectives, targets, and interventions, using a Theory of Change and a People-Centred Development Philosophy. Following deployments in technical labs and deep dives, the outcomes were validated by stakeholders across government, research and academia, the private sector, financial institutions, development partners, civil society, and the general public. Projections and performance targets across sectors were based on national baseline data, using the most recent available statistics. Projections for intermediate milestones and the 2050 targets were informed by historical trends, relevant literature, and benchmarks from UMICs. These were further refined through consultation with the respective MDAs. The results informed recommendations for required reforms in governance and the corresponding institutions. Macroeconomic modelling further refined projections of population and GDP. These, together with experience from UMICs and analysis of Government fiscal trends, helped establish investment needs and financial requirements, culminating in the prioritisation and phasing out of interventions within the FYDPs IV–VIII roadmap.

1.7. Document Layout

The remainder of the document is structured into five chapters. Chapter Two presents the conceptual framework for LTPP 2026/27 – 2050/51, highlighting its foundational concepts and alignment with Vision 2050. Chapter Three sets out the strategic direction and priority interventions required to operationalise the Vision through a sequenced, actionable approach. Chapter Four addresses implementation oversight and coordination to ensure the effective delivery of expected outcomes and impacts. Chapter Five outlines financial requirements and mobilisation strategies. Chapter Six identifies potential risks that could disrupt implementation and recommends mitigation measures.

Government
has prepared
the LTPP as an
implementation
tool for Vision
2050

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CHAPTER
ONECHAPTER
TWOCHAPTER
THREECHAPTER
FOURCHAPTER
FIVECHAPTER
SIX

Conceptual Framework

2.1 Overview

This chapter delineates the conceptual foundation of LTPP 2026/27 – 2050/51, in relation to Dira 2050, which guides Tanzania’s transformation into a prosperous, just, inclusive, and self-reliant UMIC by 2050. The chapter articulates the architecture, strategic goals, and development philosophy, anchored on an integrated Theory of Change. Drawing on experiences from UMICs, the chapter identifies critical enablers of transformation and outlines how Tanzania can avoid the middle-income trap by addressing key challenges, including low productivity, limited integration into global market value chains, and institutional gaps. Central to this strategy is the 3i (Investment–Infusion–Innovation) framework for building internal productive capacity, supported by institutional reforms, targeted interventions, and private-sector engagement. It also underscores the essential roles of public institutions, Public and Statutory Corporations (PSCs), and non-state actors. The framework strategically integrates ESG (Environmental, Social, and Governance) principles, inclusivity, and innovation for sustainability.

2.2 The Central Agenda

The Dira 2050 is the central agenda, with a core mission to transform Tanzania into a prosperous, just, inclusive, and self-reliant nation. It focuses on building a diversified, resilient, inclusive, and competitive upper-middle-income economy, aiming for a trillion-dollar GDP and a per capita GNI of at least USD 7,000 by 2050. More importantly, it emphasises ensuring a high quality of life and well-being for all, with human development at its centre, underpinned by robust economic growth and wealth creation to raise living standards and eradicate extreme poverty in all its forms, supported by a highly skilled workforce. It also envisions transforming Tanzania into a dynamic regional hub for industry, trade, logistics, and innovation, underpinned by a diversified, inclusive, and globally competitive economy. Central to this ambition is developing a society that upholds environmental integrity and builds resilience to climate change. This vision seeks to foster a future defined by shared prosperity, social inclusion, justice, and national self-reliance.

These aspirations must be translated into action, hence the LTPP. To achieve UMIC status with such characteristics, the Tanzanian government and society must embrace transformative changes in mindset, policies, institutions, and ways of doing business, including adopting business-friendly, pro-private-sector development policies, embracing digital transformation, and leveraging the nation's strategic geographic location to boost transit trade and tap into regional and global supply chain opportunities. In addition, it must advance industrialisation and the commercialisation of agriculture to drive economic transformation, poverty reduction, and wealth creation. In this context, a key focus is on human capital development, with a focus on innovation, entrepreneurship, environmental integrity, and social and political accountability. Given the nation's demographic composition, special emphasis is placed on ensuring that youth and women play active roles in national development, while adopting measures to manage population growth. The private sector is a major driver of socio-economic transformation, promoting inclusive and sustainable growth by raising capital, unleashing innovation, and expanding into new markets.

Additionally, Tanzania's foreign policy at both the regional and global levels must be tailored to solidify the country's reputation as a stable partner in peacekeeping and regional cooperation. This positioning aims to enhance trade, attract investment, and promote economic diversification. LTPP underscores that, in this journey, Tanzania must navigate headwinds, including heightened policy uncertainty, geopolitical tensions, economic fragility, climate change, rapid urbanisation, and disruptive technologies. Embracing green technologies, digital innovations, and a flexible governance approach will be crucial to mitigating risks and seizing emerging opportunities driven by technological change and other global trends.

2.3. High-Level Goals and Targets

Dira 2050 has been further defined as a set of concrete and measurable goals and targets for the envisaged economic, social, political, governance and developmental aspects that must be achieved by the turn of 2050, as reiterated hereunder:

GOAL 1: A diversified, resilient, inclusive and competitive upper-middle-income country

Target

- i. An industrialised, knowledge-based, upper-middle-income country with a one-trillion-dollar economy and a per capita income of at least US dollars 7,000.
- ii. Extreme poverty eradicated, with a focus on women and people with disabilities.
- iii. A leading food basket in Africa and among the top ten globally.

GOAL 2: High quality of life and well-being for all**Target**

- i. An industrialised, knowledge-based, upper-middle-income country with a one-i. Tanzanians are healthy and happy, with an average life expectancy of 75 years.
- ii. All girls and boys are holistically nurtured and thriving, with at least 90 percent of children developmentally on track by the age of five
- iii. Elimination of maternal, newborn, and child mortality.
- iv. Universal health coverage.
- v. A high-quality and inclusive education and training system at all levels.
- vi. All girls and boys have equitable access to quality early learning and pre-primary education, laying a strong foundation for lifelong learning and well-being.
- vii. All Tanzanians have access to high-quality basic education, and at least 25 percent attain higher education and acquire relevant skills.
- viii. Universal access to comprehensive, inclusive social protection.
- ix. Universal access to safe, clean water and sanitation, affordable clean energy, and decent housing.
- x. At least 50 percent of Tanzanians hold decent jobs in the formal sector.
- xi. Achieve a per capita electricity consumption of at least 3,000 kWh.
- xii. Tanzania leads Africa and ranks among the top ten countries globally in terms of reducing the gender gap by at least 85 percent.

GOAL 3: A nation that conserves and sustainably, efficiently and optimally utilises natural resources, maintains environmental integrity, and is climate change resilient**Target**

- i. Enhanced environmental performance and climate adaptation indices, ranking among the top ten countries in Africa.

GOAL 3: A digitally empowered society that embraces innovation, drives the country's productivity and competitiveness

Target

- i. A digitally empowered society, with at least 70 percent of citizens demonstrating digital literacy and more than 50 percent of government services accessed through secure, inclusive digital platforms.
- ii. Over 80 percent of government services are accessed via digital channels.

2.4. Salient Features of Tanzania versus UMICs

LTPP is firmly anchored in the need to realise the aspirations of Dira 2050 and therefore strategically elaborates on Tanzania's future socioeconomic development in line with UMIC levels. Through a comparative and evidence-based approach, the Plan sets out a structured roadmap for Tanzania's socio-economic transformation. UMICs are typically characterised by diversified economies, with strong industrial and service sectors that drive productivity, resilience, and inclusive growth. In contrast to economies reliant on primary commodities, UMICs have successfully developed robust manufacturing and value-added industries, underpinned by export-led strategies and technological advancement. As of July 2024, the World Bank classified these countries as having a Gross National Income (GNI) per capita ranging from USD 4,516 to USD 14,005, a critical benchmark Tanzania aims to meet. Economic diversification of UMICs is reflected by the industrial sector contributing 25-40 percent, the service sector 50-70 percent, and agriculture less than 10 percent of GDP. Their success highlights the centrality of strategic planning, targeted reforms, and sustained long-term investment in delivering resilient and inclusive development outcomes.

Beyond economic diversification, UMICs consistently demonstrate strong performance across critical enabling sectors, including infrastructure, energy, and digital transformation. In UMICs with populations exceeding 100 million, electricity generation capacity typically exceeds 70,000 MW, and internet penetration rates exceed 70 percent, reflecting advanced digital integration and broad access to information and services. These countries also score between 50 and 100 on the Corruption Perceptions Index and maintain an average urban waste collection rate of 76.25 percent, indicators of effective governance and urban service delivery. Investments in reliable electricity, efficient transport systems, digital connectivity, and research and development (R&D) underpin their global competitiveness and economic resilience. Furthermore, UMICs emphasise environmental sustainability through the deployment of renewable energy, the adoption of climate-resilient development practices, and the implementation of integrated urban waste management systems. This holistic approach ensures that economic progress is pursued without compromising ecological integrity or public well-being. For Tanzania, embedding these principles into its development trajectory is critical to securing a balanced, inclusive, and sustainable transition to UMIC status.

The experiences of UMICs offer important lessons on the drivers of sustainable transformation. Economic diversification, industrialisation, electrification, and digital innovation are consistently reinforced by strong human capital, ethical work practices, and institutional stability. Many UMICs have effectively leveraged FDI, strategic industrial policies, and technology transfer to enhance their competitiveness. In parallel, well-developed, low-cost financial systems, reflected in high growth in private-sector credit-to-GDP ratios, have supported private-sector expansion and innovation. Equally vital are investments in education, healthcare, and skills development, which have resulted in improved life expectancy, lower child mortality, and higher tertiary enrolment. These outcomes, combined with transparent governance and inclusive policies, contribute to a supportive environment for fair and sustained growth.

Informed by these insights, LTPP defines a development approach that prioritises infrastructure, innovation, governance, and human capital as cornerstones of Tanzania's journey towards upper-middle-income status. The Plan adopts a 3i framework (Investment – Infusion – Innovation) as its core strategy to accelerate industrialisation and socio-economic transformation. Given the country's limited capacity to mobilise domestic capital, emphasis is placed on attracting FDI, facilitating technology transfer, and cultivating innovation ecosystems. Further comparative analysis highlights the critical role of modern logistics systems, research and development (R&D), and digital governance in boosting national productivity and service efficiency. By benchmarking its goals and interventions against the proven pathways of UMICs, LTPP

identifies key success factors and strategic priorities that will guide Tanzania towards an inclusive, resilient, and competitive future, as follows:

- i. Focus on major investment and expansion of energy generation capacity to about 70,000 MW, logistics, and transportation.
- ii. Big push for structural transformation in agriculture to enhance productivity, commercialisation, and policy predictability.
- iii. Labour productivity growth is crucial across key value chains, including manufacturing and the service sector.
- iv. Increasing private-sector investment, particularly in labour- and technology-intensive industries, non-farm activities, and value-added activities in agricultural and mineral processing, is crucial.
- v. Addressing informality by ensuring effective management of local-level governance, supportive policies, and the development of employability skills, especially among youth and women.
- vi. Ensuring resilience and prudent macroeconomic management is fundamental in preventing stagnation and avoiding the middle-income trap.

2.5. Avoiding the Middle-Income Trap

It is now well established, based on empirical evidence and comparative country analyses, that many lower-middle-income countries fail to transition to UMIC status because of recurring structural and policy failures. While some countries that adopted growth strategies similar to those proposed in LTPP have successfully reached UMIC levels, many have stagnated and fallen into what is widely known as the **Middle-Income Trap**. To avoid this outcome, Tanzania must not only accelerate growth but also sustain its transformation into productivity-driven, inclusive, and diversified development. The following section outlines common pitfalls that have derailed progress in other countries and the warnings that must be heeded and addressed decisively to ensure Tanzania's successful transition to upper-middle-income status. These include:

Public Debt Management: As much as possible, a country should avoid a situation where public debt keeps growing. Stringent criteria should be applied to project/programme qualification for borrowing, especially for non-developmental activities. It is important to ensure that borrowed money is utilised effectively and in a timely manner to achieve the envisaged objective. In Tanzania, recent borrowings have been used to fund significant infrastructure projects, such as the Standard Gauge Railway and the Julius Nyerere Hydropower Plant. While these projects aim to stimulate economic growth, they have substantially increased public debt levels. The only way to ensure they are completed within the desired timeframe and deliver the expected return on investment is to ensure their timely conclusion.

Limited Domestic Revenue Collection:

Domestic revenue is the cheapest form of capital. Despite economic growth, Tanzania's tax-to-GDP ratio remains relatively low, thereby limiting the government's capacity to finance development projects and public services without resorting to additional borrowing. Deliberate efforts must be made to raise domestic revenue collection to at least the levels observed in comparable-income countries.

Underemployment and Brain Drain:

With a predominantly young population, Tanzania is increasingly experiencing high underemployment rates, particularly among youth, who are often employed in the informal sector with low productivity. Additionally, the country experiences a "brain drain", with skilled professionals seeking better opportunities abroad and depleting the domestic talent pool. Efforts are needed to foster formalisation, productivity, and decent job creation, and to set salary levels that attract skilled professionals to work in the country.

Inadequate Integration into Global Value Chains:

Most countries that have transitioned to UMIC levels are export oriented. Some countries that failed to move up the income ladder, among other factors, did so because of inadequate diversification and limited participation in global value chains. Tanzania has such an orientation; its export basket is primarily raw materials with minimal value addition.

Low Energy Generation Capacity: Both the World Bank and the Asian Development Bank have identified energy constraints as a significant barrier to overcoming the middle-income trap. Inadequate and unreliable energy generation capacity hampers industrialisation, deters both domestic and foreign investment, stifles innovation and digitalisation, and confines economies to low-productivity, low-value activities such as subsistence agriculture and informal trade. In Tanzania, despite recent efforts to diversify the energy mix through natural gas, hydropower, and renewable energy, electricity access remains uneven, particularly in rural areas. Furthermore, frequent power outages continue to disrupt production and reduce investors' confidence. These challenges contribute to operational inefficiencies, higher costs for businesses, and limited scalability for manufacturing and technology-based industries. Without substantial investment in modern, resilient energy infrastructure, Tanzania risks missing out on the transformative potential of industrial development and sustained economic growth.

2.6. Development Philosophy

LTPP is rooted in the foundations of Dira 2050, which aspires to build a prosperous, inclusive, just, and self-reliant nation. Prosperity means achieving UMIC status while addressing income inequality and regional disparities. Self-reliance emphasises the strategic use of local resources and innovation to reduce dependence, while inclusivity ensures fair access to opportunities for all social groups. Justice demands adherence to the rule of law, equality before the law, and democratic accountability.

LTPP positions economic growth as a vehicle for human development. It enshrines poverty reduction, equitable resource distribution, and universal access to quality services within its strategy. It aligns growth with gender equity, fair labour practices, and ESG (Environmental, Social, and Governance) principles, promoting environmental stewardship to build a competitive, just, and sustainable economy.

This people-centred development philosophy advances a bold integration of liberal economic management, social welfare, and environmental sustainability. It embraces diverse modes of production, including private enterprise, public investment, and cooperatives, while calibrating the roles of state and market. Economic efficiency and competitiveness are fostered through investments in energy, infrastructure, skills, and technology. A stable, predictable, and enabling governance framework is key to unlocking private-sector dynamism and fostering a conducive business climate.

This Plan prioritises industrial sector transformation through the value addition of minerals and agricultural commodities, while unlocking export opportunities and regional integration. The Plan further integrates services, tourism, culture, sports, creative industries, and Kiswahili into the innovation ecosystem, reinforcing national identity and youth employment. Innovation hubs and creative incubators will amplify these sectors, expanding Tanzania's soft power and economic inclusivity.

The LTPP sets out a 25-year strategic roadmap anchored in five transformative phases. First, it prioritises domestic and foreign investment through strengthened public-private partnerships. Second, it drives industrialisation by leveraging FDI, reforming public statutory corporates (PSCs), and supporting competitive local firms. Third, it mainstreams transformative technologies and modern management to boost productivity. Fourth, it cultivates an innovation ecosystem that supports inclusive and resilient growth. Fifth, it lays the groundwork for transitioning to UMIC status.

2.7. Strategic Infusion for Transformation

To implement LTPP's philosophy of inclusivity, self-reliance, and competitiveness, Infusion is introduced as a national strategy to attract and mainstream global expertise, technology, and enterprise systems into the economy. This approach targets persistent structural challenges, including low productivity, informality, and underdeveloped value chains, by positioning FDI not only as capital but also as a strategic catalyst for domestic capability, innovation, and sustainable growth. All major FDI projects will be incentivised to support national capacity-building in areas such as skills transfer, enterprise upgrading, and institutional linkages. By instituting policy initiatives for deeper local integration, FDIs are expected to foster forward and backwards linkages, enhance productivity, and contribute to industrialisation and the modernisation of agriculture. The Dira 2050 agenda prioritises this shift from passive capital attraction to active localisation and knowledge transfer.

Likewise, amendments to the Investment Act and sectoral laws will require 'Infusion Provisions' as conditions for project approval and incentives. A National Infusion and Localisation Strategy, which goes beyond standard local content tenets, will set performance benchmarks, timelines, and compliance protocols. A dedicated National Infusion and Linkages Unit (NILU) will oversee enforcement, vet Infusion and Linkage Plans (ILPs), and provide technical assistance to investors and local firms. International certification bodies and development institutions will provide verification and capacity support.

To accelerate productivity, Infusion embeds human capital development. Investors must submit human resource capacity-building plans with clear targets for national employment and training. All major projects will host graduate and postgraduate interns aligned with national priority sectors, including energy, ICT, logistics, and engineering. These efforts will be supported by global mentorship networks, skills audits, and professional accreditation bodies. Education and research linkages will also be institutionalised. Foreign investors will partner with local universities and TVETs to co-develop curricula, support applied research, and co-invest in Centres of Excellence. These platforms will drive innovation, support technology adaptation, and link Tanzania to global knowledge ecosystems.

Finally, Infusion enhances SME participation. Investors must allocate a defined share of procurement to local firms and support supplier upgrading. Strategic sectors will require local equity participation or joint ventures. Global intermediaries will help integrate local SMEs into value chains and facilitate blended finance to reduce investment risk. This strategic framework will localise value, expand capabilities, and embed Tanzanians at the heart of transformation, thereby realising the inclusive, knowledge-driven economy envisioned by Vision 2050.

2.8. Theory of Change Framework

The LTPP Theory of Change Framework, summarised in Figure 1, provides a transformative roadmap for Tanzania's development, addressing challenges encountered during the implementation of Vision 2025 and paving the way for the achievement of Vision 2050. The Framework adopts a Five-Year Development Plan (FYDP) with a phased approach that integrates targeted interventions, measurable results and outputs, impactful outcomes, and sustainable impacts to ensure success.

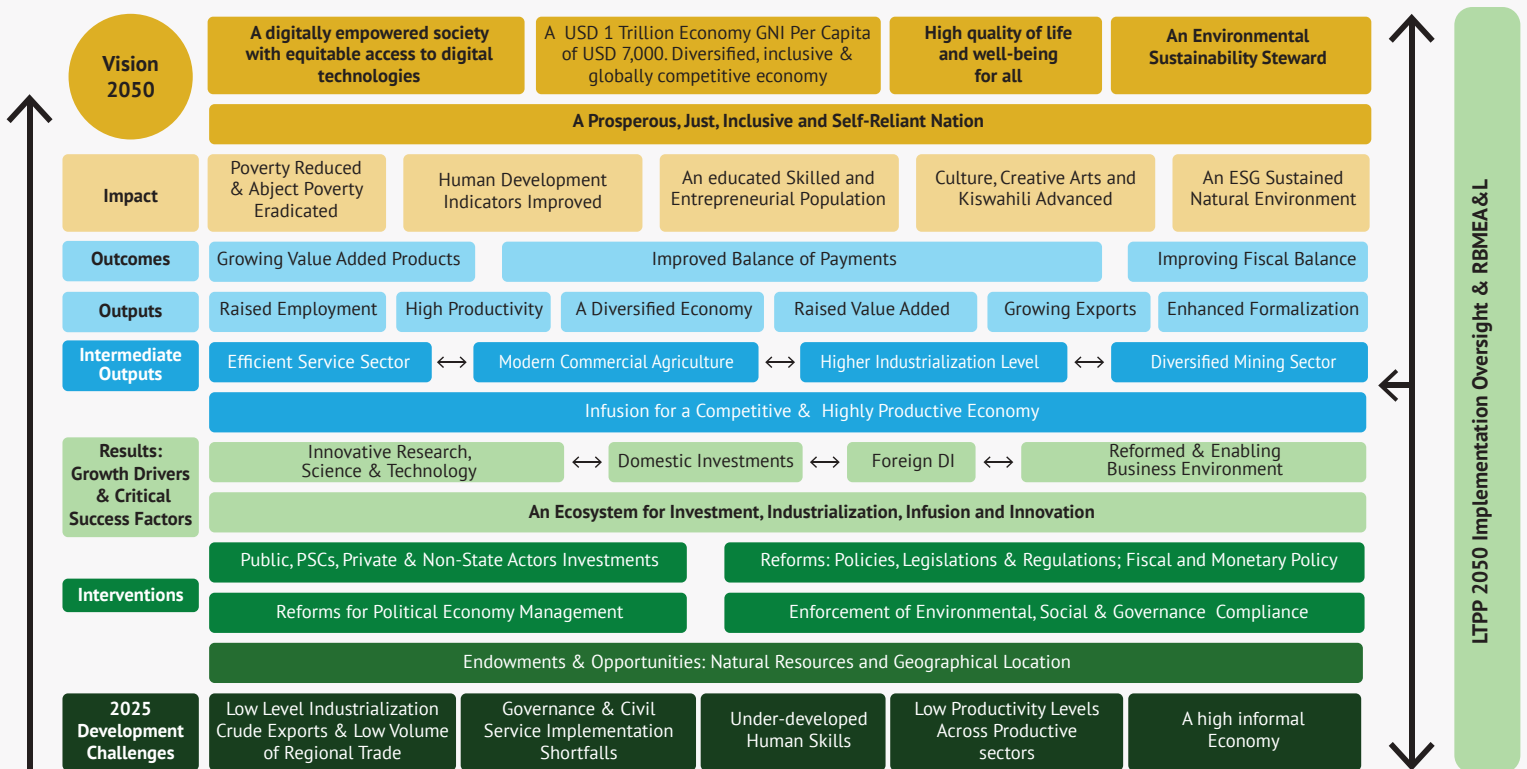


Figure 2:1. LTPP Theory of Change

2.8.1. Development Challenges

The Evaluation Report on the implementation of Vision 2025 indicates that several interconnected challenges continue to constrain economic growth and improvements in social welfare. Low productivity in agriculture and industry limits structural transformation and diversification. The dominance of the informal economy limits the scope for standardising products and services, restricts both tax and non-tax revenues, and weakens social protection systems. Furthermore, inefficient integration into global value chains isolates the economy from opportunities to exploit higher-value exports, technology transfers, and international finance.

Sectoral forward and backwards linkages remain underdeveloped, limiting efficiency within local production networks and stalling industrial progress. Manufactured value-added remains low, reflecting limited progress in industrial complexity and innovation. Persistent reliance on raw material exports increases vulnerability to global commodity price fluctuations.

Rapid, unplanned urban expansion exacerbates infrastructure deficits and over-stretches public services, undermining urban productivity and sustainable development. Environmental vulnerabilities, including climate variability and resource degradation, are increasingly threatening agricultural productivity, fisheries, and rural livelihoods, undermining poverty reduction efforts. Infrastructure gaps in the transport, energy, and information and communication technology (ICT) sectors continue to elevate operational costs, discourage private investment, and reduce economic competitiveness.

Human capital development remains inadequate, with notable gaps in education, skills development, and entrepreneurship, further hindering labour productivity and innovation. Governance challenges, including underperforming institutions, inefficient regulatory frameworks, and slow reform implementation, exacerbate these constraints.

Macroeconomic management challenges, particularly in fiscal and monetary policy, persist. Limited fiscal space has led to a growing debt burden, constraining the development budget for productive investment. Monetary policy faces liquidity shortfalls, undermining official foreign reserves, exchange rate stability, and the deepening of the financial sector. These factors can constrain economic resilience and sustainability, necessitating further reforms.

2.8.2. Endowments and Opportunities

While acknowledging the remaining challenges, Tanzania has substantial natural and geographic endowments that are essential to driving economic transformation. Its vast arable and irrigable land, spread across diverse agro-ecological zones, offers considerable potential to enhance agricultural productivity, ensure food security, and advance agro-industrialisation. Rich mineral resources, including gold, gemstones, industrial and critical minerals, and natural gas reserves, provide foundational opportunities for industrial growth and export diversification. Abundant water bodies, including the ocean, lakes, and rivers, support fisheries, irrigation, water transport, and domestic needs, which are critical to socio-economic activities.

Strategically located along the Indian Ocean coastline and bordering nine countries, Tanzania is well-positioned as a regional logistics hub for landlocked nations in East and Central Africa, and it connects to the Middle East and Far East. This geographical advantage strengthens prospects for regional trade and integration, particularly through gateways such as the Port of Dar es Salaam and transport corridors linking neighbouring markets. Effectively leveraging these endowments through targeted policy measures and improved governance will be pivotal to achieving Tanzania's long-term social and economic objectives.

2.8.3. Interventions

The LTPP offers a comprehensive set of interventions to address the development challenges outlined. Central to this approach is investment in industrialisation, infusion, and innovation development pathways, designed to create a thriving manufacturing ecosystem.

Reforms to governance and regulatory frameworks are prioritised to establish a conducive business environment and investment climate. These reforms include streamlining bureaucratic processes, promoting transparency and anti-corruption measures, and strengthening institutional capacity to ensure effective economic governance. Fiscal and monetary policies will focus on controlling inflation, reducing debt, and maintaining competitive exchange rates, thereby fostering investor confidence and economic resilience.

Investments in research, science, technology, and innovation (RSTI) will be prioritised to enhance productivity and competitiveness in global markets. Economic diversification will

focus on modernising agriculture through climate-resilient practices, transforming the manufacturing sector, expanding value-added mining activities, and nurturing service and creative industries. Formalising economic activities is essential to broadening the tax base and promoting inclusive growth. Regional integration will be emphasised through initiatives to strengthen Tanzania's role in intra-African trade and expand market access. Additionally, Public and Statutory Corporations (PSCs) and PPPs will facilitate large-scale infrastructure projects and foster cross-sector collaboration.

2.8.4. Results: Growth Drivers and Critical Success Factors

The interventions outlined aim to create an ecosystem that supports industrialisation, value addition, and sustainable and inclusive growth. A key component of this transformation is adapting an investment-infusion-innovation development pathway to Tanzania's unique context. FDI, the private sector, and PSCs will serve as a catalyst for local growth by fostering collaboration, knowledge exchange, and innovation. Imported innovations will be tailored to local needs, empowering youth and entrepreneurs to develop homegrown solutions.

This ecosystem will rely on strong institutions, clear laws, and robust intellectual property protections to attract investment and ensure fair benefits from industrialisation. Strategic public investments in energy, logistics, and transport infrastructure; education; primary, secondary, and tertiary skills-based training; water and sanitation; and healthcare will lay the foundations for growth. Targeted subsidies and fiscal incentives for high-impact industries and start-up businesses will support local

entrepreneurship and domestic investment. Skills development initiatives will extend beyond technical and vocational training to emphasise mindset change, entrepreneurship, creativity, and problem-solving, preparing the workforce to thrive alongside local and foreign investors.

2.8.5. Outputs, Outcomes, Impact, and Dira 2050

Outputs: The outputs of these efforts are designed to be measurable and monitorable. Key indicators include increased domestic investment, FDI, and improvements in business-enabling environment metrics. Enhanced skills, a more formalised economy, and a steady supply of skilled workers for emerging industries will also serve as critical benchmarks. Governance reforms will improve resource allocation and transparency, support a stable macroeconomic environment, and foster a favourable business environment and investment climate. Increased investment will drive industrial growth, value-added exports, and improvements in manufacturing and agricultural productivity. These efforts will contribute to a diversified economy, with significant growth in the industrial and service sectors.

Outcomes: These interventions will align with Tanzania's Vision 2050, delivering tangible improvements in productivity, employment, and living standards. Productivity in agriculture and industry will rise, leading to higher wages and improved livelihoods. Employment opportunities will expand, particularly for youth and vulnerable groups, helping to reduce inequality and poverty. Export capacity will increase, with a focus on value-added goods and regional trade, positioning the nation as a key player in the African economy. Sustainable resource management practices

will be integrated across all sectors to ensure compliance with Environmental, Social, and Governance (ESG) standards. Broader access to essential services, coupled with social inclusion and poverty reduction, will foster a more equitable and cohesive society. These outcomes will build resilience and set the stage for long-term social and economic transformation.

Impact: The ultimate impact of the LTPP strategy will be the realisation of Vision 2050: a prosperous, just, inclusive, and self-reliant nation with UMIC status. Achieving UMIC status and reducing reliance on foreign aid will demonstrate Tanzania's capacity to mobilise domestic resources and attract sustainable investment. The nation will embody prosperity, justice, and inclusiveness through a diversified economy that provides equitable opportunities for all citizens. Environmental sustainability will remain a guiding principle, ensuring that current growth does not compromise future generations. Tanzania's transformation will be marked by a robust industrial and service economy, reduced poverty and inequality, and enhanced global competitiveness, cementing the country's position as a regional powerhouse, a force to be reckoned with, and a model for sustainable and inclusive development.

2.9. Oversight for Implementation

Oversight and implementation of the LTPP strategy will rely on a robust Results-Based Monitoring, Evaluation, Accountability and Learning (RBMEA&L) Framework. This system will track progress against Dira 2050 objectives, address systemic challenges in real time, and ensure continued alignment with development goals. By fostering a dynamic, inclusive, and resilient economy, Tanzania will secure its place as a prosperous, just, inclusive, and self-reliant nation by 2050.

2.10. Change Mechanism

2.10.1. Framework for Enhancement of Internal Productive Capacities

To enhance productive capacity, a 3i framework of Investment, Infusion, and Innovation has been adopted. It provides a structured and interconnected pathway for Tanzania's economic transformation, aligning with the aspirations of Dira 2050 (Figure 2). At its core, Investment serves as the entry point, encompassing vigorous promotion of both FDI and domestic investment, and diligent utilisation of public revenues to expand industrial capacity, upgrade infrastructure, and foster business competitiveness. The focus will be on ensuring that FDI brings external capital, advanced technology, and management expertise. Domestic investment, particularly from the private sector and PSCs, will strengthen requisite infrastructure and local participation, while sectoral linkages are strengthened. Critical enablers for investment include access to finance, concessions and subsidies to support local firms, infrastructure development, and regulatory efficiency, which together create a conducive business environment and investment climate.

The Infusion stage integrates these investments into the broader economic landscape, enhancing productivity and competitiveness by linking them to domestic value chains. This phase ensures that capital and resources flow efficiently, fostering economic resilience and regional integration. Investments in mining will be linked to downstream industries such as mineral processing, creating jobs and adding value to raw materials. Modernising agriculture through climate-smart practices and value addition can boost productivity. Critical enablers for infusion include skills development, entrepreneurship, and civil service transformation to build investors' confidence and accountability.

The final stage, Innovation, leverages investments and infused capabilities to create a knowledge-driven economy. Innovation drives productivity, enhances value addition, and fosters economic transformation through technological advances, process improvements, and product development. Investing in research and development (R&D) and promoting sustainability through green technologies are also critical. Key enablers for innovation include infrastructure development, science, technology, and digitalisation, as well as a predictable and just business environment that supports intellectual property rights and regulatory frameworks.

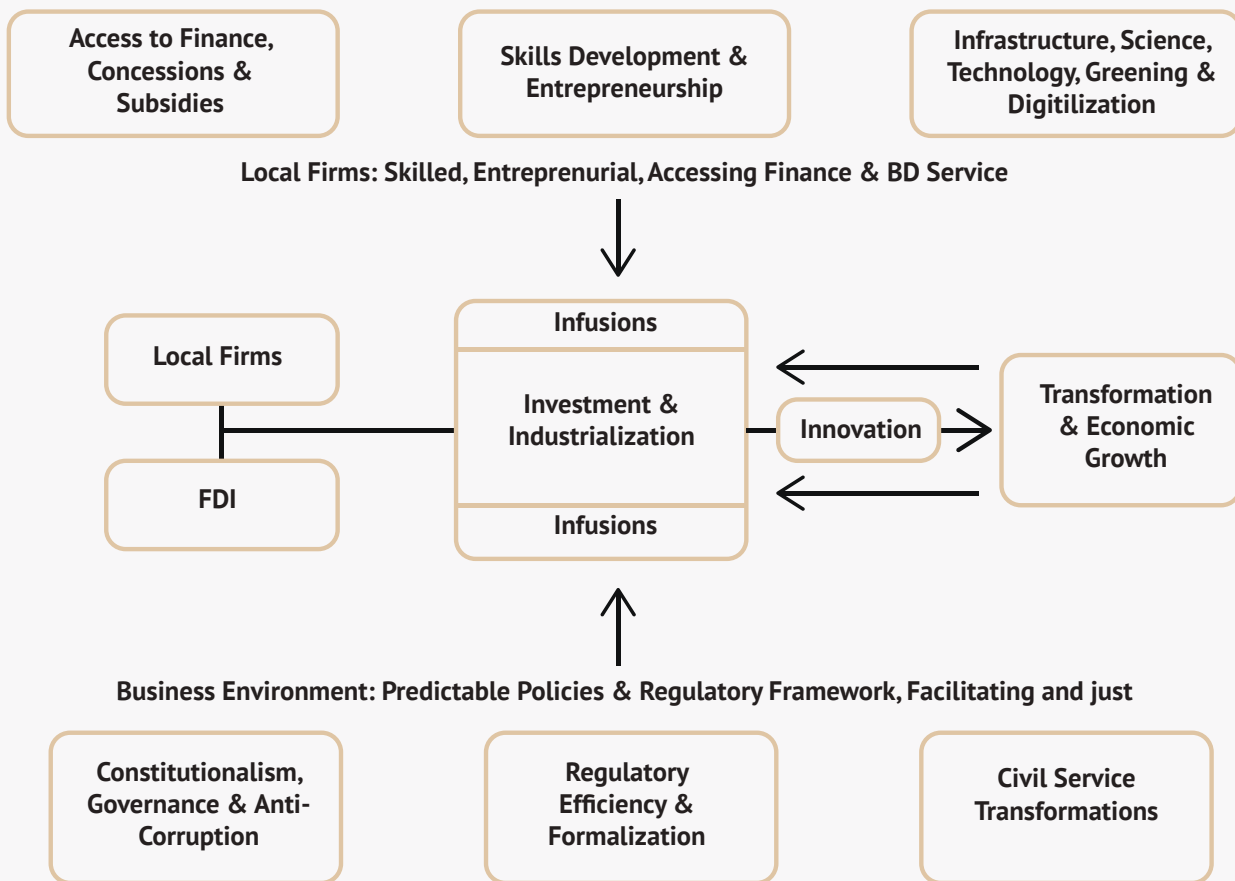


Figure 2:2 An Ecosystem for the Success of a 3i Strategy

2.10.2 Requisite Conditions for Growth and Change

For the framework to succeed, Tanzania must create an enabling environment by improving access to affordable, reliable electricity; finance; infrastructure; skills development; and regulatory efficiency. These conditions are critical to facilitating capital inflows, strengthening economic linkages, and promoting technological advancement and economic transformation, with:

- i. **Access to finance and capital:** Access to finance, concessions, and subsidies is a foundational requirement, ensuring that both local firms and foreign investors have the capital needed to participate in industrialisation and innovation. For instance, providing concessional long-term loans, grants, and tax incentives to SMEs can enhance their formal participation in high-impact sectors such as manufacturing and

agriculture. Additionally, easy access to innovative financing mechanisms, including green financing and carbon trading, can mobilise resources for sustainable development projects, address fiscal constraints, and attract private-sector investment. However, efforts to mobilise finance must go hand in hand with strengthening public financial management to reduce resource leakages and achieve value for money. To this end, Tanzania needs to develop effective ways to mobilise long-term finance both domestically and externally. It is important at this time to revisit the set-up of its Development Finance Institutions (DFIs), their capitalisation, and syndication to attract the finance needed for the effective implementation of core development projects. It will also require reviewing its PPP policy and legal and regulatory frameworks to make them more attractive and effective, while ensuring transparency and accountability in the use of public resources.

- ii. **Infrastructure development:** Supported by advances in science, technology, greening, and digitalisation, it is another critical condition. A well-developed infrastructure, including transport networks, energy generation, transmission, and distribution systems, industrial parks, special economic zones (SEZs), and digital connectivity, is essential for attracting investors and improving operational efficiency. Furthermore, expanding broadband connectivity and investing in renewable energy infrastructure can create an enabling environment for innovation and sustainable and inclusive growth.

- iii. Skills development and entrepreneurship are equally important, as a skilled workforce and an entrepreneurial culture enable local firms to effectively absorb investment and scale operations. Capacity-building programmes, vocational training, and entrepreneurship initiatives are essential to equip Tanzanians with the skills needed to participate in high-growth sectors.

- iv. **Regulatory efficiency and formalisation:** These are crucial to creating a conducive business environment and investment climate. Clear, predictable, and supportive regulations, coupled with access to long-term finance and planned and titled land, encourage the formalisation of local businesses, enhance transparency, and improve market participation. Simplifying business registration processes, reducing bureaucratic hurdles, and ensuring robust intellectual property rights can significantly improve Tanzania's ranking in the Ease of Doing Business Index (now called Business Readiness or B-Ready) and attract both domestic and foreign investment.

- v. **Civil service transformation:** Attuning the civil service's attitude, in tandem with the envisaged transformation investment and business readiness, is another key condition, as an efficient, accountable, and responsive civil service is essential for effective policy implementation and investor confidence. Strengthening institutions, adhering to Meritocracy, Pragmatism, and Honesty (MPH), combating corruption, and ensuring transparent procurement processes are critical to building public trust and creating a level playing field for businesses.
- vi. Good governance and anti-corruption measures are fundamental to accountability, stability, and inclusive growth. Constitutionalism, good governance, and anti-corruption frameworks create an environment in which investments can thrive, and economic benefits are widely shared.
- vii. **Mindset change and cultural transformation** are critical preconditions for the effective implementation of LTPP. Overcoming entrenched attitudes, such as citizens' dependence on the state for all services, the private sector's reliance on patronage, and tendencies that favour state control over services suited to private provision, is essential to unlock Tanzania's development potential. A shift towards a culture of integrity, professionalism, meritocracy, responsibility, and results-driven thinking is required to build a self-reliant, innovative, and fully engaged society capable of driving inclusive and sustainable transformation.

2.11. Roles of the Private Sector, Public and Statutory Corporations

Achieving the development goals outlined in *Dira 2050* requires the active participation of all sectors of society, including the government, public and statutory corporations, and the private sector. This can be achieved only through a well-structured framework that facilitates seamless engagement among these three key actors.

2.11.1 Private Sector

The private sector should be recognised as a key driver of socio-economic transformation under Dira 2050 and play a vital role in implementing LTPP. Its contributions span multiple areas, including:

- i. **Capital and Financing:** The private sector is a critical source of investment, both for private-sector-led projects and for public finance through fiscal revenues and debt financing mechanisms such as Treasury Bonds and PPP arrangements.
- ii. **Public Project Execution:** Private enterprises are expected to actively participate in public infrastructure projects as contractors and service providers.
- iii. **Infusion and Innovation:** The private sector is essential to technology transfer, research commercialisation, and industrial transformation.

Recognising its pivotal role, LTPP prioritises creating a conducive business environment and investment climate through regulatory reforms and infrastructure investments to foster private-sector growth. Additionally, PPPs will be instrumental in delivering large-scale infrastructure projects and facilitating cross-sector collaboration, thereby ensuring sustainable economic progress.

2.11.2 Public and Statutory Corporations

Given the maturity of the domestic private sector, LTPP plans envisage PSCs playing a crucial role in complementing private-sector efforts to drive industrialisation and infrastructure development. PSCs are particularly important in strategic and capital-intensive sectors, such as energy, transport, and heavy industry, where private investment may be constrained by high risks or long payback periods. The risk that promoting PSCs could crowd out private enterprises, reducing competition and efficiency, will be addressed by advocating a balanced approach that ensures the coexistence of strong PSCs and a vibrant private sector. The office of the Treasury Registrar, in its reformed status as an Investment Authority, will ensure well-governed PSCs that fill market gaps, invest in essential infrastructure, and create an enabling environment for private businesses to thrive. At the same time, regulatory reforms, PPPs, and competitive market policies are required to prevent distortions, foster synergies between the public and private sectors, and ensure both sectors contribute effectively to the LTPP development agenda.

2.12. Prioritisation and Sequencing Framework for LTPP

LTPP is grounded in the guiding principle: “Do first what unlocks the rest.” This reflects a deliberate strategy of sequencing interventions to ensure that foundational reforms and key enablers are prioritised upfront, laying a solid foundation for scalable, coherent, and sustainable development. Recognising that not all investments yield the same systemic impact, the Plan focuses on reforms and sectors with the greatest catalytic potential to drive broad-based transformation and accelerate Tanzania’s transition towards a socio-economic structure characteristic of UMIC.

LTPP envisions Tanzania’s transition to UMIC status through deep structural transformation, driven by industrialisation and a competitive services sector. Within industry, the highest priority is placed on transformative-path industries that have the potential to reposition Tanzania within global value chains. These include, but are not limited to, the battery manufacturing value chain, leveraging the country’s reserves of nickel (Kabanga), graphite (Mahenge), lithium (Mohanga), and cobalt (Kabanga and Nachingwea), spanning mineral refining and electrochemical cell production to battery module and pack assembly. Similarly, the rare earth minerals value chain, including neodymium and praseodymium from projects such as Ngualla and Wigu Hill, will enable the production of permanent magnets essential for green technologies.

Gas-based industries will also be critical, including the production of LNG, CNG, and ammonia to support fertiliser manufacturing and other chemical industries. Despite significant iron ore reserves, the country faces a widening trade deficit in iron and steel, underscoring the need to invest in domestic processing capacity. Alongside these are path-departure industries, capital-intensive sectors such as chemicals, construction materials, and processed foods, which show competitiveness and growth potential. The apparel and textile industry also holds promise for value addition, trade, and employment. Path-dependent industries with existing market presence will be modernised to enhance productivity. However, successful industrial transformation depends on effective sequencing. The starting point is comprehensive governance, political,

and regulatory reforms, particularly meeting the Business Ready requirements to attract foreign and domestic investment and unlock broader economic, organisational, managerial, and technological infusion. Among the critical enablers, energy is paramount. Without reliable energy access, neither industrial growth nor digital transformation is feasible. This is followed by logistics, skills development, technological adoption, and digital infrastructure. As Tanzania builds industrial capacity, regional markets will be the initial focus, requiring strategic logistics hubs and improved trade facilitation to enhance competitiveness, expand market reach, and integrate into the global value chains. Figure 2.3 presents the prioritisation and sequencing of LTPP investment areas.

Prioritising LTPP2050 Investment Areas

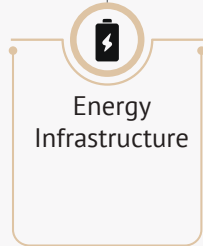
Focus: Transforming Tanzania to an UMIC Economy

Guiding Principle: "Do first what unlocks the rest"

Foundational Reforms

Foundational Enablers

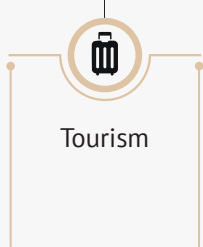
Strategically Prioritized Investment



Transformative Industries



Path Departure Industries



Path Dependent Sectors

Markets



CONCEPTUAL FRAMEWORK >

Figure 2:3: Prioritisation and Sequencing of LTPP Investment Areas

An aerial night photograph of a city. In the foreground, a large, modern train station with a curved, light-colored facade is visible. A train with orange and white cars is stopped at the platform. The station is illuminated with warm lights. In the background, a large stadium with a curved roof is visible, surrounded by city lights and palm trees. The sky is dark, and the city lights create a vibrant, glowing atmosphere.

LTPP prioritises
creating a
conducive
business
environment
and investment
climate



climate

CHAPTER
ONECHAPTER
TWOCHAPTER
THREECHAPTER
FOURCHAPTER
FIVECHAPTER
SIX

Pathways to Prosperity

3.1. Overview

This chapter presents a comprehensive situation analysis of Tanzania's current socioeconomic landscape and outlines the strategic initiatives to achieve the development goals and high-level outcomes of Vision 2050, transforming the country into a prosperous, just, inclusive, and self-reliant UMIC. Specifically, it sets out key development issues and identifies strategic directions, objectives, targets, and interventions. The key strategic areas include building a strong, inclusive, and competitive economy; enhancing human capabilities and social development; and promoting environmental integrity and climate resilience. These inform the themes, priorities, and sequencing of the successive FYDPs:

FYDP IV	Reforms for Inclusive Economic Growth and Employment Creation
FYDP V	Enhancing Investment and Technological Infusion for Human Capital Capabilities and Social Development.
FYDP VI	Bolstering Innovation for Industrialisation and Human Development.
FYDP VII	Anchoring Production and Trade Infrastructure into the Global Value Chains.
FYDP VIII	Strategising a Leap Forward into a High-Income Country status

3.2. Strong, Inclusive and Competitive Economy

Dira 2050 aims to transform a country's economy into a diversified, resilient, inclusive, and competitive UMIC. In line with these development goals, Dira 2050 emphasises promoting macroeconomic stability and predictability, fiscal sustainability, diversified and innovative financing, a robust business sector, a favourable business environment and investment climate, and strategic global engagement. To realise this vision, LTPP sets out guidelines to achieve stable macroeconomic conditions, improve public financial management, expand revenue sources, and build a resilient, diverse economy. LTPP also prioritises establishing Tanzania as a key food production hub, fostering industrial growth through infusion, innovation and sustainability, expanding the service sector, and enhancing trade and commerce to drive economic development.

LTPP outlines how Tanzania should transform into a diversified, resilient, inclusive, and competitive UMIC, reaching a GDP of USD 1 trillion and a per capita income of at least USD 7,000, with extreme poverty eradicated, particularly among women and persons with disabilities. Achieving these ambitious goals requires a fundamental structural transformation of the economy. Macroeconomic modelling projects a gradual, path-dependent shift. Under this scenario, agriculture's share of GDP declines modestly from an average of 29.1 percent (2000–2023) to 23.7 percent by 2050. Industry and construction rise from 23.6 percent to 39.1 percent, while services contract slightly from 39.0 percent to 37.3 percent.

In contrast, LTPP adopted a more ambitious, transformative approach, inspired by the structural patterns of successful UMICs. In this scenario, industry and construction are projected to account for 40 percent of GDP by 2050, driven by industrialisation, infrastructure investment, and value addition. Agriculture's share is expected to fall sharply to 15 percent, reflecting gains in productivity, technological adoption, and shifts in labour from subsistence farming. The services sector is projected to stabilise at around 45 percent of GDP, with a greater focus on high-value areas such as finance, ICT, logistics, tourism, education, and health. This alternative trajectory adopted by LTPP represents a purposeful structural realignment aimed at driving inclusive growth, creating quality jobs, and enhancing Tanzania's integration into regional and global value chains.

3.2.1 Macroeconomic Stability and Predictability

Over the past two decades, Tanzania's economy has averaged 6.2 percent real GDP growth, reaching USD 85.2 billion in 2024 from USD 14.1 billion in 2002, with per capita GDP rising to USD 1,277 in 2023. Key contributors to GDP (current prices) in 2024 included agriculture (25.9 percent), construction (12.7 percent), mining and quarrying (9.5 percent), transport and storage (7.7 percent), and manufacturing (6.7 percent). Despite setbacks such as the COVID-19 pandemic, which slowed growth to 4.8 percent in 2020, the economy remained resilient due to sound macroeconomic policies. Nevertheless, growth remained below the LTPP 2025 threshold of 8-10 percent per annum. Inflation averaged 5.4 percent over the period, peaking at 19.4 percent in 2011 before

stabilising between 3 and 3.5 percent in 2023–2024. However, challenges persist, including commodity export price volatility and limited fiscal space. The economy also faces structural issues, including a large informal sector (55 percent of GDP as of 2024), tax evasion, and high youth unemployment.

Dira 2050 prioritises stability and policy predictability, while the LTPP aims to keep inflation within the 3–5 per cent national target and to maintain a stable exchange rate. Efforts to diversify exports and reduce import dependence are also central to achieving macroeconomic stability and reaching UMIC status. Table 3.1 sets out the objective, targets, and interventions for macroeconomic stability and predictability.

Table 3.1: Macroeconomic Stability and Predictability

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 1: Achieved stable macroeconomic environment by maintaining low and predictable inflation, stable exchange rates, and resilient monetary policies, fostering investor confidence and economic predictability.</p>						
<p>1. Low and stable inflation within a target band of 3–5 percent maintained by 2050</p>	<p>i. Enhance monetary policy frameworks by strengthening inflation-targeting mechanisms by 2030</p>					
	<p>ii. Promote the necessary legal and regulatory framework for licencing specialist finance institutions such as Infrastructure funds/banks, Investment and Digital Banks by June 2028</p>					
	<p>iii. Strengthen Strategic Projects Guarantee Scheme by June 2028</p>					
<p>Objective 6: Optimising Private Sector Credit Growth by 2031</p>						
<p>2. Stable exchange rate maintained annually</p>	<p>i. Implement strategic foreign exchange interventions to manage short-term volatility annually</p>					
	<p>ii. Accumulate and maintain foreign reserves sufficient to cover at least six months of imports annually</p>					
	<p>iii. Promote export-oriented industries and increase FDI inflows to improve foreign exchange availability annually</p>					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Resilience against external shocks strengthened annually	i. Diversify export bases by expanding into high-value manufacturing, services, and digital trade by 2040	■	■	■		
	ii. Enhance domestic production capacity in key sectors including agriculture, mining, and industrial manufacturing by 2035	■	■			
	iii. Strengthen regional trade agreements and expand access to global markets to mitigate external vulnerabilities annually	■	■	■	■	■

3.2.2. Enhancing Fiscal Sustainability

Several key fiscal reforms have been implemented to enhance budget financing capacity, including expanding the tax base and adopting digital technologies through initiatives such as the introduction of the Tax Information Management System (TIMS) in 2013, VAT base expansion in 2014, and the implementation of digital tax systems, including the use of the electronic Fiscal Device (EFD). The government has also improved transparency and engagement in planning and expenditure management. As a result, around 70 percent of the budget is currently financed through domestic sources, while official grants play a minor role. Despite progress, challenges remain: the tax-to-GDP ratio was 12.9 percent in 2024, below the Sub-Saharan average of 16 percent, and slow growth in the tax base is limiting domestic revenue mobilisation, alongside a low contribution from non-tax

revenue. Budget financing continues to rely on foreign and domestic borrowing. Recurrent and development expenditures have outpaced revenue growth, contributing to a widening fiscal deficit. Revenue collections continue to rely on the same taxpayers, largely due to the dominance of the informal sector, which generates relatively low tax and non-tax revenues.

Dira 2050 prioritises raising the tax-to-GDP ratio, broadening the tax base, improving public debt management, and ensuring balanced and efficient spending. The LTPP aims to increase tax collection to 25 percent of GDP, reduce public debt to 40 percent of GDP, increase non-tax revenue, and reduce the fiscal deficit to between 1 and 3 percent of GDP. Table 3.2 presents the objectives, targets and interventions to enhance fiscal sustainability and predictability.

Table 3.2: Enhancing Fiscal Sustainability

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Established sustainable fiscal framework by increasing domestic revenue, reducing public debt vulnerability, and maintaining sustainable spending, ensuring adequate funding for infrastructure and social services while maintaining fiscal discipline.						
1. Tax-to-GDP ratio increased from 12.9 percent to at least 25 percent by 2050.	i. Expand tax digitalisation through automated revenue collection systems and electronic invoicing by 2030	■				
	ii. Formalise the informal sector through structured taxation incentives and simplified compliance processes by 2030	■				
	iii. Implement progressive tax reforms to improve tax equity and efficiency annually	■	■	■	■	■
	iv. Forge ties/sign agreements with ten (10) key international trade partners and multilateral or bilateral bodies ¹ on tax information sharing and legal cooperation to curb illicit flows, tax evasion from e-commerce, digital trade and trans-boundary transactions by 2040	■	■			
2. Public Debt-to-GDP Ratio reduced to 40 percent by 2050	i. Strengthen public debt management strategies.	■	■	■	■	■
	ii. Improve efficiency in public spending and enhance domestic revenue mobilisation annually	■	■	■	■	■
	iii. Leverage concessional borrowing and reduce reliance on commercial loans by 2040	■	■	■		
3. Fiscal Deficit between 1 to 3 percent GDP ensured annually.	i. Implement expenditure rationalisation strategies, ensuring value for money in public projects annually	■	■	■	■	■
	ii. Strengthen fiscal responsibility frameworks to enhance transparency and accountability in government spending by 2030	■				
	iii. Develop contingency funds and sovereign wealth reserves to manage fiscal and public investment risks by 2030	■				

1 Regional bodies and initiatives include Adiss Tax initiatives (ATI), United Nations Framework Convention on International Tax Cooperation

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. Development expenditure increased to 50 percent of the total budget annually.	i. Strengthen expenditure ceilings and performance-based budgeting annually					
	ii. Improve efficiency in public procurement and service delivery annually					

3.2.3. External Sector Resilience and Diversification

The external sector exhibited mixed performance, with a surplus balance of payments (BOP) from 2014 to 2017, a deficit BOP at the onset of the COVID-19 pandemic in 2020, and further deterioration in 2022. This was exacerbated by global shocks, including rising commodity prices and supply chain disruptions following Russia's invasion of Ukraine. The years 2023-2024 marked a recovery, with the BOP deficit narrowing as the current account deficit fell from 7.3 percent of GDP in 2022 to 3.8 percent in 2023 and 2.6 percent in 2024. This improvement was driven by strong exports of minerals and agricultural products, along with record tourist arrivals, despite a moderate increase in capital goods imports and declining oil imports. In 2025, high gold prices are expected to sustain export momentum and further reduce the current account deficit.

Notwithstanding the latest positive performance, the *Dira 2050* underscores that the country's economy, like that of many other LMICs, is navigating multiple shocks and uncertainties, including a slowdown in the global economy and trade, geo-economic fragmentation, further intensification of the conflict in the region, and reduced foreign development assistance. To mitigate external vulnerabilities, LTPP, as outlined in Table 3.3, aims to increase and diversify exports, minimise import dependence, and strengthen the balance of payments. These measures, underpinned by a harmonised macroeconomic policy framework, will enhance predictability and economic resilience.

Table 3.3: External Sector Resilience and Diversification

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Mitigated external vulnerabilities by diversifying exports, minimizing import dependency, and strengthening the balance of payments, enhancing trade predictability and economic resilience..						
1. Export diversification with the share of manufactured exports value to total value of merchandise exports increased by 50 percent by 2050.	i. Implement industrial policies that promote value addition in agriculture, mining, and manufacturing annually.					
	ii. Provide incentives for export-oriented industries, including tax breaks and access to affordable financing annually.					
	iii. Invest in trade facilitation infrastructure, including ports, logistics hubs, and customs efficiency annually.					
2. Import dependency reduced by 30 percent by 2050.	i. Increase local production of critical inputs through industrialisation and R&D investments annually					
	ii. Expand domestic manufacturing capabilities in key sectors such as pharmaceuticals, agro-processing, and textiles annually					
	iii. Develop targeted subsidies for strategic industries to enhance competitiveness against imports.					
3. Current Account Balance deficit of not more than 1 percent of GDP maintained by 2050	i. Enhance foreign reserve accumulation to maintain at least six months of import cover annually					
	ii. Promote service exports, including tourism, and financial services, to diversify foreign exchange earnings annually					
	iii. Strengthen regional trade integration to reduce dependency on external markets and enhance resilience to external shocks annually					

3.2.4. Transformative Sectors

Dira 2050 focuses on creating an enabling business environment and investment climate, strengthening strategic engagement at the regional and global levels, and promoting innovative, diversified financing to support a robust business sector. These strategic focus areas are intended to transform high-impact sectors, referred to as transformative sectors, to build a diversified, inclusive, and globally competitive economy. The transformative sectors include agriculture; industry (manufacturing, construction, mining and quarrying, and oil and gas); services (tourism, real estate, financial services, sports, and creative industries); and trade and commerce. Tanzania can further leverage its natural wealth, including the development of the blue economy and carbon trade.

3.2.4.1. Transforming Real Sectors to Bolster Productivity Capacity

Agricultural Sector: Tanzania's agricultural sector, which employs 61 percent of the labour force and contributed 25.9 percent to GDP in 2024, has made notable progress across its main subsectors: crops, livestock, and fisheries. In crops, progress includes the development and adoption of improved crop varieties that enhance yields and resilience, improved farming practices, and the expansion of irrigation infrastructure in some regions. The livestock sector has improved through the introduction of better breeds, enhanced animal husbandry practices, and wider access to veterinary services, resulting in higher productivity and greater food security. The fisheries sector has expanded aquaculture activities, strengthened fishery and aquaculture management and conservation efforts, and improved infrastructure such as landing

sites and cold chains, thereby increasing fish production and employment along coastal and inland water bodies. Collectively, these advances have contributed significantly to rural livelihoods, national food security, and economic growth.

Crop farming continues to face numerous challenges despite some progress. It remains predominantly labour-intensive and smallholder-driven, with heavy reliance on rain-fed farming and limited irrigation infrastructure, making it highly vulnerable to climate variability. Soil degradation, high input costs, and limited access to quality seeds further constrain productivity. Farmers struggle with inadequate market access due to limited infrastructure and weak value chain linkages, while financing options for smallholders remain insufficient. The adverse impacts of climate change are intensifying these issues, and the sector is further constrained by low technology adoption, policy uncertainty, and gaps in institutional capacity.

The livestock subsector also faces significant constraints. Access to quality animal feed and grazing land is limited, and water conflicts between farmers and pastoralists disrupt livestock systems. Veterinary services are often inadequate, undermining animal health and productivity. As with crop producers, livestock keepers face challenges accessing markets due to underdeveloped value chains and insufficient financing. Climate change is placing additional stress on pastoral systems, particularly in arid and semi-arid areas. Furthermore, slow adoption of improved technologies, unclear policy frameworks, and institutional weaknesses continue to hinder the sector's full development.

Fisheries face distinct challenges that hinder their sustainability and growth. Overfishing, habitat degradation, and limited enforcement of sustainable fishing regulations are major concerns, threatening the long-term viability of aquatic ecosystems and fish stocks. The sector also suffers from low adoption of modern technologies, inadequate storage and transport infrastructure, and weak market linkages. Climate change further compounds these issues by disrupting marine and freshwater ecosystems, altering fish migration patterns, and increasing the frequency of extreme weather events. Additionally, gaps in policy coherence and institutional capacity limit effective management and support for fisheries development.

Dira 2050 sets a transformative agenda to develop agriculture, including crop farming, livestock, and fisheries, into a highly productive, competitive, and sustainable sector. It emphasises modern technologies, climate-smart agricultural practices, value addition, and agribusiness growth, positioning Tanzania as a regional food granary hub. The LTPP supports this Vision by targeting scaled-up production, commercialisation, improved

access to inputs and finance, and a stronger enabling environment. The Plan also prioritises innovation, technology adoption, infrastructure development, and capacity building, especially in livestock and fisheries, to enhance climate resilience, sustainable resource management, animal health, and value chain development.

Although agriculture's share of GDP is projected to decline to 15 percent by 2050 due to economic diversification, the sector's strategic role remains central to transformation and food security. The country's strategic direction involves integrated approaches that combine sustainable resource management with market-oriented reforms, private-sector engagement, and the expansion of value-added and agro-processing capabilities across crop agriculture, livestock, and fisheries, as well as integration into regional and global value chains. This holistic strategy aims to unlock the full economic potential of the agricultural sector, fostering inclusive growth and supporting the nation's ambition to attain UMIC status. Table 3.4 presents the objectives, targets, and interventions that will be implemented to transform the sector.

Table 3.4: Scaling Agriculture Production, Productivity and Commercialisation

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: A resilient and commercially viable crop agro business, driving economic growth and rural livelihoods by 2050						
1. Ranking of Tanzania among the top five countries in Sub-Saharan Africa in crop agricultural competitiveness, measured by value addition, productivity and export performance achieved by 2050.	i. Strengthen regulatory authorities to enhance agribusiness profitability and competitiveness by 2030					
	ii. Review, amend, and introduce legislation to eliminate unnecessary bureaucracy and improve the ease of doing business by 2035					
	iii. Expand patient finance options from local and international sources to improve access to finance for both commercial and smallholder farmers annually.					
	iv. Expand access to government subsidies and de-risking instruments to strengthen financial security and support for farmers by 2040.					
	v. Promote competitive pricing for agricultural products accompanied by a transparent market information system and provision of real-time data on commodity prices, demand trends, and market conditions annually					
	vi. Facilitate access to affordable and appropriate mechanisation technologies for smallholder and commercial farmers annually					
	vii. Support the establishment of rural-based mechanisation service providers and maintenance centres by 2035					
	viii. Provide tax incentives or soft loans for investment in agricultural machinery by 2030					
	ix. Support the development of structured markets and commodity exchanges by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	x. Enhance access to market information through ICT platforms and extension agents annually					
	xi. Provide incentives for investment in post-harvest handling, packaging, and processing by 2030					
	xii. Expand access to affordable credit tailored for smallholder and commercial farmers annually					
	xiii. Promote the development and uptake of agricultural insurance products annually					
	xiv. Strengthen agricultural cooperatives and savings groups as platforms for financial inclusion annually					
	xv. Facilitate the development and growth of commercial plantations focusing on the strategic crops annually					
	xvi. Promote block farming, enhancing collective productivity, reducing input costs through economies of scale, improving infrastructure and logistics, and strengthening bargaining power by organising farmers into coordinated, high-efficiency clusters annually					
	xvii. Promote contract farming, empowering individual farmers by providing assured markets, access to quality inputs, technical support, and stable pricing through direct agreements with buyers annually					
	xviii. Enhance the textile value chain to produce cotton, lint (fibre), yarn, woven fabrics (denim, poplin), coloured and finished products, finished garments (apparel) by 2030					
	xix. Promote agricultural mechanisation by increasing the availability and use of farm machinery, particularly tractors and harvesting equipment, and by establishing mechanisation centres across the country annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	xx. Revive defunct privatised agricultural industries specifically former textile industries – e.g. Urafiki, MWATEX etc.to enhance value addition by 2030,					
2. At least 80 percent of smallholder and commercial farmers accessing quality agricultural inputs for crop production achieved by 2050	i. Promote the widespread adoption of high-yielding, drought-tolerant, and disease-resistant crop varieties annually					
	ii. Strengthen research-extension-farmer-industry linkages to accelerate adoption of improved agronomic practices annually					
	iii. Expand the national agro-dealer network and ensure last-mile delivery of inputs annually					
	iv. Introduce smart subsidy programmes targeting smallholder farmers for fertilisers, pesticides, and certified seeds by 2030					
	v. Strengthen input quality regulation and certification systems to combat counterfeit products by 2030					
	vi. Invest in rural storage facilities, warehouses, and drying centres to reduce post-harvest losses by 2030					
	vii. Promote sustainable land use planning, especially in high-potential agricultural zones by 2030					
	viii. Implement national soil testing programmes and promote integrated soil fertility management by 2030					
	ix. Invest in rural storage facilities, warehouses, and drying centres to reduce post-harvest losses by 2030					
3. Agricultural land under active cultivation adopting climate-smart agricultural practices increased to 75 percent by 2050	i. Promote private investment in sustainable irrigation systems for crops, livestock, and aquaculture by 2045					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ii. Expand irrigated land through development and rehabilitation of small- and large-scale irrigation schemes.					
	iii. Promote water-efficient technologies such as drip and sprinkler irrigation systems.					
	iv. Train farmers in sustainable water use and irrigation management practices including water from the proposed Lake Victoria/Lake Tanganyika Water Utilisation Grid annually					
	v. Facilitate and regulate the adoption of climate-smart agriculture across all agricultural land by 2040					
	vi. Promote the adoption of labour-saving technologies in both production and post-harvest processes annually.					
	vii. Develop an integrated digital agriculture platform featuring weather forecasts, pest and disease alerts, and e-commerce tools for monitoring, evaluation, and learning by 2035					
	viii. Promote precision agriculture through the use of satellites, drones, and terrestrial sensors to optimise yields and minimise environmental impact by 2040					
	ix. Promote agricultural research to address climate risks and improve productivity by fostering public-private partnerships and incorporating farmer feedback for practical, solution-oriented approaches by 2035.					
	4. The ratio of extension officers and agricultural experts improved from the current 1:20,000 to 1:250 by 2050	i. Expand training and recruitment of experts in farm management, climate-smart agriculture, and sustainable farming practices annually.				

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ii. Connect farmers with extension services and experts through digital tools, ensuring at least 70% of rural farmers have digital access to extension platforms by 2050					
	iii. Recruit, train, and deploy more agricultural extension officers with adequate resources and mobility annually					
	iv. Encourage the use of ICT-based extension platforms (e-extension) to reach farmers efficiently annually					
	v. Develop public-private partnerships to expand the reach and quality of extension service delivery annually					
Objective 2: A resilient and commercially viable livestock and fishing subsectors driving economic growth and rural livelihoods by 2050						
5. The proportion of marketed livestock products undergoing secondary-level value addition increased to 70 percent by 2050	i. Establish and strengthen national livestock breeding capacity and genetic resource banks annually					
	ii. Promote improved animal husbandry practices and feed management systems annually					
	iii. Recruit and deploy more veterinary officers, livestock extension agents, and animal health technicians, especially in underserved areas annually					
	iv. Strengthen public-private partnerships for the delivery of veterinary services and vaccines annually					
	v. Improve disease surveillance systems and early warning mechanisms for transboundary and zoonotic diseases annually					
	vi. Invest in livestock markets, abattoirs, milk collection centres, meat processing facilities, and cold chain logistics by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Support commercial ranching, dairy enterprises, poultry farms, and feedlots through enabling policies and incentives annually					
	viii. Invest in applied research for feed efficiency, disease control, and climate-resilient livestock systems annually					
	ix. Promote digital tools and technologies for livestock production, traceability, and extension services annually					
	x. Provide incentives for private sector investment in feed production, storage, and distribution by 2030					
	xi. Streamline livestock export procedures and strengthen border inspection systems by 2030					
	xii. Promote branding and quality certification for Tanzanian livestock products in global markets annually					
6. Domestic production of livestock and fisheries inputs and animal feeds increased by 80 percent by 2050	i. Invest in the production of major veterinary pharmaceutical products to supply domestic and regional markets by 2045					
	ii. Expand the production of high-quality fingerlings to support the growth of the domestic aquaculture sector by 2045					
	iii. Enhance the production of essential livestock and fish feed to boost local agricultural productivity by 2035.					
	iv. Improve access to and production of high-performing livestock breeds to strengthen the local livestock industry by 2050					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
7. A market penetration in regional and international markets of at least 80% of fish and aquaculture products achieved by 2050	Deep Sea Fishing Capacity and Infrastructure					
	i. Develop and operationalise a national deep sea fishing fleet through public-private partnerships by 2030					
	ii. Construct and modernise fishing ports, landing sites, and cold storage facilities along the Indian Ocean coast by 2030					
	iii. Provide training and certification programmes for deep sea fishers, vessel operators, and fishery inspectors annually by 2030					
	iv. Strengthen maritime surveillance and enforcement to prevent illegal, unreported, and unregulated (IUU) fishing annually					
	Aquaculture Expansion and Modernisation					
	i. Promote the commercialisation of aquaculture by supporting medium- and large-scale fish farms annually					
	ii. Facilitate access to quality fingerlings, formulated feeds, and affordable aquaculture inputs annually					
	iii. Provide technical training and extension services to aquaculture farmers, particularly youth and women annually					
	iv. Support research and development in sustainable fish breeding, disease control, and feed innovation annually					
	Value Chain Development, Market Accessibility and Trade for Fish and Fish Products					
	i. Facilitate certification and export-readiness of Tanzanian fish and aquaculture products for international markets annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ii. Improve market infrastructure and logistics to link producers to urban, regional, and global markets annually					
	iii. Promote Tanzanian fish brands and products in international trade fairs and through regional trade agreements annually					
	iv. Establish fish processing zones and cold chain logistics to reduce post-harvest losses and increase product value by 2040					
	v. Promote value addition through fish filleting, smoking, drying, canning, and packaging for local and export markets annually					
	vi. Encourage adoption of modern processing technologies and compliance with international food safety and quality standards annually					
	vii. Develop tailored financial products and credit schemes for fishers and aquaculture producers by 2030					
	viii. Provide incentives (tax relief, grants, matching funds) to attract domestic and foreign investment in fisheries and aquaculture annually					
	ix. Strengthen cooperatives and fisher associations to improve collective bargaining and creditworthiness annually					
	x. Support applied research on fishery resources, oceanography, aquaculture productivity, and market trends annually					
	Objective 3: Enhanced integrated primary production and processing in the agricultural sector, resulting in increased value addition, reduced post-harvest losses and rise in income for smallholder farmers					
Food Value Chains						

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
8. Agriculture Growth Clusters in four corridors established by 2050	i. Support agro-processing clusters and rural agro-industries to add value to agricultural produce annually					
	ii. Strengthen linkages between producers, processors, and markets to increase commercial viability annually					
	iii. Support youth-led agri-enterprises in crop farming, input supply, and processing annually					
	iv. Establish integrated grain clusters consisting of, but not limited to, wheat, maize, rice and sorghum by 2045.					
	v. Establish integrated oilseed clusters by 2040.					
	vi. Establish integrated sugar clusters by 2045.					
	vii. Establish integrated potato clusters by 2040.					
	viii. Establish integrated horticulture clusters focusing on key high-value crops including, but not limited to, mangoes, oranges, avocado, apples, and macadamia nuts by 2040.					
	Beverages and Non-Food Value Chains					
	i. Establish two integrated cotton clusters by 2050.					
	ii. Establish three integrated coffee clusters by 2040.					
	iii. Establish two integrated cocoa clusters by 2045.					
	iv. Establish two integrated cashew nut clusters by 2050.					
	v. Establish two integrated sisal clusters by 2040.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	Livestock Value Chains					
	i. Establish four integrated beef clusters by 2045.					
	ii. Establish four integrated dairy clusters by 2040.					
	iii. Establish six integrated poultry clusters by 2045.					
	iv. Establish four integrated goat and sheep clusters by 2050.					
	v. Promote the establishment of livestock industrial parks and agro-processing clusters by 2030					
	vi. Strengthen the development of livestock management infrastructure annually					
<p>Objective 4: Enhanced and innovative agricultural financing fosters financial sustainability while simultaneously accelerating agricultural development by improving access to affordable credit, encouraging investment, and supporting resilient value chains.</p>						
Proportion of agricultural entrepreneurs accessing formal financing services increased from 15 percent to 60 percent by 2050	i. Provide input subsidies for fertilizers, improved seed varieties, and modern agricultural technologies to reduce production costs and enhance productivity annually					
	ii. Expand crop insurance schemes to safeguard farmers against losses resulting from adverse weather conditions, pest outbreaks, and crop diseases annually					
	iii. Promote contract financing arrangements, whereby processors or exporters supply inputs and offer credit facilities to farmers in return for pre-agreed produce deliveries annually					
	iv. Incentivise private sector investment in high-risk or underserved agricultural areas through de-risking mechanisms and public-private partnerships by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Strengthen the credit window of development banks (TADB, AGITF and Coop Bank) to enable increased and more accessible financing for agricultural development initiatives by 2030					
	vi. Facilitate access to low-interest credit facilities for smallholder farmers and commercial plantations to encourage expansion and modernisation of farming operations annually					
	vii. Support the creation of agricultural development financial instruments within the capital markets to mobilise long-term funding for the sector by 2030					
	viii. Raise the share of total domestic credit to total bank lending allocated to the agriculture sector annually					
At least 5 percent of the national budget, including contributions from the central government, LGAs, private sector and the general public towards agricultural development to ensure sustainable financing and long-term growth of the sector mobilised and allocated annually	i. Strengthen and Consolidate the National Agricultural Development Fund to mobilise and allocate sustainable financing for the growth and modernisation of the agricultural sector by 2030.					
	ii. Form public-private partnership arrangements to develop the Basuto state-owned agricultural land by 2030.					
	iii. Ensure that LGAs prioritise agricultural development in their budgeting processes and allocation, recognising it as a key driver of economic growth {LED} within their areas of jurisdiction by 2030.					

Industrial Sector: The Industrial sector, encompassing manufacturing, construction, mining and quarrying, and energy, on average contributed between 24 and 35 per cent of GDP (at current prices) per annum between 2000 and 2023. Significant contributions came from the construction and mining sectors.

Manufacturing: Although the number of manufacturing enterprises increased significantly from 5,153 in 2001–2005 to 61,110 in 2019–2020, the sector remains largely small-scale, import-dependent, and undiversified, with low global competitiveness (Global Manufacturing Export Competitiveness Index: 0.1419) and limited job creation. By 2050, the sector's contribution to GDP is projected to reach 15 percent, driven by an average annual growth rate of 11 percent. Notwithstanding these setbacks, Tanzania has the potential to benefit from high-value chains, including the production of chemical products; non-metallic

minerals manufacturing (ceramics, cement, and glass); food manufacturing; the apparel industry; and battery manufacturing. Other high-value chains include rare-earth minerals-based manufacturing, fertilisers, and the iron and steel industries.

Dira 2050 and LTPP aim to make Tanzania a globally competitive manufacturing hub by leveraging FDI inflows, population growth, technological advances and its agricultural and mineral base. They further emphasise the need to address infrastructure gaps, fiscal and regulatory complexities, and limited access to finance, which will transform the nation from a raw material exporter into a finished goods exporter. Table 3.5 presents the objectives, targets and interventions that will be implemented to transform the sector.

Table 3.5: Manufacturing Sector Development

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Transformed Tanzania as the leading manufacturing hub in the EAC region by achieving an average annual manufacturing growth rate of 9 percent and a sustained sectoral contribution of 15 percent to GDP.						
1. Tanzania being among the top 50 countries as per World Bank Ease of Doing Business index (Business Readiness Index) achieved by 2050	i. Strengthen regulatory authorities to enhance agribusiness profitability and competitiveness by 2030					
	ii. Review, amend, and introduce legislation to eliminate unnecessary bureaucracy and improve the ease of doing business by 2035					
	iii. Expand patient finance options from local and international sources to improve access to finance for both commercial and smallholder farmers annually.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Expand access to government subsidies and de-risking instruments to strengthen financial security and support for farmers by 2040.					
	v. Promote competitive pricing for agricultural products accompanied by a transparent market information system and provision of real-time data on commodity prices, demand trends, and market conditions annually					
	vi. Facilitate access to affordable and appropriate mechanisation technologies for smallholder and commercial farmers annually					
	vii. Support the establishment of rural-based mechanisation service providers and maintenance centres by 2035					
	viii. Provide tax incentives or soft loans for investment in agricultural machinery by 2030					
2. SEZ and EPZ-based manufacturing exports expanded to 70 percent of total sectoral exports by 2050	i. Set up innovation and technology parks to attract research, development, and manufacturing investments, particularly in high-tech industries by 2035					
	ii. Expand the well-equipped SEZs, Economic Processing Zones (EPZs) and Industrial Parks with modern facilities alongside SGR and selected strategic areas by 2040					
	iii. Develop smart manufacturing facilities in all SEZs and EPZs by 2050					
	iv. Establish 50 percent of EPZs with specific incentives and conditions for high-tech industrial production and mineral-based manufacturing industries by 2045					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Local manufacturing sector integrated into the global value chains by 2045.	i. Actively participate in trade agreements and initiatives to improve Tanzania's access to regional and global markets for manufactured goods annually					
	ii. Leverage the East African Community (EAC) and the African Continental Free Trade Area (AfTA) market by improving trade facilitation, reducing tariffs, and harmonising standards across the region to create a larger, integrated manufacturing base annually					
	iii. Promote energy-efficient and environmentally friendly manufacturing practices, aligning with global standards and addressing climate change challenges annually					
	iv. Attract FDI that brings advanced technologies and expertise, enabling local industries to benefit from knowledge transfer annually					
	v. Support production of local construction materials with export-oriented clusters, subsidies, and tax breaks to cut imports and create jobs by 2035.					
	vi. Ensure local manufacturers meet international quality standards to compete effectively in global markets, particularly for high-value products annually					
4. Export Product Diversification Index increased from 0.4 to 1.0 by 2050	i. Establish and attract share of high-value manufacturing (electronics, pharmaceuticals, machinery, and automotive components) by 2045					
	ii. Establish and scale up local steel, automotive, and electronics manufacturing to at least 40 percent and 1 percent in regional and global chain exports, respectively, by 2045					
	iii. Develop and strategise to export high-tech industrial goods to global markets (Europe, Asia, Americas) by 2045					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Strengthen R&D-driven industrial innovation, fostering new industries (AI-driven production) by 2050					
	v. Establish an industrial research fund to support the manufacturing industry and innovation by 2050					
	vi. Expand investment incentives for futuristic and sustain global competitiveness in manufacturing by 2050.					
Objective 2: Enhanced local content and inclusive economic growth targeting and supporting micro, small, and medium enterprises (MSMEs).						
5. Manufacturing Value Added (MVA) for SMEs increased from 12 percent to 60 percent by 2050.	i. Review and establish a conducive regulatory framework for the formalisation of SMEs, increased access to finance, capacity building, and regional and international market access, formalised business areas and adequate support infrastructure by 2028					
	ii. Develop arrangements to support manufacturing SMEs with grants/loans by 2028					
	iii. Establish at least one dedicated SME-friendly industrial park equipped with shared infrastructure (utilities, logistics and storage) to lower production costs and foster collaboration in each city by 2040.					
	iv. Facilitate integration of local SMEs into manufacturing supply chains by supporting quality standards, capacity-building, and market access by 2040					

Construction Sector: Tanzania's construction sector has experienced rapid growth, contributing 14.1 percent to GDP in 2022 and 12.7 percent in 2024, up from 5 percent in 2002, largely driven by investments in public infrastructure, urbanisation, and private-sector participation. Key achievements include the development of major transport, energy, and housing projects, as well as increased employment opportunities. However, challenges persist, such as limited financing, limited domestication of foreign firms in high-value contracts, skills shortages, and rising material costs. Weak regulatory enforcement and informal settlements further hinder the sector's full potential.

Dira 2050 focuses on modernising infrastructure, promoting sustainable and inclusive construction, and improving urban-rural integration through affordable housing and green building. LTPP aims to strengthen local contractor capacity, enhance public-private partnerships, integrate advanced technologies, and update regulatory frameworks to international standards. These strategies are designed to transform the construction sector into a catalyst for industrialisation, job creation, and economic diversification, while promoting environmental sustainability and social equity, as outlined in Table 3.6.

Table 3.6: Developing a Sustainable, inclusive and Competitive Construction Sector

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Established sustainable, competitive and reliable construction industry that drives economic growth, supports industrialisation, improves living standards, and led by local companies advancing technological innovation.						
1. Increase the local contractors' share in large-scale infrastructure projects from 40 percent to 70 percent by 2050.	i. Offer tax breaks, reduced import duties, and financial support for local contractors to enhance competitiveness annually by 2030					
	ii. Establish an Infrastructure Bank to pool financial resources for large-scale projects by 2045					
	iii. Support local contractors to acquire international certification and standardisation to boost credibility by 2035.					
	iv. Strengthen preferential treatment for locals in construction tenders by 2035					
	v. Implement incentives to encourage private sector participation in provision of modern construction technologies and equipment annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Facilitate access to low-interest loans and financial incentives for local contractors involved in large-scale projects by 2035. Alongside scaling up the Infrastructure Bond.					
2. At least 50 per cent of all large infrastructure projects implemented through funds from alternative sources, including Public-Private Partnership (PPP) arrangements, by 2030.	i. Update PPPs policies and regulatory frameworks by 2030					
	ii. Provide fiscal and non-fiscal incentives to the private sector annually.					
	iii. Enhance the skills of public officials in managing PPP contracts annually.					
	iv. Promote the use of capital markets in financing large-scale construction projects annually.					
3. At least fifty percent (50%) of local construction companies adopt advanced technologies and sustainable practices in construction projects by 2050	i. Promote partnerships between local firms and multinationals in 90 percent of large construction projects by 2050.					
	ii. Allocate funding to innovation hubs for R&D on locally suited materials and construction techniques by 2035					
	iii. Advance digital tools (IBM and IoT) and AI-driven technology to improve construction project management, efficiency, and safety by 2050.					
4. At least eighty percent (80%) job creation and skill development in the construction sector attained by 2050	i. Train 5,000 construction professionals annually in modern construction techniques, digital tools, and green building practices by 2035.					
	ii. Enhance specialised vocational training programmes for construction technicians by 2035					
	iii. Develop specialised training for local contractors in green building, project management, and international standards compliance by 2040.					
	iv. Integrate apprenticeship and internship programmes in major construction projects to enhance employment opportunities annually					

Mining and Quarrying Sector:

The mining and quarrying sector has grown significantly, increasing its GDP contribution from 2 percent in 2002 to 9.5 percent in 2024, yet much of its potential remains untapped. Strategic projects such as Liganga–Mchuchuma and Engaruka–Lake Natron were expected to stimulate industrialisation and job creation but have faced delays, limiting their overall impact. Over the years, inconsistent sector management and investment frameworks have constrained value addition and discouraged high-quality investment.

To address these challenges, Dira 2050 emphasises sustainable mining, transparent regulation, and technology adoption to maximise long-term benefits. The Vision further prioritises value addition through mineral processing and downstream industries to boost jobs, exports, and knowledge transfer. The LTPP aligns with this by aiming to improve sector governance, attract reputable investors, and strengthen local negotiation capacity. It also focuses on boosting exploration and mine development to expand the mineral value chain. With appropriate reforms and increased investment, the sector aims to achieve an 18 percent share of GDP by 2050, positioning mining as a key driver of industrialisation and economic transformation. Table 3.7 sets out the objectives, strategic targets, and interventions for developing a competitive and inclusive industry-based mining sector.

Table 3.7: Developing a Competitive and Inclusive Industrial-Based Mining Sector

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Developed competitive and inclusive industrial-based mining sector that efficiently exploits mineral resources while sustaining and strengthening domestic value chains.						
1. Competence-based skills training to service the mining sector that supports industrialisation enhanced by 2040	i. Ensure availability of competences and skills to service the mineral-based value addition and manufacturing by 2027					
	ii. Improve and expand the Moshi Integrated Mining Technical Training (IMTT) to avail more skilled workforce for the mining industry by 2028					
	iii. Foster the construction of Integrated IMTT colleges to serve the mining industry by 2040					
2. Mining Sector Management Efficiency Index score of at least 85 percent by 2050	i. Develop and deploy an integrated e-governance portal for licensing, permit tracking, environmental monitoring, and royalty payments by 2030					
	ii. Enable end-to-end digital processing for all mineral rights applications, renewals, and compliance reporting by 2030					

Target	Interventions	Five-Year Development Plans					
		I	II	III	IV	V	
	iii. Align with Extractive Industries Transparency Initiative (EITI) standards and mandate quarterly reporting by all licensees and government agencies by 2030						
	iv. Build the technical and managerial capacity of regulatory bodies (e.g. Geological Survey, Mining Commission) annually						
	v. Create a centralised coordination mechanism between ministries, local governments, and mining agencies for streamlined decision-making by 2030						
	vi. Partner with universities and private sector to deliver industry-relevant upskilling and certification programmes annually						
	vii. Set up a facilitative Mining Investment Facilitation Structures to streamline investor support, provide grievance resolution services as well as reduce excessive bureaucracy, regulations, and procedures that can create delays by 2030						
	viii. Facilitate the export of mineral-based products with added value annually						
	ix. Establish national training centres or centres of excellence focused on mining economics, geo-techniques, reserve estimation, digital mining, and ESG compliance by 2030						
	x. Fully institutionalise community development agreements and ensure social impact assessments are enforced and monitored annually by 2035						
	3. Participation of women in mining increased from 19 percent to 40 percent by 2030	i. Develop laws and regulations on women participation in the mining sector by 2027					
		ii. Develop and implement training programmes to build capacity of women participation in mining by 2030					
iii. Establish financing mechanisms to enable women access funds and technology by 2030							

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. Youth engagement in the large-scale mining maintained to at least 20 percent of the total workforce in the mining sector by 2050	i. Organise innovation labs to promote youth-led technology and solutions in mining annually					
	ii. Encourage companies to subcontract services to youth-led enterprises in logistics, catering, or site services annually					
	iii. Conduct online and in-person continuous professional development (CPD) programmes to upskill youth already in the mining workforce annually					
Objective 2: Increased establishment of new mining ventures and unlocked stalled exploration and mining projects, creating a conducive environment and streamlined processes for both local and FDI in mineral exploration and development.						
5. Policies and legislations for improved mining economy governance, mineral exploration, mining and mineral based industrialisation reviewed by 2030	i. Review the mineral policies and legislations to promote exploration, mining and utilization of all minerals with emphasis to iron and base metals (for alloy and Steel), critical minerals, industrial minerals, precious metals and gemstones by 2026					
	ii. Review the industrialisation policies and legislations to promote mineral value addition, processing and manufacturing activities by 2026					
	iii. Review the financial and fiscal policies; and legislations to incentivize investments in the mineral value chain (processing and manufacturing) by 2026					
6. Modernised and strengthened Geological Survey of Tanzania (GST) for geological, geophysical and geochemical mapping 100 percent adopted by 2035.	i. Undertake institutional reforms including capacity building and change management through training, knowledge transfer, user support, and ongoing performance monitoring by 2030.					
	ii. Ensure availability of modern Geological, Geophysical and Geochemical mapping and analytical facilities by 2027					
	iii. Modernise the Geological Laboratory, Core Shed Facility, Geoscientific Database and Library by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
7. The State Mining Corporation (STAMICO) transformed into a Corporate Public Company of international standards by 2040.	i. Incorporate STAMICO into a strategic National corporate mining company with government majority shareholding by 2027					
	ii. Capitalise and provide capacity building for management and workforce, while retooling the company by 2035					
	iii. Enable the company to acquire mineral rights and explore to increase the number of mines from 3 to 20 mines by 2040					
8. State and Private Sector investment partnerships in the feasible mines increased annually.	i. Provide swift and eased negotiations to arrive at a win-win equilibrium between mining actors and the Tanzanian State annually					
	ii. Work with Mining Companies to improve targeted infrastructure to serve the Mining Sector annually					
9. The approval, investment, and commencement of operations for all prioritized strategic mining projects in Tanzania completed by 2035.	i. Ensure all JORC-certified critical minerals, graphite, Rare Earth Elements (REE), heavy mineral sands, helium gas and uranium exploration projects are commissioned into mines by 2035.					
	ii. Ensure the establishment of the Liganga-Mchuchuma iron/steel industrial complex and the Engaruka/Lake Natron soda ash mining and refinery Flagship Projects are finalised by 2035					
	iii. Ensure the establishment of the nickel-cobalt-copper Smelter in Kahama is finalised by 2035					
Objective 3: Promoted local and foreign direct investments (FDI) in mineral processing, smelting, refining, and manufacturing of industrial and critical minerals, driving industrialisation and economic growth.						
10. Contribution of industrial minerals, critical base-metals through value addition and manufacturing to 10 percent increased by 2050.	i. Ensure ceramics, fertilizers, glass, cement, chemicals, pharmaceuticals and battery factories utilizing industrial minerals (feldspar, gypsum dolomite, phosphate, kaolin, soda ash limestone etc) and critical minerals (REE, graphite, cobalt, nickel, titanium, lithium etc) are established by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ii. Establish a Critical Minerals Technology Hub in Dodoma to support the Local Li-iron battery and other green technology industries (Flagship Project) by 2050					
	iii. Facilitate establishment of base metals (copper, zinc, tin, aluminium, lead, nickel etc.) smelters and refineries by 2050					
Objective 4: Increased gold and gemstone production and exports, boosting Tanzania's position in the global mining market.						
11. Targeted Support Programmes for large- and small-scale Gold and Gemstone exploration and mining	i. Enhance private sector participation in exploration to increase the discovery new gold and gemstone deposits by 2028					
	ii. Formalise 75 percent of informal artisanal and small-scale miners (ASM) to increase gold and gemstone production and exports by 2040					
	iii. Establish financing mechanisms to enable ASM access funds and technology by 2030					
12. A total share contribution of gold in foreign exchange earnings at 40 percent sustained by 2050	i. Increase large-scale gold mines from five to ten by 2040					
	ii. Increase the Bank of Tanzania (BOT) Bullion Gold reserves from 3.7 metric tons to 100 metric tons by 2050.					
Objective 5: To make Tanzania the Gem Centre of Africa						
13. A competitive and well-regulated gemstone industry with 80 percent of trade formalised and value addition infrastructure established by 2035.	i. Develop facilitative transparent gemstone exploration, mining, value addition and trading legal framework and fiscal regime to facilitate miners and traders (local and foreign) by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ii. Foster capacity building to enhance skills, knowledge, and resources of individuals and organisations in the gemstone sub-sector by 2035					
	iii. Establish a gemstone cutting & polishing, jewellery making and lapidary Industrial Centre in Dar es Salaam by 2035.					
	iv. Establish SEZ for International Gemstone/gem Shows and Market in Arusha by 2040 (Flagship Project)					
	v. Modernize and strengthen the Tanzania Gemmological Centre (TGC) of Arusha to international standards by 2035					
14. Certified gemstone trading hubs in Tanzania with formal linkages to major international markets established by 2050	i. Increase participation in international gem shows and jewellery exhibitions by 2030					
	ii. Establish international partnerships and alliances including gem organisations and educational institutions to gain global recognition by 2035					
	iii. Develop a comprehensive brand strategy promoting unique Tanzanian gemstones (alongside tanzanite), promoting them as high-quality, ethically sourced, and unique products in the global market. 2050					

Oil and Gas sector: The oil and gas sector, anchored by an estimated 57.54 trillion cubic feet of natural gas reserves, offers a significant opportunity to accelerate industrialisation and propel the country towards UMIC status. However, the sector continues to face critical challenges, including inadequate infrastructure and governance, underdeveloped regulatory frameworks, and limited local skills and content development. Additional constraints, such as environmental risks, low technological capacity, and energy generation shortfalls, hinder the sector's full potential.

Dira 2050 envisions a responsible, transparent, and technologically advanced oil and gas industry that supports inclusive and sustainable economic transformation. Aligned with this vision, LTPP calls for increased foreign and domestic investment, effective revenue management to prevent the resource curse, and the strategic integration of the sector with the manufacturing and energy industries. The Plan also prioritises building local capacity, fostering innovation, and ensuring environmental sustainability. Key interventions include fast-tracking exploration and optimising the supply and use of natural gas for domestic applications, such as power generation, industrial feedstock, transport fuel, and household energy, while also securing export opportunities through liquefied natural gas (LNG) development. Table 3.8 presents objectives, strategic targets, and interventions for transforming the oil and gas sector:

Table 3.8: Transforming the Oil and Gas Sector

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Increased oil and gas exploration, unlocking the full potential of national energy resources to drive sustainable energy development and economic growth.						
1. Targeted incentives to attract oil and gas exploration covering at least 50 percent of Tanzania's sedimentary basins implemented by 2050	i. Review related policies, legal and regulatory frameworks, to enhance incentives for investors by 2027					
	ii. Promote and implement oil and gas exploration projects in Offshore and Onshore basins by 2035					
2. Tanzania Petroleum Development Corporation (TPDC) into a Corporate Public Company of international standards transformed by 2045	i. Incorporate TPDC into a national strategic corporate company with government majority shareholding by 2027					
	ii. Capitalise, provide institutional management/workforce capacity, and retool the company by 2030.					
	iii. Enable the company to acquire exploration licensed blocks from 4 blocks to 15 blocks by 2045					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 2: Increased national gas production and internal utilisation, ensuring sustainable energy supply for domestic industries and economic growth.						
3. Onshore natural gas production increased from 320 MMSCFD (Million Standard Cubic Feet Per Day) to 1000 MMSCFD by 2050.	i. Forge international partnerships for skills transfer for the development of gas production by 2030					
	ii. Increase the number of onshore producing Gas Wells from 4 to 10 by 2050					
	iii. Optimize the domestic natural gas supply networks from onshore fields by 2050					
4. Natural gas in-country utilization from 290 MMSCFD to 800 MMSCFD increased by 2050.	i. Promote investments in research facilities (centre of Excellency), incentives for clean energy adoption, and automation of sector operations by 2040					
	ii. Promote the utilization of gas for power generation, industry usage, domestic usage, and transportation fuels (gas-driven vehicles) by 2030					
Objective 3: Transformed Tanzania into a leading gas exporter in Africa, expanding regional and global market share and driving economic growth.						
5. Regional Gas Trading Hub gas supply increased from 290 MMSCFD to 3500 MMSCFD by 2050.	i. Establish a Regional Trading natural gas Hub (storage and cross-border pipeline infrastructure) to supply gas in the EAC and Southern African Development Community (SADC) regions by 2040					
	ii. Strengthen regional oil, gas, and energy integration to expand trade networks by 2040					
	iii. Establish strategic alliances, expansion of cross-border infrastructure, and creation of a regional gas trading hub by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
6. The Offshore Gas discovery through an LNG export volume from 0 MTPA to 15 MTPA (Million tons per annum) commercialised by 2040.	i. Finalise liquefied natural gas (LNG) project negotiations by 2025					
	ii. Establish the LNG processing plant to process natural gas for export by 2030					
	iii. Establish and expand natural gas exports and import terminals by 2045					
	iv. Install advanced technology to facilitate integration, regulatory stability, and sector diversification in 2040					

3.2.4.2. Enhancing Development of Service Sector

Tourism Sector: This is among the major subsectors of services, contributing an average of 17 percent of GDP and nearly a quarter of foreign exchange earnings for more than a decade. Annual tourist arrivals reached 2 million in 2024, rebounding from a COVID-19-related decline estimated at 660,000 in 2020, exemplifying resilience to shocks. The sector is estimated to create about 1.6 million direct and indirect jobs, with strong linkages to other domestic sectors, including transport, accommodation, beverages and food, and retail trade. Tourism stimulates domestic and foreign investment in new infrastructure, hotel management, aviation, training, travel services, tour operators, and the marketing and promotion of tourism activities. Wildlife tourism accounts for approximately 80 percent of visitors, with most concentrated in the northern safari circuit. These natural heritage sites, boosted by global promotional campaigns such as the production of the international documentary “The Royal Tour”, continue to make the sector vibrant. However, the sector remains underexploited in areas such as cultural, historical, culinary, coastal and marine, sports, and Meetings, Incentives, Conferences, and Exhibitions (MICE) tourism. This lack of diversification limits the sector’s full economic potential. Key challenges include limited market diversification, underutilisation of digital marketing and technology, insufficient tourism product development, and slow domestic tourism growth.

Dira 2050 positions the tourism sector as a key driver of socioeconomic transformation through employment creation, revenue generation, and community development. It prioritises improving transport and hospitality infrastructure, reducing travel costs, and diversifying tourism offerings to foster more inclusive and resilient growth. The vision also promotes sustainable practices, increased investment, local participation, and resource conservation. Aligned with this, LTPP focuses on developing a sustainable, inclusive, and competitive tourism industry. It aims to increase tourist spending, encourage repeat visits, and uplift community livelihoods by expanding infrastructure, broadening market reach, and creating a more investment-friendly environment. Table 3.9 presents the objectives, strategic targets, and interventions to make the tourism sector sustainable, inclusive, and resilient.

Table 3.9: Making Tourism Sustainable, Inclusive and Resilient

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced tourism activities, products, practices, and experiences to promote sustainability, inclusivity, and resilience, while expanding access for local communities and ensuring long-term growth.						
1. Tanzania position as per Travel and Tourism Development Index improved from 81st to 50th globally out of 119 economies by 2050	i. Promote diversification of tourism products, activities, and markets annually					
	ii. Enhance quality of tourism products, services, and activities annually					
	iii. Encourage availability and accessibility of adequate and low-cost tourism financing options annually					
	iv. Strengthen tourism infrastructure development capacity annually					
	v. Promote sustainable utilisation of tourism resources annually					
	vi. Strengthen the coordination capacity of tourism activities by 2030					
	vii. Leverage on bilateral, multilateral, regional, and international cooperation agreements for Coastal and Marine Tourism development annually					
2. Tourism SEZs increased from 1 to 4 by 2030	i. Increase LGAs allocating land for tourism investment from 13 to 26 by 2030.					
	ii. Review fiscal and legal and regulatory frameworks to attract tourism investment and business growth by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Develop competitive policies and frameworks to encourage public-private partnerships in tourism development, focusing on infrastructure, service quality, and sustainable tourism by 2030					
3. Local content in the tourism sector increased by 50 percent by 2050	i. Simplify Regulations and bureaucratic procedures for local entrepreneurs to enter the tourism market by 2030,					
	ii. Enhance business management and entrepreneurship capacity to help locals, including women and people with disability, start and sustain tourism-related businesses annually					
	iii. Create platforms for local businesses to network with larger tourism operators, and regional and international markets by 2030.					
4. Over 60 percent of tourism attraction sites conserved and connected by 2050.	i. Increase airstrips in the protected areas from 39 to 70 by 2050					
	ii. Increase accommodation facilities with one to five-star from 315 to 700 by 2035					
	iii. Increase national parks with low-cost accommodation facilities for domestic tourists from 10 to 22 by 2030					
	iv. Establish online tourism booking system by 2030.					
	v. Create attractive investment opportunities for global investors, focusing on the development of high-end hotels, resorts, and tourism infrastructure that cater to international markets by 2030					
	vi. Offer incentives for tourism businesses to adopt sustainable practices, including waste reduction, energy efficiency, and environmental conservation annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
5. At least 80 percent of tourism businesses digitalised by 2035	i. Develop five smart tourism destinations equipped with IoT (Internet of Things), AI (Artificial Intelligence), and big data analytics to enhance visitor experiences by 2035					
	ii. Launch online training platforms for tourism professionals to improve skills in hospitality, customer service, and digital literacy by 2035					
	iii. Establish a national tourism data hub to collect, analyse, and disseminate real-time data on tourist trends, preferences, and economic impact by 2035					
	iv. Digitalise the tourism financial transactions including the developing the national booking system by 2030					
	v. Incubate tourism startups focused on digital innovative solutions (e.g., virtual reality tours, sustainable travel apps, and cultural experiences) by 2035					
6. Smart tourism ecosystem integrating smart technologies (such as IoT, AI, and big data) to enhance visitor experience and optimize resource management 100 percent adopted	i. Introduce virtual Reality (VR) experiences at cultural and heritage sites to attract tech-savvy tourists and provide immersive experiences by 2040					
	ii. Establish a robust innovation ecosystem where tourism sector can adopt breakthrough technologies by 2040					
	iii. Enhance workforce with the skills required for modern technologies annually					
	iv. Create a predictable and conducive environment for tourism technological innovations and human capital development annually.					
7. Positioning Tanzania as a go-to destination for adventure, culture, and eco-tourism achieved by 2050	i. Develop immersive cultural tourism experiences (e.g., UNESCO World Heritage Sites, indigenous community visits, cultural festivals) that appeal to international travellers interested in history and culture by 2045					
	ii. Conduct a comprehensive global branding campaign across digital platforms, social media, and international tourism expos to raise awareness of Tanzania's tourism offerings annually					

Target	Interventions	Five-Year Development Plans					
		I	II	III	IV	V	
	iii. Develop advanced data collection and analytics tools to track tourism performance, visitor demographics, and emerging market trends to better align Tanzania’s tourism offerings with global demand by 2045						
	iv. Establish vocational training centres in collaboration with the private sector to provide specialised training programmes that align with global tourism standards and emerging trends by 2045						
	v. Strategic diversification of Tanzania’s tourism offerings, attracting higher spending international tourists, and tapping into growing global tourism segments by 2045						
	vi. Develop partnership with international airlines and tour operators to establish new routes, as well as promote Tanzania in international tourism fairs and digital platforms annually						
	vii. Develop tourist facilities, including luxury accommodations, convention centres, eco-friendly resorts, and transportation networks (e.g., airports, roads, and rail) that support the tourism value chain annually.						
	8. International visitors in the luxury segment increased by 40 percent by 2050.	i. Streamline visa processes and introduce visa-on-arrival or e-visa facilities for key markets by 2030					
		ii. Introduce cashless payment systems and digital platforms for seamless travel experiences by 2050					
	iii. Establish training programmes for tourism professionals to improve the quality of services in hospitality, guiding, and customer service for high-end visitors by 2050						
	iv. Construct high-end hotels, resorts, and experiential tourism services in the protected areas by 2040						
	v. Adopt sustainable tourism practices to attract high-income, environmentally conscious tourists annually.						

Financial Sector: The Financial sector has made notable progress between 2000 and 2024. Despite the adverse effects of the COVID-19 pandemic, the sector rebounded, growing from 3.1 percent in 2020 to 16.4 percent in 2024. The positive performance was driven by strong economic growth, a favourable regulatory environment, the use of fintech, advances in mobile banking and microfinance, a higher credit appetite, evidenced by a rise in credit growth to the private sector from 8.6 percent in 2020 to 14 percent in 2025, and improved country ratings by international agencies (Moody's upgraded Tanzania's rating from B2 to B1, maintaining a stable outlook, and Fitch raised the country's rating from B to B+, also affirming a stable outlook). These developments helped reduce non-performing loans from around 8 percent in 2020 to 3.6 percent in 2024 and increased financial inclusion from 16 percent in 2009 to 76 percent of adults in 2023. However, challenges remain, including limited access to credit, underdeveloped capital markets, and low financial literacy, especially among SMEs and rural populations.

Dira 2050 envisions a robust financial sector that supports entrepreneurship, formalisation, and economic transformation through improved access to credit, savings, and investment. LTPP supports this by promoting gender-responsive financial inclusion, particularly for youth and women, and by expanding digital financial infrastructure. Reforms are also targeted across financial sub-sectors, enhancing access to credit, deepening capital markets, increasing insurance penetration, and strengthening microfinance through lower interest rates and digital integration. Additionally, developing venture capital and angel investment frameworks is key to fostering innovation and private sector growth. These measures aim to build an inclusive, resilient, and diversified financial ecosystem. Table 3.10 presents objectives, strategic targets, and interventions for building a strong financial system:

Table 3. 10: Transforming the Financial Sector and the Financial System

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced good governance, operational efficiency and financial stability, ensuring the competitiveness and resilience of commercial banking sector.						
1. An increase of Capital Adequacy Ratio to above 16.5 percent and Deposit-to-GDP ratio to over 40 percent, as well as reduction of Non-Performing Loans to below 5 percent attained by 2050	i. Undertake financial sector reforms and consolidating financial institutions focusing on building a resilient financial system by 2030.					
	ii. Enhance Financial Stability through digitalisation, adoption of AI and big data analytics for predictive risk management annually.					
	iii. Enhance commercial banking compliance to international standards by integrating Environmental, Social, and Governance (ESG) principles, ensuring financing is extended for only ESG-compliant investments projects annually.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
2. Raising digital deposit mobilisation to 80 percent and 90 percent of GDP, expanding private sector credit to 80 percent of GDP, and financial inclusion rate to 85 percent attained by 2050.	i. Enforce efficient commercial banking digitalisation by deploying regulatory sandboxes and fintech innovations, including AI-based models with inbuilt fraud detection and improved cybersecurity by 2035.					
	ii. Introduce the use real-time regulatory reporting and AI-driven credit scoring by 2045.					
	iii. Promote risk management digitalisation applying fintech solutions, blockchain transactions, and enhanced cross-border payments by 2045.					
	iv. Legislate the enhancement of financial system resilience through digitalisation. Promote the use of quantum computing for advanced risk assessment. Encourage the establishment of automated, self-regulating financial institutions with real-time compliance by 2050.					
Objective 2: Strengthened DFIs' capital base, effectively leveraging private sector investments, pension funds, and insurance firms to drive growth and sustainability.						
3. Raising DFIs' capital base to 2 percent of GDP by 2035	i. Implement gradual government capital injection to attain the 2 Percent of GDP threshold by 2040.					
	ii. Diversify funding sources to tap on bond issuance, forging partnerships with insurance companies, pension funds and other alternatives by 2040.					
	iii. Introduce blended finance and forging international partnerships by attracting AfDB, The World Bank and other multilateral finance institutions to fund dedicated developmental financing programmes by 2050.					
4. Achieving a 1:2 public-to-private capital ratio through increased private sector participation attained by 2045.	i. Review the DFI Establishment Acts to accommodate injection of local and international private capital and undertake partial privatization by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ii. Foster participation of institutions such as IFC, AfDB, EIB etc. to take equity in DFIs by 2030.					
	iii. Develop and implement a project to expand private sector participation in DFIs shareholding by 2035.					
Objective 3: Improved portfolio quality of Development Finance Institutions by strengthening risk management practices, improving credit assessment processes, and ensuring effective monitoring and recovery mechanisms.						
5. DFIs' NPLs maintained below 5 percent by 2050.	i. Implement a programme to strengthen Governance and Risk Management Framework entailing risk management by AI tools, governance by adopting private sector governance frameworks; diversification lending, and introduce equity based financial instruments annually					
6. DFIs' Credit-to-GDP ratio raised to 70 percent by 2050.	i. Expand infrastructure, industrial and agriculture financing annually					
	ii. Expand SMEs and start-up financing by providing equity, venture and digital lending solutions by 2030.					
	iii. Introduce financing window for fintech and technology driven enterprises by 2035.					
	iv. Introduce diverse and block-chain aided agriculture value chain financing and adopt sustainable green finance model annually					
Objectives 4: Enhanced inclusive, private sector-led insurance sub-sector that drives sustainable economic growth by increasing insurance penetration, enhancing market stability, and diversifying product offerings.						
7. Insurance penetration, measured as total premium to GDP, increased from 2 Percent to 5 Percent by 2050.	i. Strengthen the foundation of the insurance sector by enhancing regulatory framework, re-aligning existing policies to foster design of more micro-insurance products, conducting a nation-wide public awareness and education programme on benefits of insurance by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ii. Foster innovation in the insurance sector by encouraging the adoption of digital products; develop specialised insurance products to cover agriculture and health, and training insurance professionals with new knowledge by 2035					
	iii. Enhance insurance sector market resilience by establishing a comprehensive risk assessment framework, collaborations between government and the private, and institutionalizing regular regulations up-dates to achieve global standards by 2040					
	iv. Implement a programme to expanding the Tanzania insurance sub-sector regionally and globally by adopting international standards in underwriting, re-insurance, claim management and customer services to achieve UMIC standards annually by 2040					
Objectives 5: Promoted capital diversification and enhanced regulatory compliance, aligning with UMIC standards to drive economic growth and stability.						
8. A total of 100 percent capital funding diversification and a fully integrated microfinance in rural areas achieved by 2040.	i. Reform regulatory frameworks and introduce MSME-friendly financial policies, promoting microfinance credit guarantees and expand digital transactions in rural areas by 2030.					
	ii. Enhance resilience of the microfinance sub-sector and promote inclusiveness by digitalizing informal business records, adopting smart contracts, and promoting ESG-compliant sustainable finance by 2040.					
	iii. Enhance resilience of the microfinance sub-sector and promote inclusiveness by digitalizing informal business records, adopting smart contracts, and promoting ESG-compliant sustainable finance by 2040.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
9. Digitalised microfinance sector 100 percent implemented by 2045.	i. Enforce digital micro-finance banking. Mobile and digital banking services to reach underserved regions. AI-driven lending platforms, policies developed supporting fintech- solutions by 2040.					
	ii. Integrate digital microfinance banking and decentralised finance (DeFi) by 2045.					
10. Transforming the microfinance sub-sector into a fully SME-driven model with 100 percent rural integration, ensuring expanded access to credit and diversified financial services for small and medium enterprises attained by 2050.	i. Implement a programme to enhance inclusivity by reviewing regulatory frameworks to promote financial inclusion and enhance investment opportunities up to rural areas from by 2045.					
	ii. Conduct nation-wide Microfinance Institutions (MFIs) and SME financial literacy programmes by 2045.					
Objectives 6: Advanced capital diversification and strengthened regulatory compliance, ensuring alignment with UMIC standards to foster sustainable development and financial resilience.						
11. Reduction of financial exclusion to 22.5 percent and increase of account ownership to 77.5 percent and formal borrowing to 35.75 percent realised	i. Reform regulatory frameworks and introduce MSME-friendly financial policies, promoting microfinance credit guarantees and expand digital transactions in rural areas by 2030.					
	ii. Implement a National Financial Sector Modernisation programme under the NFIF and enhance service delivery to UMICs' standards by 2040.					
12. An increase of mobile money account ownership to 36.75 percent and savings participation to 39 percent attained by 2050.	i. Expand DFS, integrate fintech's solutions, position Tanzania as a leader in FinTech in the region from by 2045.					
	ii. Implement a National Financial Knowledge and Skills programme to improve financial knowledge, professional skills, and consumer confidence in FSs by 2050.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 7: Improved business environment for the growth of Tanzania’s venture capital and angel investment ecosystem leading to increased access to finance for startups and high-growth enterprises.						
13. Total VC and Angel Investment growing from USD 52 million to over USD 1 billion per year increased by 2050	i. Implement a programme to establish a National Angel Investor Network and revise private equity (PE) and VC regulations by 2030.					
	ii. Establish a National Startup Fund for early-stage capital, Government-backed R&D grants; The DSE strengthened for IPOs, and M&As regulations eased to attract off-takers by 2035.					
Objective 8: Increased venture capital and angel investor-backed deals, resulting in a thriving startup ecosystem and greater innovation-led enterprise growth.						
14. Venture Capital and angel investment deals increased from 10 to over 100 by 2050.	i. Expand broadband access, establish a National Intellectual Property Support Programme; The Tanzania VC Association, & leverage AfCFTA for startup financing by 2035.					
	ii. Establish Tech-Parks and Innovation hubs to drive digital transformation and entrepreneurship by 2040.					
	iii. Introduce targeted VC funds for AI, biotech, and climate-tech by 2045					
Objective 9: Promoted inclusive and sustainable entrepreneurship, resulting in greater economic participation and positive environmental impact.						
15. Global Innovation Index ranking improved globally to the top 50 by 2050.	i. Establish targeted VC funds for AI, biotech, and climate-tech by 2045					
	ii. Introduce regional secondary markets, five startup IPOs will be facilitated, and pension funds will be enabled to invest in startups by 2045.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Establish R&D funding and global startup partnerships by 2045.					
	iv. Undertake a future proofing programme to leapfrog to the next stage of Tanzania's development trajectory by 2050					
	v. Establish targeted VC funds for AI, biotech, and climate-tech by 2045					

Sports and Creative Industry: The sports and creative industry is emerging as a key driver of youth empowerment, job creation, and cultural identity, capitalising on a youthful population that makes up 37 percent of the total population. In 2024, the sector grew by 17.7 percent, outpacing all other sectors. Notable achievements include the global rise of Tanzanian music, increased production in film and fashion, international-standard stadiums, and improved performance in football, netball, and boxing. However, the industry faces challenges, including insufficient funding, limited infrastructure, weak governance, limited market access, and inadequate enforcement of intellectual property rights. The creative subsector also struggles with piracy, underdeveloped professional training, and informal structures, while the sports subsector suffers from limited talent development and international exposure.

Dira 2050 envisions Tanzania as a cultural and sporting hub in Africa, with a focus on talent development, entrepreneurship, and youth engagement. It calls for investments in infrastructure, education, and IP protection to sustain industry growth. LTPP complements this by promoting inclusive growth, especially for youth and women, and by expanding digital platforms, galleries, and creative hubs. Strategic support, sports tourism, and international partnerships are essential to strengthening national pride and economic transformation. Table 3.11 presents the objectives, targets, and interventions for transforming the sports and creative industries.

Table 3.11: Transforming the Sports and Creative Industry

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced the domestic, regional, and international competitiveness of the sports and creative industries, driving growth, visibility, and opportunities for talent and investment.						
1. Sector annual growth sustained at 20 percent by 2050.	i. Promote diversification of tourism products, activities, and markets annually					
	ii. Enhance quality of tourism products, services, and activities annually					
	iii. Encourage availability and accessibility of adequate and low-cost tourism financing options annually					
	iv. Strengthen tourism infrastructure development capacity annually					
	v. Promote sustainable utilisation of tourism resources annually					
	vi. Strengthen the coordination capacity of tourism activities by 2030					
	vii. Leverage on bilateral, multilateral, regional, and international cooperation agreements for Coastal and Marine Tourism development annually					
2. Over 500,000 sports tourists attracted annually.	i. Host domestic, regional and international sports events such as marathons, football tournaments, and cultural festivals annually					
	ii. Foster a sports business ecosystem that promotes sports tourism at all levels by 2030					
3. Global recognition of Tanzanian artists in at least five major creative fields achieved by 2050.	i. Build a sustainable ecosystem for film production, distribution, and music recording by 2030					
	ii. Create tax incentives and a more favourable regulatory environment for foreign and local investors by 2030					
	iii. Establish internationally recognised platforms for Tanzanian artists to showcase their work both locally and internationally by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. At least 50 percent of content, globally accessible via digital platforms produced by 2030.	i. Leverage digital platforms to expand the reach of Tanzanian creatives including music, film and design annually					
	ii. Foster partnerships between creatives and tech innovators by establishing incubators and accelerators for creative entrepreneurs to access funding, mentorship, and networking opportunities annually					
	iii. Foster partnerships with global platforms and distributors by creating export strategies for Tanzanian arts, music, film, and fashion to target international markets annually					
5. Tanzanian creatives and sports organisations facilitated to receive royalties for at least 70 percent of their works annually by 2030.	i. Establish an efficient and accessible copyright registration system for local artists, ensuring their works are legally protected from unauthorized use and piracy by 2030					
	ii. Establish support systems such as IP clinics, training programmes, and advisory services to help creatives understand how to protect their works and how IP can be leveraged for business success by 2030					
	iii. Ensure copyright protection for digital creators and content produced on online platforms, including influencers, bloggers, and social media content creators annually					
	iv. Boost the international export of Tanzanian creative works through IP licensing and royalties annually					
	v. Full enforce IP laws and copyright enforcement in sports, including broadcasting rights, merchandising, and digital content annually					
	vi. Develop and ensure that 90 percent of Tanzanian creators and sports organisations have access to efficient IP registration and protection systems by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Encourage the commercialisation of IP in both sports and creative sectors annually					
	viii. Establish specialised legal and financial services focused on IP management, including tax incentives and grants for IP protection and commercialisation by 2030					

Real Estate Sector: The subsector shows strong growth potential, driven by rapid urbanisation, population growth, economic expansion, and the emergence of a vibrant middle class. The subsector's contribution to GDP has increased from 2.4 percent in 2017 to 4.4 percent in 2022, reflecting its rising significance. Government initiatives, including the implementation of the National Human Settlements Development Policy, the establishment of the Tanzania Mortgage Refinance Company (TMRC), and strategic investments by institutions such as the National Housing Corporation (NHC), Watumishi Housing Investment (WHI), and the Tanzania Building Agency (TBA), have improved access to mortgages and stimulated both commercial and residential development, particularly in urban centres. Despite this progress, the sector remains constrained by excessive regulatory oversight, high levels of informality, outdated legal frameworks, and a severe housing deficit of 3.8 million units, which continues to grow annually. While real estate continues to attract FDI, the predominance of informal and unregulated transactions hampers transparency, investment efficiency, and long-term planning. With urbanisation projected to reach 50 percent of the population by 2050, there will be growing pressure on housing supply and urban infrastructure.

Dira 2050 recognises real estate as a key subsector for inclusive and sustainable urbanisation. It prioritises strengthening land governance, improving access to affordable finance, and promoting green and inclusive housing solutions. In line with this, LTPP sets out strategies to formalise the sector, expand Real Estate Investment Trusts (REITs), and attract both foreign and diaspora investment. By positioning real estate as a catalyst for urban transformation, LTPP aims to enhance economic competitiveness and social well-being, supporting Tanzania's transition to upper-middle-income status. Table 3.12 presents objectives, strategic targets, and interventions for developing the real estate subsector:

Table 3.12: Developing a Sustainable, Inclusive, and Competitive Real Estate Sector

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Improved competitive, transparent, and investment-friendly environment for local and foreign investors in the real estate sub-sector, fostering its growth and increasing its contribution to the economy.						
1. The contribution of the real estate sector to GDP will be increased from 4 percent to 12 percent by 2050.	i. Conduct policy reforms related to land and urban development to stimulate market-based real estate development by 2027.					
	ii. Establish incentives for real estate developers investing in large-scale projects by 2035.					
	iii. Improve land planning and infrastructure development (including water, electricity, ICT, and transport networks) by 2030.					
	iv. Strengthen financial markets to deepen REITs by 2035					
2. A total of 10 million new housing units to accommodate urban population growth developed by 2050	i. Establish and incentivise PPPs to increase the supply of affordable homes under the Tanzania Affordable Homes Programme (TAHP) and the development of mixed-use urban centres, integrating residential, commercial, and recreational facilities by 2040.					
	ii. Establish a Housing Fund to enhance the availability of construction finance by 2030.					
	iii. Develop financial support schemes to provide developers and buyers with affordable mortgages and construction loans by 2035.					
	iv. Develop cost-effective and sustainable building technologies to expedite construction and reduce costs by 2035					
3. Mortgage to GDP Ratio from 0.5 percent to 12 percent raised by 2050	i. Establish and operationalise the finance window institutions such as TMRC/TIB with at least TZS 200 billion by 2035.					
	i. Conduct regulatory reforms to reduce mortgage interest rates from an average of 15% to 10% by 2040.					
	ii. Establish and make available serviced land to private and public sector developers in urban and peri-urban areas by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. Investments in Special Economic Zones (SEZs), Smart Cities, international business parks, and logistics hubs totalling 10 billion USD attracted by 2040.	i. Establish 10 SEZs across strategic regions to promote industrialisation and economic diversification by 2040.					
	ii. Develop five international business parks and logistics hubs to facilitate trade and attract multinational corporations by 2040.					
	iii. Develop three Smart Cities with tech-driven planning that incorporate advanced technologies for efficient urban management and sustainable living by 2050					
5. The total value of assets under management in REITs and TAHF increased to 5 billion USD by 2040.	i. Expand capital markets to provide investors with diverse opportunities and increase liquidity in the real estate sector by 2035.					
	ii. Finance the development of affordable housing units, addressing the housing deficit and promoting social equity by 2040.					
	iii. Establish Transit-Oriented Development (ToD) by integrating mixed land-use planning with efficient public transit systems to promote sustainable urban growth and reduce congestion by 2040.					
6. A total of 80 percent of real estate transactions digitally conducted by 2045.	i. Establish digital infrastructure to facilitate e-mortgages and digital property transfers, ensuring secure and efficient transactions by 2030.					
	ii. Develop and implement AI-driven urban planning systems to ensure real-time monitoring and management of urban growth, optimising land use and infrastructure development by 2035.					
	iii. Conduct regulatory reforms to simplify property acquisition processes for non-citizens, attracting international investors and enhancing market competitiveness by 2030.					
	iv. Implement climate-resilient real estate strategies, such as building codes and standards, to mandate climate-resilient designs and materials, reducing environmental impact and enhancing sustainability in construction annually.					

3.2.4.3. Transforming Trade and Commerce Sector

The trade and commerce sector has grown significantly, leveraging natural resources, population growth, regional integration, advances in integrated logistics, and a strategic location. Gold accounted for 39.7 percent of export earnings in 2023/24, and traditional exports such as coffee and cashews accounted for 13.6 percent. Non-traditional exports, including manufactured and horticultural products, are rising. However, dependence on the export of primary commodities makes the economy vulnerable to global price shocks, limiting the country's ability to benefit effectively from global market value chains. Low levels of industrialisation, localisation, beneficiation, and skills, along with infrastructure bottlenecks, high trade costs, inefficient customs, and limited SME access to finance and markets, remain key challenges. While regional and global trade ties have expanded through the EAC, SADC, and AfCFTA, integration into global value chains remains limited. Gender inequality and informality also hinder inclusive trade growth.

Dira 2050 aims to transform Tanzania into a globally competitive trade and investment hub through economic diversification, value addition, and technological integration. In support of this ambition, the LTPP promotes the “3is” approach - Investment, Innovation, and Infusion - to strengthen digital trade systems, reduce trade barriers, and boost export diversification. These efforts are critical to positioning trade as a catalyst for Tanzania's transition to upper-middle-income country (UMIC) status by 2050. Table 3.13 presents objectives, targets, and interventions to strengthen trade and commerce, accelerating economic growth and welfare outcomes:

Table 3.13: Transforming the Trade and Commerce Sector

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced globally competitive, diversified, and digitally enabled trade sector, enhancing export performance, fostering inclusive growth for SMEs, and strengthening integration with key regional and international markets.						
Export Subsector						
1. Value-added goods in exports increased to 50 percentage by 2050	i. Launch a digital traceability system by 2029.					
	ii. Establish agro-processing hubs in export zones by 2029.					
	iii. Expand irrigation systems and distribute inputs by 2029.					
	iv. Conduct farmer training on post-harvest practices by 2029.					
	v. Introduce tax incentives and finance for SMEs in value addition by 2034.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Support cooperative-led branding and packaging by 2034.					
	vii. Pilot a blockchain system for high-value exports by 2034.					
	viii. Deploy AI-driven predictive farming systems by 2040.					
	ix. Scale blockchain/IoT certification platforms by 2049.					
	x. Launch a digital circular economy platform by 2049					
2. Export concentration index to 0.15 reduced by 2050	i. Launch an AI-powered trade diversification platform by 2029.					
	ii. Implement blockchain smart contracts for 30% of exports by 2029.					
	iii. Launch VR-based virtual trade missions by 2029.					
	iv. Establish an Export Diversification Fund by 2029.					
	v. Conduct product-level export market studies by 2029.					
	vi. Organise trade missions and fairs for emerging sectors by 2034.					
	vii. Facilitate bilateral trade negotiations by 2034.					
	viii. Deploy AR and AI trade simulations by 2040.					
	ix. Provide grants for certification and adaptation by 2040.					
3. Intra-African trade to 50 percent increased by 2050	i. Launch AI-powered African trade analytics by 2029.					
	ii. Implement a blockchain-based customs clearance system by 2029.					
	iii. Establish cross-border digital trade gateways by 2029.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Harmonise trade standards with Regional Economic Communities by 2034.					
	v. Integrate AI logistics optimisation by 2034.					
	vi. Launch an AI-based multilingual trade assistant by 2034.					
	vii. Provide training for customs and border officers by 2040					
4. Logistics Performance Index improved to top 50 by 2050	i. Modernise port infrastructure by 2029.					
	ii. Upgrade road and rail connections to ports by 2029.					
	iii. Implement AI port systems and digital twins by 2034.					
	iv. Construct smart warehouses by 2034.					
	v. Strengthen inland depots and dry ports by 2034.					
	vi. Establish logistics training centres by 2034.					
	vii. Deploy satellite-based tracking by 2035.					
	viii. Streamline customs processes at trade exits by 2040.					
	ix. Develop the African Hyperloop Freight Network by 2049					
5. Export Complexity Index improved to 0.20 by 2050	i. Integrate AI and robotics into manufacturing by 2034.					
	ii. Establish biotech and nanotech centres by 2040.					
	iii. Launch virtual R&D hubs by 2040.					
	iv. Promote technology transfer agreements by 2029.					
	v. Provide grants for certification and packaging by 2034.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Develop industrial parks for high-tech sectors by 2034.					
	vii. Expand TVET programmes for advanced manufacturing by 2040.					
	viii. Facilitate supplier linkages by 2040					
6. Digital trade increased to 50 percent by 2050	i. Develop AI-powered e-commerce platforms for Africa by 2034.					
	ii. Establish a blockchain-based digital payment gateway by 2040.					
	iii. Implement IoT-enabled e-commerce logistics by 2044.					
	iv. Harmonise e-commerce regulations by 2034.					
	v. Provide grants for MSMEs to digitise by 2034.					
	vi. Create regional e-commerce hubs by 2040.					
Import Subsector						
7. Intra-African trade increased by 50 percent by 2050	i. Develop border-specific trade facilitation policies by 2029.					
	ii. Upgrade transport and logistics to border areas by 2029.					
	iii. Establish border market zones by 2034.					
8. Logistics Index to improved Top 50 by 2050	i. Streamline customs procedures at trade entry points by 2040.					
9. Digital trade increased to 50 percent by 2050	ii. Expand broadband access to underserved areas by 2029.					
	iii. Provide digital trade literacy training for 100,000 MSMEs by 2029					

3.2.4.4. Bolstering Benefits of Blue Economy

Tanzania's Blue Economy is vital for sustainable economic growth, leveraging abundant aquatic and marine resources, including 61,500 km² of freshwater, 64,000 km² of ocean waters, and a 223,000 km² Exclusive Economic Zone (EEZ). The 1,424 km coastline supports fisheries, aquaculture, tourism, and maritime transport, while offshore gas reserves and deep-sea minerals present significant economic opportunities. Notable achievements include producing over 513,000 tonnes of fishery products valued at TZS 3.5 trillion, increasing cruise tourism, and discovering 57.54 trillion cubic feet of natural gas, 47.13 trillion of which is offshore. Other initiatives to unlock the potential of these endowments include formulating a dedicated Blue Economy Policy and Strategies (2023), developing guidelines for maritime spatial planning, establishing Water Basins Authorities, Marine Parks and Reserves Units (MPRUs), and community-based Beach Management Units (BMUs), constructing a state-of-the-art fishing port in Kilwa Masoko, Lindi, and scaling up seaweed value chains. However, challenges such as incoherent inter-agency coordination, underutilised water resources, limited investment, and inadequate EEZ management persist.

Dira 2050 recognises the Blue Economy as a strategic priority for job creation, food security, and economic diversification. It calls for the sustainable use of aquatic resources, improved governance, and stronger institutions. In support of this, LTPP focuses on boosting investment, strengthening institutional and research capacity, and enhancing maritime trade. These efforts aim to unlock the full potential of the Blue Economy for long-term, inclusive development, as outlined in Table 3.14.

Table 314: Scaling-up a Sustainable Blue Economy

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Sustainably harnessed marine and freshwater resources to drive inclusive economic growth, create jobs, ensure environmental conservation, and improve livelihoods, while fostering innovation and enhancing governance.						
1. Strengthened governance framework for the blue economy adopted by 2050.	i. Strengthen institutional capacities and governance structures for effective coordination and enforcement by 2028					
	ii. Ensure mainstreaming of the blue economy aspects in key sectors by 2030					
2. Fisheries and aquaculture contribution to GDP increased to 7 percent by 2050	i. Conduct national assessments of marine resources and economic potential by 2027					
	ii. Promote sustainable fisheries and community-based aquaculture to increase fish production and create jobs by 2030					
	iii. Launch marine plastic waste management initiatives to reduce pollution by 2040					

Target	Interventions	Five-Year Development Plans					
		I	II	III	IV	V	
	iv. Promote blue financing for fisheries by 2040.						
	v. Develop aquaculture parks by 2045						
	vi. Promote aquaponics for integrated farming by 2040						
	vii. Invest in large-scale investment in fish feed production by 2035						
	viii. Expand cold chain infrastructure by 2035						
	ix. Scale up offshore aquaculture by 2040						
	x. Introduce digital technology for traceability by 2035						
	xi. Promote eco-labelling for sustainable fish products by 2035						
	xii. Enhance export market access by 2035						
	3. Maritime trade volume increased by 100 million tons by 2050	i. Expand and modernize the Ports to Dar es Salaam, Mwanza, Mtwara, Tanga, Kalema, Kigoma and Mbamba Bay to handle increased trade volumes by 2032					
		ii. Invest in the Bagamoyo Port and associated value chains to handle increasing trade volumes by 2045					
		iii. Develop blue and green shipping corridors to promote low-emission maritime transport by 2035					
iv. Improve connectivity between coastal towns and islands by 2034							
v. Achieve full digitalisation of port operations by 2040							
vi. Promote circular economy practices in ports by 2035							
vii. Develop port innovation hubs by 2040							
viii. Expand global shipping alliances by 2035							
ix. Expand port-based industrial zones by 2045							
x. Enhance logistics efficiency by 2035							

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. Tourism revenue from marine activities increased to TZS 6,000 bn by 2050	i. Promote eco-tourism in Islands and coastal areas by 2035					
	ii. Develop eco-friendly resorts and recreational facilities by 2035					
	iii. Train local communities in tourism management and conservation by 2030					
	iv. Achieve global recognition as a top marine tourism destination by 2040					
	v. Develop marine tourism innovation hubs by 2036					
	vi. Expand tourism export services by 2033					
	vii. Promote sustainable tourism certifications by 2030					
	viii. Develop marine event tourism (e.g., festivals) by 2050					
5. A total of 2000 MW of offshore renewable energy developed by 2050	i. Develop offshore wind, wave, and tidal energy projects by 2040					
	ii. Promote solar and wind farms in coastal areas by 2035					
	iii. Invest in energy storage solutions to ensure a reliable power supply by 2045					
6. Marine Protected Areas from percent increased to 10 percent of territorial waters by 2050	i. Restore mangroves, seagrasses, and coral reefs to sequester carbon by 2035					
	ii. Expand Marine Protected Areas (MPAs) to cover 10 percent of territorial waters by 2035					
	iii. Promote community-based conservation initiatives by 2037					
7. A total of USD 1 billion of revenue generated from blue carbon credits realised annually by 2050	i. Restore 150,000 hectares of mangroves, seagrasses, and salt marshes by using community-led, drone-assisted, and AI-powered methods by 2040					
	ii. Empower 50,000 coastal community members through training, fintech solutions, and community-owned enterprises by 2035					
	iii. Establish a Blue Carbon Innovation Ecosystem to drive research, deploy advanced technologies, and ensure long-term sustainability by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
8. A total of USD 1 billion of revenue generated from marine biotechnology realised annually by 2050	i. Promote marine biotechnology innovation hubs by 2035					
	ii. Develop marine biotechnology export corridors by 2040					
	iii. Expand marine biotechnology financing mechanisms by 2037					
	iv. Establish marine bioprospecting laboratory by 2032					
	v. Promote algae-based biofuel production by 2040					
	vi. Develop marine-derived pharmaceuticals by 2035					
	vii. Train researchers in marine biotechnology annually.					

3.2.4.5. Enhancing Participation in Carbon Trade

Tanzania has made notable progress in carbon trading since the early 2000s, establishing regulatory frameworks like the Environmental Management Act (2004), Carbon Trading Regulations (2022/23), and through Environment Management (Amendment) Act 2024, elevated the National Carbon Monitoring Centre (NCCM) to a designated national authority to ensure transparency and equitable benefit-sharing and oversee, effectively monitor carbon markets including entering into agreements nationally and internationally. Other achievements include strengthened modelling and mapping of carbon stock distribution, attraction of 48 carbon trade projects as of 2025. In May 2025, the Government of Tanzania and the Government of Japan signed an MOU to establish a framework for the Joint Crediting Mechanism (JCM). Despite these gains, challenges persist, including limited participation in global carbon markets, an underdeveloped carbon registry and procedural gaps in United Nations Framework Convention on Climate Change (UNFCCC) reporting. Tanzania's carbon market earnings remain modest at around USD1 billion per annum, compared to the huge global market.

Dira 2050 aims to harness carbon trading for sustainable revenue, green jobs and climate resilience while empowering local communities. The LTPP complements this by focusing on strengthening carbon trading frameworks, developing a competitive and efficient carbon market ecosystem, robust stakeholder engagement, and establishing Tanzania as a leading carbon credit exporter in Africa. Together, these strategies position carbon trading as a key emerging area of inclusive and sustainable economic transformation. Table 3.15 presents objectives, strategic targets and interventions to make Tanzania a regional hub for carbon trade:

Table 3.15: Making Tanzania a Regional Hub of Carbon Trade

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Improved Tanzania position as a regional leader in carbon trade, driving sustainable revenue, green job creation, and climate resilience.						
1. Strengthened Carbon Trading policies, guidelines and MRV System by 100 percent enforced by 2050	i. Strengthen the institutional capacity of the NCMC to effectively coordinate and manage carbon trade by 2030.					
	ii. Review National Carbon Trade Guidelines and Regulations to align with global trends on the market and standards by 2030.					
	iii. Establish a comprehensive carbon pricing mechanism (e.g., carbon tax or trading system) covering all sectors to cater for compliance markets by 2035.					
	iv. Develop a robust national digital system for monitoring, reporting, and verifying MRV carbon credits by 2030.					
	v. Strengthen the national carbon trading framework and a digital carbon credit registry to facilitate transparent and efficient carbon trading by 2030.					
	vi. Invest in advanced, transparent, and real-time verification technologies by 2040.					
2. A domestic Emission Trading System (ETS) with 80% participation from local communities, Local Government Authorities (LGAs), and local investors in carbon trading projects established by 2050.	i. Launch capacity-building programmes for local communities and investors to raise awareness about the Tanzania ETS, its benefits, project establishment mechanisms, market requirements, and participation mechanisms by 2040.					
	ii. Establish local government-level carbon trade hubs, coordinated by LGAs' environmental officers to raise capacity and facilitate community-led carbon trade projects by 2035.					
	iii. Empower local communities and LGAs to participate in carbon credit generation through community-based carbon projects, such as community forests, and organise individuals' woodlots to establish carbon projects annually.					
	iv. Introduce financial incentives, such as tax breaks or subsidies, to encourage local investors and communities to participate in carbon trade projects by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Expand the emission trading system nationwide, integrating lessons learned from pilot projects and ensuring inclusivity by 2045.					
	vi. Foster regional and international partnerships to enhance carbon trade opportunities and attract global investments annually.					
	vii. Eighty percent engagement of local communities and investors in carbon trade projects, focusing on community-based carbon trade projects and equitable distribution of benefits by 2045.					
	viii. Transition to a fully sustainable and self-sufficient carbon trading ecosystem, with local communities and local investors playing a central role in driving climate action and economic growth by 2045.					
3. A national framework that supports at least 50 operational community-led carbon trade initiatives across all LGAs for carbon trading value chain development established by 2035	i. Conduct a baseline assessment to map and inventory existing projects by 2032.					
	ii. Zone potential forest areas earmarked for carbon trade and other land uses to ensure that land is available for all uses at all times by 2032.					
	iii. Facilitate the formation of community-based cooperatives or associations that pool resources, share knowledge, and collectively engage in carbon trade projects by 2035.					
	iv. Expand LGAs and community-led carbon projects through tree planting in the road and SGR corridors, woodlots, waste management and clean cooking solutions by 2035.					
	v. Create dedicated funding mechanisms, such as grants or low-interest loans, to support LGAs and community-led carbon trade initiatives by 2035.					
	vi. Undertake regular analysis of trends in global carbon markets by 2035.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Create a programme to educate youth on carbon trading, covering MRV processes, project development, and sustainable practices through training at schools, universities, and dedicated centres 2035.					
4. At least 100 certified carbon offset projects across forestry, blue carbon, renewable energy, waste management, and sustainable agriculture sectors implemented by 2050	i. Expand REDD+ and afforestation carbon credit projects by 2040.					
	ii. Promote blue carbon projects opportunities annually.					
	iii. Scale-up high-quality carbon offset projects in key sectors such as forestry, renewable energy, waste management and sustainable agriculture by 2046.					
	iv. Expand promotion of Tanzania's carbon credits in domestic and international markets by 2040.					
	v. Create awareness for the government MDAs to integrate carbon trade considerations in project designs and implementation annually.					
5. At least \$1 billion from carbon credit export realised annually by 2050.	i. Optimize carbon credit pricing and trading mechanisms by 2040.					
	ii. Develop fair benefit-sharing mechanisms for local communities by ensuring 50 percent of carbon trade revenues directly benefit local communities by 2040.					
	iii. Partner with global carbon market platforms (e.g., Verra, Gold Standard) by 2035.					
	iv. Enforce listing carbon trade proponent entities on the Dar es Salaam Stock Exchange (DSE) so that Tanzanians can subscribe to shares as per the Natural Wealth and Resources (Permanent Sovereignty) Act 2017 by 2035.					
	v. Enhance transparency and stakeholder engagement in the carbon trade business ecosystem through mandated disclosure of key project information, including financial information, environmental and social impacts, and community benefits by 2045.					

3.2.4.6. *Fostering Participation in Commercial Forestry*

Commercial forestry sector holds significant potential for achieving the industrialisation agenda, create decent employment, and foster inclusive economic growth. It further supports several key industries, including construction, energy and tourism. Over the years, the sector has made notable progress, including increased private sector engagement in commercial forestry. These advancements have driven the growth of formal forest industries such as sawmills, pole treatment plants, engineered wood product (EWP) manufacturers, biomass briquetting facilities, beekeeping and a pulp and paper mill. Alongside this, secondary industries including furniture making, carpentry, and wood carving have expanded, particularly in regions such as Dodoma, Iringa, Njombe, Kilimanjaro, Dar es Salaam and Morogoro. However, the sector continues to face constraints from outdated technologies, small-scale operations, low-yield and scattered plantations, adverse effects of climate change and a limited supply of quality raw materials. As a result, Tanzania remains heavily reliant on imported high-value forest products, particularly furniture and EWPs, contributing to a persistent trade deficit. These issues are further compounded by inadequate infrastructure, limited access to finance, and a generally weak business and investment environment.

While primary processing remains dominant, unlocking the sector's full potential will require strategic investment in advanced technologies, sustainable resource management, and the commercial development of wood and non-wood forest products. By aligning forestry with national industrial and development priorities, Tanzania can transform the sector into a competitive, resilient, and environmentally sustainable engine of long-term economic transformation. In this context, Dira 2050 and the LTPP recognise this potential and seek to modernise the sector through, but not limited to, green industrialisation, enhanced value addition, and the development of industrial clusters. Emphasis is placed on expanding the EWPs value chain such as plywood, medium density fibreboards, and finger-jointed boards to diversify exports and reduce dependency on imports. Table 3.16 provides more details on the strategic path towards sustainable competitive and resilient commercial forestry:

Table 3.16: Enhancing Competitive and Resilient Commercial Forestry

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Ensured sustainable supply of forest products and services by maintaining sufficient forest area under effective management, resulting in improved ecosystem health, enhanced rural livelihoods, and reliable raw material supply for forest-based industries						
1. Area under commercial forestry plantations focusing on high-yield species suitable for engineered wood products and other industrial uses increased to at least 5 million hectares by 2050	i. Strengthen the ecosystem conservation capacity and management of forest plantations and woodlots annually.					
	ii. Promote plantation expansion through public-private partnerships/concession arrangements annually.					
	iii. Encourage the utilisation of lesser-used forest species annually.					
	iv. Provide extension services to small tree growers annually.					
	v. Promote sustainable harvesting of forest products in production natural forests annually.					
	vi. Advocate for community-based forest management and agro-forestry for sustainable supply of raw materials to forest industries by 2030.					
	vii. Ensure that forest management practices are sustainable, integrating environmental conservation with economic objectives to maintain ecosystem health and resilience 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 2: Promoted sustainable forest-based industrial development and trade to significantly contribute to forest products value addition, diversification, increased export revenue generation and import substitution</p>						
<p>2. A 10 percent increase in the contribution of commercial forestry to total agricultural GDP, alongside a fivefold rise in the export value of locally processed forest products and services—including plywood, Medium Density Fibreboard (MDF), furniture, honey, essential oils, and medicinal plants achieved by 2050</p>	i. Promote value addition and diversification of forest products and services annually.					
	ii. Promote marketing and trade of forest products and services annually.					
	iii. Ensure conducive business enabling environment for commercial forest investment growth by 2030.					
	iv. Adopt advanced processing technologies to increase the value-added output from forestry, thereby boosting export potential and reducing reliance on raw material exports by 2030.					
	v. Promote compliance to the national and international forest management standards annually.					
	vi. Strengthen inter-sectoral coordination, stakeholders’ participation and cooperation at national and global levels annually.					
	vii. Develop industrial park clusters for forest industries by 2030.					
	viii. Enhance local capacity to develop affordable engineered wood technologies for high recovery rate, and quality and diversified forest product and services by 2035.					
	ix. Encourage and support women, youths and people with disabilities to participate in all aspects of commercial forestry annually.					

3.2.5. Building a Robust Private Sector

Over the past decade, Tanzania has implemented several plans aimed at strengthening its business sector and enhancing its contribution to national development. These initiatives focused on improving business environment including infrastructure development and expanding access to finance. As a result, the private sector's share to nominal GDP has remained substantial, averaging around 75 percent between 2015 and 2025. The share of capital formation from the private sector was around 70 percent annually. However, this growth was largely driven by fixed capital rather than innovation or diversification. While the formal business environment expanded slightly, informality remained widespread, even among registered firms. The share of medium and large enterprises has stayed persistently low, limiting scale and competitiveness. Furthermore, technological adoption has been slow, and regulatory challenges continue to discourage formalisation and expansion. FDI inflows declined from 3.0 percent of GDP (2004 – 2013) to around 1.5 percent (2014 – 2023), with a sharp drop during the COVID-19 period, highlighting the sector's vulnerability to global shocks. Furthermore, a thriving and sustainable economy is underpinned by a clearly defined scope of investment and business activities of Public and Statutory Corporates and the private sector, fostering collaboration and balance.

To address these structural constraints and unlock Tanzania's full economic potential, Dira 2050 aims at cultivating a competitive, inclusive, and innovation-led private sector capable of propelling the country towards UMIC status. Central to this ambition is the transformation of key strategic industries into engines of export-led growth. The Plan advocates targeted incentives for high-tech start-ups, promotes proactive investment facilitation, and strengthens linkages between SMEs and larger firms. It further ensures that Public and Statutory Corporates operate transparently, profitably, and autonomously, while collaborating effectively with the private sector to attract diverse investment. The Public and Statutory Corporates are expected to focus on strategic sectors where private sector appetite is limited, to avoid crowding out private investment.

LTPP places strong emphasis on policy predictability, adherence to international commercial justice standards, and alignment with global tax frameworks. Strengthening institutional capacity to support private sector development and growth is a key priority in reducing investment risk and boosting investor confidence. Ultimately, LTPP aims at modernising the private sector, capitalising on Tanzania's natural endowments and strategic location, and embedding the country firmly within global value chains. Table 3.17 provides details on achieving a robust business sector:

Table 3.17: Achieving a Robust Private Sector

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 1: Increased private investment that drives innovation, fosters competitiveness and inclusion, addresses domestic demands, and integrates Tanzania into global value chains to support sustainable economic growth.</p>						
<p>1. Area under commercial forestry plantations focusing on high-yield species suitable for engineered wood products and other industrial uses increased to at least 5 million hectares by 2050</p>	i. Provide incentives and targeted support for high-tech start-ups and digital enterprises to foster innovation, entrepreneurship, and technology-based business models annually					
	ii. Streamline processes and offer investor support to attract and retain both domestic and foreign direct investment by 2030					
	iii. Review and reform business regulations to reduce the burden on entrepreneurs and improve the ease of doing business by 2030					
	iv. Ensure that Public and Statutory Corporates (PSCs) operate transparently and profitably, and only intervene in strategic sectors where the private sector lacks interest annually					
	v. Emphasise regulatory certainty, adherence to international commercial justice, and alignment with global fiscal standards to reduce investment risk annually					
	vi. Enhance the capability of institutions to support private sector growth, resolve disputes, and promote fair competition annually					
	vii. Implement efforts to reduce informality by simplifying registration processes, providing incentives, and addressing barriers to formalisation annually					
	viii. Establish clear roles and partnership mechanisms between PSCs and private entities to drive joint investments by 2030					
	ix. Facilitate cluster-based industrialisation and investment in special economic zones to concentrate resources and services by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	x. Expand financial services and upgrade infrastructure to support business growth and investment annually					
	xi. Increase fixed capital formation to boost private investment in physical infrastructure and productive assets, enhancing economic capacity annually					
2. At least 45 percent of GDP from Global Value Chain Participation realised by 2050	i. Implement a strategic shift toward transforming key sectors into competitive, export-oriented industries by 2040					
	ii. Encourage integration between micro, small, and medium-sized enterprises (MSMEs) and larger companies to boost value chain participation and competitiveness annually					
	iii. Leverage Tanzania's strategic location and resources to connect more effectively with regional and international markets annually					
	iv. Encourage the uptake of modern technologies across industries to improve productivity and competitiveness annually					
	v. Prioritise the development of strategic sectors for structural transformation annually					
	vi. Capitalise on Tanzania's geography, natural resource wealth, and access to regional markets to position it as a competitive trade and investment hub annually					

3.2.6. Leveraging Bilateral, Regional and Global Engagement

Over the years, Tanzania has made steady progress in advancing its international engagement, focusing primarily on traditional diplomacy, regional cooperation, and multilateral participation. Key achievements include the establishment of regional trade agreements, active participation in regional and global forums, and efforts in peacekeeping and cultural diplomacy. Furthermore, Tanzania is an active member of various regional and international organisations, reflecting its commitment to multilateralism and constructive global engagement. Among these are the International Conference on the Great Lakes Region (ICGLR), the Indian Ocean Rim Association (IORA), and the Non-Aligned Movement (NAM). Through its membership in the ICGLR, Tanzania contributes to the promotion of peace, security, stability, and development in the Great Lakes Region. Tanzania plays a key role in addressing cross-border challenges, such as conflict resolution, humanitarian cooperation, and natural resource management.

As a member of IORA, Tanzania is strategically positioned to engage in regional cooperation across the Indian Ocean, focusing on maritime security, trade, sustainable development, and the blue economy. This membership supports Tanzania's aspirations to harness the potential of its coastline and marine resources for economic growth. In addition, Tanzania's participation in the Non-Aligned Movement reaffirms its long-standing foreign policy principle of non-alignment and its advocacy for the sovereign equality of nations, global peace, and South-South cooperation. These memberships enable Tanzania to advance its national interests while contributing to broader regional and global objectives.

However, challenges such as underutilization of economic diplomacy, infrastructural bottlenecks, and inadequate alignment of international programmes with national priorities have constrained the country's ability to fully capitalise on global opportunities. In response, Vision 2050, through the LTPP, provide a strategic shift, repositioning Tanzania to enhance its strategic bilateral, regional, and global engagement with a stronger emphasis on economic diplomacy. These reforms aim to boost trade, attract investment, and elevate Tanzania's global influence by addressing trade barriers, modernising infrastructure, and promoting Kiswahili as a diplomatic and cultural asset.

LTPP emphasises building a dynamic and agile diplomatic network, strengthening negotiation and coordination capacity, expanding consular services, and enhancing Tanzania's national brand. The country seeks to foster innovation and economic diversification by mobilising regional and international resources for development and aligning global engagements with national priorities. Deepening diaspora engagement, promoting gender and youth inclusion, and facilitating technology transfer and skills development will be central to achieving a resilient, globally competitive economy. Greater international cooperation in areas such as environmental management, marine resource sustainability, and climate action further underscores Tanzania's commitment to sustainable development. Through these strategic actions, Tanzania envisions a proactive, influential global presence that supports its transformation into an upper middle-income, inclusive, and industrialised nation by 2050. Table 3.18 outlines the objective, target and interventions to advance the key agenda into reality.

Table 3.18: Enhancing Bilateral, Regional and Global Engagement

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced capacity of the country to effectively promote economic interests and elevate Tanzania's global influence, contributing to sustainable development and stronger international partnerships.						
1. Economic diplomatic roles to increase investment growth by 40 percent, fully implemented by 2050	i. Strengthen national negotiation capacities by 2035					
	ii. Optimise staffing and structure of diplomatic missions by 2040					
	iii. Enhance real time information flows between diplomatic missions and country institutions by 2045					
	iv. Expand Consular Presence in key cities 2050					
	v. Enhance Tanzania's global brand to attract investment and other economic gains 2050					
	vi. Strengthen the Dr. Salim Ahmed Salim Centre for Foreign Relations by 2050					
	vii. Promote good neighbourliness by 2050					
	viii. Enhance intellectual property protection and competitiveness in line with global standards by 2045					
	ix. Strengthen diaspora engagement annually					
	x. Enhance the role of Kiswahili in diplomatic engagement annually					
	xi. Strengthen international cooperation in environmental management and in addressing climate change annually					
	xii. Ensure the integration of gender issues and youth opportunities in international partnerships annually by 2030					
	xiii. Enhance the mobilisation and effective utilisation of international resources for national development annually					
	xiv. Increase efficiency in leveraging available economic opportunities within international relations annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	xv. Foster partnerships with the private sector to advance economic diplomacy annually					
	xvi. Define Tanzania’s strategic priorities and interests in the global arena by 2030					
	xvii. Enhance and broadening bilateral ties and partnerships with other nations annually					
	xviii. Establish supportive conditions to improve Tanzania’s competitiveness and engagement in regional economic blocs by 2030					
	xix. Ensure that international programmes and projects implemented in Tanzania are aligned with the country’s national development priorities annually					
	xx. Harness international resources to support human capital development, facilitate technology transfer, and strengthen partnerships for national progress annually					
	xxi. Strengthen cooperation with international communities in the conservation, sustainable use, and management of marine resources annually					
	xxii. Facilitate the needs of the diaspora, including granting special status to foreign nationals of Tanzanian origin by 2030					
	xxiii. Promote the inclusion of the diaspora in the national development agenda annually					
	xxiv. Strengthen coordination and supervision in the entry and implementation of investment agreements between Tanzania and other countries or investors annually					
	xxv. Facilitate Tanzanians’ participation in and benefit from international job markets annually					

3.2.7. Navigating Global Dynamics

Navigating global dynamics is central to Tanzania's aspiration of becoming a diversified, resilient, and competitive UMIC by 2050, as articulated in Vision 2050. The country has intensified efforts to strengthen trade, investment, and regional integration by leveraging its strategic location along the Indian Ocean and its membership in regional and continental blocs such as AfCFTA, EAC, and SADC. Stable governance and policy frameworks such as the Public-Private Partnership (PPP) Act, Investment Promotion Policy, and the recently adopted Foreign Policy of 2024 have further reinforced Tanzania's international economic and political engagement. It is a key instrument for promoting strategic alliances, attracting foreign investment, and enhancing Tanzania's participation in global forums. It complements national investment and trade policies by positioning Tanzania as a reliable economic partner across diverse geopolitical regions. Significant infrastructure improvements including port expansions, the Standard Gauge Railway (SGR), the rehabilitation of TAZARA, and the rollout of digital border management systems, are enhancing trade logistics and regional supply chains. Meanwhile, digital transformation efforts and growing partnerships with China, India, Gulf States, and other strategic actors are strengthening Tanzania's global outreach and competitiveness.

Nonetheless, the country continues to face multiple challenges. These include exposure to global shocks, limited rural infrastructure, overlapping regulatory frameworks, and the slow uptake of frontier technologies such as Artificial Intelligence and blockchain. These technologies are increasingly essential for effective participation in global value chains. Additionally, underdeveloped PPP implementation capacity and low private investment flows constrain the scale and speed of transformation. Rising global interest rates, commodity price volatility, and climate-related disruptions further exacerbate fiscal and external vulnerabilities. To address these complex dynamics, Table 3.19 outlines strategic directions, comprising objectives, targets, and phased interventions under the FYDPs. These interventions aim to enhance resilience, deepen integration into global economic systems, unlock investment opportunities through bilateral and multilateral cooperation, and align domestic capabilities with evolving global demands.

Table 3.19: Navigating Global Dynamics

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Improved Tanzania position as a regional and global economic powerhouse by 2050 through strategic trade, investment, and diplomatic engagement, driving resilience, competitiveness, and sustainable prosperity.						
1. Full integration of Tanzania into AfCFTA, EAC, and SADC by completing all required trade and policy harmonization, ensuring free movement of goods, services, and capital, and achieving 100% implementation of regional trade protocols achieved by 2045	i. Harmonise trade and customs policies by 2030.					
	ii. Negotiate and conclude pending bilateral and multilateral trade agreements by 2030.					
	iii. Strengthen institutional capacity for trade coordination by 2035.					
	iv. Launch AI-powered digital trade ecosystem by 2030.					
	v. Implement AI-powered customs system at all borders by 2029.					
	vi. Establish blockchain single-window trade facilitation by 2030.					
	vii. Develop blockchain smart trade agreements by 2038.					
	viii. Build high-speed trade corridors (hyperloop/drones) by 2045					
2. Tanzania's diplomatic influence by securing 20 key international partnerships, increasing Kiswahili's usage in 10 global organisations, and establishing Kiswahili as a working language in at least 5 international institutions advanced by 2050	i. Expand diplomatic missions to 100 by 2035.					
	ii. Integrate Kiswahili into AU, SADC, and UN by 2032.					
	iii. Promote cultural diplomacy and education exchanges by 2033.					
	iv. Implement AI Kiswahili translation in AU, UN, and other organisations by 2032.					
	v. Launch AI digital diplomacy platform by 2032.					
	vi. Establish International Trade Council for diplomacy by 2033.					
	vii. Initiate Tanzania Space & Digital Connectivity Initiative by 2037.					
	viii. Develop regional space programme by 2038.					
	ix. Build virtual diplomatic hub (metaverse) by 2040.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Positioning Tanzania as Africa's premier trade gateway by achieving 20 million TEUs (Twenty-Foot Equivalent Units) in annual container realised by 2050	i. Modernise Dar es Salaam, Tanga, Mtwara, and Bagamoyo ports by 2035.					
	ii. Develop railway/highway linkages for inland cargo by 2040.					
	iii. Implement AI logistics optimisation in ports by 2033.					
	iv. Establish high-speed AI rail corridor by 2042.					
	v. Launch AI-powered smart port for 20M TEUs by 2045.					
	vi. Construct hyperloop freight corridor by 2047.					
	vii. Build IoT, blockchain, and AI supply chain network by 2049.					
4. Bilateral, regional, and multilateral investment partnerships established and operationalised through defined national strategies, attracting large scale FDIs across key sectors by 2050.	i. Formulate and implement a National Strategy for Bilateral, Regional, and Multilateral Investment Cooperation that outlines key partner countries/regions, strategic sectors, negotiation frameworks, and value propositions for Tanzania by 2026.					
	ii. Establish an Investment Partnership Promotion Unit (IPPU) within the government agency or MDA responsible for Investment such as Tanzania Investment and Tanzania Investment and Special Economic Zone Authority (TISEZA), and Foreign Affairs to coordinate bilateral and multilateral investment missions, track partnership performance, and ensure alignment with national development priorities by 2027.					
	iii. Attract bilateral and multi-lateral agreements for FDI investments annually					

3.2.8. Formalisation of the Economy

Informal economic activities span both the formal and informal sectors. The informal sector predominantly composed of unregistered or semi-regulated enterprises operating outside official tax and regulatory systems, encompasses a wide range of activities such as street vending, small-scale manufacturing, informal transport, and agricultural trade. These activities play a vital role in income generation and employment, particularly for low-skilled and underserved populations.

As of 2023, the informal sector contributed approximately 55 percent of GDP, significantly above the 29 percent average for lower-middle-income African countries. Employment in the sector has grown steadily, rising from 22.0 percent in 2014 to 29.0 percent in 2020/21, with the 2020/21 Integrated Labour Force Survey (ILFS) reporting that informal employment comprised 28.7 percent of total employment in Mainland Tanzania and 41.7 percent in Zanzibar. However, alternative estimates suggest even higher levels of informality. The Tanzania Investment Centre for Growth and Learning (TICGL, 2024) reported that about 72 percent of the workforce roughly 25.95 million people were informally employed in 2023, mainly in agriculture, retail trade, and small-scale manufacturing. Similarly, the International Labour Organisation (ILO, 2022) estimated that over 80 percent of Tanzania's workforce was employed informally, contributing more than half of the national GDP. RSIS International (2024) placed the informal sector's contribution at 47 percent of GDP, equivalent to approximately USD 82 billion in purchasing power parity terms. Informality has expanded most notably in rural and secondary urban areas, while levels in Dar es Salaam have remained relatively stable.

If current trends persist, the informal sector could grow to encompass up to 58.5 percent of the economy by 2050 with women and youth constituting the majority.

This trajectory underscores the informal sector's growing significance and highlights the urgent need for structural transformation to harness its potential while addressing its inherent vulnerabilities. In its current form, informal sector is characterized by low productivity, limited access to finance, and minimal regulatory compliance. Employment remains concentrated in wholesale and retail trade, agriculture, and manufacturing sectors that offer limited opportunities for productivity gains without formal support structures. High compliance costs and complex registration procedures continue to discourage formalisation, leaving many informal enterprises without legal protections, access to markets, or the financial tools needed for long-term sustainability and growth.

To address these challenges, the LTPP sets out a bold direction to reduce informal employment to 10 percent and raise the formal sector's share of GDP to 80 percent by 2050. Key interventions under the LTPP include establishing a comprehensive digital database for micro, small and medium enterprises (MSMEs), streamlining business registration and tax systems, establishing a special wing of the TRA to counsel, promote and facilitate MSMEs through a graduated tax system and expanding access to financial services and incentives. Additionally, the plan promotes the creation of public-private SME support centres and financial literacy programmes to accelerate formalisation and promote inclusive, broad-based economic growth.

Further, the structural transformation of the informal sector is integral to achieving the objectives of LTPP. This transformation entails a shift from low-productivity, subsistence-level activities to more formalised, integrated, and higher-value enterprises. Central to this process are economic diversification, increased productivity through technology and innovation, and the reallocation of labour into more skilled and productive roles. By addressing systemic barriers and strengthening institutional support, the LTPP offers a clear pathway to harness the full potential of the informal sector, turning it from a sector pursuing survival mechanisms, through a voluntary formalisation stage, and finally into a driver of sustainable, inclusive development. Table 3.20 identifies the objectives, targets and interventions to foster formalisation in the next 2050.

Table 3.20: Formalising the Informal Sector to Enhance Productivity and Efficiency

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Transformed informal sector as a dynamic growth driver, fostering increased formal sector participation and economic growth						
1. Formal sector GDP contribution increased from 55 percent to 75 percent by 2050	i. Reduce bureaucratic hurdles, making it easier and less costly for informal enterprises to formalise by 2030					
	ii. Identify informal businesses and monitor their progress towards formalisation, enabling targeted support annually					
	iii. Provide informal businesses with the necessary capital and motivation, such as tax breaks or subsidies, to register and operate formally annually					
	iv. Equip informal entrepreneurs with skills and knowledge essential for formal business management and sustainability annually					
	v. Create more viable formal sector opportunities, encouraging informal businesses to transition to higher-value, formal activities annually					
	vi. Ensure consistent, supportive regulatory environments that encourage formalisation and protect newly formal businesses annually					
	vii. Allow informal enterprises to modernise operations, meet formal sector standards, and compete effectively in formal markets annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	viii. Reduce the initial tax burden on newly formalised businesses, making formalisation financially attractive by 2030					
	ix. Integrate informal enterprises into formal value chains, increasing their competitiveness and sustainability annually					
	x. Foster partnerships between formal and informal businesses to encourage knowledge transfer, resource sharing, and smoother integration into formal markets annually					
	xi. Establish a national digital database of informal businesses for improved planning and designing business formalisation strategies by 2030					
	xii. Simplify nationwide MSME registration, licensing, and compliance, reducing costs and administrative burdens for formalisation by 2030					
	xiii. Establish a MSMEs tax wing in the TRA for simplified and digitized tax filing, payment and compliance by 2030.					
	xiv. Introduce tax incentives, market linkages, and preferential public procurement windows to encourage informal MSME participation in the formal economy annually					
	xv. Establish a national authority dedicated to facilitating the transition of informal enterprises into the formal economy by addressing structural, regulatory, and knowledge-related barriers through a phased and development-oriented approach by 2030					
2. Informal sector employment decreased from 29 percent to 13 percent by 2050	i. Enable workers to move from informal, low-skilled jobs to formal, higher-skilled employment, supporting overall sector formalisation annually					
	ii. Ensures fair labour standards and protections that incentivise formal employment relationships annually					

3.3. Building Human Capabilities and Social Development

Dira 2050 places Human Capability and Social Development at the centre of sustained economic growth and social transformation, with a strong emphasis on building a healthy, skilled workforce. It envisions a learning society supported by a critical mass of innovators, inventors, and world-class intellectuals who can drive national progress. The Vision also prioritises gender equality and social inclusion through strategic investments in education, healthcare, water and sanitation, and social protection. Special focus is given to empowering women, youth, vulnerable groups, and the elderly to contribute fully to national development. By promoting inclusive policies that reduce inequality, Dira 2050 seeks to foster a resilient and cohesive society aiming at expanding opportunities for all and create a fairer, more prosperous future. In alignment, LTPP integrates human capability development with inclusive social policy, targeting the creation of a skilled, healthy, and resilient population to sustain economic growth, social stability, and long-term national prosperity. Generally, the LTPP under this pillar intends to promote high quality of life and well-being for all.

3.3.1. A Well-Educated, Skilled and Learning Society

Education and skills development lie at the heart of Tanzania's ambition to become a knowledge-based and innovation-driven society. Mean and expected years of schooling have also improved, indicating broader access to education and growing national human capital. Recent progress has been notable, with primary school enrolment rising from 8.4 million in 2010 to 11.4 million in 2022, and secondary school enrolment growing

from 1.6 million to 2.8 million over the same period. University and college enrolment also expanded significantly, increasing from 118,951 in 2018/19 to 229,049 in 2021/2022. University and college enrolment nearly doubled between 2018/19 and 2021/22, while the Primary School Gross Enrolment Rate surged from 53 percent in 2000 to 93.07 in 2023. However, the data indicate a significant drop in student progression from primary to O-level and further to A-level and tertiary education. The low transition rate is even more pronounced at the A-level, as well as in universities and colleges, where enrolment figures are significantly lower than those at the primary and O-level stages.

Dira 2050 recognises that education and skills development are central to achieving inclusive growth and national transformation. It places strong emphasis on expanding and modernising vocational and technical training to boost employability and productivity. Building on this foundation, LTPP seeks to equip Tanzanians with adaptable, market-relevant skills aligned with the evolving demands of both domestic and global labour markets. The focus is on fostering innovation, resilience, and lifelong learning to empower the workforce in an increasingly dynamic and digital world. More specifically, the LTPP advocates for the promotion of a high-quality and inclusive education and training system at all levels; ensuring that all girls and boys have equitable access to quality early learning and pre-primary education, thereby laying a strong foundation for lifelong learning and well-being. Additionally, it aims to create an environment in which all Tanzanians receive high-quality basic education, with at least 25 percent attaining higher education and acquiring relevant skills. Detailed objectives, targets, and interventions are outlined in Table 3.21.

Table 3.21: Building an Educated, Skilled and Learning Society

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Achieved a well-educated, skilled, and learning society by enhancing access to quality education, promoting continuous skills development, and fostering a culture of lifelong learning.						
1. All girls and boys having equitable access to quality early childhood development and pre-primary education by 2050	i. Raise access to early childhood development centres, and enforce laws that mandate universal and compulsory access to quality pre-primary education 100 percent annually.					
	ii. Increase investment in age-appropriate physical infrastructure and inclusive teaching-learning materials for pre-primary education annually.					
	iii. Develop specialised training curricular for early childhood caregivers and educators to ensure they are equipped with the skills to deliver quality education and care annually.					
	iv. Integrate early childhood education health and nutrition programmes by annually.					
	v. Implement quality assurance mechanisms to monitor and improve the delivery of ECE services 100 percent annually.					
	vi. Mainstreaming of mental health development into curricula at all levels ensured annually by 2028.					
2. All girls and boys accessing equitable quality basic education and training ²	i. Strengthen and expand teacher training and certification systems.					
	ii. Recruit and retain qualified teachers across all levels of education					
	iii. Enhance the quality of teaching curriculum to upskill and motivate the existing pool of teachers, strengthening school leadership, and teacher continuous professional development.					
	iv. Encourage public-private partnerships in the educational and training sector annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Enhance the teaching and learning environment, ensuring a national average teacher–pupil ratio of 1:40 at the primary level and 1:40 at the secondary level, to be achieved annually by 2035					
	vi. Regularly update workforce plans based on population growth, urbanisation patterns, and education participation rates annually.					
	vii. Ensure the recruitment of teachers with expertise in supporting learners with disabilities annually.					
	viii. Expand equitable access to high-quality technical and vocational education and training (TVET) pathways by upgrading infrastructure, modernizing curricula, and strengthening industry linkages to align with current and future labour market demands annually.					
	ix. Strengthen and integrate STEM education and soft skills development across all levels of education and training by 2035.					
	x. Strengthen partnerships between schools, parents, communities, and the private sector to enhance educational outcomes and shared responsibility annually.					
3. At least 50 percent of secondary school students transitioning to higher education institutions achieved by 2050	i. Build and upgrade universities, technical colleges, and open learning centres across all regions annually.					
	ii. Establish a responsive curriculum review mechanism informed by industry needs and technological trends, with stakeholder input and annual updates.					
	iii. Strengthen partnerships between academia and industry to promote applied learning, internships, apprenticeship programmes and graduate employability annually					
	iv. Integrate digital tools, blended learning models, and research-based pedagogy to improve student learning outcomes by 2030.					
	v. Expand scholarships, student loans, and bursaries, especially for low-income and vulnerable students annually.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. Higher learning graduates with STEM skills increased by 30 percent by 2050	i. Establish inclusive technological park where startups, educational and research institutions, and established companies collaborate on new technology, product, and service development by 2035.					
	ii. Establish gender-sensitive educational programmes that support Industry 4.0 technologies, including IoT, AI, robotics, and automation, to modernise manufacturing and industrial processes by 2050.					
5. Digital literacy for 80 percent of the workforce achieved by 2050	i. Develop e-learning platforms, enabling remote education and skill-building by 2029					
	ii. Provide internships, apprenticeships, and real-world projects that expose students to cutting-edge technologies annually.					
	iii. Adopt regulatory environment that supports the rapid infusion of new technologies and addresses issues like digital inclusion, privacy, and ethical considerations 100percent by 2030.					
	iv. Develop specialised skill-building that focus on high-demand fields like AI, blockchain, cybersecurity, and green technologies imparted by 2035.					
	v. Enhance institutions' research capacity on emerging technologies like AI, machine learning, biotechnology, and environmental sciences annually.					
	vi. Provide continuous learning opportunities, including adult education programmes, retraining initiatives, and online learning platforms, to help individuals adapt to technological changes and global labour market demands annually.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
6. Five percent of the total workforce engaging in advanced technological and industrial innovations and R&D realised by 2050	i. Establish a robust research and innovation ecosystem that fosters collaboration between educational institutions, industries, and the government by 2030.					
	ii. Ensure over 70 percent access to funding opportunities for incubators and accelerators to foster inclusive entrepreneurship and technological innovation achieved by 2040.					
	iii. Develop a startup-friendly ecosystem with access to resources, mentorship, and networks to scale up tech-based ventures by 2030.					
	iv. Ensure mainstreaming of creativity, critical thinking, and innovation skills across the education system to foster a culture of continuous improvement and problem-solving by 2030.					
7. Over 25 percent of workforce with relevant skills for a dynamic global economy achieved by 2050	i. Establish partnerships with international organisations, universities, and innovation leaders to exchange knowledge, best practices, and access global markets annually.					
	ii. Develop vocational training programmes focused on advanced manufacturing, digital technologies, and green industries to meet the global demand for highly skilled workers by 2030.					
8. A national culture of lifelong learning is established, with all citizens accessing high-quality formal, non-formal, and informal learning opportunities for continuous professional and personal development by 2050	i. Develop and implement a National Lifelong Learning Policy aligned with Vision 2050.					
	ii. Raise awareness and promote a life-long learning culture.					
	iii. Expand access to flexible and diverse learning pathways.					
	iv. Enhance inclusive digital infrastructure and e-Learning platforms.					

Table 3.22: Creating a Capable and Motivated Workforce

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Achieved a capable and motivated workforce, resulting in increased productivity, innovation						
1. Workforce with relevant technical and vocational skills for industrial innovation increased by 35 percent	i. Align local skills development programmes with international standards and competencies to enhance the global employability of workers by 2030					
	ii. Provide equitable opportunities for all members of society to gain the skills needed for participation in industrial and technological sectors annually					
	iii. Develop a national skills mapping system to identify current and future skills gaps in key transformative industries by 2030					
	iv. Ensure 35 percent of the adult workforce population engaging in lifelong learning and continuous skills development programmes achieved by 2030					
	v. Ensure 35 percent of the workforce access TVET by 2030					
2. Proportion of digitally literate workforce maintained to at least 75 percent by 2035	i. Implement a nationwide reskilling and up-skilling initiatives to help workers transition into new roles and industries affected by automation, digital transformation, or changing economic conditions by 2032					
	ii. Increase proportion of workforce with specialised skills that cater to high-growth sectors such as advanced manufacturing and smart agri-business by 35 percent by 2035					
	iii. Impart foundational skills needed for the digital economy annually					
	iv. Increase AI-skilled workforce growth rate by 10 percent by 2033					
	v. Increase skilled workforce in renewable energy technologies by 25 percent by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Proportion of technologically skilled workforce, particularly in technology, engineering, and data analysis fields, increased by 25 percent by 2035	i. Develop entrepreneurship ecosystem, particularly in critical industries, such as agribusiness, manufacturing, and technology developed by 2035.					
	ii. Increase proportion of workers engaged in innovation-driven industries such as advanced manufacturing by 30 percent by 2035.					
	iii. Strengthen apprenticeships and internships in innovative and industrial sectors, providing hands-on experience that bridge the gap between education and real-world application annually.					
	iv. Increase proportion of skilled workforce in tech-driven industries (AI, robotics, clean energy) by 10 percent by 2045.					
4. A workforce that is highly skilled in sectors that contribute to global value chains, such as manufacturing, technology, logistics, and trade built by 2045	i. Increase labour mobility in tech-driven industries (such as AI, robotics, and clean energy) that contribute to industrialisation and human development by 25 percent by 2045.					
	ii. Ensure 12 percent annual skilled workforce growth rate in minerals-based manufacturing realised annually by 2045.					
	iii. Develop training and certification programmes for workers in key industries that integrate Tanzania into global value chains (e.g., agri-business, manufacturing, and tech-related sectors) annually.					
	iv. Ensure 10 percent annual skilled workforce growth rate in electrical and electronics engineering achieved by 2035.					
5. A workforce skilled in advanced digital technologies increased by 20 percent by 2050	i. Increase skilled workforce in data science by 20 percent by 2050.					
	ii. Increase skilled workforce in data science by 20 percent by 2050.					
	iii. Skilled workforce in AI increased by 15 percent by 2050.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Ensure proportion of female workers in the AI, robotics, and clean energy industries maintained to at least 40 percent by 2050					
	v. Ensure 2 percent of Tanzania workers in AI, robotics, and clean energy working internationally achieved by 2050.					
	vi. Ensure 15 percent annual workforce growth rate in mechanical engineering, supporting the development of infrastructure, machinery, and technology achieved by 2050.					

3.3.2.1. Managing and Harnessing the Population Demographic Dividends

The demographic dividend refers to the economic gains that arise when a country experiences a shift in its population structure, specifically when a larger share of the population enters the working-age bracket (15–64 years) relative to dependents (children and the elderly). This transition typically follows a decline in fertility rates and can provide a temporary boost to economic growth through higher productivity, increased savings, and expanded economic activity. However, realising this potential requires a well-educated and skilled workforce, along with sufficient employment opportunities to absorb the growing labour force. At the same time, planning for the future is essential, including robust healthcare systems, pensions, and social support to care for an ageing population once the window for the demographic dividend begins to close.

Tanzania's population is projected to nearly double from 61.7 million in 2022 to 118.1 million by 2050, despite a decline in the Total Fertility Rate (TFR) from 5.4 (2010) to 4.8 (2022) children per woman. Life expectancy is projected to rise to 74.6 years, and the age dependency ratio is expected to fall from 90 to 50 in Tanzania, helping the country attain UMIC status by 2050. While this shift presents opportunities, it also intensifies demands on rural and urban infrastructure, education, healthcare, and social services, particularly given the rapid growth of the youth and elderly populations. A surge in women of reproductive age will increase demand for reproductive and maternal health services, while an ageing population will strain pension and healthcare systems. These demographic changes offer opportunities for a demographic dividend, driven by a growing working-age population. However, a demographic dividend requires strategic preparation. If not properly managed, a youthful population can become a demographic curse, leading to increased unemployment, social unrest, and economic strain. Table 3.23 presents a forward-looking strategy to guide the harnessing of the demographic dividend:

Table 3.23: Managing and Harnessing the Population Demographic Dividend

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Harnessed demographic dividend through human capital development, decent job creation, entrepreneurship, business development, and economic empowerment – resulting in inclusive economic growth and improved livelihoods.						
1. Youth unemployment (ages 18–34) reduced from ~21.5% to below 8% by 2050	i. Align curricula with labour market needs, especially in technology, agriculture, and manufacturing by 2030					
	ii. Prioritize girl-child education, especially in rural and low-income areas by 2030					
	iii. Boost labour-intensive sectors including Agriculture, agro-processing, tourism, and light manufacturing by 2035					
	iv. Support youth entrepreneurship through access to finance, mentorship, business support services and startup incubation annually					
	v. Promote digital and gig economy roles for rural and urban youth annually					
	vi. Link skills development with private sector needs through public-private partnerships annually					
	vii. Facilitate formalisation of informal work with incentives, protections, and support services annually					
	viii. Promote gender equity in employment policies annually					
	ix. Target underserved regions with education, health, and job programmes to reduce fertility disparities annually					
	x. Create incentives for Tanzanian professionals abroad to return or virtually contribute to health, education, and tech sectors by 2030					
	xi. Enhance initiatives aimed at facilitating the acquisition of skills and expertise by Tanzanians through overseas training and education programmes annually					
	xii. Pilot regions (especially peri-urban and fast-growing rural areas) with targeted investments in youth employment and digital infrastructure by 2030					
	xiii. Invest in skills training, apprenticeships, and entrepreneurship programmes tailored to the growing youth population annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 2: Achieved Balanced and inclusive population management through coordinated policy implementation, evidence-based planning, and strategic investments in human capital, infrastructure, and reproductive health, enabling equitable development across urban and rural areas.</p>						
3. Age dependency ratio reduced to 50 percent by 2050	i. Invest in secondary cities to distribute population and economic growth beyond Dar es Salaam annually					
	ii. Upgrade infrastructure and services in urban and peri-urban areas to support growing populations annually					
	iii. Use demographic data for evidence-based planning and budgeting annually					
	iv. Strengthen coordination between ministries (health, education, youth, labour) on demographic dividend policy by 2030					
	v. Invest in rural transformation: Infrastructure, market access, and social services to reduce rural-urban migration pressure annually					
	vi. Develop bilateral and regional agreements to manage cross-border migration, especially among youth and informal workers annually					
	vii. Partner with religious organisations to promote responsible parenthood, birth spacing, and reproductive health as moral imperatives annually					
	viii. Expand access to youth-friendly reproductive health services, life skills training, and reproductive health (SRH) education by 2030					
	ix. Move beyond youth-only focus to policies that span the whole life cycle, from adolescent health to elderly care, ensuring balanced population structure over time by 2030					
		x. Incentivize school retention for girls through conditional cash transfers tied to delayed childbearing or completion of secondary school annually				

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	xi. Use satellite imagery and geospatial data to track population density, migration patterns, and urban sprawl in real-time annually					
4. Universal access to comprehensive social protection, quality healthcare, age-friendly services, and economic opportunities for elderly persons (aged 60+) achieved by 2050.	i. Expand and strengthen social protection systems for the elderly annually					
	ii. Develop age-friendly infrastructure and community services annually					
	iii. Enhance economic opportunities and social inclusion for elderly persons annually					
	iv. Strengthen caregiver support and training in elderly care annually					
	v. Promote community-based approaches and local innovation in elderly service delivery annually					
	vi. Strengthen emergency preparedness and response for elderly populations annually					

3.3.2.2. Labour Market and Employment Landscape

Tanzania's labour market holds great potential, with 77.8 percent of its rapidly growing population aged 0–35, presenting a significant demographic dividend. Despite this, the economy struggles to generate enough decent jobs, with 80 percent of employment in the informal sector, mainly in low-productivity agriculture, trade, and services. While economic growth has been notable, it has not translated into adequate formal employment creation, particularly in rural areas, resulting in high levels of underemployment. Youth unemployment remains a pressing issue, exacerbated by mismatches between education and labour market demands. Gender disparities and the enforcement of labour rights further limit inclusivity. These challenges highlight the need for structural transformation. Dira 2050 emphasises enhanced competitiveness in a dynamic global labour market, addresses the mismatch between workforce skills and labour market demands, and promotes a society that embraces openness, exposure, and competition in the labour market to enhance quality and productivity. In response, LTPP focuses on building a resilient labour market through reforms, investment in skills and technology, and the empowerment of youth and women. The goal is to ensure that at least 50 percent of Tanzanians secure decent jobs in the formal sector by 2050. Table 3.24 presents objectives, targets, and interventions for strengthening the labour market and employment landscape.

Table 3.24: Strengthening Labour Market Employment Landscape

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Modernised Tanzania's labour market, resulting in increased decent employment opportunities and a future-ready workforce						
1. At least 90 percent of learners and the workforce attaining quality academic and skills-based training achieved by 2050.	i. Establish digital learning hubs in all districts, offering free or subsidised access to digital skills training by 2035.					
	ii. Revise and digitise national education curricula at all levels to integrate digital literacy by 2035.					
	iii. Train at least 90 percent of teachers and trainers in digital pedagogy and online learning tools through continuous professional development programmes by 2040.					
	iv. Train all VET instructors in new emerging technologies by 2040					
	v. Increase VET enrolment rate by 80 percent by 2045					
	vi. Equip 100 percent of Secondary Schools and VETA institutions with internet access by 2045					
	vii. Achieve 80 percent digital literacy among learners and the workforce, from basic to advanced levels, through education, vocational training, and workplace upskilling by 2050.					
2. At least 3 million decent jobs through targeted investments and innovation produced by 2050.	i. Establish 200 youth startup hubs providing mentorship, funding access, and co-working space by 2030.					
	ii. Ensure women and youth constitutes at least 50 percent of the workforce in high-value industries by 2035 through targeted skills development, internships, and inclusive hiring policies.					
	iii. Set up local business support centres in all districts to provide free training, legal assistance, and mentoring to informal enterprises transitioning to the formal sector by 2035.					
	iv. Provide technical and vocational training to at least 2 million people in advanced manufacturing, ICT, and green energy skills through public-private partnerships 2040.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. At least 40 percent share of employment in public and high-value industries such as technology, advanced and light manufacturing, renewable energy, and knowledge-based services increased	i. Develop at least 50 public-private partnership programmes focused on emerging tech, clean energy, and advanced manufacturing skills training by 2030.					
	ii. Develop agro-processing clusters in all regions, with access to finance, storage, and export markets by 2035					
	iii. Develop industrial clusters for light manufacturing industries by 2035					
	iv. Invest in at least \$50 billion worth of infrastructure projects (roads, housing, digital infrastructure) by 2045.					
	v. Provide financial and technical support to at least 5,000 SMEs, including tax incentives, microloans, and digital tools by 2050.					
	vi. Provide tax credits of up to 30 percent for companies that create 500+ new jobs in high-value sectors by 2050.					

3.3.3. A Socially Protected and Inclusive Society

Social protection and inclusion are central to Tanzania's human development agenda, ensuring fair access to opportunities for vulnerable and marginalised groups. Progress has been made: the Gender Development Index increased from 0.936 in 2015 to 0.943 in 2021, and the Gender Inequality Index decreased from 0.569 to 0.560, indicating a reduction in gender disparities. However, challenges remain, particularly in rural areas, where 80 percent of the poor population is concentrated in informal, low-paying, and unprotected work, mostly performed by women. Urban poverty is also rising due to rural-urban migration, while gender-based violence and violence against children persist. Social protection coverage remains limited, and access to socioeconomic opportunities remains unequal.

Dira 2050 envisions an inclusive society free from violence and discrimination, underpinned by a universal social protection system and accessible opportunities for all. LTPP aligns with this vision by empowering women and vulnerable groups, promoting equitable access to services, and strengthening social safety nets. It also prioritises adherence to international protocols to create a safer, fairer, and more inclusive Tanzania. The LTPP promotes universal access to comprehensive and inclusive social protection. It also aims to position Tanzania as a leader in Africa and among the top ten countries globally in reducing the gender gap by at least 85 percent. Table 3.25 presents the objectives, targets, and interventions for ensuring a socially protected and inclusive society.

Table 3.25: Ensuring a Socially Protected and Inclusive Society

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective I: Enhanced socially protected and inclusive society by expanding social protection coverage, reducing vulnerability, and promoting equal access to opportunities for all population groups.						
1. Protection of 100 percent of vulnerable population achieved by 2050	i. Ensure 100 percent compliance of the laws that promote equal opportunities and prohibit discrimination based on gender, age, disability, or ethnicity annually					
	ii. Implement Land reform policies that ensure equitable access to land for women and vulnerable groups, including women and people with disability, 100percent annually					
	iii. Fully adopt inclusive social security systems for informal sector workers by 2030					
	iv. Review and redesign Tanzania Social Action Fund (TASAF) to address inclusion errors, enhance monitoring mechanisms, and reduce reliance on donor funding. Adopt a digital registry, strengthen domestic financing, and ensure sustained social protection to reduce extreme poverty annually.					
	v. Implement a social safety net programme, including revised Productive Social Safety Net (PSSN) under item iv above, to protect vulnerable households from poverty, shocks, and exclusion annually.					
2. Inclusive digital ecosystem for girls and vulnerable population developed by 2050	i. Increase enrolment of girls and vulnerable groups in STEM by 40 percent by 2035					
	ii. Develop partnership with tech companies in the development and implementation of STEM-focused curricula and extracurricular activities for girls and vulnerable groups by 2035					
	iii. Provide vocational training programmes tailored to women's and people with disability needs, focusing on high-demand sectors by 2035					
	iv. Ensure 100 percent accessibility level of the digital ecosystem for women and vulnerable groups achieved by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Representation of women in the innovation ecosystem increased to 50 percent by 2050	i. Establish innovation hubs and incubators that prioritize women-led startups and projects by 2040					
	ii. Provide incentives to develop technologies that address women's and people with disability's specific needs annually					
	iii. Increase women-owned start-ups by 30 percent by 2040					
4. Equal representation of women and men in production and trade sectors ensured by 2050	i. Ensure workplaces in production and trade sectors are free from discrimination by 2035					
	ii. Provide universal social protection for women in formal and informal employment by 2045					
	iii. Increase women participation in the global value chains by 30percent by 2045					
	iv. Enforce laws and policies that promote equal pay for equal work 100 percent annually					
	v. Ensure transformative sectors 100 percent adopt gender-inclusive hiring practices by 2050					
	vi. Increase women participation in high-value production sectors by 30 percent by 2050					

3.3.4 Improved Health Care for All

Tanzania has made commendable progress in improving health services and well-being over the past 25 years, with life expectancy rising from 51 years in 2000 to over 67.3 years in 2022, and under-five mortality falling from 112 to 43 per 1,000 live births. Maternal mortality has fallen significantly, and stunting among children under five has declined from 48 percent in 1999 to 30 percent in 2022. Health facility births rose to 81 percent, and the number of health facilities expanded to 8,881 by 2022. These achievements stem from strong national initiatives, vaccination campaigns, and training for the healthcare workforce. However, challenges remain, including high stunting rates, the dual burden of diseases, limited health insurance coverage (15.3 percent in 2022), and underdeveloped pharmaceutical and alternative medicine sectors.

Dira 2050 aims to ensure long, healthy lives by improving access to quality healthcare, particularly in rural areas, addressing Non-Communicable Diseases (NCDs) and communicable diseases, and integrating complementary and alternative medicine services into the formal health system.

The LTPP supports this through universal healthcare, investment in health commodities, digital systems, and medical tourism. It emphasises innovation and system resilience to meet current and future health demands. The general outcomes of the LTPP include ensuring that Tanzanians are healthy and happy, achieving an average life expectancy of 75 years, eliminating maternal, newborn, and child mortality, and achieving universal health coverage. Table 3.26 outlines the objectives, targets, and interventions that will contribute to building a healthier society.

Table 3.26: Improving Healthcare for All

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Improved healthcare for all, resulting in a healthier, more productive population and reduced health disparities.						
1. Infant mortality reduced to less than 5 deaths per 1,000 live births by 2050	i. Ensure 90 percent access to skilled birth attendants and emergency obstetric care in all healthcare facilities realised by 2030					
	ii. Ensure universal access to quality prenatal and postnatal care, with a focus on high-risk pregnancies achieved by 2030					
	iii. Implement nationwide maternal and infant nutrition programmes to reducing risks associated with malnutrition (wasting, stunting, obesity, etc.) annually					
	iv. Provide exclusive breastfeeding for the first six months and provision fortified complementary foods by 2030					
	v. Achieved 100 percent immunization coverage against preventable common childhood diseases such as measles, pneumonia and polio by 2050					
	vi. Build neonatal intensive care units (NICUs) and specialised new-born care facilities in all primary care facilities by June, 2050					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Ensure 60 percent of healthcare centres with essential new-born care technologies such as incubators and oxygen therapy realised by 2035					
	viii. Train 50 percent of community health workers providing maternal and infant care education at the grassroots level by June, 2030					
2. Proportion of population covered by health insurance schemes increased from 15 percent to 100 percent by 2050	i. Ensure Universal Health Coverage (UHC) and Mandatory Enrolment achieved by 2040					
	ii. Implement progressive UHC policies to ensure equitable access to health insurance for all citizens 100 percent implemented annually					
	iii. Introduce mandatory health insurance enrolment for formal, informal and self-employed workers by 2030					
	iv. Ensure Universal Health Coverage (UHC) with mandatory health insurance enrolment for all citizens, including formal, informal, and self-employed workers, achieved by 2040					
	v. Establish tiered health insurance models that provide flexible payment options for different income groups by 2030					
	vi. Implement community-based health insurance (CBHI) initiatives to increase coverage in underserved areas annually					
	vii. Leverage on digital platforms and mobile technologies for easy health insurance registration and premium payments by 2030					
	viii. Develop integrated health information systems to streamline insurance claims, reduce fraud, and improve efficiency by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Maternal mortality per 100,000 live births fully eliminated by 2050	i. Attain 100 percent of births attended by skilled healthcare professionals by 2030					
	ii. Recruit and train midwives and emergency obstetric care specialists by 2030					
	iii. Increase the Health facilities with advanced maternal and neonatal services to 30 percent by 2030					
	iv. Ensure 100 percent accessibility level to essential maternal medicines and necessary medical equipment realised by 2030					
	v. Ensure universal access to high-quality prenatal and postnatal care to early detection and management of complications achieved by 2030					
	vi. Enforce maternal health policies and regulations that promote access to quality care 100 percent annually					
	vii. Expanding adolescent-friendly sexual and reproductive health (SRH) services through school-based curricula.					
	viii. Improve girls' retention in school to address early pregnancies and marriages annually.					
	ix. Provide emergency transport services for pregnant women in rural and marginalised communities to ensure timely access to maternal healthcare.					
	x. Implement electronic referral systems to reduce delays in services provision annually.					
	xi. Enforce mandatory birth preparedness education for all pregnant women					
4. Total Fertility Rate (TFR) reduced from 4.8 in 2022 to 2.1 by 2050.	i. Mainstream reproductive health education in schools and media					
	ii. Implement incentive policies to keep girls in school through secondary level					
	iii. Expand community health programmes promoting male involvement in family planning					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
5. Life expectancy increased to at least 75 years by 2050	i. Ensure UHC to ensure affordable and accessible healthcare services for all citizens by 2035					
	ii. Conduct early disease detection and prevention programmes for non-communicable diseases (NCDs) such as cardiovascular diseases, diabetes, and cancer annually					
	iii. Implement healthy diets and nutrition programmes, focusing on reducing malnutrition and obesity-related diseases annually					
	iv. Ensure availability of alternative specialised healthcare services (traditional medicine and treatments) to address gaps in the conventional health system annually by 2040.					
	v. Ensure availability of specialised care services i.e. advanced cancer care, neurosurgery, cardiac and cardiovascular care, organ transplant, advanced maternal and neonatal care, diabetes management, mental health, geriatric care, and advanced virology and bacteriology annually by 2040.					
	vi. Adopt a national multi-sectoral coordination framework for the prevention, control and treatment of non-communicable diseases by 2027.					
	vii. Integrate essential social welfare services-including mental health, emotional intelligence, rehabilitative, geriatric, basic palliative and critical care-into 80 percent of primary, secondary and tertiary healthcare facilities and services across the country by 2035.					
	viii. Deploy skilled healthcare workforce in line with WHO standard (23 per 10,000 people) to ensure quality and equitable healthcare delivery by annually by 2035					
	ix. Integrate community-based care services into formal health system by 2035.					
	x. Ensure 90 percent of current rural and semi-urban areas have access to functional and quality assured-secondary healthcare facilities by 2050.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
6. Prevalence of major infectious diseases such as HIV, Malaria, and Tuberculosis reduced by at least 50 percent from current levels by 2050	i. Adopt HIV prevention strategies, including Pre-Exposure Prophylaxis (PrEP), Voluntary Medical Male Circumcision, and condom distribution 100 percent by 2030					
	ii. Implement nationwide malaria vector control programmes, including insecticide-treated mosquito nets, indoor residual spraying, and larval source management 100percent by 2030					
	iii. Enforce Tuberculosis infection control measures, such as mass screenings, improved ventilation in public spaces, and active case-finding initiatives 100 percent by 2030					
	iv. Launch community-driven awareness campaigns on disease prevention, testing, and treatment adherence by 2027					
	v. Ensure 100 percent availability of HIV testing services in all health facilities and community outreach programmes by 2027					
	vi. Adopt rapid malaria and TB diagnostics, integrating AI-driven screening and mobile-based diagnostics for faster case identification by 2035					
	vii. Deploy integrated disease surveillance systems for tracking real-time infections and detect early outbreak detection by 2035					
7. Universal health coverage with accessible, affordable, and high-quality healthcare for all citizens achieved by 2050	i. Ensure 8 percent increase in health professionals in specialised fields achieved by 2050					
	ii. Introduce universal health coverage to ensure access to affordable healthcare for all citizen by 2035					
	iii. Streamline healthcare regulations to attract private sector investment and foster innovation by 2030					
	iv. Upgrade existing hospitals, clinics, and diagnostic centres to meet regional standards by 2040					
	v. Increase private sector investment in healthcare infrastructure through PPPs by 50 percent by 2050					
	vi. Implement mainstreaming of alternative medicine into the formal healthcare system by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Enforce professional ethics and code of conducts for human resource for health (HRH) at all levels annually					
8. Digital health management and statistics for efficient provision of healthcare services mainstreamed by 2035	i. Develop digital health solutions, such as telemedicine, electronic health records (EHRs), and mobile health (mHealth) platforms, to improve access and efficiency by 2035					
	ii. Deploy mobile clinics and telemedicine services to reach remote areas by 2035					
	iii. Adopt AI-based disease surveillance, early warning systems, and rapid response mechanisms by 2035.					
	iv. Ensure 100 percent digital access and management of healthcare administrative statistics annually by 2035.					
	v. Ensure interoperability of health information systems by 2030.					
9. Tanzania's Position as a regional hub for healthcare innovation achieved by 2040	i. Enhance healthcare professionals' capacity in innovative practices and technologies, such as digital health, precision medicine and advanced diagnostics by 2040					
	ii. Establish innovation hubs and incubators to foster local and international collaboration in health technology and research by 2040					
	iii. Deploy mobile clinics, telemedicine and community health programmes for reduced urban-rural disparities by 2036.					
10. Imports of essential health commodities including essential medicine, diagnostic equipment, personal protective equipment and NCD-specific commodities reduced by 70 percent by 2045	i. Establish industrial parks and SEZs focused on health commodities manufacturing by 2045					
	ii. Increase FDIs in health industrialisation by 35 percent by 2045					
	iii. Ensure availability and affordability of raw materials for pharmaceutical industry annually.					
	iv. Develop fiscal and monetary incentives for R&D and, knowledge transfer and sharing for production of advanced health commodities by 2030.					
	v. Enhance human resource for health capacity in the areas of biomedical engineering, health informatics and telemedicine annually by 2040.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Establish fiscal and monetary incentives for industries producing basic health technologies by 2030.					
11. Tanzania ranked as one of the top 5 medical tourism destinations in Africa achieved by 2050	i. Ensure 30 percent of hospitals using AI, robotics, and digital health solutions to improve patient outcomes and attract international attention achieved by 2050					
	ii. Develop 5 internationally recognized research institutions focused on tropical diseases, public health, drug development, and healthcare policy by 2050					
	iii. Develop 8 internationally recognised medical tourism facilities attracting over 500,000 medical tourists annually by 2050					
	iv. Introduce a specific health insurance package for foreigners by 2035.					
	v. Establish formal and institutionalized health diplomatic relations with neighbouring and potential countries annually.					

3.3.5. Improved Housing and Human Settlements

Housing and settlement in Tanzania have improved significantly, with the proportion of households with modern roofs rising from 43 percent in 2000 to 84 percent in 2018. Urbanisation is accelerating, with 32 percent of the population currently living in urban areas, a figure projected to reach 50 percent by 2050. However, the country faces a housing deficit of 3.8 million units, driven by rapid urban growth, rural-to-urban migration, and limited access to affordable housing. Many low-income earners live in informal settlements without secure land tenure, which makes it difficult to access credit or invest in adequate housing. These challenges are compounded by insufficient infrastructure and poorly planned development. Dira 2050 envisions sustainable, inclusive urban growth through stable real estate markets, equitable land access, and green, healthy cities. In line with this, LTPP prioritises affordable housing, improved settlement planning, housing finance systems, and climate-resilient construction. The focus is on inclusive and well-planned urban and rural settlement development, with all utilities, and on affordable, decent housing to ensure decent living conditions for all and support Tanzania's long-term transformation. More details are in Table 3.27.

Table 3. 27: Improving Housing and Human Settlements

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Improved housing and human settlements, resulting in enhanced quality of life and inclusive urban development.						
1. Proportion of population living in planned settlements increased from 30 percent to 95 percent by 2050	i. Ensure full formal land titling for at least 95 percent of urban and rural landholders achieved by 2030					
	ii. Provide formal land titles to at least 70 percent of current informal settlers in major urban areas by 2050					
	iii. Streamline land titling procedures to reduce processing time and cost, making land formalisation more accessible to homeowners and businesses by 2030					
	iv. Implement legal reforms that guarantee clear, transparent, and enforceable land rights for all citizens, including women, youth, and marginalized groups, ensuring equal access to land ownership by 2030					
	v. Reduce average time to resolve land disputes by 50 percent by 2030					
	vi. Reduce growth of informal settlements reduced by 60 percent by 2050					
2. Land administration and management digitalised by 100 percent by 2035	i. Digitalise 100 percent of land title records and land transactions by 2035					
	ii. Implement blockchain-based land title and transaction system that secures 80 percent of all land records in the country by 2035					
	iii. Adopt digital platform for land dispute resolution that allows for online filing, tracking, and management of land disputes, ensuring transparency and accessibility for both urban and rural populations by 2035					
	iv. Deploy smart surveillance systems using AI-powered cameras and facial recognition technology in high-crime areas and public spaces to monitor and prevent criminal activities by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Utilise geographic Information Systems (GIS) to map 100 percent of urban and rural land boundaries, reducing land boundary disputes and clarifying land ownership by 2035					
3. Integrated Land Information System (ILIS) that connects 100 percent of land management departments to streamline land data management and reduce processing delays adopted by 2040	i. Create interactive online platform that allows citizens, businesses, and local governments to view and access updated land use zoning information, including areas designated for residential, industrial, and commercial development by 2040					
	ii. Deploy AI-powered land allocation that use data on population growth, infrastructure, and economic activity to optimize land distribution for residential, industrial, and commercial purposes by 2040					
4. Planned and accessed land for investment and housing development in each LGA allocated by 2045	i. Reduce construction costs by at least 40 percent by 2045					
	ii. Develop 10 new smart cities across Tanzania with integrated trade infrastructure and residential areas designed to support industries in global value chains by 2045					
5. Percentage of population covered by affordable decent housing schemes increased from 25 percent to 90 percent by 2050.	i. Reduce land-related conflicts by 60 percent by 2050					
	ii. Increased access to home ownership for underserved populations by 50 percent by 2050					
	iii. Ensure 80 percent of women have their land rights formally registered and recognized by 2050					
	iv. Provide digital land titles to 95 percent of eligible landowners, improving tenure security and access to land-related services by 2050					

3.3.6. Enhanced Food Security and Nutrition

Adequate nutrition and early childhood development (ECD) are critical for cognitive and physical growth, and well-nourished children are more likely to succeed academically and contribute productively as adults. Tanzania has achieved food self-sufficiency ratios of around 128 percent, yet malnutrition and rising cases of lifestyle-related diseases such as diabetes and hypertension persist. Investments in ECD are highly cost-effective, with returns estimated at USD 7–10 for every dollar spent. However, the country now faces a dual burden of undernutrition and Diet-Related Non-Communicable Diseases (DRNCDs), fuelled by changing lifestyles and a growing middle class, which strains the healthcare system. Dira 2050 underscores the importance of investing in ECD and lifelong learning to build a globally competitive, healthy, and skilled population. It emphasises the first 1,000 days of life as vital for long-term development. The LTPP supports this by promoting nutrition education, dietary diversity, and preventive healthcare. It aims to reduce future healthcare costs, boost national productivity, and improve overall well-being through sustained early investment in enhanced food security and nourishment. The general outcome, among others, is that all girls and boys are holistically nurtured and thriving, with at least 90 percent of children developmentally on track by age 5. Table 3.28 provides more details:

Table 3.28: Enhancing Food Security and Nourishment

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced food security and nourishment, resulting in reduced hunger and improved public health						
1. Population that consistently accessing nutritious food throughout the year increased to 80 percent by 2030	i. Reduce proportion of non-pregnant women (15-49 years) with anaemia from 42.02 percent to 20 percent by 2030.					
	ii. Decrease women of reproductive age (15 - 49 years) with iron deficiency from 46 percent to 25 percent by 2030.					
	iii. Reduce pregnant women with anaemia from 42 percent to 20 percent by 2030.					
	iv. Reduce pregnant women with iron deficiency from 46 percent to 25 percent by 2030.					
	v. Decrease women of reproductive age (15 - 49 years) with Vitamin A deficiency from 40percent to 20 percent by 2030.					

Target	Interventions	Five-Year Development Plans					
		I	II	III	IV	V	
	vi. Reduce pregnant women of reproductive age (15 - 49 years) with Vitamin A deficiency from 36 percent to 15percent by 2030.						
	vii. Reduce prevalence of Vitamin A deficiency among children (6-59 months) from 33percent to 15 percent by 2030.						
	viii. Decrease undernourished population from 23.8 percent to 10 percent by 2030.						
	ix. Decrease prevalence of global acute malnutrition among children (0-59 months) from 3.5 percent to 1 percent by 2030.						
	x. Improve the median urinary iodine concentration of women of reproductive age from 93.6 µg/L to between 100-150 µg/L by 2030						
	xi. Increase the rate of exclusive breastfeeding in the first 6 months from <41percent to at least 60percent by 2030.						
	xii. Ensure 90 percent of households using iodised salt achieved by 2030						
	xiii. Ensure 100 percent compliance with national food safety standards achieved by 2030						
	2. Food distribution systems across Tanzania with a focus on enhancing logistics, traceability, and efficiency digitalised by 80 percent by 2035	i. Ensure 50 percent reduction in food wastage in the supply chain through digital logistics and inventory management achieved by 2035					
		ii. Ensure 100 percent of key agricultural regions connected to improved storage and cold chain infrastructure to ensure year-round access to fresh food achieved by 2035,					
		iii. Ensure 90 percent digital traceability of food products to ensure food safety and quality achieved by 2035					
		iv. Deploy mobile platforms for nutrition education, food access, and market connectivity, aiming to reach 80percent of rural households developed and deployed by 2035					
		v. Digitalise at least 50 percent of inventory and logistics to reduce food wastage in the supply chain by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Nutritious foods in both rural and urban markets availed by 90 percent by 2040	i. Develop national blockchain-based system for food traceability, ensuring that 80percent of food produced can be traced from farm to table by 2040					
	ii. Develop advanced food preservation technologies to reduce post-harvest food losses by 50 percent annually, by 2040					
	iii. Increase the use of automated technologies in food processing to improve production and distribution efficiency by 30 percent by 2040					
	iv. Implement AI-based systems to monitor the nutritional content of foods distributed across markets by 2040					
	v. Build digital platforms for emergency food aid distribution, reaching 90 percent of affected populations in times of crisis by 2040					
	vi. Reduce population with micronutrient deficiencies from 40 percent to 10 percent by 2050					
4. Production and accessibility of nutritious food increased by 50 percent by 2045	i. Increase food processing plants by 40 percent by 2045					
	ii. Increase proportion of agricultural products that undergo value addition (e.g., milling, canning, drying) thus improving the quality and shelf-life of food products by 50percent by 2045,					
	iii. Ensure 50 percent of staple foods (e.g., maize, rice and wheat) fortified with essential nutrients like iron, vitamin A, and folic acid achieved by 2045					
	iv. Establish new fortified food manufacturing plants to support the production and distribution of fortified foods by 2045					
5. All forms of malnutrition eliminated by 2050	i. Reduce population with micronutrient deficiencies from 40 percent to 10 percent by 2050					
	ii. Ensure 90 percent availability of nutritious foods in both rural and urban markets by 2050					

3.3.7. Water and Sanitation Access and Connectivity

Water is a vital shared resource that supports life, sustains biodiversity, and drives Tanzania's social and economic development, including food security and hydropower potential. Water serves as a catalyst for socio-economic progress, environmental health, and national resilience. Recognising its importance, the government has made key strides, including the establishment of nine Basin Water Boards to manage major water bodies across the country. These efforts aim to protect aquatic ecosystems and ensure sustainable access for communities and for economic uses, including industry, irrigation, energy, livestock, mining, and fisheries. In 2002, the population of Mainland Tanzania was 33,584,607, translating to a per capita water availability of 3,678 m³/ca/yr. By 2022, the population was 59,851,357, with a per capita water availability of 2,105 m³/ca/yr. The internationally acceptable threshold for water stress is 1,700 m³/ca/yr (cubic metres per capita per year), indicating that Tanzania is not water-stressed. However, the trend shows a significant decrease in water availability over time.

Tanzania, however, faces mounting challenges as water demand rises sharply, driven by population growth, urbanisation, and expanding economic activity. Water demand has grown from 47.5 billion cubic metres (BCM) in 2015 to an estimated 62 BCM in 2024 and is projected to reach 80.2 BCM by 2035. While current per capita water levels remain above the international stress threshold, rapid population growth raises concerns about future water scarcity amid rising and competing water uses, particularly given ongoing pollution and inefficient water use.

Special attention must also be given to the equitable allocation of water and sanitation infrastructure, particularly in unplanned urban settlements and rural areas, to safeguard public health and ensure sustainable living conditions. This calls for effective water resources management and development to enhance water availability.

On the other hand, the provision of safe, clean, and adequate water is a fundamental need for public health, quality of life, and sustainable development, and is recognised as a fundamental human right. Access to water plays a pivotal role in poverty alleviation by enhancing industrialisation, food security, hygiene, and environmental sustainability. The availability of safe, adequate water improves living standards, whereas its scarcity poses serious health risks and contributes to deteriorating living conditions and life expectancy. Increasingly, urbanisation, businesses, and services such as tourism require a reliable water supply.

Approximately 80 percent of potable water used for domestic, industrial, and other purposes is discharged as wastewater. This water, altered by human use, is a by-product of domestic, industrial, commercial, or agricultural activities. If not properly managed, it can adversely affect the environment and public health, particularly in relation to access to safe drinking water and adequate sanitation. Progress has been made 75 percent of households now use improved toilet facilities, and hygiene coverage has increased from 15 percent in 2010 to approximately 26 percent in 2023.

However, progress in improving sanitation remains limited, and open defecation persists in some areas. Key challenges include poor hygiene practices, socio-cultural barriers, climate vulnerability, rapid urbanisation, and deficiencies in governance and financing. Addressing regional disparities, population growth, and environmental pollution is critical, as these factors threaten sustainable progress. Deliberate efforts are still required to expand access to sanitation services and to foster behavioural change towards improved hygiene and sanitation practices. Given that water is increasingly scarce, it is imperative to view wastewater as a valuable component of the water resource system, one that can be treated, regulated, and reused for irrigation and other economically viable purposes.

To address these challenges, Dira 2050 prioritises national water security and availability, and universal access to affordable, clean, safe, and sustainable water and sanitation services. It envisions a water-secure nation in which resources are managed equitably and remain resilient to future demands. Supporting the Vision, the LTPP focuses on water resource planning, comprehensive water sources, pollution control, and data system enhancement. It promotes equitable use of water, including transboundary resources, and the expansion of dam infrastructure to meet growing needs. Together, Dira 2050 and LTPP aim to develop a robust framework for water governance, ensuring long-term sustainability and inclusive development, and improving access to safe, clean, and adequate water supply and sanitation services in both urban and rural areas. Table 3.29 presents the objectives, targets, and interventions that will be implemented to ensure universal access to water and sanitation services.

Table 3.29: Fostering Universal Water and Sanitation Access and Connectivity

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced national-level safe water connectivity for socio-economic development.						
1. Universal and equitable access to safe, affordable and sustainable drinking water 100 percent achieved by 2050	i. Strengthen institutional frameworks of water resource management annually					
	ii. Enhance collection and management of hydrological data and information annually					
	iii. Conserve and protect water catchments, ecosystems and environmental integrity					
	iv. Enhance transboundary water management and cooperation					
	v. Develop multi-purpose water security infrastructure for water availability by 2040.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Promote rainwater harvesting and storage systems and technologies annually					
	vii. Enhance the use of renewable energy in water supply systems in rural and urban areas by 2045.					
	viii. Implement integrated water resources management at all levels by 2050					
	ix. Strengthen water quality management annually					
	x. Update water policies to integrate climate resilience, ensure equitable access to clean water and promote sustainable water usage, in alignment with ESG principles and SDGs by 2030.					
	xi. Expand and upgrade rural and urban water supply systems by 2045.					
	xii. Decentralise wastewater treatment systems (such as small-scale modular treatment plants) annually.					
	xiii. Increase piped water connections to households from 30 percent to 95 percent by 2050.					
	xiv. Rehabilitate ageing water systems, expand coverage to urban areas, and implement smart water management to monitor and reduce distribution losses by 2040					
	xv. Implement smart water meters and water management to minimize losses and enhance efficiency by 2040.					
	xvi. Develop rainwater harvesting systems with advanced filtration and storage systems especially for rural communities and urban informal settlements by 2040.					
	xvii. Promote new constructions for both public and private buildings with rainwater harvesting infrastructure in at least 70 percent of all new buildings, to enhance sustainable water access and contribute to environmental conservation.					
	xviii. Ensure inter and intra basin water transfer by 2050					
	xix. Construct and accomplish Lake Victoria/ Lake Tanganyika Water Utilisation Grid by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
2. The use of digital platforms and tools for water-related and hygiene services to improve user engagement, optimize service delivery and attract private sector interest increased to 80 percent of urban and 50 percent of rural areas by 2035.	i. Deploy smart water meters and water quality sensors in 100 percent of major cities by 2035.					
	ii. Introduce smart water systems (e.g., IoT-based leak detection, smart metering), enabling real-time monitoring and reducing water wastage by 2035.					
	iii. Ensure solar-powered water systems to 50 percent of all remote rural water supplies achieved by 2045.					
	iv. Re-engineer and automate 80% of core business processes by 2050					
	v. Implement big data analytics and AI solutions to analyse water consumption patterns, predict demand and optimise water resource management annually.					
	vi. Implement big data analytics in collaboration with private sector to analyse water consumption patterns, predict demand, and optimise water resource management annually					
Objective 2: Enhanced reliable and sustainable sanitation services, leading to improved public health, reduced environmental pollution, and better quality of life for communities						
3. Universal access to adequate and equitable sanitation and hygiene and end open defecation, paying special attention to women and girls and vulnerable situated groups 100 percent achieved by 2050.	i. Rehabilitate ageing sanitation systems, expand coverage in urban areas, and implement smart sanitation management to monitor and reduce wastewater discharge by 2040.					
	ii. Ensure non-sewered sanitation services incorporated in the country by 2050					
	iii. Improve sewered sanitation services in major cities annually					
	iv. Halve the proportion of untreated wastewater and substantially increasing recycling and safe reuse annually					
	v. End open defecation and provide access to sanitation and hygiene reuse by 2050					
	vi. Develop and upgrade sanitation systems using sustainable and climate-resilient technologies, especially in rural and underserved urban areas including eco-toilets, decentralised wastewater treatment, and flood-proof facilities by 2035.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Implement Community-Led Total Sanitation (CLTS) by 2035					
	viii. Eliminate open defecation through investing in sanitation infrastructure, community-led programmes, and public awareness campaigns by 2035.					
	ix. Integrate sanitation and hygiene policies with urban planning, ensuring inclusive infrastructure, climate-resilient facilities, and hygiene services in all urban developments by 2030					
	x. Promote Hygiene Education through campaigns on handwashing, safe water storage, and sanitation by 2030					
	xi. Install smart wastewater monitoring systems by 2035					
4. Integrated and Inclusive sanitation and hygiene system across sectors 100 percent adopted by 2050.	i. Build large-scale factories for water and sanitation technologies and products providing local jobs and reducing reliance on imports by 2045.					
	ii. Connect 95 percent of industrial zones and urban centres with modern sewerage systems or sustainable sanitation solutions by 2045.					
	iii. Implement waste-to-energy sanitation systems in at least 30 percent of Tanzanian industrial hubs by 2045.					
	iv. Ensure 100 percent compliance from key export-oriented industries with international environmental sanitation standards by 2045.					
	v. Ensure 95 percent of businesses in export-oriented industries complied with global hygiene standards, especially in food production by 2045.					
	vi. Integrate sewerage infrastructure with treatment and recycling facilities annually.					
	vii. Ensure 100 percent compliance with international hygiene standards for food export sectors by 2050.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	viii. Establish local manufacturing plants for sanitation and hygiene products, serving both domestic and regional markets by 2045.					
	ix. Ensure 40 percent female workforce in WASH-related industries achieved by 2050.					
	x. Ensure 30 percent proportion of women in industrial WASH-related companies' management achieved by 2050.					

3.3.8. A Cohesive, Responsible and Engaging Society

A cohesive, responsible, and engaging society is central to Tanzania's development strategy, which aims to promote unity, accountability, and active citizen participation across all sectors. Efforts such as promoting Kiswahili, civic engagement through national service, and balancing economic growth with social inclusion have fostered stability and empowerment. The 4Rs—Reconciliation, Resilience, Reforms, and Rebuilding, a philosophy introduced by Her Excellency, Dr. Samia Suluhu Hassan, provide a comprehensive framework for addressing national challenges and promoting unity. However, Tanzania faces hurdles, including overreliance on the central government to address societal and economic issues, political inequality, especially for women and marginalised groups, youth unemployment, and limited civic awareness, particularly in rural areas. Cultural shifts and generational divides further weaken communal responsibility. To address these, Dira 2050 and LTPP focus on strategic and inclusive economic decentralisation, enhancing gender and social inclusivity, and building a shared national identity. They also encourage collective responsibility and action, enabling communities to fully participate in shaping the country's future. This holistic approach seeks to ensure sustainable development, national cohesion, and equitable growth for all Tanzanians, as outlined in Table 3.30.

Table 3.30: Building a Cohesive, Responsible, and Engaging Society

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced cohesive, responsible, and engaging society, resulting in greater national unity and social harmony						
1. Gender parity in leadership roles (business, government, education) with at least 50 percent of women in leadership positions achieved by 2040	i. Develop women leadership sensitization programmes to realise 50 percent representation of women in national and local government leadership positions by 2030					
	ii. Mainstream gender guidelines into Board Selection Criteria to realise 50 percent of women appointed to public boards and commissions by 2035					
	iii. Ensure 50 percent of senior management positions in publicly listed companies held by women by 2040					
2. National values (e.g., respect, solidarity, national identity) to 70 percent of the population imparted by 2050	i. Establish community dialogue platforms promoting unity, national pride, and shared values by 2030					
	ii. Conduct primary and secondary schools teaching courses on patriotism, national values, and civic responsibility annually					
	iii. Implement national media campaigns promoting respect and national unity, reaching 95 percent of the population by 2050					
	iv. Develop 100 percent of social media content promoting respect, solidarity and unity annually					
	v. Develop national identity and unity-themed platforms, reaching 50 percent of internet users by 2030					
	vi. Make at least 80 percent of the population, cultivated through education and media, feels a strong sense of national pride and shared identity by 2050					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Social conflict incidents reduced by 90 percent by 2050	i. Address 100 percent of inter-group conflicts by 2035					
	ii. Develop community peace building programmes to cover 80 percent of high-risk areas by 2030					
	iii. Implement early warning systems for conflict prevention in 90 percent of at-risk areas by 2050					

3.3.8.1. Inclusive Rural Development

Rural areas in Tanzania are crucial centres of economic growth, with agriculture, livestock production, and rural industries providing livelihoods for the majority of the population. However, they face significant challenges, including poor connectivity, low productivity, limited market access, financial constraints, inadequate water, sanitation, and health services, gender disparities, technological gaps, and youth migration. Persistent rural-urban disparities further accelerate rural poverty through workforce migration. Despite these challenges, rural areas have the potential to drive inclusive and sustainable growth. **Dira 2050** aims to achieve balanced urban-rural growth, ensuring inclusive development and reducing regional disparities. In response, LTPP focuses on improving rural productivity and incomes, opening up markets, managing land use effectively, and reducing disparities through integrated planning and inclusive policies for balanced development, as outlined in Table 3.31.

Table 3.31: Fostering an Inclusive Rural Development

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Promoted inclusive rural development, resulting in reduced rural-urban disparities and improved livelihoods in rural areas.						
1. A total of 90 percent of villages have land use plans and 75 percent of rural land formally registered achieved by 2040	i. Update land use plan policies and reforms by 2030					
	ii. Scale up village-level land use planning and land registration to secure tenure and attract long-term rural investment by 2030					
	iii. Mitigate land conflicts and manage the urban encroachment of arable lands through integrated land governance systems by 2035					
2. Crop yield per unit area by 300 percent through adoption of modern and climate-smart farming practices increased by 2030	i. Promote provision of high-yielding varieties and Inputs to increase access to quality seeds, fertilizers, and plant protection products annually by 2040					
	ii. Promote Climate-Smart Agriculture to enhance productivity under changing climate conditions by 2035.					
	iii. Promote the use of modern farming techniques, precision agriculture, and mechanization to increase crop yields and reduce dependency on rain-fed farming ensuring consistent crop production annually by 2040					
	iv. Strengthen agricultural extension services and farmer training to build capacity in sustainable, climate-smart practices to enhance land productivity by 2035.					
	v. Develop community-based water resource management by 2030.					
	vi. Promote microfinance services to rural entrepreneurs to provide micro-loans to 60 percent of the rural population annually.					
	vii. Subsidies rural famers with agricultural inputs and farming infrastructure.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. At total of 100 percent village connectivity to all-weather roads and electricity to boost rural productivity and market access achieved by 2040	i. Improve rural infrastructure roads, energy access, ICT, irrigation systems, and storage facilities to stimulate rural economic activity annually by 2040					
	ii. Upscale rural electrification mini-grid projects to reach coverage of all villages in the country by 2035					
	iii. Provide 50 percent of rural energy from renewable sources (e.g., solar, wind and mini-hydro projects with subsidies for rural areas) by 2050					
	iv. Establish local road maintenance units to ensure 100 percent of rural roads particularly are maintained and accessible to all communities by 2040					
	v. Engage the private sector in infrastructure projects by securing 30 percent of rural road funding through PPPs by 2035					
	vi. Extend and rehabilitate WASH services connect all remote areas annually by 2045					
4. Argo-processing hubs in all districts to reduce post-harvest losses by 90 percent established in each LGA by 2040.	i. Strengthen access to finance and market linkages national/international markets and reduce post-harvest losses improving supply chain efficiency by 2035					
	ii. Develop bioenergy solutions for agribusiness and villages in 50 percent of all villages by 2040.					
	iii. Incentivize rural-based agro-processing zones, cooperatives, and SMEs to add value to agricultural produce and create local jobs by 2035					
	iv. Strengthen market systems, link farmers to national and global value chains, and facilitate trade through infrastructure and digital platform by 2040					
	v. Encourage Public Private Sectors investment in agribusiness with collaboration with local farms annually 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
5. Rural youth migration reduced by 60 percent by 2040	i. Expand vocational training, agribusiness incubation, and entrepreneurship programmes targeting youth, women and marginalized groups in rural areas by 2035.					
	ii. Address rural-urban migration by creating viable economic opportunities and improving rural service delivery in education, health, and finance by 2035.					
	iii. Empower rural communities by increasing access to affordable credit and agricultural inputs to boost productivity and income by 2035.					
	iv. Improve rural access to mobile services and digital financing by 2035					

3.3.8.2. Cooperatives Transformation

Over Tanzania's history, the cooperative sector has been a significant force in driving economic development, particularly in agricultural and rural areas. It has been instrumental in providing access to credit, marketing services, and essential supplies, contributing to poverty reduction and sustainable livelihoods. The Government, in collaboration with the private sector, has continued to ensure that cooperatives remain viable and supportive of farmers and entrepreneurs. These initiatives include instituting a Credit Guarantee Scheme to support financing for Agricultural Marketing Cooperative Societies (AMCOS) and supporting the establishment of a cooperative bank (Coop Bank Tanzania), which aims to transform the financial landscape by prioritising social welfare, particularly for cooperatives, entrepreneurs, and the unbanked, and to leverage digital innovation, targeting underserved groups, including women, youth, and rural entrepreneurs, as well as partnering with Savings and Credit Cooperative Societies (SACCOS) and Village Community Banking groups (VICOBA).

The Dira 2050 views cooperatives as vital tools for rural development, poverty alleviation, and social empowerment, operating on shared values and principles, such as democratic member control, voluntary membership, and concern for the community. Cooperatives operate across various sectors, including agriculture (crops, livestock, and fisheries), finance, retail, logistics, mining, and housing. Despite their contributions to social and economic development, governance inefficiencies, outdated management practices, and limited capacity to negotiate market access have hindered their potential.

LTPP aims to strengthen the internal governance of cooperatives and is recognised as a foundational step towards building resilient, efficient, and self-sustaining cooperative societies. LTPP underscores that well-governed cooperatives are key to inclusive growth, rural industrialisation, and improved livelihoods, particularly for smallholder farmers and micro-entrepreneurs. To this end, the Plan promotes the establishment of robust internal governance frameworks that ensure transparency, accountability, and democratic decision-making within cooperatives. A strong emphasis is placed on enhancing member education and awareness to empower cooperative members to actively participate in management, monitor leadership performance, and uphold cooperative principles.

Moreover, LTPP calls for the rigorous enforcement of cooperative laws and regulations to protect members' interests and prevent elite capture or political interference. By reinforcing these elements, the Plan aims to foster a culture of self-regulation and sustainability within cooperatives, reducing their dependence on external interventions and positioning them as strategic partners in Tanzania's long-term development. Likewise, Tanzania can harness cooperatives as drivers of inclusive development and regional competitiveness by fully aligning cooperative activities with the principles of innovation, mutual support, and community concern. Strategic investments in capacity-building and regulatory frameworks are key to unlocking their full potential. More details are outlined in Table 3.32.

Table 3.32: Promoting Credible and Well-Governed Cooperatives

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Strengthened cooperative sector, resulting in increased member empowerment, rural economic growth, and equitable wealth distribution.						
1. A transparent governance framework to ensure accountability, innovation, and sustainable growth of cooperatives across all sectors developed by 2029.	i. Establish a robust national policy and legal framework for cooperatives to ensure transparent governance and accountability across all sectors. by 2030.					
	ii. Digitalize cooperative systems and enhance institutional and human capacity for transparent and efficient management by 2035					
	iii. Institutionalize good governance practices and promote cooperative innovation for improved performance and accountability by 2040					
	iv. Integrate cooperatives into national development programmes and promote sustainable, climate-resilient cooperative models by 2045					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Evaluate and scale successful governance models while aligning cooperatives with international standards and long-term national goals by 2050					
	vi. Facilitate cooperatives with access to affordable financial products by 2030.					
	vii. Create an online cooperative registry and performance dashboard accessible to members, regulators, and stakeholders by 2033.					
	viii. Develop public-private partnerships to support innovation and facilitate cooperative-led economic projects by 2035.					
	ix. Establish grievance mechanisms and transparent auditing systems aligned with international standards to enhance trust and governance by 2035.					

3.3.8.3. Expanding the Middle-Income Class

The driver of any economy is the middle-income class. Dira 2050 emphasises that expanding the middle-income class is vital to fostering inclusive economic growth, social stability, and national development. A larger middle class boosts domestic consumption, broadens the tax base, and encourages private-sector growth by increasing demand for goods and services. It also supports human capital development, as middle-income households are more likely to invest in education, healthcare, and skills, strengthening productivity over time. Moreover, a thriving middle class enhances social cohesion by reducing inequality and enabling broader economic participation. Together, these factors lay the foundation for a more resilient, dynamic, and equitable society.

Foundational efforts under Vision 2025 and LTPP 2025 focused on economic transformation, human capital development, and job creation. These initiatives led to notable progress in access to education, healthcare, and financial services, alongside increased urban employment and entrepreneurship, contributing to the gradual rise of a middle-income class. In UMICs, the middle-income class typically comprises 30 – 40 percent of the population and is defined by daily consumption ranging from USD 10 to USD 50 in purchasing power parity terms. In Tanzania, although approximately 12 percent of the population is considered middle-income

class based on the African Development Bank's USD 2– USD 20 per day consumption range, well below the African average of 34 percent less than 3 percent are captured in formal national records, highlighting a significant gap between perceived and formally recognised middle-class status.

This discrepancy underscores the influence of informality in Tanzania's economy, where many individuals perceived as middle class, especially in urban informal sectors, are excluded from official systems. The gap between perceived socio-economic status and formal economic inclusion makes it difficult to accurately measure the middle class and highlights structural barriers to broad-based prosperity. Additional challenges, such as income inequality, limited access to formal

employment, regional disparities, and the fragility of informal livelihoods, continue to restrict middle-class growth, particularly in rural and peri-urban areas.

Dira 2050 aims to establish Tanzania as a UMIC, inclusive, and resilient society, with a dynamic middle class. As such, LTPP outlines a strategic path over the next 25 years, prioritising inclusive wealth creation, upward mobility, and human capital development to ensure that the gains of economic transformation are widely and fairly shared. Table 3.33 provides more details on how to expand the middle-income class.

Table 3.33: Expanding the Middle-Income Class

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced middle class size for inclusive economic growth, increased domestic demand, and enhanced participation in the formal economy						
1. Tanzania's middle-class population increased from about 12 percent to 34 percent by 2050	i. Accelerate the integration of citizens, especially youth and women, into the digital economy to create access to global income opportunities beyond traditional employment sectors annually					
	ii. Introduce government-backed asset accumulation programmes (e.g., co-financed homeownership, land titling, or micro-leasing for productive assets) that directly support low- and lower-middle income households in building wealth and transitioning into the middle class by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Create structured platforms for Tanzanian diaspora members to invest directly in community-based enterprises, education trusts, and infrastructure projects that benefit emerging middle-class populations, leveraging remittances for transformative impact by 2030					
	iv. Designate and invest in second-tier cities as decentralised economic growth nodes with incentives for private sector expansion, middle-income housing, and urban employment, reducing pressure on major cities and distributing opportunity more equitably annually					
	v. Integrate middle-class aspirants into emerging green and blue economy sectors (e.g., renewable energy entrepreneurship, sustainable fisheries, eco-tourism), ensuring they benefit from future-oriented economic shifts annually.					

3.4. Environmental Integrity and Climate Change Resilience

Sustainable environmental management and climate resilience are one of the three key pillars of Vision 2050, which aims to position Tanzania among Africa's top ten performers in environmental and climate adaptation. In line with Goal 3 and Target 01 of Vision 2050, the Vision promotes sustainable resource use, ecosystem restoration, and green technologies through inclusive, gender-responsive approaches. Aligned with this goal, efforts focus on three priorities: managing natural resources sustainably, expanding climate adaptation and mitigation, and strengthening early warning systems, collectively ensuring long-term ecological integrity, socio-economic stability, and inclusive national prosperity.

3.4.1. Environmental Integrity

Tanzania has made notable progress in advancing environmental integrity, as highlighted in the 2023 Vision 2025 review report. Achievements to date include strengthened institutional capacity to address the impacts of environmental degradation, enhanced support for the sustainable use of natural resources, and increased investment in sustainable urban waste management. The country has also developed strategic concepts for green growth and blue economy initiatives, which form a foundation for future sustainability efforts. Significant progress has been made in the conservation and utilisation of genetic resources, particularly through the national gene bank, in-situ conservation efforts in protected areas, on-farm management

practices and community-led seed systems. Current agricultural breeding programmes leverage both indigenous and improved crop and livestock varieties to enhance food security and rural livelihoods. Tanzania's commitment to international agreements, including the Convention on Biological Diversity (CBD), the Nagoya Protocol, the Interlaken Declaration, and the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA), reflects its dedication to global conservation standards. In addition, the implementation of the National Compact Strategies and Action Plan (NCSAP) aligns national efforts with the Global Plan of Action for Animal Genetic Resources.

Despite these gains, Tanzania continues to face numerous pressing environmental and conservation challenges. Land degradation, deforestation, unregulated mining, and pollution remain critical concerns, largely driven by rapid population growth, urbanisation, and weak regulatory enforcement. Protected areas, which account for approximately 32 percent of the country's landmass, are increasingly threatened by encroachment and degradation, exacerbated by limited conservation financing and inadequate institutional coordination. While strategic concepts for green and blue economy transitions have been initiated, many remain at early stages, with notable gaps in cross-sectoral planning and implementation. The country's rich genetic resources face growing threats from habitat degradation, climate change, and overreliance on a narrow range of improved species, resulting in genetic erosion. Conservation infrastructure, particularly gene banks and in situ initiatives, remains underfunded and underdeveloped. Furthermore, legal frameworks for Access and Benefit-Sharing (ABS) and Intellectual Property Rights (IPR) are not fully enforced.

The contributions of indigenous knowledge and the role of local communities are often underrecognized, with limited mechanisms to incentivise their participation in conservation and sustainable use efforts.

Looking ahead, the strategic direction outlined in LTPP aims to position the country as a regional leader in environmental sustainability and the equitable utilisation of its natural and genetic resources. Central to this vision is scaling up environmental stewardship practices and protecting and restoring biodiversity. The plan emphasises expanding genetic resource conservation and utilisation to strengthen agricultural productivity, ecological balance, food and nutrition security, and traditional health systems. Key priorities include enhancing coordination across conservation sectors, improving the effectiveness of gene bank and community seed systems, and supporting research and innovation in both indigenous and improved species. Legal and policy reforms will focus on strengthening enforcement of ABS and IPR while promoting integrated and coherent frameworks across sectors. Empowering communities and recognising the value of indigenous knowledge systems will be essential, supported by inclusive governance and fair benefit-sharing mechanisms. To realise these goals, increased investment in conservation infrastructure, institutional capacity-building, and cross-sectoral implementation will be critical to achieving the LTPP for sustainable and inclusive development. In response, Table 3.34 outlines strategic directions, prioritised targets, and phased interventions under the Five-Year Development Plans, aiming to restore environmental integrity, promote sustainable resource management, and strengthen national resilience to environmental threats.

Table 3.34: Sequencing Interventions for Environmental Integrity

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Strengthened environmental management capacity and embed sustainability principles across all sectors to ensure long-term prosperity and ecological security for current and future generations						
1. Biodiversity conservation ensured through effective protection and management of at least 32% of the national landmass under protected area ecosystems by 2050.	i. Diversify funding sources to enhance institutional coordination and enforcement through modern technology and well-trained personnel.					
	ii. Strengthen local communities' engagement by offering alternative livelihoods and fostering participatory management.					
	iii. Robust legal reforms to combat illegal activities.					
	iv. Restore habitats through the prioritisation of targeted invasive species control, supported by strategic interventions that strengthen enforcement mechanism.					
2. Enhanced environmental performance and climate adaptation indices ranking among top ten countries in Africa by 2050	i. Strengthen a National Environmental Management Capacity to support regulation and monitoring by 2030					
	ii. Roll out nationwide environmental education and awareness campaigns, and integrate environmental studies into primary and secondary school curricula by 2030					
	iii. Improve air quality by enforcing stricter vehicle /industrial emission standards and promote adoption of electric vehicles (EVs) and LPG/CNG vehicles starting by 2026 by 2030					
	iv. Promote climate-smart agriculture using conservation and emission-reducing practices by 2030					
	v. Launch afforestation programmes under the 'Green Tanzania' initiatives by 2030.					
	vi. Establish national water quality monitoring system to curb pollution by 2030					
	vii. Convert 25% of urban buses and 15% of two/three-wheelers to electric by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Annual deforestation rate reduced from the current 1 percent to zero by 2050	i. Encourage the adoption of clean cooking energy so that 80 percent of households and institutions in rural and urban areas are aligned by 2035.					
	ii. Expand Joint Forest Management (JFM) and introduce community-based conservation models (CBCM) by 2030					
	iii. Develop community-based carbon projects to conserve forests and generate carbon credits for additional income by 2029					
4. Land Use Planning in the country 100 percent achieved by 2050	i. Promote integrated land use planning and expand land titling coverage					
5. Wetlands for harnessing biodiversity and ecosystem services 100 percent conserved by 2050	i. Develop and implement integrated catchment and wetland management programmes for all wetlands outside protected areas under the jurisdiction of respective Local Government Authorities by 2035					
	ii. Utilize digital technology and machine learning for effective wetland restoration monitoring by 2040					
	iii. Assess the status of wetland resources for all wetlands by 2030					
	iv. Develop programmes and projects to enhance institutional capacity responsible for wetland management to research the wise use of wetland resources by 2035					
	v. Promote and enhance cooperation on the management of transboundary wetlands by 2040					
	vi. Demarcate and buffer at least 50percent of unprotected wetlands by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
6. Water catchment areas to ensure a stable flow of water in major rivers (Kagera, Mara, Ruaha Mkuu, Momba, Lufurio, Ruvu, Wami and Ruvuma) 100 percent protected by 2050	i. Develop and implement plans for restoration and management of land cover through tree planting and natural regeneration by 2030					
	ii. Promote efficient water use infrastructure for irrigation by 2040					
7. Coverage of urban solid waste collection and hygiene system 100 percent realised by 2050	i. Invest in modern waste collection infrastructure, such as waste trucks, bins, and transfer stations, and expand coverage to underserved areas, including informal settlements by 2035					
	ii. Develop and implement recycling programmes to reduce the volume of waste sent to landfills and create economic opportunities by 2036					
	iii. Upgrade existing dumpsites to sanitary landfills and establish new, well-managed disposal facilities in all urban areas by 2045					
	iv. Engage private service providers in high-income and commercial zones and community-based organisations (CBOs) to address service gaps in informal settlements to reduce uncollected waste by 2035					
	v. Establish wastewater treatment plants with resource recovery systems in 100 percent of urban centres by 2035.					
	vi. Implement national plastic reduction strategies and promote recycling by 2035;					
	vii. Develop and implement a plan of transboundary cooperation to address plastic pollution in the Indian Ocean, Lakes, and Rivers by 2033.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
8. Land Use Planning for 60 percent of the national land achieved by 2050	i. Utilise geospatial and digital technologies for land planning and achieve 90percent village coverage by 2030					
	ii. Start using AI to analyse land use data and optimise planning decisions by 2035.					
	iii. Establish decentralised land use planning units at the local authorities to ensure context-specific and inclusive planning by 2035					
	iv. Leverage private sector expertise and resources to support land use planning initiatives by 2040					
9. Effective genetic resources management of at least 80 percent of identified priority plant, animal and forest genetic resources	i. Strengthen the Tanzania Plant Genetic Resources Centre (NPGRC) to effectively build a sustainable, inclusive, and resilient genetic resources management system that strengthens rural economies, protects biodiversity, and positions the nation as a global model for genetic resource stewardship by 2030					
	ii. Integrate genetic resource conservation and use into national food and nutrition security agenda, and biodiversity protection frameworks, safeguarding these assets for the well-being of current and future generations by 2030					
	iii. Preserve a diverse array of plant genetic materials, including cereals, legumes, root crops, vegetables, oil crops, and forages annually					
	iv. Maintain comprehensive records of plant genetic resources annually					
	v. Facilitate equitable sharing of benefits arising from the use of plant genetic resources, in line with international treaties such as the Convention on Biological Diversity, the International Treaty on Plant Genetic Resources for Food and Agriculture, and the Nagoya Protocol annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Engage in research initiatives and partnerships with local and international organisations to enhance the conservation and utilisation of plant genetic resources annually					
	vii. Promote equitable access to genetic resources, responsible utilisation, and ensures fair and transparent benefit sharing in line with international standards and national priorities annually					
10. Sustainability standards (i.e., ESG) in investments and businesses fully integrated by 2050	i. Develop a national sustainability certification and labelling scheme, incorporating global standards to encourage businesses to adopt sustainable practices by 2035					
	ii. Train regulatory bodies on ESG oversight and enforcement by 2032					
	iii. Integrate ESG principles into university curricula and professional certification programmes by 2034					
	iv. Introduce tax incentives and green financing for ESG-compliant companies by 2048					
	v. Establish multi-sectoral coordination platforms for environmental management					

3.4.1.1. Sustainable, Well-Planned and Managed Urbanisation

Urbanisation in Tanzania is accelerating rapidly, with a 37.4 per cent urban population growth rate driven by rural-urban migration, natural population growth, economic opportunities, and infrastructure development, and is expected to reach 50 percent by 2050. The urban growth presents opportunities for economic diversification, innovation, and improved access to services. Despite these achievements, growth has faced significant challenges, including inadequate infrastructure, unplanned settlements, unemployment, environmental degradation, and increased vulnerability to climate-related risks, such as flooding and disease. This results in regional disparities affecting those with limited institutional capacity to manage urbanisation effectively. Dira 2050 aspires for sustainable, inclusive, and well-planned urban development with environmental resilience and green economic growth for a healthy and well-being society. The LTPP will promote inclusive means planning to support equitable access to urban services and environmental sustainability, as indicated in Table 3.35.

Table 3.35: Promoting Sustainable and Well-Planned Urbanisation

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Promote sustainable and well-planned urbanisation by expanding smart infrastructure, improving land use efficiency, and enhancing urban mobility to support national economic growth by 2050.						
1. Urban residents in planned settlements increased to 90 percent by 2050.	i. Develop and implement a National Urban Planning Framework to guide inclusive and sustainable city planning by 2028.					
	ii. Strengthen enforcement of urban planning and land use laws to curb informal settlements by 2028.					
	iii. Introduce housing incentives and land policy reforms to support affordable, formal housing by 2030					
	iv. Expand affordable housing programmes through public-private partnerships annually					
	v. Enforce urban planning with land policies annually					
	vi. Introduce and implement GIS-based land registration and zoning enforcement systems by 2035.					
	vii. Strengthen capacity of local authorities in urban and rural governance and planning by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
2. Urban transport efficiency and mobility improved by 50 percent by 2050.	i. Develop and promote smart public transport systems in 4 major cities (Dar es Salaam, Mwanza, Dodoma, Arusha and Mbeya) by 2045					
	ii. Establish and promote non-motorized transport (NMT) policies by 2035					
	iii. Develop fully integrated urban infrastructure in all cities and major towns by 2040					
	iv. Establish sustainable urban mobility projects in all cities and major towns by 2035					
3. Low-carbon, climate-resilient infrastructure in all sectors and urban areas 70 percent adopted by 2050.	i. Ensure that both public and private sectors develop climate-resilient digital infrastructure roadmaps to support the transition to low-carbon sector by 2028					
	ii. Upscale and improve the coverage, quality, and reliability of high-capacity public transport services, including electrification (12 percent) by 2040					
	iii. Develop and prioritize investments in grid-integrated solar PV and wind (225 MW by 2030; 3 GW by 2045)					
	iv. Strengthen climate resilience for impacted communities and environmental stewardship by 2030					
	v. Strengthen the disaster management system to support sustainable infrastructure planning and development annually					
	vi. Expand PPPs in urban development by 2035					
	vii. Develop and expand green & smart city initiatives by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. Planned land for investment and housing development fully developed by 2050.	i. Establish 10 new industrial parks and special economic zones across Tanzania, with clear land-use zoning to attract investment and foster industrialisation major cities by 2045					
	ii. Establish low- and middle-income housing to achieve 30 percent of new urban development by 2050					
	iii. Develop 10 new smart cities across Tanzania with integrated trade infrastructure and residential areas designed to support industries in global value chains by 2050					

3.4.1.2 Sustainable Land Management and Reforms

The land sector has significant potential to foster inclusive and sustainable economic growth in Tanzania, but it faces major challenges, including agricultural expansion, population growth, urbanisation, industrialisation, mining, and harmful cultural practices. These pressures, compounded by systemic shortfalls and climate change, have resulted in deforestation, land degradation, insecure tenure, weak governance, and conflicts over land access and use. Sustainable Land Management (SLM) has been introduced to promote sustainable land use across sectors such as agriculture, forestry, urban planning, conservation, and rangelands, aiming to balance productivity with environmental protection through integrated planning, equity, and community participation. While SLM improves food security, biodiversity, and climate resilience, only about 20 percent of the land is surveyed or titled, resulting in unplanned settlements, costly land investments, and frequent land conflicts. Additionally, Tanzania has 94.5 million hectares of land, of which 44 million are suitable for agriculture, yet only 24 percent is utilised. Dira 2050 aspires to build a nation with effective, integrated land-use plans that harmoniously balance agricultural, industrial, and urban growth while safeguarding the environment. It aims to maintain a conducive land use enforcement regime, underpinned by a stable, transparent, and efficient real estate market, which is essential for attracting and sustaining land-based investments. Furthermore, Dira 2050 seeks to ensure a fair land allocation system in which every citizen enjoys secure land tenure and equitable access to land resources, thereby fostering inclusive development, social equity, and economic prosperity.

In response, the LTPP advocates inclusive, sustainable land reforms that balance ecological health with human needs, prioritise securing equitable land access, particularly for women and vulnerable groups, strengthen governance, and plan urbanisation strategically. These efforts aim to ensure land productivity and environmental sustainability, and to unlock the country's full development potential by 2050. Table 3.36 outlines the objectives, targets, and interventions to be implemented.

Table 3.36: Strengthening a Sustainable and Productive Land Management

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced sustainable and productive land management for securing land tenure, optimizing land use planning and sustainable economic growth						
1. Land formally registered with secure tenure rights increased from 30 percent to 90 percent by 2050	i. Strengthen legal and regulatory frameworks to guide sustainable land allocation by 2030.					
	ii. Create a national framework for conflict prevention and resolution related to land, enhancing social cohesion and protecting citizens' land rights by 2030					
	iii. Modernise land tenure systems through nationwide digitalisation and secure land rights reforms, ensuring equitable and formalised access to land for all citizens by 2030.					
	iv. Establish blockchain-based title deeds to secure property rights by 2028					
	v. Establish decentralised land use planning units at the local authorities to ensure context-specific and inclusive planning by 2035					
	vi. Prioritise environmental sustainability in land use governance by embedding environmental safeguards and climate resilience measures into national land policies by 2030.					
	vii. Promote participatory land use planning processes, engaging communities, private sector, and civil society to ensure inclusive and equitable land development by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	viii. Integrate environmental safeguards into land use plans, ensuring protection of critical ecosystems, water catchments, and biodiversity					
2. Land transactions managed and recorded through digital platforms increased from 10 percent to 90 percent by 2040	i. Establish and strengthen e-Governance Land Platform for transactions by 2030					
	ii. Integrate cutting-edge technology platforms (GIS, AI, remote sensing) into national land information systems to enhance planning, monitoring, and enforcement at scale by 2030					
	iii. Launch One-Stop Digital Land Services Centres by 2030					
	iv. Enhance institutional capacity at national and local levels for land use planning, including training, tools, and technical assistance by 2035.					
	v. Ensure a zero-corruption land processing system by 2040					
3. Proportion of land allocated for industrial use increased from 5 percent to 10 percent of total land by 2050	i. Develop specialised land policies and regulations for investors by 2028					
	ii. Develop and operationalise a National Integrated Land Use Framework that aligns with economic, environmental, and social priorities at national, regional, and local levels by 2030					
	iii. Develop a national land bank for industrial use in 2030					
	iv. Develop land use plans for industrial growth by 2030					
	v. Allocate land for industrial parks and Special Economic Zones in key cities by 2035					
	vi. Develop tax incentives for industrial land use by 2035					

3.4.2 Climate Change Resilience

Tanzania has made notable progress in strengthening climate resilience by promoting low-carbon energy sources and advancing supportive policy frameworks, as highlighted in the Vision 2025 Review Report (2023). These efforts have laid a strong foundation for a low-emission economy. However, resilience remains limited, with only 2 percent of agricultural land under climate-smart practices. Women and vulnerable groups, particularly children, persons with disabilities and chronic illnesses, and the elderly, are disproportionately affected. Climate-related threats, including rising temperatures, erratic rainfall, droughts, and floods, continue to affect key sectors such as agriculture, water, health, energy, and infrastructure. Challenges, including slow investment in water infrastructure, unproductive wells due to climate variability, limited uptake of adaptive technologies, and fragmented institutional coordination, further constrain progress. As projected, climate change could reduce GDP by 4 percent, push approximately 2.6 million people into poverty, and displace up to 13 million people internally by 2050.

The ***Dira 2050*** aims to build a sustainable and resilient nation, powered by affordable clean energy and driven by effective management of greenhouse gas emissions to secure a low-carbon future. It envisions a climate-ready nation capable of protecting its people, infrastructure, and property from both natural and man-made disasters, with youth and women at the forefront of climate action. Likewise, it aims to position the country as a leader in addressing climate change challenges, setting global benchmarks in resilience, sustainability, and adaptation, while strategically leveraging its natural assets to access and benefit from global climate finance opportunities. Looking ahead, Tanzania envisions a climate-ready, inclusive future driven by empowered communities, gender-responsive governance, and expanded access to global climate finance. To support this transition and guide the country's pathway to upper-middle-income status, Table 3.37 outlines the strategic direction, including objectives, targets, and interventions.

Table 3.37: Climate Change Resilience

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced sustainable and productive land management for securing land tenure, optimizing land use planning and sustainable economic growth						
1. Vulnerability of climate-affected communities reduced by 50% by 2050	i. Develop and adopt framework legislation and a long-term strategy on climate change by 2030					
	ii. Integrate climate change education into all levels of the curriculum and engage TVET to develop climate-related occupational standards by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Implement inclusive, gender-responsive climate action by 2050					
	iv. Enhance health system resilience to climate-related hazards by 2047					
	v. Integrate climate issues into public finance management and ensure that national, regional, and local plans budgets are climate sensitive by 2035					
2. Net-zero greenhouse gas emissions across all sectors achieved by 2050	i. Encourage renewable energy adoption with incentives for solar and wind by 2040					
	ii. Expand decentralised renewable energy in rural areas by 2030					
	iii. Enhance clean cooking solutions in rural and urban areas by 2027					
	iv. Expand Reducing Emissions from Deforestation and Forest Degradation (REDD+) initiatives by 2030					
	v. Rapidly scale up solar, wind, hydro, geothermal and energy generation by 2031.					
3. A total of USD 1 billion in innovative climate finance mechanisms annually achieved by 2050	i. Develop a national climate finance strategy by 2030					
	ii. Leverage private investment with green bonds and blended finance by 2030					
	iii. Enhance access to innovative international climate finance (i.e., Carbon trade, green bonds) by 2035					
	iv. Launch a digital platform to track, manage, and mobilise climate finance by 2036					
	v. Strengthen the National Climate Fund (NCF) by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 2: Harness technology and innovation in agriculture, livestock, fisheries, and forestry to build climate-resilient value chains and ensure sustainable economic growth by 2050						
4. Climate-Smart Production (30% adoption by 2030)	i. Deploy IoT-enabled irrigation systems and soil monitoring sensors by June 2031					
	ii. Scale up mobile-based advisory platforms for farmers, fishers, and pastoralists by 2030					
	iii. Promote digital livestock traceability systems by 2030					
5. Sustainable Processing (20% agro-industries with renewables by 2030)	i. Introduce AI-driven quality control systems in food and fisheries processing by 2030					
	ii. Establish solar-powered cold chains for dairy, fisheries, and horticulture annually					
	iii. Support PPP-based agro-industrial parks with digital platforms by 2030					
6. Climate-Resilient Storage (reduce post-harvest losses by 15% by 2030)	i. Scale smart warehouses with Internet of Things (IoT) controls by 2030					
	ii. Expand blockchain-based inventory tracking systems by 2030					
	iii. Deploy climate-resilient silos and refrigerated hubs in food-insecure regions by 2030					
7. Digital Market Access (40% digital trade by June 2031)	iv. Expand e-marketing and mobile money platforms for smallholders & cooperatives by 2030					
	v. Develop blockchain traceability systems for fisheries and forestry reports by 2030					
	vi. Establish integrated data platforms linking production, logistics, and consumer demand by 2030					

3.4.2.1. Strengthening Early Warning System and Institutional Capacity

Tanzania's early warning landscape has undergone a major transformation, shifting from a focus on weather alerts to a dynamic, multi-sectoral system that anticipates and responds to complex, interlinked risks. Today, the country's Early Warning System (EWS) spans critical domains including macroeconomics, health, food systems, energy, water, digital security, and climate resilience. This shift is anchored by the Multi-Hazard Early Warning System (MHEWS) and supported by strong legal and policy frameworks such as the Meteorological Authority Act No. 2 of 2019 and the Disaster Management Act No. 6 of 2022, and by an alignment with global agreements including the Sendai Framework, Agenda 2063, the Paris Agreement, and the Sustainable Development Goals.

Central to this transformation is a growing network of institutions and technologies that enable real-time monitoring, coordination, and response across sectors. Tanzania's institutional ecosystem supporting EWS includes the Prime Minister's Office – Disaster Management Department (PMO-DMD), Tanzania Meteorological Authority (TMA), Tanzania Disaster Management Committee (TADMAC), and sectoral Emergency Operation Coordination Centres (EOCCs). These institutions enable cross-sector data flow and coordination. Impact-based warning tools, GIS-supported mapping, Integrated Disease Surveillance and Response (IDSR) platforms, financial risk dashboards, digital risk heatmaps, and agrometeorological models are increasingly deployed to guide anticipatory responses across sectors. Private-sector partnerships, such as the Private Sector Alliance for Disaster Resilient Societies (ARISE) and Developing Risk Awareness through Joint Action (DARAJA), are emerging to enhance dissemination and the adoption of locally adaptive early action.

However, critical challenges persist. These include technological and infrastructure limitations (e.g., outdated meteorological equipment, and limited AI integration), fragmented coordination mechanisms, an unintegrated multi-sectoral communication platform, limited inclusion of vulnerable populations, low public trust, and underfunded early-warning development. Additionally, disaster risk mapping remains incomplete and poorly integrated into local and national development plans. To address these gaps, Table 3.38 presents the strategic directions, including objectives, targets, and interventions sequenced in the phased FYDPs. These strategies are foundational to Tanzania's aspiration to build a resilient, inclusive, and digitally enabled early-warning architecture to support its transition to an upper-middle-income economy by 2050.

Table 3.38: Building Early Warning Systems and Institutional Capacity

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: An integrated, multi-sectoral early warning system that enhances national resilience through timely, reliable, and actionable information across climate, economic, health, and social sectors built by 2050.						
1. Investment and financing mechanisms for EWS increased to 0.5 percent of GDP by 2050	i. Allocate minimum 0.2% of GDP to disaster risk reduction and risk prediction technologies annually					
	ii. Establish Public-Private Partnerships (PPPs) for early warning infrastructure annually					
	iii. Create EWS Innovation Fund for private sector-led solutions by 2030					
	iv. Ensure disaster and multi-sectoral risk reduction technology budgets are directed to emerging technologies (AI, machine learning, big data, geospatial systems) annually					
2. AI-powered forecasting tools in at least 80 percent of national risk prediction systems implemented by 2045	i. Integrate multi-source data streams (satellite, drone, IoT, citizen science) into national disaster and multi-sectoral risk reduction models by 2040					
	ii. Deploy automated early warning alerts linked to predictive analytics in all high-risk regions by 2030					
	iii. Ensure National EWS coverage uses digital platforms in all districts by 2045					
	iv. Ensure population in high-risk zones receives timely, accessible alerts via mobile, web, or radio systems annually					
	v. Integrate risk dashboards accessible to local governments and the public annually by 2035					
	vi. Develop user-friendly platforms integrating multi-sectoral data by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. People accessing EWS platforms increased from 2 to 70 percent by 2050	i. Coordinate MDAs and other stakeholders on risk preparedness annually					
	ii. Launch cross-sectoral awareness campaigns on early warning services by 2030					
	iii. Involve stakeholders in co-design of sectoral alert protocols to improve usability and uptake annually					
	iv. Develop national EWS coordination frameworks that mandate cross-sectoral data sharing and integration by 2030					
	v. Ensure end-users in each sector (e.g., farmers, clinics, utility operators) receive sector-specific alerts in Kiswahili language and preferred formats by 2030					
	vi. Deploy interoperable digital platforms to link the national monitoring systems by 2040					
	vii. Adopt AI-based forecasting tools tailored to sectoral needs (e.g., crop failure, disease outbreaks, transport disruption) by 2035					
	viii. Develop simulation exercises and response protocols for integrated, multi-sectoral warning scenarios annually					
4. DARAJA and community EWS scaled up to at least 10 cities by 2030	i. Identify urban risk zones with low coverage by 2030					
	ii. Expand ARISE and DARAJA platforms by 2030					

3.5 Harnessing Drivers of Development

The achievement of *Dira 2050* largely depends on five key drivers: Energy, Integrated Logistics, Science and Technology, Research and Development (R&D), and Digital Transformation. These drivers are crucial to fostering innovation and enhancing service delivery, increasing productivity, and promoting economic diversification, with a strong emphasis on inclusivity, gender equality, and the empowerment of all citizens, especially women and marginalized groups. Investing in these drivers will create the necessary conditions to address existing challenges, build an enabling environment, and provide the momentum needed to sustain high economic growth toward a USD 1.0 trillion GDP, while accelerating socio-economic development toward a sustainable and equitable future.

3.5.1. Energy for Unleashing Transformation and Rapid Growth

Energy remains a cornerstone of Tanzania's socio-economic transformation and a fundamental enabler of industrialisation, urbanisation, digital transformation, and inclusive growth. As the country transitions towards a manufacturing-led economy, a stable and sufficient energy supply is vital for attracting FDI, powering value-added industries, and enhancing competitiveness. Key sectors such as food processing, chemical manufacturing, cement, apparel, pharmaceuticals, and mineral smelting are highly energy-intensive. Tanzania's mineral wealth, including rare earths, iron, and uranium, further supports the growth of high-energy industries such as battery production, fertiliser

manufacturing, and green industrial zones, reinforcing its long-term potential as a regional and global industrial hub. Energy is essential for unlocking domestic value chains from agro-processing and mineral beneficiation to smart logistics, thereby improving productivity, generating employment, and strengthening export competitiveness. A stable and diversified energy sector is equally crucial for improving industrial efficiency and accelerating the growth of high-potential sectors that underpin *Dira 2050's* ambition of becoming a USD 1 trillion economy

Importantly, it is critical to distinguish between energy and electricity. Energy encompasses all usable forms, including thermal, chemical, ethanol, kinetic, and electrical, whereas electricity is a single form of energy that powers modern technologies, households, and industries. This distinction is essential for long-term planning, as Tanzania's projected total electricity requirement is 70,000 MW by 2050 (inclusive of all forms). The remainder will serve industrial heat processes, transport fuels, and non-grid energy needs. This electricity demand projection is supported by multiple converging sources: MACMOD estimates indicate a requirement of over 75,000 MW to sustain industrial expansion; Gatsby deep-dive reports project a need exceeding 97,000 MW to drive structural transformation; and comparator UMICs with similar economic structures and populations above 100 million (such as Brazil, Turkey, and Mexico) demonstrate installed capacities of between 140,000 and 150,000 MW validating Tanzania's 70,000 MW ambition. Furthermore, energy elasticity relative to GDP suggests that a total energy supply exceeding 70,000 MW would be necessary to support a USD 1 trillion economy serving a population of 120 million.

Tanzania's energy mix is dynamic, with ongoing efforts to expand access, enhance sustainability, and reduce reliance on imported fuels. Hydropower remains a foundational source, with major installations such as Kidatu, Mtera, and the ongoing Julius Nyerere Hydropower Project (2,115 MW). Tanzania's hydropower potential exceeds 7,500 MW, though climate variability requires diversification. Solar and wind, particularly in Singida, Dodoma, and Njombe, are gaining momentum, with national plans targeting 715 MW of solar and 500 MW of wind by 2030. Geothermal energy, with an estimated potential of 5,000 MW, is being explored in Mbeya and Arusha as a future baseload source.

Non-renewable energy sources still underpin the majority of power generation. Natural gas, primarily from Songo Songo and Mnazi Bay, currently accounts for over 48 percent of generation. With 57 trillion cubic feet in reserves and ongoing LNG developments in Lindi, gas is central to baseload reliability and industrial use. Coal, with reserves of 1.9 billion tonnes, supports a few industrial plants but may expand to serve heavy industries. Uranium, with significant deposits (58,500 tonnes), offers long-term prospects for nuclear energy, subject to regulatory safeguards and international standards. As of 2024, Tanzania's electricity generation mix consists of approximately 48% natural gas, 31% hydropower, 18% petroleum, and just 2% from solar, wind, and biofuels. This composition reveals both the country's heavy dependence on fossil fuels and the opportunity to shift towards a cleaner energy system. The government's strategic goal is to source at least 90 percent of future electricity from clean, renewable energy by 2050. Further, all institutions and 84 percent of households will be transitioned to clean cooking energy

by 2034. Initiatives conducted so far include connecting villages and subsidizing connection fees to fast-track last-miles connectivity.

Despite notable achievements, including the reduction of transmission losses from 16 percent to under 10 percent, the expansion of decentralised mini-grids, and early progress in the Lindi LNG and rural electrification projects, the energy sector continues to face persistent challenges. Rural access remains below 36 percent. Furthermore, a shortage of skilled personnel, particularly in the installation and maintenance of renewable energy systems, continues to impede progress. Bridging the projected demand gap will require accelerated investment in generation, transmission, distribution, and last-mile connectivity infrastructure. Tanzania's aspirations are globally realistic; countries such as Mexico (~140,000 MW), Turkey (~145,000 MW), and Brazil (>150,000 MW) demonstrate the feasibility of achieving such capacity expansion within comparable development trajectories. Tanzania's unique advantage lies in its geographic position between the Eastern and Southern African Power Pools (EAPP and SAPP), with time-zone differentials and strategic corridors that offer potential for regional energy trade and electricity exports valued at over USD 3 billion by 2050.

Looking ahead, energy will underpin Tanzania's flagship transformation programmes, including smart cities, sustainable agriculture, regional logistics hubs, the SGR and city commuter rail, ICT infrastructure, and e-governance systems. However, without adequate and sustainable energy, these ambitions risk being derailed. Electricity shortages would constrain manufacturing, delay urban modernisation, and stall digital inclusion. Rural communities would face deepening disparities in access

to essential services, including education, healthcare, and employment. Moreover, power instability would erode investor confidence, particularly in strategic sectors such as mining, logistics, ICT, and tourism, while forcing reliance on expensive and polluting alternatives.

To avert these risks and realise its long-term transformation goals, Tanzania must scale up its energy infrastructure through bold, coordinated reforms. LTPP outlines a clear set of strategic imperatives: investing in large-scale clean energy generation, including hydropower, natural gas, geothermal, solar, and nuclear; expanding national and cross-border transmission infrastructure to facilitate regional power trade; streamlining

regulatory frameworks to unlock public-private partnerships and attract private capital; mobilising green and concessional finance to enhance project bankability; and developing specialised energy skills while raising awareness, especially in rural areas. With these interventions, Tanzania's energy sector is poised to become a driver of inclusive and sustainable economic transformation. The country aims to position itself as a clean energy hub for East and Southern Africa, a regional power exporter, and a globally competitive economy. The sector's strategic direction, including long-term objectives, targets, and implementation timelines phased in FYDPs, is detailed in Table 3.39.

Table 3.39: Enhancing Integrity and Excellence in Energy for Sustainable Development

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Tanzania's energy sector is governed by modern, transparent, and efficient institutions, supported by a skilled workforce that ensures reliable service delivery, innovation, and long-term sustainability by 2050.						
1. A nationally workforce of 20,000 energy professionals supporting the delivery, innovation, and resilience of Tanzania's energy sector certified by 2035	i. Launch the National Energy Skills Development Programme (NESDP) by 2035					
	ii. Partner with universities and technical institutes by 2035					
	iii. Implement national trainee placements and awareness campaigns by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	Revise and enact the Electricity Act and PPP guidelines by 2035					
2. An integrated and investment-friendly regulatory reform framework ensuring transparent, efficient, and accountable governance of Tanzania's energy sector fully implemented by 2035.	i. Digitise 90 percent of regulatory processes by 2035					
<p>Objective 2: By 2035, Tanzania has restructured its energy sector into a competitive, transparent, and financially sustainable system, with TANESCO corporatised, unbundled, and operating under a performance-based regulatory framework that enables private sector participation and reliable power service delivery</p>						
3. Transforming TANESCO into a commercially viable national energy holding company to improve operational efficiency and enable private sector participation fully implemented by 2035.	i. Conduct a comprehensive institutional audit and restructuring roadmap for TANESCO with stakeholder and regulatory alignment by 2026					
	ii. Enact enabling legislation and regulatory guidelines for unbundling and corporatisation of TANESCO by 2027.					
	iii. Establish legally and operationally independent units for generation, transmission, and distribution, with separate financial reporting and management structures by 2030					
	iv. Implement cost-reflective tariff structures to reduce dependency on subsidies by 2027					
	v. Introduce performance-based contracts for TANESCO operations by 2029					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. An Independent System and Market Operator (ISMO) to manage electricity dispatch, system balancing and competitive power market operations established and operational by 2035.	i. Develop a regulatory and operational framework for ISMO in consultation with EWURA, TANESCO, and energy stakeholders by 2027.					
	ii. Secure financing and technical assistance for ISMO setup and capacity-building by 2032.					
	iii. Operationalise ISMO with full authority over dispatch scheduling, open access rules, and market coordination across public and private generators by 2032					
Objective 3: Tanzania has a resilient, integrated, and investment-ready energy infrastructure that ensures reliable domestic supply, facilitates cross-border electricity exchange, and is financed through sustainable public-private and green capital partnerships by 2050						
5. Three regional 400kV interconnectors and upgraded Tanzania's national transmission backbone enabling stable domestic supply and regional electricity exchange constructed by 2045	i. Construct three regional 400kV cross-border interconnectors linking Tanzania to Zambia, Uganda, and Kenya to enhance regional electricity exchange and system stability by 2035.					
	ii. Deploy SCADA systems and smart grid technologies across all regional control centres by 2032.					
	iii. Upgrade the national transmission backbone to 400kV standards across priority corridors, ensuring grid readiness for high-capacity domestic and regional power flow by 2032.					
	iv. Align grid codes and protocols with Southern and Eastern African Power Pools (SAPP and EAPP) standards by 2035					
	v. Upgrade Tanzania's transmission backbone and regional interconnectors to support 95% dispatch efficiency and adaptive energy exchange capacity by 2045.					
6. USD 20 billion in green and concessional finance to fund Tanzania's clean energy generation, transmission and access initiatives mobilised by 2040.	i. Operationalise a Clean Energy Blended Finance Facility by 2035					
	ii. Establish partnerships with Multilateral Development Banks (MDBs) and climate funds by 2040					
	iii. Develop a national green taxonomy and project pipeline by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 4: Tanzania's installed electricity capacity expanded to 70,000 MW by 2050 to meet future demand, support industrialisation, and ensure universal energy access						
7. Installed electricity generation capacity increased to at least 70,000 MW by 2050	i. Fast-track large-scale clean energy generation (hydro, solar, wind, geothermal, gas, nuclear) by 2050					
	ii. Develop integrated generation expansion master plan by 2035					
	iii. Mobilise green bonds, PPPs, and sovereign financing by 2040					
8. Per capita consumption raised to 600 kWh by 2030 and 3,000 kWh by 2050	i. Promote productive use of electricity by 2045					
	ii. Subsidise household connections and off-grid technologies by 2035					
	iii. Expand reliable grid to growth corridors by 2040					
9. Tanzania's installed clean energy generation capacity increased to at least 50,000 MW by 2050	i. Commission major hydro, solar, wind, and geothermal plants in phases by 2030					
	ii. Develop and operationalise a 1,000 MW nuclear pilot plant by 2045					
	iii. Implement incentive schemes and competitive auctions for Independent Power Producers (IPPs) by 2030					
Objective 5: Renewable energy integration into Tanzania's energy mix increased to at least 50 percent to support low-carbon growth, energy diversification, and climate resilience.						
10. About 5,000 MW geothermal, 2,000 MW wind, and 2,500 MW solar energy capacity to diversify Tanzania's generation mix and enhance energy security generated by 2035	i. De-risk renewable energy (RE) projects through the establishment of guarantee mechanisms, concessional financing, and blended finance instruments to attract private sector participation and reduce perceived investment risks by 2040					
	ii. Standardise Power Purchase Agreements (PPAs) and fast-track procurement processes to enhance transparency, reduce negotiation time, and attract more Independent Power Producers (IPPs) by 2035					
	iii. Accelerate renewable energy (RE) licensing and environmental approval procedures by streamlining regulatory steps, setting clear timelines, and enhancing institutional coordination by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
11. At least 50 percent of Tanzania's electricity generation mix generated from renewable sources by 2040	i. Mandate renewable portfolio standards in utility planning by 2040					
	ii. Upgrade grid for intermittent RE sources by 2040					
	iii. Incentivise off grid RE service providers by 2040					
	iv. Commission 10,000 MW of new renewable energy capacity—solar, wind, and geothermal by 2035					
	v. Upgrade the national transmission grid to integrate at least 80 percent of intermittent renewable energy capacity by 2038					
Objective 6: Tanzania's transmission and distribution systems modernised to reduce total technical and commercial losses to below 5 percent and ensure grid reliability.						
12. Electricity system losses reduced from 14.2 percent to 5 percent by 2040	i. Replace aging transformers and urban feeders by 2035					
	ii. Deploy AI-based fault detection systems by 2040					
	iii. Introduce loss-reduction performance contracts by 2030					
13. At least 100 rural substations and smart grid systems deployed across major regions installed by 2040.	i. Invest in rural grid and smart infrastructure by 2040					
	ii. Mobilise concessional finance for smart grid tech by 2040					
	iii. Support local grid component manufacturing by 2040					
Objective 7: All Tanzanian households have access to reliable and affordable electricity by 100 percent by 2050						
14. National household electricity connectivity increased from 49% into 80% with rural household electrification rising from 36% to 70%, by 2050	i. Implement nationwide electricity connection campaigns to connect at least 4 million new households by 2030					
	ii. Deploy 2,500 Mini-Grids and 5 million Off-Grid Solar Systems in rural areas with low electrification by 2040					
	iii. Establish and fully capitalise the Rural Electrification Fund (above USD 200 million) by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Implement nationwide electricity connection campaigns to reach at least 80 percent of households, prioritising rural and peri-urban areas through TANESCO and REA coordination, and private investment by 2045.					
	v. Revise and implement nationwide simplified electricity connection procedures and subsidized fees or reduced costs by 50 percent for low-income households by 2030					
	vi. Introduce targeted performance-based incentives for private developers serving remote communities by encouraging private sector participation in difficult-to-reach area by 2030					
15. Household-level electricity reliability improved to at least 90% by 2035	i. Install 100 rural substations and upgrade local transformers by 2030					
	ii. Deploy smart grid and remote monitoring systems in all rural regions by 2035					
	iii. Introduce performance-based maintenance contracts across rural utility zones by 2028					
<p>Objective 8: By 2040, Tanzania ensured energy security and supply reliability through a balanced generation mix that includes strategic use of coal reserves supported by low-emission technologies and integration with renewable energy sources.</p>						
16. At least 3,000 MW of environmentally compliant coal-fired power capacity to provide reliable baseload power and support grid stability during the renewable energy transition installed by 2040	i. Identify and allocate coal development zones and fast-track licensing for 3,000 MW of coal-fired power plants, with mandatory compliance to national emissions standards by 2035.					
	ii. Mobilise public-private partnerships (PPPs) and investment guarantees for clean coal technology deployment, including flue gas desulphurisation and carbon capture readiness, by 2030.					
	iii. Establish a Coal-to-Power Sustainability Framework to guide project development, environmental monitoring, and integration with national energy diversification plans by 2026.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
17. A minimum reserve margin of 20 percent to ensure continuous electricity supply during demand peaks and system shocks in Tanzania's power system maintained by 2040	i. Expand national grid-connected generation capacity by 1,500 MW through diversified energy sources including gas, hydro, and flexible renewables by 2035.					
	ii. Establish a Strategic Energy Reserve Policy that mandates capacity procurement planning to maintain a minimum 20 percent reserve margin by 2026.					
	iii. Operationalise a real-time energy demand and supply forecasting system to support efficient reserve management and reduce blackout risks by 2028					

3.5.2. Integrated Logistics for Enhancing Penetration into Global Markets

Integrated logistics encompasses the coordinated management of all logistics functions across the supply chain. It remains a pivotal enabler of Tanzania's long-term ambition to become a diversified, resilient, and competitive UMIC, as articulated in Vision 2050. The sector has evolved into a cornerstone of economic transformation, underpinning GDP growth, employment creation, trade facilitation, and regional integration. In 2023, the logistics sector accounted for 7.8 percent of GDP, making it the fifth-largest sector in the economy. It also accounted for 3.1 percent of national employment and 17.6 percent of total exports in goods and services, reflecting its strategic role in supporting value chain integration (Deep Dive Report – ODI Global,

2025). The sector's interconnectedness with financial services, energy, and the recreation industry further amplifies its multiplier effect across the broader economy.

Key achievements include the modernisation of core logistics infrastructure, most notably the Standard Gauge Railway (SGR), which is expected to cover 4,700 kilometres, a figure still below the 15 – 25 km per 1,000 km² benchmark for UMICs. Complementary rail systems, including the TAZARA Railway (Cape Gauge) and the Central Line (Meter Gauge Railway), remain operational and are undergoing rehabilitation as part of broader upgrades to the Central and Northern transport corridors. In parallel, strategic railway extensions towards Malawi and Burundi are advancing through the Mtwara–Mbamba Bay and Uvinza–Gitega corridors. Together with expanded port capacity at Dar

es Salaam, Tanga, and Mtwara, and continued improvements to the national road network and airport infrastructure, these investments have significantly strengthened national and regional connectivity.

In the air transport sector, investments in international airports, including Julius Nyerere, Kilimanjaro, and Abeid Amani Karume, as well as regional airports such as Mwanza, Songwe, and Dodoma, are reinforcing Tanzania's emerging role as a regional hub for both cargo and passenger air transport, further supported by the construction of Dodoma International Airport. The deployment of digital platforms such as the Tanzania Customs Integrated System (TANCIS) and the Port Community System (PCS) has enhanced the efficiency of customs clearance and cargo tracking. In the maritime domain, Dar es Salaam Port currently handles around 17 million tonnes annually, which is significantly below the 270 million tonne average among major UMIC ports, highlighting the need for continued investment and upgrades. Urban mobility has also improved through the expansion of the Bus Rapid Transit (BRT) system in Dar es Salaam. Additionally, the expansion of One-Stop Border Posts (OSBPs) and the upgrading of regional road corridors have further facilitated efficient cross-border trade. Collectively, these developments, supported by progressive policy reforms, are steadily positioning Tanzania as a leading regional logistics and transport gateway for land-linked countries.

Nonetheless, persistent structural bottlenecks continue to hinder optimal performance. Logistics costs remain high, accounting for 35–45 percent of total import costs due to limited intermodal integration, underutilised rail infrastructure, inefficient storage and handling facilities, and slow port turnaround times.

The sector further grapples with regulatory fragmentation, underinvestment in digital technologies, a shortage of skilled logistics personnel, weak linkages to agriculture and manufacturing, and income disparities. Tanzania's ports currently handle 29.2 million tonnes of cargo annually, still trailing regional peers such as Mombasa (36.1 million tonnes) and Durban (81.2 million tonnes), and far below global leaders such as Singapore and Shanghai (Deep Dive Report – ODI Global, 2025).

Despite these challenges, the sector holds significant untapped potential. Tanzania's participation in regional blocs such as the AfCFTA, the EAC, and the SADC offers opportunities to harmonise logistics regulations, eliminate non-tariff barriers, and strengthen cross-border trade systems. With strategic positioning, Tanzania is well placed to emerge as a key transit and trade hub for land-linked neighbours, while also improving urban mobility, reducing congestion and emissions, and expanding employment through both direct and indirect logistics-related jobs. Unlocking this potential will require sustained investments in connectivity, multimodal transport systems, and digital infrastructure, and PPPs will be critical to unlocking Tanzania's full logistics potential. With sound coordination, targeted policy reforms, and catalytic investments, the logistics sector is poised to become a key driver in Tanzania's transformation towards a resilient, inclusive, and globally competitive economy. Table 3.40 outlines the strategic direction, including priority objectives, key targets, and sequenced interventions to be implemented.

Table 3.40: Establishing Modern and Efficient Transport and Logistics

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced efficiency and connectivity of transport and logistics infrastructure, optimizing the movement of people, goods and resources within urban areas and across regions to foster sustainable economic growth, industrial development, and improved access to global markets.						
Road Transport						
1. An integrated, sustainable, and technologically advanced national road infrastructure system established by 2050.	i. Deploy Intelligent Transport Systems (ITS), including real-time traffic monitoring, smart tolling systems and digital weighbridge and overload control, for traffic flow management, tolling, and safety monitoring by 2030					
	ii. Digitally map all urban and rural roads with GPS and open-source tools to support planning, maintenance, and emergency response by 2030					
2. Proportion of paved roads increased from 8.6 percent to 17.2 percent by 2050.	i. Construct and rehabilitate regional and feeder roads linking agricultural, mining, and industrial zones to markets annually.					
	ii. Establish and expand modern road networks and Bus Rapid Transit (BRT) systems in major urban centres (Dar es Salaam, Arusha, Dodoma, Mwanza, Mbeya) annually.					
	iii. Invest in cross-border highways including Dar–Namanga–Nairobi highway upgrade, Isaka–Kigali corridor enhancement and Southern Africa Trade Corridor via Tunduma–Nakonde linking Tanzania with EAC and SADC neighbours (e.g., Kenya, Rwanda, Uganda, Zambia, DRC, Mozambique) annually.					
	iv. Prioritise road access to Export Processing Zones (EPZs), Special Economic Zones (SEZs), and industrial parks by 2035.					
	v. Create well-planned transport corridors supporting smart cities and growth centres by 2045					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Strengthen institutional capacities in planning, procurement, monitoring, and PPP negotiation annually.					
	vii. Develop road safety infrastructure and pedestrian/cyclist lanes, especially in urban and peri-urban areas annually.					
	viii. Construct new expressways linking major cities and economic hubs with controlled access and higher design speeds by 2045.					
	ix. Design and construct landmark modern bridges for major river crossings (e.g., Rufiji, Pangani) to enhance durability and regional identity annually.					
	x. Plan and pilot electric vehicle (EV)-friendly roads with charging stations for freight and passenger vehicles along high-volume routes by 2045.					
	xi. Improve road access to national parks, game reserves, and heritage sites, including Serengeti–Ngorongoro loop, Southern circuit (Selous, Mikumi, Ruaha) and Lake Zone tourism roads, to boost tourism by 2040.					
3. A total of 100 percent road maintenance coverage achieved by 2050	i. Establish a national road infrastructure monitoring system, including Road Asset Management System (RAMS), GIS-enabled road data platforms and annual infrastructure performance reports, to track progress, condition, and impact by 2030.					
	ii. Increase road maintenance budget and innovate new sources of financing annually					
	iii. Reserve and construct underground duct systems for water, electricity, internet, and sewerage beneath urban roads to reduce frequent road digging and utility damage by 2035.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Digitally map all unclassified rural roads with GPS and open-source tools to support planning, maintenance, and emergency response by 2030.					
	v. Invest in and develop urban infrastructure aimed at reducing traffic congestion in major cities of Dar es Salaam, Dodoma, Arusha, Mbeya and Mwanza thereby enhancing mobility and significantly reducing travel time annually.					
	vi. Promote research on sustainable, climate-resilient, and cost-effective road construction materials annually.					
Air Transport						
4. Tanzania's Air Connectivity Index (ACI) increased from 0.35 percent in 2025 to 3 percent by 2050	i. Expand terminal capacity, aprons, runways, and cargo facilities at Julius Nyerere International Airport (JNIA), Kilimanjaro International Airport (KIA), Abeid Amani Karume International Airport (Zanzibar) and Songwe and Mwanza airports by 2030.					
	ii. Rehabilitate and expand airstrips in Mbeya, Dodoma, Tabora, Kigoma, Mtwara, Musoma, and Shinyanga to enhance domestic and regional air connectivity and emergency access by 2035.					
	iii. Streamline air licensing, reduce landing fees, and incentivise local airlines in order to encourage competition, improve service coverage and affordability by 2030.					
	iv. Designate cargo terminals at JNIA, Mwanza, and Mbeya as logistics hubs for horticulture, fishery exports and cross-border e-commerce by 2030.					
	v. Install radar surveillance and satellite-based navigation across national airspace to improve safety, reduce flight delays and enhance airspace efficiency by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Align licensing, safety, and air traffic protocols with neighbouring countries to promote seamless regional aviation and open skies by 2030.					
	vii. Create a national training hub in coordination with global aviation partners to develop pilots, engineers, air traffic controllers and cabin crew to support development of drone-based services by 2030.					
	viii. Attract private capital for terminal development and cargo services annually.					
	ix. Build specialised airports in Serengeti and Njombe region to promote tourism and horticulture business in the case of Njombe by 2050					
	x. Encourage the development of airport cities in Dar es Salaam and Msalato International Airports, as technical stopover, annually					
	xi. Build and improve facilities in Mwanza and Dar es Salaam for aircraft maintenance, component repair and overhaul services for regional fleets to serve Tanzania and neighbouring countries by 2035					
Railway Transport						
5. Tanzania's rail density increased from 4.97 km per 1,000 km ² to 20 km per 1,000 km ²	i. Establish and complete a national and regional high-capacity freight and passenger rail backbone with the SGR connecting Dar es Salaam–Dodoma–Mwanza, Isaka–Kigali (Rwanda), Tabora–Kigoma–DRC, Tabora–Mpanda–Kalemie and Mtwara–Mbamba Bay–Mchuchuma–Liganga (Southern Corridor) by 2045.					
	ii. Rehabilitate Meter Gauge Rail (MGR) services and feeder connections, especially Dar–Tanga–Arusha–Musoma (Multimodal link) by 2035					

Target	Interventions	Five-Year Development Plans					
		I	II	III	IV	V	
	iii. Build dedicated short rail links (spurs) from main lines to mining areas (e.g., Liganga, Mchuchuma) and industrial zones (e.g., Bagamoyo, Kisarawe, Mlandizi) by 2030						
	iv. Build or upgrade container handling and warehousing facilities at key MGR junctions (e.g., Tabora, Mwanza, Kigoma) by 2035.						
	v. Establish or expand dry ports along the corridor in Mbeya, Tunduma and Mpika (Zambia) by 2035.						
	vi. Partner with mining companies in southern DRC, Zambia, and Tanzania to transport copper, nickel and lithium through railway by 2040.						
	vii. Modernise TAZARA coaches and reintroduce reliable, affordable cross-border passenger services with immigration facilities onboard or at key stations by 2035						
	6. Urban mobility in major cities is enhanced through a high-capacity, electrified commuter rail system integrated with SGR and multimodal hubs, reducing daily passenger congestion by 40 percent by 2045	i. Complete phased construction of electrified commuter rail lines connecting major suburbs to the CBD by 2035.					
	ii. Procure modern electric rail coaches and establish supporting energy infrastructure (e.g. substations) by 2035						
iii. Construct multimodal interchanges linking commuter rail with SGR, BRT, city buses, and logistics hubs by 2035							
iv. Leverage PPPs and concessional financing for infrastructure, rolling stock, and station development by 2035							
v. Invest in electrified rolling stock and smart energy infrastructure to support green rail operations by 2035							
vi. Deploy a unified digital ticketing and mobility platform integrating rail, BRT, city buses, and freight service by 2035							
vii. Set and enforce urban rail emission benchmarks; promote adoption of clean transport technologies by 2050							

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	viii. Implement an integrated commuter rail system in Dar es Salaam as a flagship urban transport initiative, reducing peak-hour congestion by at least 40% and improving last-mile connectivity through multimodal hubs and digital ticketing integration by 2035					
	ix. Secure partnerships with international urban rail developers (e.g. CRRC China, Alstom, Siemens Mobility) for tech transfer and delivery annually					
	x. Develop modern commuter rail systems in Arusha, Mwanza, and Dodoma, integrated with local transport networks and supported by transit-oriented infrastructure to decongest urban centres, enhance mobility, and support regional economic growth by 2045					
	xi. Develop and pilot integrated commuter rail corridors in Arusha, Mwanza, and Dodoma, with multimodal terminals linking buses, taxis, and non-motorised transport by 2035					
Water Transport						
7. Tanzania ranked as the top transshipment hub in the SADC region by 2050	i. Rehabilitate and expand ports at Mwanza South and North, Bukoba; Musoma (Lake Victoria); Kigoma, Kasanga (Lake Tanganyika); and Itungi, Liuli, Mbamba Bay (Lake Nyasa) to enable efficient passenger and cargo handling, cold storage, and customs clearance annually.					
	ii. Continue port expansion projects including berth dredging, container terminals and digitalised customs clearance to boost competitiveness in East African logistics annually					
	iii. Develop Deep Sea Port at Bagamoyo to serve as a strategic gateway for bulk cargo and industrial exports by 2030.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Harmonise Navigation Protocols with EAC, SADC, COMESA to standardize vessel licensing, tariffs, and border checks on shared lakes in order to improve regional trade efficiency and reduce non-tariff barriers by 2030.					
	v. Promote regional cargo flows via Mwanza–Port Bell (Uganda), Kigoma–Kalemie (DRC) and Mbamba Bay–Nkhata Bay (Malawi) by 2040.					
	vi. Continuously digitise port operations and ticketing by introducing online cargo and passenger booking, vessel tracking systems and port management dashboards annually.					
	vii. Offer incentives to private firms to operate ferry lines, port logistics, and vessel services under regulated frameworks annually.					
	viii. Integrate water transport into a broader strategy covering fisheries, tourism, maritime trade and conservation by 2030.					
	ix. Provide training for boat crews, port workers, marine engineers and logistics managers annually					
	x. Develop vocational and certification courses for dock workers, boat builders, marine mechanics and logistics planners annually					
	xi. Promote eco-cruise tourism vessels on Lake Tanganyika, Victoria, and Nyasa annually.					
	xii. Develop SEZs around Kigoma, Mwanza, Mtwara, and Bagamoyo ports to attract agro-processing, fisheries packaging and light manufacturing for export to boost lake-port trade by 2035.					
	xiii. Build logistics hubs near major lake ports (e.g. Mwanza, Kigoma, Mbamba Bay) with warehousing, cold chains and packaging and customs to support exports and regional value chains by 2040.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	xiv. Install real-time weather monitoring and alerts across major lakes and coastal zones to enhance safety for fishermen, traders and passengers by 2030.					
	xv. Design vessels, piers, and waiting areas that are accessible for women with children, elderly passengers and persons with disabilities to make water transport inclusive and human-centred annually.					
	xvi. Introduce regulated water taxis in major urban areas to reduce road congestion annually					
	xvii. Allow innovators and startups to test new maritime tech solutions under relaxed regulations to accelerate innovation and local solutions annually.					
	xviii. Partner with insurers to cover vessel damage from storms, disrupted cargo flows and accidents to de-risk private participation and improve resilience annually.					
	xix. Support boat building SMEs, logistics tech startups and marine-based tourism and food businesses by 2040.					
	xx. Strengthen the infrastructure capacity of Dar es Salaam, Mwanza, Bukoba, Kimondo, Isaka, Kalema and Kigoma Ports, and Kwala International Logistics Centre annually					
	xxi. Equip lake zones with radar and satellite tools to monitor vessel movement, prevent overloading, and enforce safety zones and protected areas by 2030.					
	xxii. Link ferry routes with tourist destinations Gombe and Mahale via Lake Tanganyika, Rubondo via Lake Victoria and Nyerere National Park via Rufiji Delta by 2035.					
	xxiii. Develop inland dry ports near major lake ports (e.g., Isaka near Mwanza) to ease customs clearance and improve turnaround times for intermodal trade by 2035.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Pipeline						
8. Oil and gas pipeline network increased from 1,500 km to at least 5,000 km by 2050.	i. Ensure completion and safe operation of the East African Crude Oil Pipeline (EACOP) from Uganda to the Port of Tanga to position Tanzania as a key crude export corridor in East Africa and spur economic activity along the route by 2030.					
	ii. Expand the existing natural gas pipeline network from Mtwara and Songo Songo to key urban centres (Dodoma, Mwanza, Arusha, Mbeya), and industrial parks and SEZs to enable widespread, low-cost gas access for power generation, industry, and transport by 2040.					
	iii. Construct multi-product pipelines from coastal ports (Dar es Salaam, Tanga, Mtwara) to inland depots (Dodoma, Mwanza, Kigoma) to reduce road tanker reliance, improve safety, and lower transport costs by 2045.					
	iv. Build gas reticulation systems in Dar es Salaam, Dodoma, Arusha, and Morogoro for household cooking gas, public institutions and urban buses and light industry 2045.					
	v. Pre-install gas pipelines in planned SEZs and IDZs (e.g. Bagamoyo, Mtwara, Kibaha) to improve ease of doing business and attract manufacturing investors by 2040.					
9. Inter-modal transport and logistics system 100 percent accomplished by 2050	i. Connect the Dar es Salaam Port with the Kwala International Logistics Centre, as well as Dar es Salaam and Msalato International Airports, through the SGR network by 2040.					
	ii. Connect the Bagamoyo Maritime City with the Kwala International Logistics Centre via the SGR network by 2040.					
	iii. Construct oil pipelines alongside the SGR network to the Kwala International Logistics Centre by 2045.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Establish a connection between the Kwala International Logistics Centre and the TAZARA railway network by 2045.					
	v. Leverage economic diplomacy to connect selected neighbouring countries to the SGR and TAZARA networks by 2050.					
	vi. Connect Kalemwa Port to other regions in Tanzania through the Metre Gauge Railway (MGR) by 2035.					
	vii. Upgrade the TAZARA Cape Gauge Railway network by installing electric power systems to increase train speeds by 2050.					
	viii. Develop smart terminals in selected ports and airports on an annual basis.					
	ix. Promote the development of industrial parks and agricultural plantations along the SGR corridor.					
	x. Improve road connectivity to ports, rail stations, airports, and inland container depots focusing on roads to Dar es Salaam, Mtwara, and Tanga Ports, road links to Standard Gauge Railway (SGR) stations and integrated logistics corridors by 2045					
	xi. Reform the insurance industry regulatory framework to attract regional and international business including export transactions by 2030.					

3.5.3 Leverage Advancement of Science, Technology and Innovation

Science, technology, and innovation are central to Tanzania's aspiration to become a resilient, inclusive, and innovation-led UMIC by 2050, as reflected in Goal 1 of Vision 2050, which seeks to build a diversified, competitive, and sustainable economy. In the modern knowledge-based world, science and technology are transformative tools for increasing productivity, reducing costs, and enhancing service delivery. Tanzania is embracing disruptive technologies, including renewable energy, biotechnology, and artificial intelligence, to modernise agriculture, health, education, and manufacturing, particularly in underserved rural areas. Drawing inspiration from other successful countries, Tanzania has expanded STEM education, established innovation hubs, and increased R&D investments. Nonetheless, key challenges persist: R&D spending remains low (0.56 percent of GDP), infrastructure is limited, and technology transfer and collaboration remain weak. Regulatory barriers, gender imbalances in STEM, and ethical concerns around emerging technologies also hinder equitable innovation. Table 3.41 summarises the strategic directions, comprising objectives, targets, and phased interventions, under the FYDPs. The LTPP aims to position Tanzania as a regional leader in science and technology, championing inclusive innovation, human development, and long-term sustainable growth.

Table 3.41: Promoting Sustainable Science, Technology and Innovation.

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced resilience, inclusiveness, and sustainability of science, technology, and innovation (STI) ecosystem that promotes long-term economic growth and global competitiveness						
1. Position of Tanzania as a regional leader in science, technology and innovation achieved by 2050	i. Provide sustainable financing for R&D, innovation, and commercialization of technologies annually					
	ii. Align academic research with industry needs and national development priorities annually					
	iii. Encourage innovation by protecting and monetising local inventions by 2030					
	iv. Foster grassroots and youth-driven innovation ecosystems annually					
	v. Ensure inclusive participation in the national innovation ecosystem annually					
	vi. Support R&D and local innovation in renewable energy, waste recycling, and sustainable agriculture technologies annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Improve access to research data and collaboration among institutions annually					
	viii. Integrate STEM and digital literacy across all levels of education, and support TVET and continuous learning programmes annually by 2030					
	ix. Equip the workforce with advanced digital skills to participate in and drive innovation across sectors annually					
	x. Tap into global knowledge networks, funding, and technology transfer annually					
2. At least 10 percent of Tanzania's GDP from science, technology, and innovation achieved by 2050	i. Ensure reliable, affordable internet access across rural and urban areas to support digital innovation annually					
	ii. Guide the adoption of AI, blockchain, IoT, and biotechnology in priority sectors (e.g., agriculture, health, energy) by 2030					
	iii. Build critical mass in priority research areas (e.g., climate-smart agriculture, renewable energy, health tech) by 2045					
	iv. Enhance a nationwide access to affordable high-speed internet and the integration of emerging technologies (AI, blockchain, IoT, and biotechnology) in key sectors contributing to economic growth by 2035					
	v. Create dedicated spaces for research, innovation, and entrepreneurship focused on high-impact sectors (agriculture, health, energy, etc.) that can generate substantial economic value by 2030					
	vi. Position Tanzania as a regional leader in technology and innovation exports by promoting home-grown tech solutions by 2045					
	vii. Leverage emerging technologies to drive industrialisation in key sectors, improving productivity and value-added manufacturing annually					
	viii. Foster innovation through the development of smart cities and tech innovation zones where cutting-edge solutions can be tested and scaled by 2045					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	ix. Harness big data, AI, and machine learning to enhance productivity and unlock new economic opportunities in strategic sectors annually					
	x. Foster innovation by creating a robust IP system that encourages invention and supports technology commercialization annually					
	xi. Support green technology and sustainability innovations, positioning Tanzania as a leader in clean energy, waste management, and climate change mitigation annually					
	xii. Build local supply chains that integrate technology and support domestic production capacity in key sectors such as agriculture and manufacturing annually					

3.5.4. Foster Quality Research and Development Ecosystem

As Tanzania moves towards its Dira 2050 goals, research and development (R&D) plays a central role in driving innovation, solving local problems, and raising productivity across all sectors. R&D builds skills, informs policies, and promotes sustainable growth. It also strengthens Tanzania's place in the global economy. The Government has made progress. This includes increased funding for research, additional innovation hubs and incubators to promote the application of research, and stronger ties among academia, government, and industry. These efforts have supported start-ups and enhanced protection of intellectual property (IP), thereby fostering a culture of innovation. However, challenges remain. R&D investment remains low at 0.56 percent of GDP. Infrastructure is inadequate, and coordination between actors is limited. Uptake of emerging technologies is slow. Gaps in public awareness and in gender inclusion also impede progress.

To tackle these issues, the LTPP sets out clear strategic directions. These include raising R&D funding, strengthening IP systems, and strengthening research institutions. Targets and interventions are structured within phased FYDPs, as shown in Table 3.42. The goal is to build a strong R&D system, guided by local knowledge, global ties, and evidence-based development.

Table 3.42: Fostering a Robust and Sustainable Research and Development Ecosystem

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 1: A sustainable and digitally powered research and development (R&D) ecosystem established by 2050, driving global competitiveness and delivering measurable improvements in socio-economic development across key sectors.</p>						
1. One million youth empowered with AI and advanced digital skills by 2030, contributing to a digitally competent workforce and inclusive economic transformation.	i. Launch National AI Skills Strategy by 2026					
	ii. Launch Tanzania Future Skills Accelerator (TFSA) by 2026					
	iii. Integrate coding, robotics, digital skills into basic education by 2030					
	iv. Equip schools and TVETs with AI labs by 2030					
	v. Partner with credible AI firms for certifications by 2030					
	vi. Ensure 50 percentage participation of women and vulnerable youth by 2030					
2. Research and Development investment increased from 0.56 to 1 percent of GDP by 2035	i. Develop National R&D Strategy under COSTECH and responsible Ministries by 2026					
	ii. Enact the Research and Innovation Finance Act to secure sectoral R&D budgets by 2028					
	iii. Launch programme to register local innovators by 2028					
	iv. Establish the Technology Transfer Fund for start-ups and Universities by 2028					
	v. Establish innovation traceability framework by 2029					
	vi. Introduce R&D tax incentives for firms to invest in innovation					
	vii. Strengthen IP frameworks in universities by 2035					
	viii. Launch National Innovation Fund (NIF) and Credit Facility)					
	ix. Strengthen university-industry research linkages via matching grants by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	x. Equip 50percentage of SMEs with Industry 4.0 technologies by 2035					
	xi. Develop 4 regional tech parks by 2035(Dodoma, Mwanza, Arusha, Mbeya)					
	xii. Establish National AI labs & Supercomputing Centre by 2035					
	xiii. Develop financing strategy for NRA by 2026					
	xiv. Launch COSTECH-managed grant schemes by 2027					
	xv. Integrate research financing into budget ceilings by 2030					
	xvi. Identify innovative sources of financing for research funding annually throughout by 2050					
	xvii. Enhance the capability of national research institutions to manage and execute large-scale research projects annually					
	xviii. Create a central, government-backed fund dedicated to supporting research in priority sectors by 2030					
	xix. Stimulate private sector investment in research annually					
	xx. Establish the Technology Transfer Fund for start-ups and Universities by 2030					
xxi. Support academic institutions and their researchers in driving innovation annually						
3. Innovation hubs increased from 5 to 15, expanding access to research infrastructure, entrepreneurship support, and technology incubation across priority regions by 2035.	i. Strengthen National Innovation Policy by 2025					
	ii. Provide tax incentives for private-sector innovation by 2026					
	iii. Establish National Innovation Fund by 2026					
	iv. Establish AI & Quantum Innovation Hub in Dar by 2028					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Develop 5 regional science centres by 2035					
	vi. Institutionalize Indigenous Knowledge Labs by 2029					
	vii. Provide 20 public-private innovation grants annually by 2035					
	viii. Integrate innovation incubation programmes in universities by 2032					
	ix. R&D-focused incubator programmes established in all innovation hubs to support research-based start-ups with mentorship and seed funding by 2030.					
4. Research outputs in the formulation and implementation of public policies 100 percent utilised annually	i. Develop open-access research repository by 2026					
	ii. Strengthen policy-research linkages across sectors annually					
	iii. Establish Inter-ministerial policy – research platform by 2030					
5. Establish National Research Agenda (NRA) Framework & Institutions Plans Aligned by 2030	i. Develop National Research Coordination Framework by 2026					
	ii. Include NRA indicators in planning templates by 2026					
	iii. Foster all ministries to align with NRA by 2026					
	iv. Promote evidence-based decision-making culture annually at all levels throughout, i.e. public and private sectors, and community at large					
	v. Provide core funding for national research bodies by 2032					
	vi. Roll out AI-driven NRA M&E tools by 2028					
	vii. Establish National Research Council by 2027					
	viii. Integrate all research institutions into digital NRA platform by 2030					
	ix. Develop financing strategy for NRA by 2026					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	x. Strengthen international research partnerships to tap into global expertise and funding opportunities annually					
6. AI-Based Climate Forecasting & Agri R&D established by 2030	i. Create Biotech Research Fund by 2026					
	ii. Launch AI-based climate forecasting system by 2027					
	iii. Establish Smart Agriculture Research Institute by 2029					
	iv. Integrate tech in Agriculture Policy by 2030					
	v. Foster TARI-university-tech firm collaboration by 2030					
7. Foster Regional & Global Research Partnerships (i.e., International Research partnerships) by 2035	i. Develop Framework for International Research Cooperation by 2025					
	ii. Establish Global Research Mobility Fund by 2030					
	iii. Foster private-public research partnerships) by 2028					
	iv. Sign MoUs for tech transfer by 2032					
	v. Launch Cross-Border Data Trust by 2032					
	vi. Lead Pan-African AI Consortium by 2035					
8. National Open Data Repository (NODAR) & Ethics Framework established by 2030	i. Establish National Data Governance Board by 2026					
	ii. Create NODAR by 2028					
	iii. Enforce Data Sharing Policy by 2030					
	iv. Implement AI Ethics & Data Protection Framework by 2030					

3.5.4.1. Investing in a Sustainable Data-Driven Ecosystem

Tanzania is steadily strengthening its data ecosystem to support evidence-based policymaking and inclusive development. Notable progress includes digitised public services, expanded broadband coverage, and real-time data initiatives within the National Statistical System (NSS). Key milestones include conducting digital censuses, early adoption of open data dashboards, piloting real-time monitoring systems, and initial application of AI tools. However, significant challenges persist, including limited interoperability across systems, limited integration of big and non-traditional data sources, underinvestment, capacity gaps in data science and AI, and fragmented institutional coordination. Many MDAs still lack harmonised administrative data systems, hampering the ability to make timely, informed decisions. Table 3.43 sets out the strategic directions, comprising objectives, targets, and phased interventions, across the FYDPs to establish an integrated, real-time, and high-quality national data ecosystem. This aligns with Goal 4 of Vision 2050, which envisions a digitally empowered society that drives innovation, productivity, and competitiveness. Robust data systems will enhance transparency, planning accuracy, and service delivery at all levels.

Table 3.43: Building a Robust and Sustainable Data-Driven Ecosystem

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 1: A robust, data-driven ecosystem with integrated high-quality data systems established to support informed decision-making, digital innovation, and inclusive socio-economic growth by 2050.</p>						
<p>1. Statistical framework for monitoring and evaluating <i>Dira 2050</i> and LTPP aligned at 100 percent by 2030</p>	<p>i. Develop and adopt a National Statistical Development Roadmap that aligns statistical outputs with <i>Dira 2050</i> goals, including a clear implementation timeline and monitoring framework by 2026</p>					
	<p>ii. Review the current Statistics Act by 2035 to incorporate emerging data needs and governance structures</p>					
	<p>iii. Collaborate with Key MDAs to ensure that by 2030, MDAs and Private Sectors integrate Vision 2050-aligned indicators into their administrative data reporting systems through capacity-building and technical support</p>					
	<p>iv. Ensure full interoperability and integration of all key national data systems across NSS to support real-time data sharing, analysis, and policy decision-making by 2040</p>					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Incorporate key categories of non-traditional data including satellite imagery, mobile phone data, social media data, web-craped data and IoT/sensor data and big data into national statistical systems by 2050					
	vi. Enhance and maintain open data and interactive public dashboards covering at least 5 key development sectors to promote transparency and increase data use in decision-making by 2050					
	vii. Establish a system to publish key real-time economic and social indicators on a quarterly basis to enhance timely policy response and planning by 2030					
2. Budget allocated for national statistical development increased to at least 0.4 percent of GDP by 2050.	i. Conduct a comprehensive National Statistical System funding needs assessment to determine financial requirements for surveys, censuses, ICT infrastructure, and staff development, with a published report to guide resource mobilisation by 2026.					
	ii. Establish a high-level inter-ministerial committee to advocate for and oversee financing of statistical development aligned with national priorities by 2027.					
	iii. Secure official parliamentary approval and policy endorsement for allocating 0.4 percent of GDP annually to support NSS statistical development, through high-level advocacy and stakeholder engagements by 2027					
	iv. Ensure that by 2028, all MDAs include a dedicated and visible budget line for statistical activities in their annual budgets, monitored through the national planning and budgeting framework.					
	v. Establish at least three PPPs to invest in modern data collection technologies and analytics infrastructure, supporting national data systems with innovative financing and expertise by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Digitize and integrate administrative data systems in all MDAs, ensuring interoperability, real-time data entry, and automated reporting to enhance data quality, accessibility, and use for policy and planning by 2040					
	vii. Conduct core statistical surveys annually and expand the range of official statistical products to over 100 by progressively introducing at least three new high-priority statistical products every five years, supported by improved methodologies, digital tools, and stakeholder demand assessments by 2050					
	viii. Implement core national surveys every five years, ensuring data coverage for all regions and gender by 2050					
	ix. Ensure that at least 90 percent of statisticians and data scientists within NSS complete accredited training and professional certification programmes in statistical analysis, data science, and emerging technologies such as big data and AI by 2050					
	x. Starting in 2026, track and report annually on the national budget allocation to statistics as a percentage of GDP, with adjustments made to align with the 0.4 percent target by 2050.					
3. National Statistical System digitised to 100 percent by 2050.	i. Draft, validate, and secure approval for a national roadmap to digitise data collection, management and dissemination across NSS by 2027.					
	ii. Provide specialised training in digital systems, big data analytics, and cloud platforms to at least 90 percent of technical staff within the NSS by 2030.					
	iii. Establish a fully integrated and secure national data infrastructure system, including cloud storage, real-time dashboards, and interoperable platforms, across all MDAs, supported by modern digital tools (e.g., tablets, servers, Computer-Assisted Personal Interviewing-CAPI) systems) to enable timely and efficient data collection, management, and dissemination by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Transit 100 percent of major data collection exercises within the NSS to digital platforms such as Computer-Assisted (CAPI) and mobile applications by 2045.					
	v. Establish at least three AI and data science research programmes within national universities to foster innovation in statistical processes and methodologies by 2040.					
	vi. Co-develop with local statistical training institutions and launch a National Statistical Training Curriculum focusing on data science, big data, AI, and automation by 2035.					
	vii. Establish at least ten formal partnerships with universities and international statistical agencies to promote knowledge exchange and build local capacity in modern statistical methods by 2045					
	viii. Institutionalise AI and data-driven decision-making across all government levels by 2050 through integration into policy frameworks, creation of dedicated data analytics units, and continuous capacity strengthening for at least 80 percent of national and sub-national policymakers					
4. Data processing time reduced by 50 percent by 2050.	i. Expand mobile data collection and remote sensing technologies to 100 percent of targeted data domains by 2027.					
	ii. Build AI and Data Engineering Units in NBS and Ministries by 2030					
	iii. Deploy AI-Powered Data Integration and Processing Platforms by 2030					
	iv. Establish Real-Time Data Dashboards Across Key Ministries by 2031 – 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Implement machine learning algorithms across key government statistical units to automate data cleaning, trend analysis, and predictive modelling by 2040					
	vi. Scale, optimise, and institutionalise all systems nationally by 2050					
	vii. Establish a National AI Research Centre for Statistics and implement blockchain-based data security by 2045.					
5. A robust, data-driven ecosystem anchored by a real-time digital population and housing intelligence system powered by administrative data, AI, and geospatial technologies, with a digital census conducted as a transitional milestone, established by 2050.	i. A national integrated civil registration and vital statistics (CRVS) system linking birth, death, marriage, migration, and national ID data across ministries and agencies established to enable continuous, accurate, and interoperable demographic records by 2030.					
	ii. Legal and data governance frameworks enacted for digital population systems to ensure data privacy, security, interoperability, and institutional accountability by 2033.					
	iii. Digital Population and Housing Censuses conducted using tablets, GPS, and real-time dashboards to improve accuracy, coverage, and monitoring by 2030					
	iv. Deploy a real-time monitoring system to track census progress, data quality, and field operations in all regions, with live dashboards accessible to central and regional coordination teams by June 2032.					
	v. An Integrated Population and Housing Register established, linking civil registration, national ID, and administrative databases for continuous demographic data updates by 2035.					
	vi. A national population data integration and access platform developed to synchronise real-time inputs from CRVS, digital censuses, geospatial systems, and administrative databases, enabling seamless access to up-to-date demographic information by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. A National Real-Time Demographic Monitoring System operationalised, built on automated, interoperable platforms integrating data from key sectors including health, education, and migration by 2032					
	viii. Geospatial and AI-driven tools deployed for dynamic population tracking, using satellite imagery, mobility data, and remote sensing to maintain up-to-date records by 2040.					
	ix. A centralised, secure population intelligence dashboard operationalised to provide authorised users with real-time access to synchronised demographic data for planning, monitoring, and emergency response by 2040.					

3.5.5 Enhancing Digital Transformation

Digital transformation is a key enabler of inclusive growth, innovation, and global competitiveness in Tanzania, aligned with Dira 2050 Goal 4. According to the Digital Economy Strategic Framework (2024–2034), by 2023, broadband coverage had reached 83 percent, with more than 67 million mobile subscriptions and 34.5 million internet users. Major strides include the expansion of the National ICT Broadband Backbone, the rollout of 5G, and the deployment of platforms such as GePG and Jamii X-Change across key sectors. The emergence of tech hubs, increased investment in start-ups, and improvements in data infrastructure signal continued momentum. To future-proof the workforce, national programmes are equipping young people with digital skills in AI, blockchain, and IoT. However, challenges remain, particularly limited rural access, high costs, low levels of device penetration and investment in R&D, cybersecurity threats, and institutional fragmentation. To address these gaps, Table 3.44 presents a set of strategic directions comprising objectives, targets, and phased interventions across FYDPs, outlining the path toward a resilient, inclusive, and competitive digital economy.

Table 3.44: Realising Digital Transformation for Fast-Tracking Development

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 1: An inclusive, well-connected, and digitally empowered society supported by secure and interoperable infrastructure that facilitates innovation, service delivery, and equitable socio-economic transformation across all regions of Tanzania.</p>						
Digital-Savvy Society						
1. An inclusive, well-connected, and digitally empowered society with at least 95 percent nationwide digital connectivity achieved by 2050	i. Enhance digital knowledge, skills and talents across society, ensuring accessibility and relevance to diverse demographics annually					
	ii. Promote and engage local digital innovators in national, regional and international events and fora annually					
	iii. Promote investments and development of inclusive digital infrastructure and solutions to provide platforms for developing digital skills annually					
	iv. Promote and encourage information culture and data use to generate knowledge and inform decisions annually					
	v. Promote and support development of online Kiswahili contents to promote Kiswahili in the global online space annually					
	vi. Promote and invest in digital citizenship to the community annually					
	vii. Promote the development of user-friendly digital services for people with special needs annually					
	viii. Ensure availability, affordability and usability of digital devices, systems and services to the diverse social groups annually					
Resilient Basic Facilitative and Integrated Infrastructure						
	i. Strengthen basic facilitative and integrated infrastructure to accommodate fast growing digital economy annually					
	ii. Promote and facilitate development and operationalization of a pay-once and dig-once fibre optic rollout to reduce cost annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Enhance deployment of basic facilitative and integrated infrastructure that support inclusive digital economy countrywide annually					
Hard and Soft Infrastructure						
	i. Ensure availability, accessibility, reliability, safety, and affordability broadband services country wide annually					
	ii. Strengthen protection of the national critical infrastructure, data and information annually					
	iii. Enhance public and private network for efficient service delivery annually					
	iv. Facilitate effective use of digital technology platforms across MSME's annually					
	v. Accelerate digital industry development related to business and commerce by 2030					
	vi. Establish the National Service Bus for data exchange between public and private stakeholders by 2030					
	vii. Ensure ethical and quality validation of digital products and services introduced in the local market annually					
Objective 2: Strengthened national cybersecurity infrastructure and governance while strategically leveraging emerging technologies, thereby safeguarding Tanzania's digital transformation and positioning the country for global competitiveness						
Emerging Technologies						
2. Emerging technologies 100% adopted annually	i. Develop capabilities to leverage emerging technologies including digital financial technologies in the country by 2030					
	ii. Promote adoption of emerging and environmentally friendly digital technologies across all sectors annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Strengthen consumer protection capacity in digital financial services annually					
	iv. Ensure legal and ethical use of artificial intelligence annually					
	v. Develop capabilities in space technology and exploration by 2050					
National Cyber Security						
3. Incidence of major cyber-attacks reduced by 80 percent by 2050	i. Enhance nation's cyber security technical capabilities annually					
	ii. Strengthen institutional coordination and stakeholder's collaboration to proactively manage cyber risks annually					
	iii. Enhance protection of National Critical infrastructure, data and information annually					
	iv. Enhance capabilities for prevention and response against cyber incidents, threats and attacks annually					
	v. Promote public awareness and basic skills on cyber security issues annually					
	vi. Establish data mining and collection standards to enhance data confidentiality, integrity, availability, authenticity and integration by 2030					
	vii. Strengthen cybersecurity capabilities to detect, respond to and combat existing and anticipated online threats annually					
Objective 3: A dynamic, inclusive, and well-resourced start-up and innovation ecosystem that fosters entrepreneurship, research and development (R&D), and technology-driven solutions						
Start-Up and Innovation Ecosystem						
4. Tanzania ranked among the top 10 countries in Africa on the Global Innovation Index by 2050	i. Create conducive environment for local and foreign investment in innovation ecosystem development annually					
	ii. Support the research and training institutions as important social-economic entities in the digital skills developments and utilisation of emerging technologies annually					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Establish a reliable funding scheme to facilitate research, innovation and development of digital systems, solutions and services by 2030					
	iv. Promote commercialisation of digital innovations for effective participation in the digital marketplace and job creation annually					
	v. Facilitate market promotion and capital investment in digital innovation annually					
	vi. Establish microfinance credit guarantee schemes for star-up development					
	vii. Promote awareness of intellectual property rights and patent rights to local digital innovators annually					
Objective 4: Strengthened national digital institutional capacity, ensuring effective coordination, implementation, and oversight of digital transformation initiatives across all sectors						
Institutional Capacity						
5. Cross-sectoral digital management systems 100 percent integrated by 2050	i. Improve institutional capacity for effective and efficient development of a dynamic digital economy by 2030					
	ii. Harmonise national legal instruments with regional and international legal instruments in addressing digital economy issues by 2030					
	iii. Develop appropriate taxation regime that consider and facilitate digital economy and its business models by 2030					
	iv. Develop reliable, affordable, accessible, secure, interoperable, fast and sustainable digital infrastructure for national connectivity to facilitate universal access annually					
	v. Ensure compliance of data standards that govern data interoperability, security, resilience and drives/propel digital transformation annually					
	vi. Develop harmonised legal and regulatory environment for digital transformation and development to flourish by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vii. Promote the development of digital services in public and private sectors annually					
	viii. Promote and enforce the adoption of international best practices, regulations, and standards governing the digital industry annually					

3.5.5.1. Expanding Accessibility of ICT Infrastructure and Services

ICT infrastructure in Tanzania has expanded significantly, becoming a key driver of public service modernisation, innovation, and socio-economic transformation. In line with Goal 4 of Vision 2050, which aims to build a digitally empowered society with universal access, broadband coverage reached 89 percent by 2024, supported by the National ICT Broadband Backbone, which spans 7,910 km across 106 districts. This, together with increased mobile penetration and the digitalisation of services such as GePG and TIPS, has improved access to e-services and digital payments. Internet users rose from 11.4 million in 2014 to 21.8 million in 2024, a 91 percent increase. In 2023, mobile money transactions totalled TZS 155 trillion, underscoring ICT's growing role in financial inclusion and the digital economy. The sector contributed approximately 2 percent to GDP and employed more than 48,000 people. The start-up ecosystem, particularly in fintech and agritech, has tripled since 2020 to over 842 firms, supported by rising venture capital and a growing network of incubators and accelerators.

Despite this progress, challenges persist. Rural and remote areas face limited last-mile connectivity, while broadband remains costly relative to incomes, hindering equitable access. 5G coverage remains below 15 per cent, and access to digital devices remains uneven. Gaps in digital literacy, especially among teachers, youth, and marginalised groups, limit inclusive participation in the digital economy. Cybersecurity risks and weak regulatory enforcement undermine user trust. Fragmented institutions limited public investment, and the slow uptake of emerging technologies, such as Artificial Intelligence (AI), the Internet of Things (IoT), and blockchain, further constrain growth. Moreover, STI education remains misaligned with labour market needs, contributing to skills mismatches, while many start-ups struggle with underfunding and regulatory hurdles. Strategic directions, including objectives, targets, and phased interventions to address these challenges, are presented in Table 3.45. These efforts aim to accelerate Tanzania's digital transformation, promote an inclusive digital economy, and position the country to harness the opportunities of the fourth industrial revolution.

Table 3.45: Building a Resilient Accessible ICT Infrastructure

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
<p>Objective 1: A resilient and inclusive ICT infrastructure that ensures nationwide digital connectivity, strengthens digital skills across all demographics, and supports the ethical adoption of emerging technologies to drive sustainable socio-economic development</p>						
1. Broadband coverage from 60 to 90 percent by 2040	i. Fully deploy 5G networks in all urban areas by 2027					
	ii. Install public Wi-Fi hotspots in all districts by 2028					
	iii. Implement universal service policies by 2030					
	iv. Expand last-mile connectivity in remote regions by 2030					
	v. Deploy community-based internet access in rural areas by 2030					
	vi. Develop satellite-based broadband infrastructure by 2035					
	vii. Deploy satellite and alternative connectivity by 2038					
	viii. Use AI to dynamically allocate telecom spectrum by 2038					
2. Digital Literacy increased from 30 to 80 percent by 2035	i. Launch National Digital Training Institute (DTI) by 2027					
	ii. Train 30,000 teachers in emerging technologies by 2030					
	iii. Develop AI-powered smart education systems by 2030					
	iv. Deploy AI-driven e-learning platforms by 2031					
	v. Integrate AI, blockchain, cybersecurity into curriculum by 2035					
3. Cybersecurity Frameworks & Data Protection 100 percent implemented annually	i. Establish National Cybersecurity and Data Protection Act by 2026					
	ii. Implement regular cybersecurity audits annually					
	iii. Develop National Cybersecurity Operations Centre by 2029					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Deploy AI-driven cybersecurity tools by 2032					
	v. Train all IT personnel on cybersecurity in critical sectors annually					
4. Advancement from Low to Medium AI Adoption Index achieved by 2050	i. Develop a National AI framework by 2026					
	ii. Create AI regulatory framework by 2027					
	iii. Establish AI research and supercomputing Research and innovation centres by 2032					
	iv. Promote AI-driven start-ups by 2032					
	v. Integrate AI and digital tech into education and public training programmes (AI, ML, data science into education) by 2035					
	vi. Establish AI and Supercomputing Research Centre in Dar					
	vii. Capacitate 70 percent of professionals and officials in AI, data science, and ML					
	viii. Promote AI-powered services, forecasting, and policy modelling by 2048					
	ix. Deploy national AI cloud computing centres across five zones by 2049					

3.5.5.2. Robust and Reliable Communication and Courier Services.

The Communication sector in Tanzania, comprising telecommunications, postal and courier services, internet, and broadcasting, has grown markedly between 2019 and 2024. This progress is evidenced by the significant expansion of the national fibre-optic network, improved affordability of data services, widespread 4G coverage at 88 percent, and the early rollout of 5G infrastructure, which covers 20 percent of the population. Courier services have also expanded, boosting connectivity and supporting digital commerce. These achievements mark critical milestones towards achieving nationwide, reliable, and affordable communication by 2050. However, despite these strides, the sector's contribution to GDP remains relatively low, highlighting its untapped economic potential.

The sector still faces critical challenges, primarily infrastructure disparities and digital exclusion. Access to high-speed internet remains uneven, especially in rural and remote areas. Closing this digital divide will require accelerating the rollout of fibre and 5G networks through partnerships between telecom operators and technology firms and leveraging satellite technologies where terrestrial options are unfeasible. The strategic directions for addressing these disruptions, as outlined in Table 3.46, comprise objectives, targets, and sequenced interventions aimed at improving the entire communication sector so it can join UMICs.

Table 3.46: Building a Robust and Reliable Communication Sector

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced nationwide access, both rural and urban, to reliable, affordable communication services and high-speed internet, enabling inclusive digital participation, economic growth, and improved quality of life for all citizens by 2050						
1. Universal Internet Access and Digital Connectivity achieved by 2050	i. Expand and modernize the national fibre optic backbone infrastructure to both urban and rural areas by 2040					
	ii. Rollout fibre and 5G networks in underserved and remote regions of Tanzania by 2045					
	iii. Provide internet connectivity with satellite in remote areas where terrestrial networks are not feasible by 2045					
	iv. Establish internet access points in schools, health centres, and public offices by 2050					
2. Digital services competitiveness index score fostering effective governance, fair competition, and a resilient, inclusive digital ecosystem improved to at least 70 percent by 2050	i. Establish a dynamic review process consistent with emerging technologies by 2030					
	ii. Create regulatory sandboxes for startups to pilot new technologies. By 2035					
	iii. Enhance competition among telecom operators by 2040					
	iv. Strengthen Consumer Protection Laws by 2050					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
3. Strengthened cybersecurity and public trust by 2050, targeting 100 percent implementation of national cybersecurity frameworks, high cybersecurity maturity (ITU GCI), full incident response coverage across sectors, and widespread digital trust and literacy adopted by 2030	i. Conduct National Cybersecurity Awareness Campaigns by 2050					
	ii. Establish cybersecurity research and response centres by 2040					
	iii. Strengthen national laws to address new forms of cybercrime by 2045					
	iv. Develop a national incident response framework by 2050					
	v. Increase investment in cybersecurity R&D to drive new technologies and solutions that address emerging digital threats annually					
	vi. Foster public-private partnerships to encourage innovation and collaboration between government bodies, tech companies, and cybersecurity experts annually					
4. Postal Development Index relevance score improved to over 50 percent by 2050	i. Develop government-backed digital platforms for e-commerce and digital mail by 2050					
	ii. Modernize Logistics Infrastructure with Digital Solutions for Tracking, Delivery, and Payments by 2050					

3.5.6. Facilitative Business Environment and Investment Promotion

Investment promotion is a cornerstone of Tanzania's transformation agenda, serving as a key enabler of a diversified, inclusive, and globally competitive economy, while enhancing human capabilities and advancing social development by 2050. The country has made significant progress, attracting USD 2.1 billion in FDI in 2022 and creating over 500,000 jobs. Key reforms include establishing the institutions responsible for investment promotion, namely the Tanzania Investment and Special Economic Zone Authority (TISEZA), the Tanzania Trade Development Authority (TanTrade), and the Business Registration and Licensing Authority (BRELA). Other achievements include the expansion of digital services and the development of SEZs, particularly in green and high-tech sectors, which are driving this transformation. The private sector's involvement in social development has also grown, particularly in education, healthcare, and skills training, supported by corporate social responsibility (CSR) initiatives and PPPs. Despite these advances, challenges such as limited investor incentives, regulatory inefficiencies, and policy unpredictability continue to reduce investor confidence. To address these, LTPP is adopting strategic reforms, inspired by UMICs, focusing on public-private collaboration and innovative financing.

Tanzania's business environment has seen significant improvements, with the private sector contributing approximately 80 percent of GDP in 2024 and FDI reaching USD 2 billion. These achievements build on reforms from the Big Results Now (BRN) Initiative and the Blueprint for Regulatory Reforms, which have streamlined regulatory processes and paved the way for digitalising business services. However, challenges persist, including regulatory inefficiencies, limited access to affordable finance, low levels of SME formalisation, and barriers for women entrepreneurs in high-growth sectors like technology and manufacturing. Additionally, the slow pace of digital transformation, and fragmented institutional support hinder private sector competitiveness. Drawing lessons from UMICs, which have enhanced their investment climates through business registration reforms, investor facilitation, and financial market modernisation.

LTPP is aligning with Vision 2050's focus on promoting a conducive business environment. The strategic directions outlined in Table 3.47 of the LTPP include objectives, targets, and interventions to enhance business formalisation, attract increased FDI, and position Tanzania among Africa's top three most business-friendly economies by 2050. These actions will help accelerate the country's economic transformation, enhance human capabilities, and foster social development. These efforts aim to accelerate inclusive growth, strengthen institutions, and harness private capital to achieve a prosperous and sustainable future, as detailed in Table 3.47.

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Table 3.47: Improving Business Environment for Investment Promotion

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced investment promotion through creation of a competitive, transparent, and efficient environment and institutional framework commensurate with achievement of UMIC status by 2050.						
1. Digitalisation of government services 100 percent achieved by 2050.	i. Develop e-Government policy framework by 2026					
	ii. Build capacity of public servants by 2030					
	iii. Implement National Digital ID System by 2027					
	iv. Launch AI-driven tax compliance monitoring by 2028					
	v. Deploy blockchain-based PFM system by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
2. Integrated business support services that facilitate at least 80% of digital trade transactions and facilitate digital access for SMEs and startups achieved by 2040	i. Develop harmonized digital trade regulations by 2030	■	■			
	ii. Establish SME e-commerce training by 2032		■			
	iii. Implement blockchain cross-border e-commerce by 2032		■			
	iv. Develop AI-powered digital trade platform by 2035		■	■		
	v. Establish Digital Free Trade Zone by 2038			■		
3. Share of FDI Inflows to GDP increased to at least 10 percent annually by 2030	i. Complete Investment Policy Reform by 2026	■				
	ii. Establish investment hubs in all regions by 2030	■				
	iii. Implement investment ombudsman by 2028	■				
	iv. Implement digital investment registration platform by 2027	■				
	v. High-tech investment incentive package by 2029	■				
4. A total of 30 percent of new investments in high-tech realised by 2050	i. Establish five AI and Digital Innovation Zones by 2031	■	■			
	ii. Expand tax incentives for high-tech R&D by 2035				■	■
	iii. Launch \$1B High-Tech Investment Fund by 2030	■	■			
	iv. Launch AI and Fintech Investment Accelerator by 2033			■		
	v. Integrate smart tech in SEZs by 2035				■	■
5. Forty (40) percent of Tanzania workforce possessing smart vocational and technical skills achieved by 2050	i. Launch National Investment in Skills Programme by 2030	■	■			
	ii. Expand vocational training partnerships by 2032	■	■			
	iii. Enforce AI-based trainings in vocational and technical training institutions annually by 2035		■			
	iv. Deploy AI workforce analytics by 2040				■	

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
6. Infrastructure development projects via PPP increased by 60 percent by 2050	i. Launch new PPP investment framework by 2032					
	ii. Secure five PPP projects annually					
	iii. Deploy AI investment mapping tool by 2043					
	iv. Implement blockchain PPP monitoring annually by 2035.					
7. A total of USD 10B as total tech investment value realised by 2050	i. Expand incentives for futuristic industries annually					
	ii. Launch AI investment matchmaking platform by 2040					
	iii. Establish quantum and AI supercomputing centre by 2043					
	iv. Develop high-tech investment clusters by 2045					
Objective 2: Improved ease of doing business to position Tanzania among the top three most business-friendly economies in Africa to significantly increasing investment growth and accelerating business formalisation across all sectors by 2050						
8. Tanzania ranked among the top three most attractive business and investment hubs in Africa achieved annually by 2030.	i. Separate revenue motives from the regulatory mandates of agencies to ensure that fees are charged appropriately to cover the service delivery and administration costs by 2030					
	ii. Rationalise the regulatory bodies to fast-track business and investment growth by 2030					
	iii. Promote the use of smart instruments to support revenue objectives in a manner that avoids high administrative costs and undue inconvenience to the private sector by 2030					
	iv. Consolidate similar regulations and eliminate overlaps to improve coordination and reduce transaction costs and regulatory burdens for both the private sector and government by 2030.					
	v. Treat regulations as an integral component of trade policy, competitiveness, consumer protection, and the safeguarding of public goods annually.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Ensure that the regulatory framework allows sufficient flexibility for regulated industries to respond to rapid technological advances and evolving business models annually.					
	vii. Guarantee predictability, certainty, and consistency in the application of policies, laws and regulations to secure both current and future investments annually.					
	viii. Conduct Regulatory Impact Assessments (RIAs) for all regulations and local government authority (LGA) by-laws that are likely to affect the business community by 2030.					
	ix. Enhance investor's confidence by implementing risk mitigation policies, revenue guarantees, and a fast-track system for land and permit disputes by 2035.					
	x. Strengthen One-Stop Centres to fast-track investment and business development annually					
	xi. Address operational inefficiencies within and among regulatory agencies, including enforcing a strong culture of performance management annually.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
9. A total of 80 percent business formalisation and full digitalisation of business processes (e-registration, e-licensing, e-tax) achieved by 2050.	i. Establish a dedicated Investment and Startup Promotion Agency (ISPA) to accelerate business formalisation, growth and innovation by 2035.					
	ii. Provide comprehensive startup incubation and acceleration services annually.					
	iii. Facilitate start-up and informal SMEs to forge Public-Private Partnerships (PPPs) annually.					
	iv. Promote Tanzania's market opportunities for start-ups within AfCFTA and EAC regions to boost trade and FDI inflows annually.					

3.6. Flagship Programme Areas

Priority programmes and project areas are firmly aligned with the strategic direction set out in Chapter 3, with an emphasis on those with the highest catalytic potential to accelerate Tanzania's structural transformation. Foundational reforms are frontloaded, particularly in governance, regulatory frameworks, the business environment, mindset change, energy, logistics, transport infrastructure, skills development, and the financial sector, to unlock broader investment opportunities and stimulate innovation. Special priority is given to transformative, path-departure industries under the Tanzania Industrial Leap programme, as well as to strategic sectors such as mining and its associated industrial integration, which position Tanzania within global value chains.

These high-level indicative programmes and project areas reinforce the core focus of the LTPP, with industrialisation at its centre. They provide strategic direction for prioritising interventions, including reforms, transformative initiatives, breakthrough measures, and dependent pathways. They also guide the formulation of FYDPs, ensuring continuity for major but incomplete programmes and projects from the LTPP 2025, particularly in energy, logistics, transport, and agriculture. This sequencing of interventions is designed to promote scalable, inclusive, and sustainable development, anchored in prosperity, equity, self-reliance, and social justice, and provides a coherent foundation for articulating FYDPs through to 2050. Table 3.48 outlines the list of Flagship Programmes and Project Areas.

Table 3.48: List of Flagship Programme Areas

No.	Programme Areas
1	Tanzania Industrial Leap
2	Mining and Industrial Integration
3	Smart Tanzania: Digital Infrastructure and ICT Innovation Frontier
4	Resilient Tanzania: Climate and Green Growth Initiative
5	Connected Nation: Transforming Transport, Infrastructure and Logistics
6	NextGen Energy: Empowering a Sustainable Tomorrow
7	People First: Health, Education and Skills for the Future
8	The Transformative Governance Initiative
9	Future Cities Tanzania
10	Tanzania Open for Business: Trade and Investment Surge
11	Experience Tanzania: Tourism and Cultural Renaissance
12	AgriRise: Rural and Agricultural Transformation
13	Innovation Powerhouse Tanzania
14	Future Finance: Digital and Inclusive Financial Reform

Table 3.49: Flagship Programme Areas and Indicative Elements of Programmes

No.	Areas	Indicative Elements of Programmes
1	Tanzania Industrial Leap	<ul style="list-style-type: none"> i. Industrial Policy and Regulatory Reforms ii. Strategic Mineral-Based Value Addition and Green Industrialisation iii. Bagamoyo Special Economic Zone and Industrial Innovation Hub iv. Cross-Border Economic Zones and Regional Trade Infrastructure

No.	Areas	Indicative Elements of Programmes
2	Green-Driven Mining and Industrial Integration	<ul style="list-style-type: none"> i. Liganga and Mchuchuma Integrated Iron and Steel Complex ii. Engaruka and Lake Natron Soda Ash Development Project iii. Tanzania Critical Minerals and Technology Innovation Hub (Silicon Valley) iv. Arusha Gemstone Special Economic Zone v. Tanzania Natural Gas and Petrochemical Industrial Zone vi. Africa Fertilizer Value Chain and Green Production Project
3	Smart Tanzania: Digital Infrastructure and Innovation Frontier	<ul style="list-style-type: none"> i. National AI and Quantum Computing Research and Innovation Hub ii. National Digital Twin Infrastructure for Governance & Planning iii. AI-Driven National Data Infrastructure Ecosystem iv. Smart Green Digital Trade Corridor Initiative v. AI-Based Logistics and Trade Facilitation System
4	Resilient Tanzania: Climate and Green Growth Initiative	<ul style="list-style-type: none"> i. Circular Economy Hubs and Green Industrial Parks ii. Coastal Blue Carbon and Eco-Tourism Innovation Hub iii. Great Lakes Ecosystem Restoration and Conservation Programme
5	Connected Nation: Transforming Transport and Infrastructure	<ul style="list-style-type: none"> i. Standard Gauge Railway (SGR) and Integrated Rail Network ii. National Roads Network Expansion and Smart Maintenance Programme iii. Global Smart Ports and Trade Logistics Cluster iv. Kariakoo Global Trade and Innovation City
6	NextGen Energy: Empowering a Sustainable Tomorrow	<ul style="list-style-type: none"> i. Mega Energy Generation Projects (Hydro, Gas, Solar, Coal, Wind, Geothermal, Nuclear) and National Power Grid Modernisation ii. Expansion of Petroleum and LPG Storage and Distribution Network

No.	Areas	Indicative Elements of Programmes
7	People First: Skills for the Future	<ul style="list-style-type: none"> i. National Youth Employment and Entrepreneurship ii. Universal Social Protection System iii. Universal Access to Quality Education for All including STEM Education.
8	The Transformative Governance Initiative	<ul style="list-style-type: none"> i. Second-Generation Public Service Modernisation and Decentralisation ii. Public Financial Management Digital Reform (2.0) iii. National Constitutional Review and Implementation Framework iv. AI-Driven Tax Intelligence and Revenue Mobilisation System v. Mindset change
9	Future Cities Tanzania	<ul style="list-style-type: none"> i. Development of 10 Smart Economic Cities Across Regions
10	Tanzania Open for Business: Trade and Investment Surge	<ul style="list-style-type: none"> i. East Africa Digital Trade and Investment Corridor
11	Experience Tanzania: Tourism and Cultural Renaissance	<ul style="list-style-type: none"> i. Dar es Salaam Waterfront Redevelopment and Tourism Cluster ii. Southern Highlands Destination Development Project iii. National Modern Convention Centre for MICE Tourism
12	AgriRise: Rural and Agricultural Transformation	<ul style="list-style-type: none"> i. Smart Agriculture and Plantation Development ii. Agriculture Mechanisation and Value Addition
13	Innovation Powerhouse Tanzania	<ul style="list-style-type: none"> i. National R&D Investment and Innovation Growth
14	Future Finance: Digital and Inclusive Financial Reform	<ul style="list-style-type: none"> i. National FinTech and Digital Innovation Development ii. Capital Markets and Securities Development Initiative iii. Startup Capital and Venture Finance Ecosystem Development iv. National Financial Inclusion and Digital Services Expansion Plan

3.7. Foundations for Realisation of LTPP

Effective implementation of LTPP requires a strong foundation built on good governance, democracy, security, stability, and a transformative national mindset. Enhancing good governance through transparency, accountability, and the rule of law is vital to institutional effectiveness and public trust. A stable and secure environment, underpinned by democratic values and national unity, is essential for sustained development and investor confidence. Equally important are bold reforms to improve institutional performance, regulatory frameworks, and service delivery. These reforms must be supported by a collective mindset change that promotes innovation, responsibility, and productivity. Together, these fundamentals will drive inclusive, resilient, and sustainable progress, ensuring the successful realisation of Vision 2050.

3.7.1. Enhancing Good Governance, Democracy, Security, and Stability

Enhancing good governance, democracy, security, and stability is essential to broad-based national development. Since independence, Tanzania has upheld peace, stability, and sound governance, creating a stable environment that has enabled sustained socio-economic progress. However, governance remains incomplete. For example, corruption in public procurement rose by 17 percent. The justice system saw declines in equality before the law, law enforcement, and judicial impartiality. Local governments remain dependent on central transfers, limiting effective service delivery³.

Additionally, the review shows that governance inefficiencies significantly undermined the effective implementation of the Vision 2025. Inadequate institutional frameworks, accountability mechanisms, and protracted bureaucracy contributed to delayed project execution, resource misallocation, and suboptimal development outcomes (CAG Report 2022/23). Spatial disparities further exacerbated socio-economic inequalities, with urban centres such as Dar es Salaam and Arusha experiencing relatively robust economic growth, while some regions lagged significantly. This uneven distribution of development gains continues to fuel regional imbalances and hinder inclusive growth, as some rural areas still report poverty rates exceeding 40 percent. If not addressed, these disparities could be a source of insecurity and instability.

A critical area of concern is the persistent underperformance of PSCs, which were expected to drive key sectors under Vision 2025. The 2022/23 CAG report revealed that eleven PSCs reported consecutive financial losses, with the top five loss-makers accounting for 97 percent of the total deficits. Compounding these issues, sixteen public entities failed to remit TZS 33.45 billion in taxes to the TRA, reflecting serious lapses in regulatory compliance and fiscal sustainability.

These findings call for enhanced reforms to strengthen oversight and institutional accountability. This will enhance PSCs' capacity to attract private investment and deliver on national development objectives, such as industrialisation and infrastructure modernisation. Internationally, Tanzania's performance on governance metrics has also reflected these challenges.

3 2024 Ibrahim Index on African Governance (2024 IIAG) Score Cards/ World bank, World Governance indicators, 2024 update Report.

The LTPP, as outlined in Table 3.50, presents a bold, forward-looking roadmap for governance and institutional reform that addresses current constraints while supporting the transition towards Dira 2050 aspirations. The agenda is broadly focused on deepening democracy, enhancing transparency, digitising public services, strengthening anti-corruption efforts, empowering citizens and local governments, and modernising public administration.

Table 3.50: Enhancing Democracy, Security and Good Governance

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced transparency, accountability, ethical and democratic values, peace and stability for effective and equitable participation of all members of society in the national development.						
1. Voice and Accountability Index improved to +0.50 by 2050	i. Develop, adopt, and promulgate a new constitution that reflects, among others, democratic principles, the rule of law, human rights, and inclusive governance by 2028					
	ii. Amend the existing laws and policies in line with the new constitution by 2030					
	iii. Develop a framework for monitoring and evaluation of legal and governance reforms post-implementation by 2030					
	iv. Establish a legal and institutional framework for election management with a clear separation between national and local electoral processes by 2030					
	v. Capacity building and public awareness on the Constitution of URT annually					
	vi. Sensitize Citizens on their rights and responsibilities in accordance with Laws of the State annually					
	vii. Ensure institutional and financial independence of electoral bodies with own legal mandates, governance structures, and accountability mechanisms by 2030					
	viii. Strengthening the coordination and supervision of the implementation of the Natural Wealth and Natural Resources Management Act, Cap 449 and 450 by 2030					
	ix. Strengthen electoral justice mechanisms to ensure timely and fair resolution of electoral disputes at all levels annually.					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	x. Translate all laws into Kiswahili using citizen-friendly language to enhance public understanding and improve access to justice by 2030					
	xi. Develop and implement electoral transparency and integrity standards including digital voter rolls, result transmission systems, and open data access and independent audits of the electoral system by 2030					
	xii. Conduct a national audit of customary laws and practices to identify areas of conflict with statutory laws, particularly in relation to gender equality and human rights, and develop harmonisation strategies by 2030					
	xiii. Promote inclusive electoral participation by mainstreaming gender, youth, persons with disabilities, into electoral policies and practices by 2030					
	xiv. Develop and implement a national, long-term programme for the provision of legal aid services, particularly targeting women, children, persons with disabilities, and low-income communities, in collaboration with civil society and private sector actors annually					
2. Political stability, peace and security index improved to +0.60. by 2050	i. Modernise defence and security systems with advanced technologies by 2035					
	ii. Strengthen local peace and reconciliation mechanisms to mediate disputes (e.g., land, politics, ethnic tensions), preventing violence and fostering local resilience by 2042					
	iii. Establish National Peace Education and Civic Values Curriculum emphasising family and community roles in building a peaceful society. by 2040					
	iv. Digitize Early Warning and Response Systems to anticipate, monitor, and rapidly respond to potential sources of conflict, violence, and insecurity by 2035					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	v. Scale Youth and Women Empowerment in Peace and Security by 2040 to enhance in civic leadership and peacebuilding roles, reducing vulnerability to radicalization by 2040					
	vi. Strengthen the capacity of defence and security personnel in advanced technologies by 2040					
	vii. Promote structured and inclusive engagement between the police and local communities through regular public safety forums, joint patrols, and neighbourhood safety initiatives annually					
	viii. Upgrade military and civilian peacekeeping forces by 2050					
Objective 2: Strengthened responsive, responsible, and accountable public service committed to ethical governance and efficient service delivery.						
3. Government effectiveness index improved to +0.40 by 2050	i. Develop a long-term Public Service Management Strategy by 2035					
	ii. Restructure and streamline Government Ministries and Agencies into few with broader portfolios for efficiency and agility by 2035					
	iii. Develop a centralized and Integrated Financial Management Information System (IFMIS) by 2040					
	iv. Enhance Public Financial management (PFM) system with advanced data analytics tools (AI, Blockchain) by 2045					
	v. Establish Integrated Digital Economic Portal by 2030					
	vi. Strengthen public sector professional, technical and leadership capacities by 2050					
	vii. Establish and implement a transparent Merit-based Recruitment and Appointment for all positions in the public sector by 2050					
	viii. Transform Recruitment Secretariat to a fully-fledged independent public hiring institution by 2030					
	ix. Strengthen economic modelling and revenue forecasting by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. High-performance, ethical, and accountable public service work culture nationwide cultivated by 2050	i. Roll out a National Public Service Ethics and Work Culture Programme embedding regular ethics training and leadership coaching, in all MDAs by 2035					
	ii. Institutionalise regular 360-degree staff performance evaluations and real-time feedback systems across all public institutions by 2030					
	iii. Reform the public service to rationalize pay and allowance systems and tie basic and non-basic pay to performance metrics by 2030					
	iv. Establish Organisational Behaviour and Change Units in MDAs to analyse performance bottlenecks, test behavioural incentives, and support change management by 2040					
5. Regulatory Quality Index improved to +0.50 by 2050	i. Streamline regulatory framework to support business sector development by 2035					
	ii. Establish a transparent compliance enforcement system for a fair competition by 2040					
	iii. Undertake a Legal and Regulatory Impact and Relevance Assessment (RIRA) to ensure that all laws and regulations are aligned with emerging national needs and long-term development goals, and remain fit for purpose annually					
Objective 3: Enhanced integrity and trustworthiness of the institutions that govern the economic and social interactions of the citizens.						
6. Rule of law index improved to +0.60. by 2050	i. Undertake legal and institutional reforms in accordance with the recommendations of the Tanzania Criminal Justice Commission Report (2023) and other relevant reports annually					
	ii. Reform and professionalise law enforcement Agencies to ensure impartiality and respect for citizens' rights by 2035					
	iii. Expand access to justice for underserved communities by 2040					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Foster collaboration with regional and international actors for knowledge exchange on strengthening legal frameworks by 2050					
	v. Strengthen the independent oversight bodies by 2050					
	vi. Strengthen legal Aid mechanisms for universal access for justice by 2050					
7. Control of corruption index improved to +0.50 by 2050	i. Develop a National Ethics Policy for ethical standards by 2035					
	ii. Strengthen the reporting and protection systems for whistle-blowers and witnesses by 2035					
	iii. Strengthen and modernize anti-corruption Agencies by 2040					
	iv. Integrate anti-corruption education in schools, universities, and public service training by 2050					
	v. Strengthen partnerships with private sector and civil society for anti-corruption efforts by 2050					

3.7.1.1. Building Effective and Strong Local Governance

LTTP identifies effective local governance as a cornerstone of inclusive economic transformation, participatory democracy, and equitable service delivery. Historical shifts, from colonial centralisation to the aborted unification of local government administration in the 1972–84 period, and then the reintroduction of elected local authorities in the late 1980s, highlight a persistent tension and antagonism between centralised and broadly shared decentralisation and grassroots empowerment through local authorities.

The 1998 Decentralisation by Devolution (D-by-D) policy marked a pivotal shift in Tanzania's governance framework, granting Local Government Authorities (LGAs) greater functional autonomy. Implementation was reinforced by the establishment of a dedicated central ministry for Regional Administration and Local Government, donor-supported initiatives under the Local Government Reform Programme (LGRP), and the enactment of the Local Government Finance Act. Collectively, these efforts contributed to notable improvements in social service delivery, particularly in primary education and healthcare, and strengthened financial management systems. Importantly, the reforms also enhanced citizen participation in local development processes through mechanisms such as Ward Development Committees and Village Assemblies.

Despite notable progress, decentralisation in Tanzania remains largely incomplete and uneven. Local Government Authorities (LGAs) continue to operate with limited autonomy, constrained by tight fiscal space and overlapping mandates. More than 85 percent of LGA budgets are financed through conditional grants from the central government, thereby restricting their flexibility and responsiveness to local needs. To unlock the transformative potential of local governance and ensure that the goals of Tanzania's Dira 2050 are fully realised and tangibly felt at the grassroots, bold and transformative institutional reforms are required. Accordingly, it is proposed that:

First, institutional reforms should begin with a comprehensive restructuring of central oversight mechanisms to enable more effective and meaningful decentralisation. This includes enhancing the effectiveness of the President's Office, Regional Administration and Local Government (PORALG), by streamlining it into a facilitative and coordinating body. Its primary functions should remain a centre for facilitating decentralisation, providing technical support to Local Government Authorities (LGAs), strengthening results-based monitoring, evaluation, accountability, and learning (RBMEA&L), and fostering knowledge sharing among LGAs. Clear delineation of responsibilities is essential to reduce institutional inefficiencies, safeguard LGA autonomy, and promote more accountable and technocratic local governance at the regional and LGA levels.

Second, strengthening fiscal autonomy is critical. LGAs must be granted greater control over their financial resources to plan and execute local priorities effectively. This requires reforming the intergovernmental fiscal transfer system to provide predictable, formula-based grants linked to performance, needs, and equity considerations. Additionally, LGAs should be empowered to increase their own-source revenue by modernising tax administration systems, expanding the local tax base, and strengthening local revenue collection. Legal frameworks should be reviewed to eliminate overlap and conflicts with central revenue authorities, thereby ensuring the clarity and sustainability of local fiscal space.

Third, investing in strong local leadership is essential. District Executive Directors (DEDs) should be recruited on merit through transparent, competitive processes and positioned as Chief Executive Officers (CEOs) of local development. These leaders should be empowered to coordinate local actors, build partnerships with the private sector and civil society, and deliver results for Local Economic Development (LED) and economic growth. They should lead with integrity to ensure LGAs are accountable, innovative, and capable of delivering citizen-centred development that aligns with national priorities and citizen needs. A robust performance monitoring framework and citizen-led scorecards should ensure that leadership remains transparent, accountable, and development-focused.

Finally, deepening citizen engagement and social accountability will anchor decentralisation in democratic legitimacy. Participatory planning and budgeting should be institutionalised at the ward and village levels to foster local ownership. Community scorecards and digital platforms (such as mobile-based reporting tools) can enhance transparency, track service-delivery performance, and enable timely citizen feedback. Strengthening the capacity of Ward Development Committees, Village Councils, and civil society organisations will ensure that decentralisation translates into tangible, citizen-led improvements in service delivery, institutional trust, and social cohesion. Table 3.51 outlines strategic interventions to build effective and strong local governance, as envisaged in *Dira 2050*.

Table 3.51: Building Effective and Strong Local Governance

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Achieved Strong and Effective Local Governance						
1. Local Authorities with 100 percent operational autonomy achieved by 2050	i. Strengthen a comprehensive National Decentralisation Policy and Legal Framework by 2031					
	ii. Amend relevant laws (e.g., Local Government Acts, Public Finance Act) to align with the decentralisation framework by 2033					
	iii. Strengthen the national oversight and coordination body for decentralisation and intergovernmental relations by 2030					
	iv. Design and implement a Local Government Financing Framework by 2035					
	v. Digitise and integrate local revenue collection systems with national platforms (e.g., IFMIS) by 2036					
	vi. Reform and restructure LGAs for efficiency and responsiveness by 2040					
	vii. Strengthen local-level accountability systems and participatory planning mechanisms by 2040					
	viii. Promote transparency through public access to local government performance data and budgets by 2035					
	ix. Establish local digital service delivery platforms and citizen feedback systems by 2030					
2. Administrative structures of LGAs and central oversight restructured by 2030	i. Strengthen the current central oversight agency to effectively undertake policy facilitation, technical support, and performance monitoring to strengthen decentralised governance and LGA autonomy by 2027					
	ii. Realign the roles and functions of Regional and LGAs leadership to enhance complementarity to support effective, accountable local service delivery by 2028					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iii. Empower LGAs with human resource autonomy by 2030					
	iv. Build institutional and leadership capacity of local government officials by 2035					
3. Recruitment of Council Directors and core LGAs staff based on merit fully implemented by 2030	i. Establish a competitive, transparent, and independent recruitment system for executive leadership at LGAs by 2027					
	ii. Develop a National LGA Skills and Competency Framework by 2027					
	iii. Enforce performance contracts and annual appraisals for LGA officials by 2026					
	iv. Partner with universities and other high education and research institutes for in-service training by 2026					
	v. Build institutional and leadership capacity of local government officials annually					
	vi. Restructure LGAs organisational frameworks to align staffing levels and mandates with devolved service delivery roles by 2030					
4. Citizen engagement and local accountability in 80% of LGAs realised by 2030	i. Legally mandate participatory planning and budgeting at ward and village levels through policy revision and enforcement by 2030					
	ii. Roll out community scorecards and social audit tools in at least 60% of LGAs by 2027, with full national coverage by 2030					
	iii. Deploy digital citizen feedback platforms (SMS, web, mobile apps) for service monitoring in all LGAs by 2030					
	iv. Train and empower local governance institutions, Councillors, Ward Development Committees, Village Councils, and CSOs to facilitate citizen participation and feedback loops by 2030					
	v. Scale up community scorecard initiatives, participatory budgeting, and digital platforms for citizen feedback and grievance redressal by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	vi. Strengthen Councillors, Ward and Village Development Committees as platforms for co-production of services and grassroots innovation by 2030					

3.7.2 Strengthening Digital Governance and Smart Data

Tanzania has made significant progress in digital governance, particularly through the digitisation of selected government services. However, several challenges persist, including disparities in digital infrastructure, limited digital literacy, and inconsistent data interoperability across sectors. Access to smart technologies remains uneven, and fragmented service delivery platforms alongside cybersecurity risks hinder the full potential of digital transformation. While Tanzania earned Tier 1 status in the 2024 Global Cybersecurity Index due to strong legal and institutional frameworks, evolving threats call for continued investment and vigilance. Moreover, interoperability beyond the financial sector remains limited, with many government systems still operating in isolation.

To close these gaps, the LTPP outlines a vision for a secure, data-driven, and citizen-centred digital governance system. Key goals include the full digitalisation of government services by 2035, universal access to digital IDs and e-services by 2040, and integrated smart data systems across major sectors by 2045. The accompanying interventions provide a strategic roadmap for building an inclusive, efficient, and secure digital ecosystem that aligns with national development goals and responds to the evolving needs of all Tanzanians, as shown in Table 3.52.

Table 3.52: Strengthening Digital Governance and Smart Data

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: To establish a secure, data-driven, digital governance system by 2050.						
1. Government services fully digitalised by 2035	i. Strengthen e-Gov policy framework by 2026					
	ii. Build capacity of public servants in digital service delivery by 2030					
	iii. Digitize all core services					
	iv. Introduce digital service delivery standards					
	v. Integrate fragmented systems into unified platforms by 2040					
	vi. Establish a single online platform for government services by 2032					
	vii. Promote interoperability through the standardized protocols of seamless integration					
2. At least 90 percent of the population have digital ID and e-service access by 2040	i. Scale up National Digital ID rollout					
	ii. Expand national broadband					
	iii. Conduct public digital literacy campaigns					
	iv. Subsidize smart devices					
3. Smart data systems integrated in all key sectors by 2045	i. Enhance the interoperable data platforms					
	ii. Develop and deploy AI and machine learning models to analyse service usage patterns, and forecast demand in key sectors					
	iii. Establish AI data labs within key ministries to build local capacity and drive innovation					
	iv. Adopt open data policy					
	v. Build data science capacity within the public sector					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
4. Maintain a National Cybersecurity Resilience Index rating of "Strong" by 2040	i. Upgrade the National Computer Emergency Response Team (TZ-CERT) and sector-specific CERTs	■				
	ii. Strengthen legal, technical, and organisational frameworks.	■				
	iii. Conduct regular system audits	■	■	■	■	■
	iv. Build global cyber partnerships	■				
5. At least 85 percent citizen satisfaction rate to digital public services achieved by 2045	i. Implement AI-driven feedback tools				■	■
	ii. Ensure digital Client Service Charter compliance				■	■
	iii. Establish digital service innovation labs to co-create solutions with citizens					■

3.7.3. Bolstering Mindset Change and Reforms

LTPP outlines an ambitious journey toward inclusive and sustainable prosperity. Achieving the goals set forth in this plan requires more than just policy adjustments or institutional reforms. They demand a deliberate transformation of the mindsets.

Despite years of policy reform and economic liberalisation, Tanzania's public and institutional mindset remains strongly state-centred. The prevailing perception is that the state is the default provider of all goods and services, blurring the boundary between public provision and private responsibility. Within the civil service, entrenched norms continue to prioritise loyalty and seniority over merit and performance, stifling innovation and undermining accountability. Likewise, private-sector growth is hindered by overregulation and limited integration into national development strategies. Business processes remain disjointed, often requiring multiple approvals. Civic participation has also diminished, shaped by a legacy of state-led development and widespread public distrust of institutions, driven by low-quality service delivery and limited responsiveness.

To overcome these challenges and fulfil the goals of Vision 2050, Tanzania must undergo a comprehensive mindset shift across all sectors of society.

The government should increasingly focus on creating an enabling environment for development rather than micromanaging activities. Governance should be service-oriented, treating citizens as clients rather than subjects, and operate with efficiency, accountability, and a developmental mindset.

Political leadership to drive visionary stewardship. This means embracing long-term, citizen-centred leadership that transcends electoral cycles and partisanship. Leaders must show the courage to reform entrenched systems and promote meritocracy, even when politically inconvenient.

The civil service must increasingly exercise professionalism, objectivity, and meritocracy, and service excellence should define public administration. Civil servants should be empowered to collaborate across institutions,

embrace digital tools, and engage with citizen feedback. Loyalty must give way to integrity and results-based performance.

The private sector must move from a survivalist orientation to becoming a responsible growth partner. Businesses must invest in skills development, support local entrepreneurship, and actively participate in policy dialogue. Self-regulation, transparency, and ethical leadership should be the norm.

Citizens must be active players in national development. This includes recognising their responsibility to shape the country's future, demanding accountability, respecting the law, paying taxes, and valuing education, innovation, and entrepreneurship. To enable this transition, a phased and structured approach is outlined in Table 3.53.

Table 3.53: Fostering Mindset Change to Embed Reforms

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
Objective 1: Enhanced effective implementation, coordination, and monitoring of key structural reforms outlined in LTPP to drive sustainable transformation						
1. At least 70 percent of priority governance and institutional reforms operationalised by 2030	i. Strengthen high-level Transformation Unit under the President's Office to coordinate and track cross-sectoral reforms by 2026					
	ii. Develop a National Reform Implementation Framework and National Result-Based Monitoring Evaluation and Accountability Framework including strategic performance indicators (SPIs) to effectively operationalise the 4Rs by 2027					
	iii. Build Capacity of MDAs through targeted training and technical assistance to align institutional strategies with LTPP priorities by 2030					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Institutionalise reform performance reviews linked to resource allocation and leadership performance assessments by 2045					
2. A digital monitoring and evaluation system that track reform outcomes, with at least 80 percent of MDAs reporting regularly operationalised by 2050.	i. Design and roll out a centralised digital RBMEA&L dashboard to track reform milestones by 2028					
	ii. Train focal RBMEA&L officers in each MDA to ensure consistent data collection, reporting, and learning by 2035.					
	iii. Publish bi-annual public reform progress reports to enhance transparency, accountability, and citizen engagement by 2050					
Objective 2: Driven a national mindset transformation by embedding the values of enterprise, transparency, innovation, equity, and civic engagement through inclusive platforms.						
3. Leadership commitment to reform and service excellence institutionalized by 2028,	i. Conduct high-level leadership forums and retreats for orientation on values of integrity, innovation, and service orientation by 2027					
	ii. Establish Reform and Innovation Units in MDAs to coordinate and fast-track change initiatives by 2026					
	iii. Launch campaigns highlighting role models, reform successes, and behavioural change across communities by 2050					
	iv. Train religious, traditional, and local leaders to serve as advocates of mindset transformation, using culturally resonant messages by 2030					
4. Mindset shift programmes promoting innovation and entrepreneurship among the youth enhanced nationwide by 2035	i. Launch school and university-based innovation hubs to nurture problem-solving, creativity, and responsible risk-taking by 2050.					
	ii. Introduce national youth civic engagement programmes, such as service-learning, volunteerism, and student governance platforms by 2050					
	iii. Promote interactive civic platforms (radio, TV, digital) that encourage citizen voice, feedback, and participation in governance by 2050					

Target	Interventions	Five-Year Development Plans				
		I	II	III	IV	V
	iv. Establish an annual “Mindset Change Awards” to recognize individuals and institutions/communities driving positive social and attitudinal change by 2050					
5. Governance culture and public sector mindset transformed by 2050	i. Review and repeal outdated laws and civil service standing orders to remove control-centric mandates by 2030.					
	ii. Strengthen performance contract and merit-based promotion systems by 2035					
	iii. Establish national leadership academies by 2035.					
	iv. Deploy digital platforms for service delivery and citizen feedback by 2050.					
	v. A review of the Public Service Policy and Legislation to align with the current context and enhance public sector efficiency by 2030					
	vi. Conduct annual “State of Governance and reforms” scorecards and public trust surveys by 2050.					
6. Trust and collaboration between the state and private sector through regular dialogue platforms and increased joint policy initiatives rebuilt by 2030.	i. Strengthen institutionalized Public-Private Dialogue Platforms at national and sectoral levels by 2030.					
	ii. Set up a Centre for Market Governance Training for civil servants by 2035.					
	iii. Establish legal and institutional safeguards to protect reform champions by 2040.					
7. An empowered, participatory and responsible citizenry cultivated by 2050	i. Integrate into national education curricular themes of entrepreneurship, digital literacy, gender equity, and civic responsibility from primary to tertiary levels by 2050					
	ii. Establish local platforms for participatory budgeting and governance feedback annually.					
	iii. Promote community-driven innovation programmes targeting youth by 2050.					
	iv. Institutionalize annual national citizenship awards to promote civic pride and responsibility by 2050.					

CHAPTER
ONECHAPTER
TWOCHAPTER
THREECHAPTER
FOURCHAPTER
FIVECHAPTER
SIX

→ Implementation and Management Oversight

4.1 Overview

Achieving the ambitious Dira 2050 target of becoming a USD 1 trillion economy by 2050 requires exceptional organisation, effective coordination, and a fundamentally new approach to implementation and oversight. This chapter reviews the implementation oversight mechanisms adopted under Vision 2025, drawing lessons from what worked and what fell short. It also borrows experiences from UMICs and global best practices. By integrating national insights with international experience, the chapter presents proposed frameworks for coordination, monitoring, and evaluation – designed to enhance implementation effectiveness, a longstanding challenge for the country. The ultimate goal is to ensure efficiency, transparency, and the timely achievement of key outcomes within, or even ahead of, the Dira 2050 timeline.

4.2. A Review of LTPP 2011/12 – 2025/26 Implementation Oversight

4.2.1. An Institutional Arrangement for Implementation Oversight

The implementation oversight of Vision 2025 and the Long-Term Perspective Plan 2011/12 – 2025/26 has evolved significantly since 2011. Initially, Vision 2025 relied on the oversight framework developed for the National Strategy for Growth and Reduction of Poverty (abbreviated NSGRP and MKUKUTA in English and Kiswahili, respectively). During the first decade, Vision 2025 was implemented through the Rolling Plan and Forward Budget (RPF), a sector-driven, government-led approach that focused largely on poverty reduction and meeting the conditions for debt relief under the HIPC initiative. However, this framework lacked long-term targets, adopting a short-term, primarily annual, planning horizon, resulting in weak coordination, fragmented monitoring, and incomplete mid-term evaluations.

The 2011 mid-term review, with its observations⁴, marked a turning point, resulting in the adoption of LTPP 2025 and a shift to a more structured planning framework based on Five-Year Development Plans (FYDPs). This transition introduced longer-term national priorities and moved away from fragmented sectoral priorities. The new institutional arrangement integrated Vision 2025, LTPP 2025, FYDPs, and the Medium-Term Expenditure Framework (MTEF). However, during the first five years, the continued coexistence of FYDP I and MKUKUTA created overlapping interventions and diluted effective budget allocations, hence weak implementation of plans and budgets. To address this, the MKUKUTA and FYDP frameworks were merged in 2015, followed by a revision of the Plan and Budget Guidelines (PBG) to align resource allocation with national development priorities and to strengthen the RBMEA&L Framework. In 2013, the Government launched the Big Results Now (BRN) initiative, led by the President's Delivery Bureau (PDB), to accelerate progress in the first wave of agriculture, education, energy, natural gas, transport, water, and revenue mobilisation. Although BRN was prematurely phased out in 2015, its emphasis on delivery, accountability, and results-based implementation remains relevant in the current context. Its core principles are expected to continue to inform current and future development planning and oversight frameworks. Among other things, LTPP will adopt useful elements of BRN, particularly the tools used for RBMEA&L.

4.2.2 Achievements and Challenges under LTPP 2011/12 – 2025/26

i. Plan Design

The design of LTPP 2011/12 – 2025/26 was grounded in relevant long-term development goals. However, it lacked comprehensive indicators and targets needed to track progress. Several critical themes, such as environmental sustainability, climate change, and the blue economy, were underrepresented or excluded from the main strategic objectives. Moreover, the plan lacked a cohesive Monitoring, Evaluation, and Learning (MEL) framework, making it difficult to generate baseline data and assess progress systematically. Additionally, the absence of a communication strategy weakened stakeholder awareness and ownership throughout the implementation period.

ii. Implementation and Results

Vision 2025 recorded average performance across most of its intended outcomes. Notable successes include improved access to basic education and primary healthcare, access to clean water, a life expectancy of 68 years, macroeconomic stability (e.g., single-digit inflation), and sustained peace and unity. However, significant gaps remain. The agricultural sector lagged in growth, contributing little to poverty reduction, while youth unemployment and business informality persisted due to misaligned education policies and limited value addition in sectors such as agriculture, mining, and forestry.

⁴ The mid-term implementation review, which was conducted in 2011 identified limitations in MKUKUTA's short-term focus as follows: (i) misalignment, and in most cases failure to articulate operational priorities, leading to a thin spread of resources over a wide range of activities, (ii) in the absence of guiding mid-term plans, long term priorities and opportunities were undermined in favour of short-term operational priorities, (iii) projects were identified in isolation rather than in a comprehensive and complementary manner, thus losing a well-articulated implementation sequencing and synergy, (iv) there was lack of a clear financing strategy, resulting into high financing unpredictability, overdependence on donations, and under-funding, (v) a weak institutional framework for the implementation of national plans, and (vi) monitoring and evaluation was not properly designed and enforced.

iii. Implementation Bottlenecks

Implementation of Tanzania's long-term development strategies was significantly undermined by weak institutional coordination, particularly due to the evolving and at times uncertain role of the National Planning Commission (NPC), which served as the secretariat for Vision 2025. Policy reversals, including the dissolution of the Planning Commission in 1992 and its subsequent re-establishment in 2011, contributed to fragmented planning processes and thus compromised inter-ministerial coordination. These disruptions constrained the execution of strategic initiatives under Vision 2025 and diminished overall policy coherence.

Although Tanzania formally adopted the Decentralisation by Devolution (D-by-D) policy in the early 2000s to empower LGAs to respond to local priorities, improve responsiveness, transparency, and equitable service delivery, effective decentralisation has not materialised. In practice, the pace of decentralising financial resources, human capital, and policy direction to LGAs has been slow, with considerable emphasis on capacity building.

The absence of a structured national financing framework further constrained the implementation of flagship projects and hindered alignment with long-term development goals. Fragmentation across ministries, combined with uncoordinated sector-specific initiatives, weakened potential synergies and resulted in duplication and inefficient resource allocation. Financing strategies were often donor-driven and sector-specific, creating unpredictability and misalignment with national priorities. Moreover, monitoring, evaluation, and learning (ME&L) mechanisms were underdeveloped, limiting the ability to track outcomes and

ensure accountability. The lack of robust and timely data, including administrative data, further undermined evidence-based planning, and the National Bureau of Statistics (NBS) lacked adequate resources to effectively support national oversight and planning efforts.

4.3. Lessons Learned

Experiences from implementing Vision 2025 and LTPP 2011/12 – 2025/26, as well as comparative insights from Upper Middle-Income Countries (UMICs), offer critical lessons for the successful design and execution of LTPP.

4.3.1. Lessons from Vision 2025 and LTPP 2011/12 – 2025/26

From a national perspective, the foremost lesson is the importance of establishing implementation oversight mechanisms early in the policy cycle. Effective execution requires strengthened institutional coordination, particularly through a stable, technically capable National Planning Commission (NPC) to lead strategic planning, implementation, and monitoring. The absence of an integrated financing strategy led to fragmented funding and poor alignment with national priorities. Therefore, LTPP must adopt a coherent, predictable, and diversified financing framework that harmonises public and private investments and safeguards resources for key programmes and flagship initiatives. The plan's success will also depend on a robust reporting and feedback system that enhances transparency, accountability, and the timeliness of decision-making. Additionally, developing a targeted communication strategy is essential to ensure shared ownership, stakeholder alignment, and broad-based support for national development goals.

4.3.2. Lessons from The Big Results Now Initiative

The implementation of the Big Results Now (BRN) initiative also provides important lessons. Despite its premature conclusion, BRN demonstrated the effectiveness of focusing on clearly defined priority sectors, setting measurable targets, enforcing delivery discipline, and strengthening institutional accountability. The model underscored the value of performance contracts, results-oriented coordination, and political will in accelerating reforms. Although BRN faced sustainability challenges, its core principles, including clarity of goals, prioritisation, accountability, and time-bound delivery, remain highly relevant and should be embedded in future implementation frameworks, particularly within LTPP.

4.3.3. Lessons from Comparator UMICs

International experience from comparator UMICs reinforces these lessons. Countries that have achieved sustained development progress often rely on independent oversight bodies to maintain long-term policy coherence and shield strategic initiatives from political cycles. Many have decentralised RBMEA&L functions to the subnational level, thereby strengthening local ownership and responsiveness. Inclusive governance structures that involve the private sector, academia, and civil society within national oversight bodies have enhanced transparency, objectivity, and innovation. In addition, cross-sectoral coordination, facilitated through inter-ministerial councils or planning commissions, enhances policy coherence across sectors. Integrating advanced digital technologies into ME&L systems has significantly improved real-time data

availability, decision-making accuracy, and responsiveness. These efforts are consistently implemented within disciplined governance frameworks that promote accountability, performance, and prudent resource utilisation.

4.4. Underlying Core Values to Enhance Implementation Effectiveness

Based on the experiences of most UMICs, core values and guiding principles underpin effective government coordination and overall implementation oversight, ensuring the successful execution of development plans. With these lessons, the LTPP framework for implementation oversight considers and emphasises that it is not only for the management of government machinery, but also for effecting the implementation of development programmes and projects under the Plan:

Meritocracy: Adopt a recruitment system for management and the workforce across government entities (NPC, MDAs, and LGAs) based on merit (the best knowledge and skills) to limit nepotism and patronage.

Integrity and Honesty: Enhance efficiency and effectiveness by maintaining high levels of institutional integrity, legal predictability, and ethical standards. Ensure that political and public officials adhere to ethical standards for the public good and establish robust accountability mechanisms for their actions.

Collaboration and Teamwork: Encourage inter-ministerial and inter-agency collaboration and teamwork among the NPC, MDAs, and LGAs. Promote effective communication, coordination, and cooperation to optimise resource utilisation and the successful implementation of programmes and projects.

Political Hygiene: Maintain political hygiene within the political economy ecosystem to prevent political interference during the implementation of LTPP programmes and projects.

Results Orientation: Value evidence-based decision-making and accountability for results. Establish continuous RBMEA&L mechanisms to measure performance, inform adjustments, and enhance effectiveness throughout project implementation.

Competitiveness Spirit: Establish an indexed performance and reward system, such as an MDAs and LGAs Competitiveness Index, to incentivise quality, efficiency, and timely implementation of programmes and projects across all levels of government.

Transparency: Enhance open government practices by enabling citizens to access information on government actions, decisions, financial allocations, and outcomes.

Equality: Promote equality across all dimensions by upholding diversity, ensuring equitable representation, and advancing social justice, with the aim of guaranteeing equal opportunities, rights, and participation for all individuals.

Sustainability: Prioritise environmental sustainability and the long-term well-being of future generations. Ensure a balanced approach to Environmental, Social, and Governance (ESG).

4.5. An Ecosystem for LTPP Implementation Oversight

Building upon lessons learned from the implementation of Vision 2025 and LTPP 2011/12 – 2025/26, and the Big Results Now (BRN) initiative, this section outlines

the institutional frameworks, tools, and mechanisms that will ensure the successful execution of the LTPP.

4.5.1. The Anchor Institution

The National Planning Commission Act No. 1 of 2023, as amended in 2024, mandates the National Planning Commission (NPC) to serve as the autonomous central institution for national planning. It is responsible for overseeing, coordinating, and strategically aligning the LTPP 2026/27 – 2050/51 in pursuit of Vision 2050. It positions the NPC as the leading authority and, therefore, the highest advisory body on socioeconomic policies, development planning, and overall economic management, with the authority to guide and support public institutions and the public as a whole in their planning and execution to meet the national objectives of any development plan.

To drive implementation, the NPC will establish a dedicated Delivery Unit (DU) to coordinate implementation of LTPP 2026/27 – 2050/51 across sectors and levels of government, ensuring alignment with national priorities. It will also facilitate strategic dialogue and collaboration with ministries, subnational governments, the private sector, civil society, and academia to assess progress, identify interlinkages between sectoral policies and regulations, and recommend necessary reforms to the NPC Chairperson.

Furthermore, to ensure coherent policy and regulatory frameworks for planning and budgeting, the NPC, in collaboration with the Prime Minister's Office (PMO) and the Office of the Attorney General, will issue comprehensive guidelines for Ministries, Departments and Agencies (MDAs), Regional Administrative

Secretaries (RASs), and Local Government Authorities (LGAs). These guidelines will include:

- i. Sectoral alignment with LTPP 2026/27 – 2050/51 targets and national development priorities;
- ii. Resource allocation and budgeting procedures for development programmes and projects;
- iii. Project and programme implementation standards;
- iv. Engagement protocols for the private sector and civil society organisations within the National Private Sector Engagement and Implementation Framework;
- v. Review the policy and regulatory development guidelines, including the need to form a joint sector review and conduct a regulatory impact assessment;
- vi. Ensure alignment between government development projects and Dira 2050/LTPP;
- vii. Harmonise and jointly implement Results-Based Monitoring, Evaluation, and Accountability (RBMEA&L) frameworks and Learning, including the development of the National Monitoring Dashboard and National Performance Indicators;
- viii. Comprehensive and participatory national dissemination strategies;
- ix. Form the National RBMEA&L Steering Committee and strategically mobilise resources to track progress; and
- x. Reporting and accountability mechanisms.

These measures will ensure that sectoral interventions, projects, and programmes are fully aligned with national development goals and effectively monitored to deliver measurable outcomes.

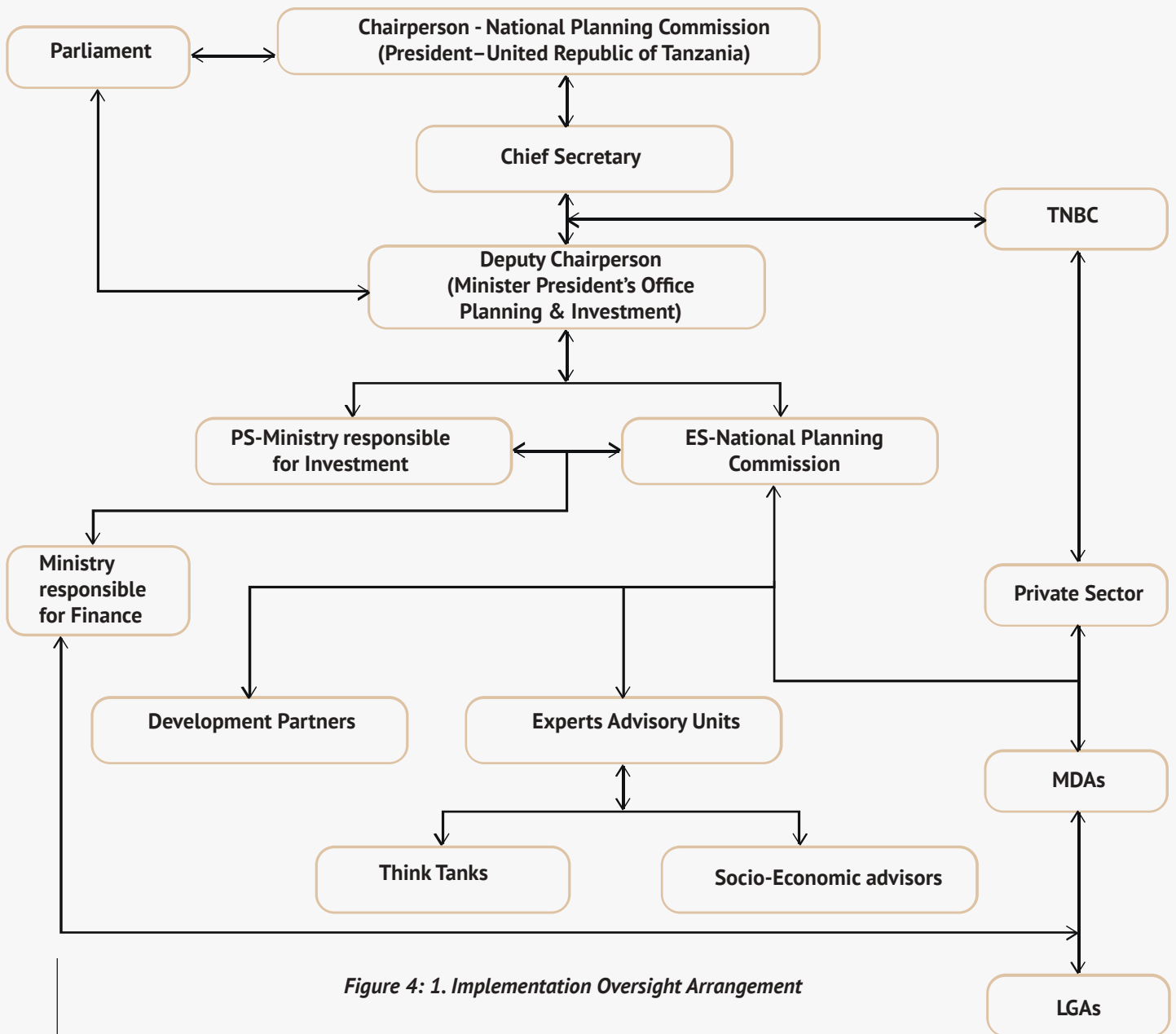


Figure 4: 1. Implementation Oversight Arrangement

4.5.2. Supportive Think-Tanks

The NPC serves as a think tank for planning and economic management, but by design has a limited workforce. To enhance its capacity, the NPC should forge partnerships with local and international think tanks of different specialities and professional reputations. These partnerships are important to support the NPC in providing evidence-based policy research, technical expertise, impact evaluation, and capacity building. The NPC will prioritise strategic partnerships, including joint research initiatives, expert advisory panels, and regional collaborations, to address shared challenges in development planning, oversight, coordination, and strategic alignment. To formalise these engagements, the NPC may develop and enter into memoranda of understanding with domestic and international think tanks, leveraging their specialised expertise to strengthen policy formulation, implementation, and oversight.

4.5.3. Private Sector

The NPC and the private sector have a mutually beneficial relationship, with the NPC setting national development goals and strategies and the private sector playing a crucial role in implementing these plans through investment, job creation, and innovation. The NPC also maintains liaison with the private sector to ensure that its plans are feasible and acceptable and to incorporate private-sector input into the planning process. The private sector operates under several multidisciplinary apex bodies, including the Tanzania Private Sector Foundation (TPSF)⁵, the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), the Confederation of Tanzania Industries (CTI), and the CEO Roundtable of Tanzania (CEOrt). The key responsibilities of these apex bodies include, but are not limited to, coordinating the growth and development of Tanzania's private sector and associated enterprises through policy advocacy, business networking, capacity building, information dissemination, business support services, and entrepreneurship promotion.

4.5.4. Tanzania National Business Council

The Tanzania National Business Council (TNBC) plays a key role in fostering a favourable business environment and investment climate through public-private dialogues (PPDs). Established in September 2001 by Presidential Circular No. 1 of 2001 and operational from March 2002, TNBC provides platforms for dialogue between the public and private sectors to reach consensus and mutual understanding on strategic issues related to the business environment and investment climate.

Operating under its National PPD Framework, TNBC provides platforms to facilitate dialogue between the public and private sectors at the subnational and national levels. It carries out its mandate through various organs: the Council, the Executive Committee, the Working Committees established by the Executive Committee, and the Coordinating Secretariat.

TNBC is chaired by the President of the United Republic of Tanzania and includes representatives from both the public and private sectors. It includes an Executive Committee, chaired by the Chief Secretary, which oversees the TNBC Secretariat, which manages day-to-day operations. The Executive Committee can also form Working Committees, including Working Groups and Ad hoc Committees. The Working Groups are chaired by Permanent Secretaries of relevant Ministries. TNBC is linked to other dialogue platforms, including Ministerial Public-Private Dialogues (MPPDs), Regional Business Councils (RBCs), and District Business Councils (DBC), which are chaired by Ministers of the relevant Ministries, Regional and District Commissioners, respectively. Additionally, TNBC coordinates International Business Dialogues (IBDs) both within and outside Tanzania, facilitating business dialogue between the Tanzanian delegation and delegations from other countries.

This arrangement of TNBC is crucial in informing NPC on the requisite business environment and supportive mechanisms the private sector requires to enhance its participation in the delivery of socioeconomic development, as assigned in LTPP.

5 Established and formally incorporated under the Companies Act (Cap 212) as a company limited by guarantee on 4th of November 1998 as an apex and focal private sector organisation (PSO) for the purpose of promoting private sector-led social and economic development in Tanzania.

4.5.5. Ministries, Departments, and Agencies

As the national authority for planning and economic management, the NPC delegates its powers to MDAs and LGAs through the Ministry responsible for Regional Administration and Local Government. Accordingly, the NPC is a central coordinating body for planning and implementing Dira 2050 and LTPP 2026/27 – 2050/51. The NPC should maintain strong, close links with all MDAs and ensure that their plans, strategies, policies, budgets, and processes are properly aligned with the national plan and priorities. To allow more time for project scrutiny, the NPC, in addition to providing development plans and budget guidelines to MDAs to guide the integration of LTPP 2026/27 – 2050/51 priorities into their plans, will henceforth fully delegate its powers to the Ministry responsible for Regional Administration and Local Government to scrutinise LGAs' plans and budgets. It will also establish an RBME&A system to track LTPP implementation and define KPIs for each sector, ensuring that MDAs report on these indicators regularly within the agreed timelines. A centralised data platform (preferably a web-based application) will be established to enable MDAs to submit progress reports, with the NPC analysing the data and providing feedback to the respective MDAs. The NPC will be obliged to assess the implementation of LTPP by each MDA and publish annual progress reports to ensure transparency and accountability.

4.5.6. Regional Administration and Local Government Authorities

To enhance the delivery of LTPP 2026/27 – 2050/51, the Prime Minister's Office – Regional Administration and Local Governments need to fast-track the decentralisation process. LTPP 2026/27 – 2050/51 requires a renewed

focus on coordinating and translating national objectives and priorities into the local authorities' context. This involves close collaboration with LGAs to identify strategic objectives and set SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) targets that reflect local needs, development challenges, and economic potential.

As autonomous entities responsible for Local Economic Development (LED), LGAs will play a central role in translating LTPP priorities into local economic strategies. LGAs will ensure that these strategies are linked to measurable outcomes, driving value creation from national infrastructure and investments, enhancing service delivery, and stimulating inclusive local economic activity. This collaborative and decentralised approach will ensure that LTPP is effectively grounded in local realities while contributing to broader national development goals.

NPC shall focus on national plans and strategic national projects and collaborate with PMORALG to ensure effective oversight of subnational governments. The M&E Directorate will monitor subnational implementation and consolidate reports from regional and local governments. Additionally, NPC will collaborate with the institution responsible for investment facilitation and promotion to attract private-sector investment for LTPP projects at the respective levels of governance.

4.5.7. Ministry responsible for Finance

The Ministry responsible for Finance is a key liaison and partner to the NPC in planning, prioritising, and allocating finance for LTPP interventions across programmes and projects. Specifically, the Ministry responsible for Finance will integrate LTPP programmes and projects into the MTEF in accordance with the RBME&A framework. For implementation, the

MoF will undertake all necessary engagement with the sector to ensure alignment and enforce compliance. The MoF MTEF, which consolidates all MTEFs from other MDAs, will be aligned with the LTPP, ensuring the integration of programmes and projects into the annual budget preparation process. The NPC will adhere to the MTEF timelines, structure, and approval procedures. The Ministry responsible for Finance and the NPC will closely coordinate their activities. Flagship Programmes and Projects, regardless of the number of implementing entities involved, will be directly monitored by the NPC to ensure strategic alignment with national priorities.

4.5.8. Public and Statutory Corporations

The Office of the Treasury Registrar (OTR), established under the *Treasury Registrar Act*, Cap 370, R.E. 2002 (*as amended*), holds statutory responsibility as the Government's principal custodian of public investments. It exercises fiduciary oversight of Public and Statutory Corporations (PSCs), manages state equity in various enterprises, whether through majority or minority shareholdings, and provides strategic policy advice to enhance the performance, accountability, and value of public assets.

In line with LTPP and the provisions of the Special Bill Supplement, the OTR, officially renamed in Kiswahili as *Mamlaka ya Uwekezaji wa Umma*, will undergo a comprehensive institutional transformation. The reform will reposition the OTR from its traditional role as an administrative asset overseer and custodian to that of a strategic public investment authority. This transition reflects a deliberate shift towards value-driven, impact-focused

capital management to better align public investment with national development goals and economic sovereignty. This transformation therefore encompasses significant institutional restructuring, as outlined hereunder:

- i. Non-commercial statutory corporations and regulatory bodies, particularly those responsible for delivering public or merit goods, correcting market failures, or enforcing sectoral regulations, will be transferred from OTR oversight to their respective parent ministries. These ministries are better suited to provide policy direction and sector-specific governance, while ensuring that the collection and disbursement of non-tax revenues continue in line with the provisions of their respective Acts of Establishment. This functional reallocation will be supported by necessary amendments to both the *Public Corporations Act (Cap 257)* and the *Treasury Registrar (Powers and Functions) Act (Cap 370)*.
- ii. The OTR's oversight mandate will be strategically concentrated on commercial public corporations, both large and small. It will continue to oversee large-scale enterprises deemed vital to national economic security and sovereignty, including those operating in the energy, water, transportation, logistics, heavy industry, strategic mining, financial, and agri-food sectors. Additionally, the OTR will extend its oversight to small and medium-sized commercial entities that, while not nationally

strategic in scale, demonstrate clear potential for profitability or developmental significance. These may include emerging enterprises in niche manufacturing, local agri-processing, technology-enabled services, or regional infrastructure, provided they show potential for growth, revenue generation, and job creation.

- iii. To strengthen its operational and financial capacity, the special bill supplement proposes establishing a Public Investment Fund. This Fund will provide the financial agility to respond swiftly to emerging opportunities and challenges, including recapitalising distressed but viable entities, investing in high-potential start-ups, and accelerating strategic ventures aligned with national priorities.
- iv. Furthermore, the OTR will enhance its institutional capacity and governance framework in line with global best practice. It will adopt a portfolio management approach focused on performance, return on investment, and long-term value creation. All commercial entities under its purview, regardless of size, will be subject to improved corporate governance standards, professionalised boards, performance contracts, and independent audits.

By 2050, the reformed OTR is expected to operate as a high-performing sovereign investment authority, managing a streamlined, impact-oriented portfolio of public commercial entities. Through this transformation, the

OTR is expected to significantly accelerate Tanzania's economic transformation, deepen national competitiveness, and ensure that public investments contribute meaningfully to inclusive and sustainable development.

The NPC shall monitor all commercial PSCs under the LTPP framework to proactively identify, evaluate, and mitigate instances of, or potential risks of, crowding out private-sector businesses in their respective market segments. The NPC is, or shall be, charged with the authority and responsibility to decide, adjudicate, and direct corrective measures whenever evidence or credible claims of market crowding-out by PSCs are presented.

- i. The NPC shall establish clear criteria, guidelines, and procedures for assessing market crowding-out risks, ensuring transparency, fairness, and effective stakeholder consultation throughout the evaluation process.
- ii. Decisions made by the NPC shall be binding on PSCs and relevant government agencies, with follow-up mechanisms to ensure compliance and the enforcement of corrective actions.

The Office of the Treasury Registrar (OTR) shall oversee the implementation of the RBMEA&L framework across PSCs. Planning processes across all PSCs shall align with the LTPP and with accompanying PSC-specific FYDPs, Annual Plans and Budgets. RBMEA&L units within PSCs shall be responsible for data collection and for facilitating all RBMEA&L activities and reporting. CEOs shall submit the required performance reports to the NPC through the OTR.

Specifically, the OTR shall:

- i. **Coordinate regular capacity-building sessions** for RBMEA&L units across PSCs to ensure accurate, timely, and reliable data collection and reporting, and full compliance with RBMEA&L framework requirements.
- ii. **Conduct periodic alignment assessments** of PSCs' strategic and operational plans (FYDPs and Annual Plans/Budgets) against LTPP targets and indicators, and provide corrective feedback as necessary.
- iii. **Establish and maintain a centralised reporting system** within the OTR to streamline the submission, analysis, and synthesis of performance reports received from PSC CEOs for onward submission to the NPC.

As emphasised in LTPP 2025 and in experience from some UMICs, NPC has to balance a state-led approach (developmental state⁶) with the facilitation of private-sector development. Given that Tanzania's private sector remains relatively underdeveloped and nascent, the government must take the lead in investing in strategic sectors that the private sector may consider less attractive or risky, such as infrastructure, energy, manufacturing (e.g. iron and steel), and technology, gradually transferring ownership to private actors, communities and the general public (e.g. public listing) as capacity strengthens. Excessive state control can lead to inefficiencies, fiscal burdens, and reduced innovation. This highlights the need for a balanced approach

that encourages private-sector participation while maintaining state oversight where necessary. In line with the development theory (chapter 2), LTPP therefore embraces a hybrid developmental state model, where the government strategically intervenes in key areas while progressively enabling private-sector-led growth to achieve Tanzania's long-term economic transformation.

4.5.9. National Bureau of Statistics

The National Bureau of Statistics (NBS) will lead in ensuring effective oversight of the generation of vital statistics for oversight and evidence-based decision-making. Under the LTPP, the NPC, NBS, MDAs, the private sector, and key stakeholders will build a robust information system to generate sufficient statistics for an evidence-based LTPP monitoring framework. To realise this, a National Statistical Development Roadmap will be developed, aligning statistical outputs with *Dira 2050* goals and including a clear implementation timeline and monitoring framework. The NPC will collaborate with MDAs and the private sector to ensure LTPP indicators align with their administrative data reporting systems through capacity-building and technical support. This will be complemented by ensuring the interoperability and integration of all key national data systems across the National Statistical System (NSS) to support real-time statistical data sharing and analysis. Non-traditional data sources, including satellite imagery, mobile phone data, social media data, web-crawled data, IoT or sensor data, and big data, will also be incorporated into national statistics.

6 Describes a state-led approach to industrialisation and economic development, characterized by state intervention, regulation, and strategic planning

4.5.10. Civil Society Organisations

CSOs will play a crucial role in implementing LTPP by advocating policy reform, promoting transparency, and ensuring inclusive citizen participation. In addition to capacity-building, community mobilisation, and fostering social accountability, CSOs will act as watchdogs, aligning policies with national priorities, facilitating participatory budgeting, and enhancing government spending efficiency through feedback platforms such as mobile apps. Furthermore, by forging strategic partnerships with the public and private sectors, CSOs will support service delivery, advance gender equality, safeguard the environment, and bridge the gap between grassroots communities and national development goals.

4.5.11. Development Partners

Development partners (DPs) play a crucial role in implementing the Long-Term Perspective Plan (LTPP). They include multilateral and bilateral organisations, foundations, and philanthropies that collaborate with national and local governments to deliver development assistance. Although concerted efforts will be made to improve and diversify the resource base and reduce dependence on foreign aid, DPs are expected to support infrastructure projects, global agendas such as climate change, social programmes, and to offer technical assistance to ensure alignment with international best practices, and to engage in policy dialogues consistent with the nation's long-term development agenda and *Dira 2050* aspirations.

4.5.12. The Parliament

The Parliament plays a critical oversight role and is instrumental in facilitating the formulation and approval of national development visions and plans. It also provides constructive interventions and engagement to ensure the NPC's effective functioning. Drawing lessons from successful UMICs, it is imperative that the NPC be vested with the authority to effectively execute its functional mandates and that its status be raised to become the authority with decision-making powers over all matters related to planning and economic management.

4.6. Integrated Planning Process and Design

The implementation of LTPP follows a coherent, integrated planning framework designed to drive sustainable national development over the next 25 years. The LTPP outlines the country's long-term priorities and strategic direction, which are operationalised through a series of FYDPs. Each FYDP translates long-term goals into medium-term targets and programmes. These are further broken down into Annual Development Plans (ADPs), which detail specific activities, performance indicators, and resource requirements for each fiscal year. To ensure coordination and consistency, sectoral and ministerial strategic plans (SPs) will be aligned with FYDPs and ADPs, forming part of an integrated planning process that avoids fragmented or siloed planning. In this process, the private sector and non-governmental organisations (NGOs) are also encouraged to align their strategic plans with national development priorities, contributing through investments, service delivery, innovation, and policy reform dialogues. This integration strengthens collaboration across all actors and ensures that development efforts are harmonised and mutually reinforcing.

Additionally, the national budget plays a key role by allocating resources to priority areas identified through this integrated planning framework. Implementation is supported by robust monitoring and evaluation systems that track progress and enable timely adjustments. Finally, capacity building and inclusive stakeholder engagement ensure transparency, accountability, and collective ownership of the development agenda. Figure 4.2 provides a diagrammatic overview of the integrated planning process for effective LTPP implementation:

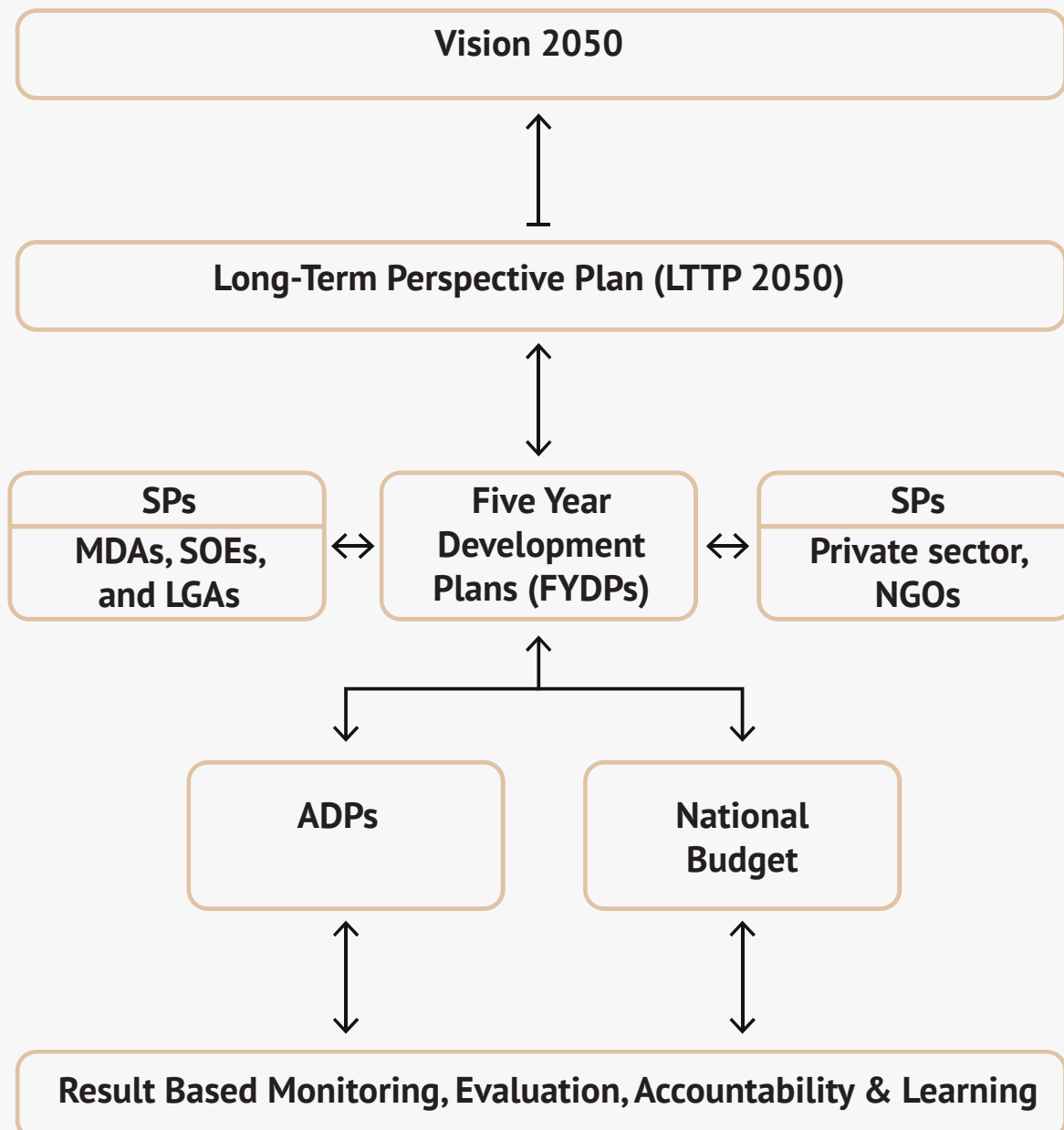


Figure 4:2. Integrated Planning Process for Effective LTPP Implementation

4.7. Results-Based Monitoring, Evaluation, Accountability and Learning Framework

4.7.1. Results-Based Monitoring, Evaluation, and Accountability Framework

The successful implementation of LTPP hinges on a robust RBMEA Framework. This framework sets out clear institutional roles and responsibilities, with NPC serving as the lead agency for oversight and coordination. NPC will also ensure inclusive, participatory monitoring processes that involve a broad range of stakeholders. A well-functioning RBMEA system is essential for tracking progress, ensuring accountability, and informing policy adjustments. Key components include:

- i. *Digital KPI Dashboards:* A centralised digital platform will be used to monitor Key Performance Indicators (KPIs) across sectors and track changes in baseline data, as shown in Appendix 2. This system will enable real-time progress tracking and prompt decision-making.
- ii. *Annual Performance Reviews:* A structured review process will evaluate implementation progress, identify bottlenecks, and adjust interventions to stay aligned with long-term targets.
- iii. *Independent Audits and Evaluations:* Periodic, independent audits and assessments will be conducted to evaluate the efficiency, effectiveness, and impact of LTPP implementation, thereby reinforcing transparency and public accountability.

4.7.2. Performance Management

To achieve LTPP's ambitious goals, a performance-driven culture will be embedded across all levels of government. Effective performance management will ensure accountability and deliver results by linking individual and institutional efforts to national development outcomes. Key mechanisms include:

- i. *Performance Contracts:* formal contracts will be established for senior officials and implementing institutions. These contracts will set out clear performance targets aligned with LTPP priorities.
- ii. *Incentive Systems:* A structured system of rewards and corrective measures will be implemented to recognise high performance and address underperformance, thereby motivating consistent results.
- iii. *Capacity Building:* Continuous professional development and institutional strengthening will be prioritised to equip stakeholders with the skills, tools, and knowledge needed to implement LTPP effectively.

4.7.3. Reporting Mechanisms

A comprehensive and transparent reporting mechanism is critical for effective plan management and public accountability. The reporting framework for LTPP will provide timely insights into implementation progress, enabling data-driven decision-making and course correction as needed. Three key types of reports will be produced:

- i. *Annual Implementation Reports:* These reports will provide updates on activities, outputs, and outcomes related to the current Five-Year Development Plans (FYDPs), which are the operational vehicles for LTPP.
- ii. *Five-Year Performance Reports:* Issued at the end of each FYDP cycle, these reports will assess performance against medium-term targets and provide insights into alignment with LTPP's long-term goals.
- iii. *Ten-Year Review Report:* A comprehensive report after a decade of implementation will assess performance trends against objectives and targets, draw strategic lessons, and guide the recalibration of future development strategies in light of new national and global dynamics.
- ii. *Final Review (Year 25):* The concluding review will assess the extent to which LTPP objectives have been achieved. It will provide a comprehensive performance assessment and draw policy and institutional lessons to inform the next long-term planning cycle.

These reporting and review mechanisms ensure that LTPP remains a living document, responsive to change and committed to delivering tangible results for the people of Tanzania.

4.8. Adaptive Learning and Knowledge Framework

To complement monitoring and performance management efforts, the implementation of LTPP will be guided by a structured Learning Framework that promotes adaptability, innovation, and continuous improvement. This framework is embedded within the broader Results-Based Monitoring, Evaluation, Accountability and Learning (RBMEA&L) system and is critical for translating evidence into actionable insights to improve policy and decision-making. The Learning Framework serves as a feedback loop, ensuring that lessons from implementation are systematically captured, analysed, and applied to strengthen delivery and future planning. It supports a culture of reflection, collaboration, and adaptive management across institutions and stakeholder groups. Key elements of the Learning Framework include:

4.7.4. Reviews of LTPP 2026/27 – 2050/51

To maintain relevance and strategic alignment over its 25-year horizon, LTPP 2026/27 – 2050/51 will be subject to two major reviews:

- i. *Mid-Term Review (Year 10):* This review will assess progress in the first decade, respond to evolving socioeconomic conditions, and recalibrate priorities where necessary. It will incorporate scenario analysis and forward-looking adjustments to reflect evolving national and global contexts.

- i. *Knowledge Management Systems:* A centralised, digital knowledge platform will capture, store, and disseminate implementation experiences, best practices, and lessons learned across sectors and regions.
- ii. *Integrated Learning in RBMEA&L Activities:* Learning objectives will be embedded across all monitoring and evaluation processes, enabling dynamic adjustments to strategies and interventions in response to real-time data and evolving contexts.
- iii. *Stakeholder Engagement and Policy Dialogue:* Regular stakeholder consultations, learning forums, and policy dialogues will provide platforms for sharing experiences and co-creating solutions with government actors, civil society, academia, and development partners.
- iv. *Adaptive Management Practices:* Flexible implementation approaches will be encouraged to enable mid-course corrections informed by emerging evidence, evaluation findings, and stakeholder feedback.
- v. *Capacity Building and Institutional Learning:* Continuous training, mentorship, and technical support will be provided to build institutional memory and strengthen actors at all levels' ability to learn from experience and innovate.
- vi. *Documentation and Dissemination:* Systematic documentation of learning processes, innovations, and results will ensure that knowledge is accessible and used to inform decision-making, programme design, and future iterations of national development planning.

4.9. LTPP Communication Strategy Framework

The successful implementation of LTPP depends on a robust, inclusive, and adaptive communication strategy. This strategy is designed to foster national awareness, public ownership, stakeholder accountability, and continuous engagement throughout all implementation phases. It must be embedded within institutional operations at the national, sectoral, and subnational levels to ensure clarity, facilitate feedback, and promote alignment with the Plan's transformative goals. The National Planning Commission (NPC) shall serve as the central coordinating institution, overseeing the implementation of the communication strategy across all levels of government and sectors.

Five key principles guide this strategy. Transparency ensures open access to information and regular progress updates. Inclusivity requires meaningful engagement with all stakeholder groups, including government, the private sector, civil society, and the general public. A feedback-driven approach facilitates two-way engagement to support adaptive implementation. Localisation ensures that messaging is tailored to regional and sector-specific contexts. Continuity guarantees consistent communication throughout the Plan's lifecycle. The NPC, in collaboration with

the Government Communication Unit under the Ministry responsible for Information, will ensure these principles are upheld and embedded in institutional communication practices.

Each institution should identify and engage with its relevant target audiences. The public must be mobilised to build awareness and a sense of shared purpose, a task led by the Ministry responsible for Information, supported by Local Government Authorities (LGAs) and the national media. The private sector requires clear and timely messaging on policy direction and investment prospects, to be delivered by the Ministry responsible for Investment and Industry, in coordination with the institution responsible for investment promotion. Civil society organisations (CSOs) and non-governmental organisations (NGOs) should support accountability and inclusion, with engagement coordinated by the Ministry responsible for Community Development and the Ministry responsible for Regional Administration and Local Government. LGAs must align local implementation efforts and mobilise communities, under the guidance of the relevant ministry and in collaboration with the NPC. Development partners require strategic information to align resources effectively, with the Ministry of Finance and the NPC serving as focal points. Youth and academia should be engaged to promote innovation, research, and policy discourse, with support from the Ministry of Education, COSTECH, and the Commission for Science and Technology.

The NPC will coordinate the overall communication strategy with technical and operational support from relevant MDAs. Communication Officers will be designated in all MDAs and LGAs to lead content delivery,

manage reporting, and oversee feedback mechanisms. Communication tools and platforms will be used at the institutional level. At the national level, the President's Office and the NPC will disseminate key messages through presidential briefings, national media coverage, and annual forums. Sectoral communication will be conducted via bulletins, stakeholder platforms, and policy briefs produced by sectoral MDAs and coordinated through the NPC's communication hub. At the local level, LGAs and local communication focal points will facilitate outreach through village councils, mainstream and social media, podcasts, and animations. Technical audiences will be engaged through symposia, working papers, and collaborations with academic institutions and think tanks.

To address potential shocks, including policy resistance, economic disruptions, climate-related events, and the spread of misinformation, a Crisis Communication Unit under the NPC will coordinate emergency messaging. This unit will be supported by the Government Communication Unit and trained spokespersons at national and regional levels, leveraging digital tools such as SMS alerts, hotlines, and official government platforms to ensure rapid, reliable information dissemination. Progress in communication efforts will be monitored through annual audits, real-time data analytics, biennial public surveys, and structured stakeholder feedback, all managed by the NPC's Monitoring, Evaluation, and Learning Division.

Flagship campaigns such as 2050 *Tuanze Leo*, *Kikao cha Mipango*, *Digital Dashboard*, and *Pamoja Tufanikishe* will be instrumental in strengthening national engagement, public awareness, and collective ownership of the Plan. All institutions are therefore urged to treat communication as a strategic and essential function, central to the success, responsiveness, and legitimacy of LTPP 2026/27 – 2050/51.

CHAPTER
ONECHAPTER
TWOCHAPTER
THREECHAPTER
FOURCHAPTER
FIVECHAPTER
SIX

→ Financial Requirements and Mobilisation

5.1. Overview

Achieving a USD 1 trillion economy will require substantial and sustained investment over the next 25 years. Insights from the UMICs indicate that successful economies typically invest between 25 and 35 per cent of their GDP while maintaining an Incremental Capital-Output Ratio (ICOR)⁷ of 4 or lower to ensure efficient capital utilisation. Given the government's limited fiscal space, the private sector will play a critical role in driving investment and fostering economic growth through both domestic and foreign investment. The private sector's involvement will be key to diversifying capital sources, enhancing efficiency, and accelerating the achievement of the country's development goals. This chapter presents these strategies.

5.2. Review of LTPP 2025 Financial Resource Mobilisation

The final implementation review of LTPP 2025 revealed that the financing targets were not fully met during its implementation period. The situation was particularly challenging for the development budget, which did not meet the 60:40 annual allocation ratio between recurrent and development expenditures. The LTPP 2025 review report presents several lessons to inform LTPP's financing strategy. These include:

7

ICOR refers to productivity of capital. It measures the amount of additional capital needed to produce a unit of output. Serves as indicator for capital efficiency. The lower the ICOR the higher the capital efficiency. ICOR applied in LTPP 2050 was estimated using Harrod-Dormar growth model based on country data on savings and MACMOD's growth projections. Harrod-Dormar model is a classical economic growth model that explains the relationship between economic growth, capital accumulation, and savings. It suggests economy's rate of growth (g) depends on the share of national savings to GDP (s) and productivity of capital (k) or ICOR (i.e. $g=s/k$ or Rate of growth of GDP = Savings ratio / capital output ratio). LMIC and UMIC tends to have low ICOR due to abundance of resources and cheap labour. Nevertheless, this depends on their propensity to save, sound financial system to multiply the savings through money creation, strong human capital for efficiency gains, R&D to improve capital output ratio and trigger innovation and knowledge development, low cost of borrowing to bridge saving gap, rising demand to prompt more capital investment, and multiplier effect.

- i. **Revenue Collection:** Despite the ambitious Financial Resource Mobilisation Framework outlined in LTPP 2025, domestic revenue mobilisation remained below optimal levels. Tax buoyancy⁸ was highly volatile, potentially leading to budget instability, especially during economic downturns. It declined from 1.2 in 2001 to 0.4 in 2010, rebounded to 1.6 in 2016, and then fell to 0.8 in 2020 due to the COVID-19 pandemic. Tax buoyancy improved to an average of 1.5 over the period 2021-2023. High volatility in tax buoyancy may reflect inefficiencies in tax administration, challenges in broadening the tax base, limited innovation in taxing the growing informal and complex agricultural sectors, and recurring shocks. As a result, the total revenue-to-GDP ratio improved only moderately, from around 12 percent of GDP in 2000/01 to 14.9 percent in 2023/24. This was lower than the revenue performance of other LMIC comparator countries, which saw their average revenue-to-GDP ratio increase from 17.4 percent in 2000/01 to over 22 percent during 2012-2024. Similarly, Tanzania remained below the Sub-Saharan African average rate of around 20 percent.
- ii. **External Financing:** During the implementation of the LTPP 2025, Tanzania experienced a notable shift towards greater fiscal self-reliance, characterised by a significant reduction in reliance on external financing. The share of the national budget financed from domestic sources, including taxes, non-tax revenues, and domestic borrowing, increased from 65.3 percent in 2001 to approximately 70 percent in 2024, thereby exceeding external funding. At the same time, the role of external grants in budget financing declined significantly, falling from 3 percent of GDP in fiscal year 2000/01 to 0.3 percent of GDP by 2023/24. This transition was primarily driven by robust economic growth, strengthened domestic revenue mobilisation efforts, and enhanced public financial management practices.
- iii. **Alternative Financing Sources:** Despite introducing innovative project financing mechanisms in FYDP I of Vision 2025, there was no coherent strategic plan to implement these initiatives effectively. Several alternative financing sources, such as municipal bonds, infrastructure bonds, natural resource bonds, savings bonds, Pension and Social Security Funds, PPPs, sovereign borrowing, climate finance, and others, either failed to materialise or saw limited uptake. This underscores the need for stronger institutional frameworks and better coordination to facilitate the effective mobilisation of alternative sources of finance.

8 Tax buoyancy measures the responsiveness of tax revenue to changes in the tax base (often GDP). A high tax buoyancy means tax revenue increases proportionally more than the tax base, while low Buoyancy indicates a smaller increase in tax revenue. A buoyancy coefficient greater than one implies that tax revenues grow faster than GDP and less than one the opposite

- iv. **Public Debt Management:** Although deficit financing from foreign sources increased significantly from 0.2 percent of GDP in 2000/2001 to 2.0 percent in 2024/2025, leading to a rise in national debt, the Debt-to-GDP ratio remained steady at approximately 40 percent, below the 55 percent sustainability threshold. Consequently, Tanzania maintained a manageable debt position, experiencing only moderate debt stress despite rising debt-service obligations.
- v. **Development Budget Allocation:** The national budget allocation for development activities was intended to be 40 percent annually. However, due to limited fiscal space, the development budget was consistently underfunded, with more than 60 percent allocated to recurrent expenditure. On average, the development budget accounted for only about 35 percent of the total national budget, which hindered the implementation of several critical projects planned during this period.

ICOR below 4 and achieve an average annual real GDP growth of 10 percent or more, Tanzania, particularly the Government, must focus on high-return investment areas while avoiding inefficient investments in over-saturated sectors. Additionally, the share of investment must be at least 35 percent of GDP to ensure economic sustainability. Given the 40 percent budget threshold for development expenditure and projected GDP growth of over 10 percent, the total investment required under LTPP is estimated as follows: USD 183 billion for FYDP IV (averaging USD 36.6 billion per year), USD 289 billion for FYDP V, USD 542 billion for FYDP VI, USD 988 billion for FYDP VII, and USD 1,580 billion for FYDP VIII.

Considering historical trends in government revenue and the budget allocation threshold of 65:35 for recurrent and development expenditure, approximately 22 percent of the required investment financing can be covered through government tax revenue, non-tax revenue, and borrowing. PSCs will cover around 8 percent, Domestic Private Sector 13 percent of the required investment, and the remaining 57 percent financing gap will primarily rely on Foreign Direct Investment. Financing the plan requires annual investments exceeding 35 percent of GDP. From FYDP IV to FYDP VIII, total investment needs will rise from USD 183 billion to USD 1.58 trillion. With public revenues covering only about 22 percent, the plan emphasises mobilizing private sector financing through foreign direct investment, domestic capital, municipal bonds, PPPs, and innovative mechanisms such as green finance, diaspora bonds, and blended finance. Enhancing the investment climate through reforms of the taxation regime, capital market development, and sound public financial management will be essential (Table 5.1).

5.3. Financing Requirements and Mobilisation Strategy

5.3.1. Financing Requirements

Achieving the ambitious goal of a USD 1 trillion economy by 2050 will require maintaining an efficiency threshold of an Incremental Capital-Output Ratio (ICOR)⁹ of 4 or lower, based on lessons from UMIC peers and expert assessments. This threshold underscores the need for efficient resource allocation, with investment prioritised in high-productivity areas. To sustain long-term growth with an

9 ICOR of 4 was estimated based MACMOD average growth projections of 10% and average annual savings of 36% of GDP over the period 2020-2023 extracted from World Bank Database, 2024. That is, given $g = 10$, $s = 36$, then $ICOR = 3.6 \approx 4.0$.

Table 5.1: LTPP Financing Requirements

	Weights	Units	FYDP IV	FYDP V	FYDP VI	FYDP VII	FYDP VIII	TOTAL
Estimated GDP*	-	USD Bil	522	827	1,548	2,823	4,513	10,233
Requirement Investment (35% of GDP)	35%	USD Bil	182.67	289	542	988	1,580	3,582
Infrastructure Development (Roads, Railways, Ports, Airports, Pipelines, telecommunication)	25%	USD Bil	45.7	72.4	135.4	247.0	394.9	895.4
Energy Sector Expansion (HydroPower, Natural Gas, Tenewables)	15%	USD Bil	27.4	43.4	81.3	148.2	237.0	537.3
Agricultural Modernization and Value Addition	10%	USD Bil	18.3	28.9	54.2	98.8	158.0	358.2
Industrial Development and Manufacturing Expansion	15%	USD Bil	27.4	43.4	81.3	148.2	237.0	537.3
Mining and Mineral Value Chain Development	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Oil and Gas Exploration and Development	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Blue Economy Development (Ports, Fisheries, Maritime, Tourism)	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Tourism Infrastructure and Product Diversification	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Digital Economy and ICT Infrastructure Expansion	3%	USD Bil	5.5	8.7	16.3	29.6	47.4	107.5
Financial Sector Deepening and Capital Market Development	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Human Capital Development (Education and Skills Training)	10%	USD Bil	18.3	28.9	54.2	98.8	158.0	358.2
Healthcare Infrastructure and Service Delivery	10%	USD Bil	18.3	28.9	54.2	98.8	158.0	358.2
Water and Sanitation Infrastructure	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9

	Weights	Units	FYDP IV	FYDP V	FYDP VI	FYDP VII	FYDP VIII	TOTAL
Estimated GDP*	-	USD Bil	522	827	1,548	2,823	4,513	10,233
Requirement Investment (35% of GDP)	35%	USD Bil	182.67	289	542	988	1,580	3,582
Housing and Urban Development	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Environmental Protection and Climate Change Resilience	5%	USD Bil	9.1	14.5	27.1	49.4	79.0	179.1
Research, Development, and Innovation Capacity Building	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Governance, Institutional Strengthening, and Anti- Corruption Measures	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Private Sector Development and FDI Promotion	0.50%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Social Protection and Inclusive Development	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Regional Integration and Cross-Border Infrastructure	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Risk Management and Contingency Financing	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Monitoring, Evaluation, and Accountability Framework	0.5%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Total Investment Requirement	100%	USD Bil	0.9	1.4	2.7	4.9	7.9	17.9
Government Dev. Resource Envelope***			0.9	1.4	2.7	4.9	7.9	17.9
Resource Gap		USD Bil	140	222	424	788	1263	2837
Financing:								
Private Sector (Domestic and FDI)***		USD Bil	128	203	379	692	1106	2507
Public and Statutory Corporates****		USD Bil	12	20	45	96	157	329

*Nominal GDP.

- ** Investment Financing from the Government Development Budget, Estimated based on Historical Trend, Distributed in a Ratio of 55:45 for Recurrent and Development Budget.
- *** Deficit Financing from the Private Sector (Domestic and Foreign Direct Investment –FDIs), Accounting for 70% of the Investment Requirement. The Allocation Based on the Average Share of Private Sector Capital Formation to Total Nominal GDP for the Last Ten Years (Estimated at around 70%).
- **** Public and Statutory Corporates, with its Contribution to Total Investment Requirements Estimated as a Residual to Percent Contribution of Government (20-22%) and the Private Sector (around 70%).

5.3.2 Finance Mobilisation Strategy

Achieving the investment requirements of LTPP 2026/27–2050/51 will necessitate a diversified, innovative and sustainable financing approach. To this end, two broad sources of financing will be considered: conventional and alternative innovative sources. A strategic combination of these financing mechanisms will be essential to bridging the investment gap and ensuring long-term economic sustainability.

5.3.2.1. Conventional Sources

Conventional sources include tax and non-tax revenues, domestic borrowing, and traditional external financing. Strategies to enhance these resources are explained hereunder:

- i. **Tax and Non-Tax Revenues:** Tanzania's domestic revenue generation depends primarily on taxation. The main tax sources include income tax, Value Added Tax, excise duties, and import duties, with income tax and VAT contributing approximately 64 percent of total tax revenues between 2019 and 2023. The total revenue-to-GDP ratio is on upward trend, from around 12 percent of GDP in 2000/01 to 14.9 percent in 2023/24. Nevertheless, the performance is

lower than the revenue performance of other LMIC comparator countries, which saw their average revenue-to-GDP ratio increase from 17.4 percent in 2000/01 to around 22 percent during 2012-2024. This suggests that Tanzania has the potential to enhance its revenue collection to catch up with its comparator countries. Studies by Tanzanian think tanks highlight key challenges in revenue mobilisation, including frequent tax policy changes, administrative inefficiencies, corruption, inconsistent enforcement, and generous tax exemptions. To strengthen domestic revenue mobilisation, key improvements are needed in the following areas:

- a. **Broadening the Domestic Tax Base:** Expanding taxpayer registration, rationalizing tax exemptions, and integrating the informal sector is crucial. Simplifying and implementing progressive taxation for Micro, Small, and Medium Enterprises (MSMEs), leveraging digital tax solutions, and enhancing taxpayer education can improve

compliance. Establishing an independent Alternative Dispute Resolution (ADR) unit could facilitate efficient tax dispute resolution, fostering trust and compliance.

- b. **Reforming Tax Policy and Administration:** Enhancing digital taxation by integrating Electronic Fiscal Devices with digital payment systems, strengthening taxpayer databases, and utilizing data analytics to improve efficiency and compliance is essential.
- c. **Enhancing Local Government Revenue:** LGAs need greater autonomy and efficiency in revenue collection. Supporting the Local Economic Development strategy under the Decentralisation Policy, sub-national taxation reforms should focus on reducing nuisance and overlapping local taxes, investing in digital collection systems, and building the capacity of local tax administrators.
- d. **Formalizing the Informal Sector:** Transforming the informal sector into a key driver of economic growth requires reducing formalisation barriers, streamlining regulatory processes, and improving governance.

- e. **Enhancing Non-Tax Revenue:** Non-tax revenues, such as royalties, fees, and levies, should be regularly reviewed and updated without compromising regime predictability. Their collection systems and rates must be improved to ensure efficiency, accountability, and alignment with economic growth objectives and the provision of conducive business environment.

- ii. **Domestic Borrowing:** Domestic borrowing is one of the important sources of finance in offsetting budget deficits. It provides funds for essential public expenditures and contributes to the development of the domestic capital market. Domestic debt also reduces vulnerability to external shocks and can strengthen a country's ability to manage its debt. Excessive government borrowing from domestic sources needs to be avoided as it may crowd-out private sector credit, culminating to increased interest rates, reduced investment by the private sector, and potential inflation. It can also strain financial stability by putting pressure on banks and institutional investors to absorb the debt.

iii. Foreign Grants, Technical Assistance and Loans: Foreign grants, technical assistance and loans will remain important critical for supporting LTPP. The government should aim at expanding access to concessional financing, technical assistance and foreign grants from development partners, including bilateral and multilateral financial institutions such as the World Bank, International Monetary Fund (IMF), and AfDB as well as philanthropies and foundations by increasingly using economic diplomacy and enhanced project development.

Commercial borrowing needs to be minimised if not avoided as the Medium-Term Debt Management Strategy (MTDS) 2023/24-2025/26 indicates that Tanzania's debt sustainability indicators remain cautiously optimistic. Hence, the National Debt Management Committee (NMDC) should ensure debts are prudentially acquired and managed and should enforce sustainability criteria and requisite oversights. Drawing on experience, future borrowing must carefully address two critical risks: maturity mismatch, where short-term credit lacks a revenue stream for repayment, leading to solvency issues; and currency mismatch, where loans are spent on non-tradable infrastructure that does not generate foreign exchange, creating liquidity challenges.

5.3.2.2. *Alternative Financing Sources*

These sources focus on leveraging private sector participation, capital markets, and innovative financial instruments. Alternative financing sources at the disposal include domestic capital markets borrowing such as bonds for infrastructure, natural resources, treasury, sub-sovereignty, and green bonds. Externally, Tanzania can enhance capital inflows beyond traditional foreign markets through various innovative financing schemes. Diaspora bonds can leverage savings from Tanzanians abroad to fund education, healthcare, and rural infrastructure. Blended finance, combining public, private, and philanthropic sources, can mobilise capital for affordable housing, rural electrification, and agricultural projects. Establishing a sovereign wealth fund using surplus revenues from natural resources such as minerals and gas and windfalls arising in the business cycle, would provide stable funding for infrastructure, education, and healthcare. Additionally, mobilizing pension funds¹⁰ could offer reliable long-term capital for critical infrastructure developments, including roads, industrial parks, and housing. Green and climate financing strategies, such as green bonds, climate funds, municipal climate funds, and carbon trading, will attract ESG investors and finance sustainable initiatives like renewable energy, reforestation, and eco-friendly transport.

10 Utilizing pension funds for investments requires robust safeguards to protect the beneficiaries and ensure the fund's long-term viability. These safeguards encompass a range of practices, including strong governance structures, risk management, investment diversification, and regulatory compliance

Development finance institutions (DFIs) offer patient capital for strategic projects, while social impact bonds incentivize outcome-driven investments in social services. Blockchain financing and remittance-backed securities can attract tech-savvy investors and diaspora funding. Tax incentives for impact investors, land value capture mechanisms, microfinance, community funds, and foreign market bonds will collectively strengthen Tanzania's financial ecosystem, empowering grassroots development and financing strategic flagship projects to achieve sustainable national development goals.

Revenue collections from natural resource endowments such as carbon credits and proceeds from commercialised forests and marine-derived products, such as pharmaceuticals, biofuels, and cosmetics are quite significant amongst natural resource-rich UMICs. Tanzania is yet to optimize revenue from these sources due to several factors including inadequate skills, ineffective regulations and negotiation capacities. This calls for strengthening technical skills, enhancing capacities for negotiation of natural resources contracts and instituting effective regulations and monitoring. In addition, Tanzania will need to have a robust National Determined Contributions¹¹ and the National Climate Fund, a financing window to access global financing (e.g., the Green Climate Fund) for addressing environmental and climate resilience and mitigation-related projects.

Public-Private Partnerships (PPPs) are vital financing mechanisms that enable governments to collaborate with private entities to develop, fund, and manage infrastructure and public service projects. By leveraging private capital, technology, and expertise, PPPs reduce the fiscal burden on governments while improving efficiency and innovation. In the context of LTPP, PPPs offer long-term solutions aligned with national development goals such as sustainable infrastructure, inclusive growth, and climate resilience. To fully harness PPPs, national frameworks must be strengthened through clear legal and regulatory systems, institutional capacity building, and robust project preparation processes. Transparent procurement, risk-sharing mechanisms, and stakeholder engagement are essential to attract quality private investment. Financial tools like guarantees and blended finance can enhance project bankability. Monitoring systems aligned with LTPP indicators ensure accountability and performance. Strong PPP frameworks foster economic growth, job creation, and resilient infrastructure. Ultimately, PPPs are strategic instruments for delivering long-term national priorities.

11 Nationally Determined Contributions (NDCs) are country-specific plans outlining climate actions, including emission reduction targets and adaptation measures, submitted to the United Nations Framework Convention on Climate Change (UNFCCC) as part of the Paris Agreement and basis for mobilizing climate finance.

5.4. Public Expenditure Management

The following measures must be taken to enhance savings and fiscal space for strategic investments.

- i. **The Budget Structure:** Taking decisive lessons from successful UMIC benchmarks, Tanzania must radically restructure its fiscal policy to prioritize development expenditure decisively over recurrent spending. A fundamental realignment of the budget is imperative to finance transformative investments in infrastructure, industrialisation, human capital, technology, R&D, and digital innovation, rigorously controlling Other Charges to eliminate wastefulness and inefficiency.
- ii. **Expenditure Prioritisation:** The government must rigorously implement sectoral expenditure ceilings to aggressively limit recurrent costs and redirect substantial resources toward high-impact development projects as well as scaling its Special Drawing Rights (SDR) at the IMF to provide for additional concessional borrowing space. Strengthening oversight bodies, specifically Parliamentary Budget Committees and the National Audit Office (NAOT), is non-negotiable for enforcing accountability and fiscal responsibility. NAOT should be required to carry out an MTEF compliance audit as part of the enforcement mechanism.
- iii. **Public Financial Management:** Effective Public Financial Management (PFM) is critical for mobilizing and utilizing resources efficiently. Improving budget credibility and execution will minimize disparities between approved and actual expenditures.
- iv. **Expenditure Tracking:** Enhancing public expenditure tracking systems (PETS) to reduce leakages and corruption. Zero-based budgeting (ZBB) should be adopted to ensure all expenditures are justified and aligned with national development priorities.
- v. **Performance-Based Budgeting and Fiscal Governance:** To ensure effective resource utilization, Tanzania must fully implement Performance-Based Budgeting (PBB), linking public expenditure to measurable development outcomes and goals like most UMICs. Most of UMICs utilise Big Data analytics and AI-driven performance monitoring to track the efficiency of government spending. Thus, fiscal discipline including ring-fencing of development budget, should be reinforced through result-oriented governance frameworks that hold public institutions accountable for achieving economic and social transformation targets.

5.5. Private Sector Financing Strategy

To achieve the requisite financial resources for LTPP, a robust private sector resource mobilisation strategy is essential to attract and entice private sector financing particularly through FDIs. Table 5.2 presents requisite interventions to unlock private sector resources upon effective deployment of the following strategies:

- i. **Deepening of the Financial Sector in Tanzania:** Tanzania's financial markets remain underdeveloped, with a limited size of long-term project financing due to a shortage of bankable projects. The Dar es Salaam Stock Exchange (DSE), established in 1996, remains at a nascent stage with limited trading volume and investor diversity. Addressing structural deficiencies requires targeted reforms: enhancing monetary and regulatory frameworks, stabilising interest rates, modernising fiscal management, aligning regulations internationally, and establishing an infrastructure financing unit.

It will facilitate long-term investment in infrastructure projects by developing and promoting financial instruments. It will help structure and list these securities, making them accessible to institutional investors. It will also work to improve the regulatory environment, provide risk mitigation support, and ensure projects are investment-ready. Additionally, it will promote investor awareness and coordinate among government, private sector, and capital market stakeholders to align infrastructure development with market capabilities.

- ii. **Supportive Institutional and Regulatory Environment:** A robust institutional and regulatory environment is foundational to deepening financial markets. The Bank of Tanzania (BoT) must continue improving and modernizing its monetary policy to enhance liquidity management and financial stability and allow provision of long-term financing particularly for DFIs. Capital Markets and Securities Authority (CMSA) should entice more foreign participation and create an environment for the development of private equity and venture capital to facilitate SMEs to raise capital through equity and debt issuances, with the Enterprise Growth Market (EGM) serving as a principal exit route. Reducing entry barriers will not only enhance market capitalisation and liquidity but also improve predictability and accessibility, both essential for mobilising long-term savings and promoting a more dynamic capital market.
- iii. **Policy and Regulatory reforms:** Although the Blueprint for Regulatory reforms to improve business environment in Tanzania has been developed, implemented and regulatory impact assessment done, there remain some areas for improvement specifically: simplification of licensing and permits by operationalizing a one-stop shop; Enhancing transparency by publishing clear and consistent regulations to reduce uncertainty for investors; Strengthening of comprehensive e-governance systems to facilitate online registration, tax filings, and

other essential investor services; Strengthen legal frameworks to protect property rights, enforce contracts, and resolve disputes efficiently; Targeted tax incentives in identified transformative sectors, while refraining from blanket strategic incentives operating currently; and alignment of tax policies with competitive regional standards to attract and retain investors, making Tanzania a more appealing destination for both domestic and foreign investment.

- iv. **Strengthen the Investment Promotion and Facilitation:** Investment promotion and facilitation institutional framework needs to be strengthened to function as a comprehensive one-stop shop, offering seamless end-to-end support for investors from project inception, registration to execution, while closely coordinating with the regulatory authorities, especially for transformative economic sectors. Additionally, the investment promotion and facilitation institution have to leverage on the expertise of national think tanks and development partners to reinforce a dedicated Project Preparation and Investment Facility/Platform. This facility will be responsible for identifying, screening, and structuring high-impact projects; providing technical support such as feasibility studies, business plans, and matchmaking services; and operating as a one-stop centre for project readiness. These efforts aim to boost investor confidence and accelerate capital inflows.

- v. **Development Partnerships and International Cooperation:** In the ever-changing world of technology, the journey to growth and innovation often stretches beyond having a ground-breaking idea or a top-notch product. It is also about the linkages, partnerships, and collaborations. It is through strategic partnerships and international cooperation that Tanzania will be able to effectively realise the Vision2050. This could be strengthened by: Leveraging strategic partnerships entailing strong alliances with bilateral, multilateral, and regional partners for a smarter and transformative economy.
- vi. **Leveraging regional integration mechanisms:** Regional integration helps overcome barriers that limit the flow of goods, services, capital, people, and ideas, boosting economic growth, especially in developing countries. Regional integration is achieved through joint projects, like large-scale infrastructure and value chain initiatives, where countries collaborate on all or part of the activities to benefit the broader region. Regional financial integration can address issues in Africa's fragmented markets by consolidating savings, investments, and financial infrastructure.

Table 3.53: Fostering Mindset Change to Embed Reforms

Target	Interventions	Responsible	Five-Year Development Plans				
			I	II	III	IV	V
Source of Finance 1: Foreign Private Capital through Capital Markets and Securities (CMS)							
Limited participation of foreign private investors in the Capital Markets. This is despite the CMS's Foreign Investors Amendments Regulations 2014 which removed restrictions (60 percent cap) to foreigners	i. Liberalize Capital Account beyond EAC and SADC to enhance foreign investors' confidence and thus attract more foreign private capital to boost investment at CMS, preferably double the prevailing level of TZS 52.3 trillion (Feb 2025).	MoF, BoT, and CMSA					
	ii. Create an attractive environment for foreign investors from outside (EAC and SADC) to participate in CMS – targeting to raise their share to 25% of total investment by 2050.	CMSA					
	iii. Entice private capital investment from the Diaspora and other Tanzanians with offshore accounts (<i>in 2024 TZ's offshore accounts worth USD 3.3 billion</i>), targeting 50% of the balance in those accounts.	CMSA					

Target	Interventions	Responsible	Five-Year Development Plans				
			I	II	III	IV	V
Source of Finance 2: Public-Private Partnership							
PPP financing is below 0.5 percent of GDP despite the country's infrastructure needs.	i. Strengthen the Public-Private Partnership Centre (PPPC) to prepare bankable PPP projects.	Public-Private Partnership Centre (PPPC)					
	ii. Establish a PPP Performance Enhancement Framework to track progress, benchmark globally, and incorporate stakeholder feedback to improve policies and execution by 2030.	PPPC					
	iii. Introduce long-term PPP financing models to attract private investment by 2030	PPPC					
	iv. Review of the legal and regulatory framework governing PPPs to incentivize greater private-sector involvement, streamline procurement and approvals, and accelerate project delivery timelines for maximum developmental impact. Robust risk-sharing mechanisms, including government guarantees and co-financing arrangements introduced to attract private investments.	PPRA & PPPC					

Target	Interventions	Responsible	Five-Year Development Plans				
			I	II	III	IV	V
Source of Finance 3: Actualization of FDIs							
Slow actualization of registered FDI projects (Annual Gap between registered versus actual FDI flows currently (2024) stands at USD 7 billion)	i. Hasten implementation of the National Blueprint II to attract USD 6 billion registered FDI on the pipeline.	TIC/MDAs					
	ii. Resolve recurring business costs/risks associated with policy unpredictability, transparency/engagement in the budget process, and currency risks. Measures on these shortfalls to be instituted by 2030.	MoF & BoT					
	iii. Make adequate land available for investment to minimize time spent by investors search for affordable and ideal business location.	TIC and LGAs					
	iv. Ease exit risk to give investors assurances that they can exit by selling their stakes in a project and recouping their gains. This is part of the reforms to be accomplished by 20230 involving measures such as strengthening financial markets through which investors can exit by issuing shares; Resolve all forms of capital controls and strengthen commercial courts for investors not to get bogged down in legal battles to have their rights recognised.	CMSA, BoT, AG.					

Target	Interventions	Responsible	Five-Year Development Plans				
			I	II	III	IV	V
Source of Finance 4: Green Financing/Natural Capital							
The carbon market is externally dominated with unclear pricing mechanisms. The world's carbon market stands at USD 33 trillion while Tanzania's annual earnings from carbon trade is merely USD 1 billion despite its huge potential.	<ul style="list-style-type: none"> i. Establish Dodoma Carbon Exchange (DCX) – a voluntary carbon market to facilitate the trading of carbon credits between publicly listed companies and green asset owners for carbon offsets. ii. Sign carbon trading implementation agreement with one of the advanced Carbon Exchange Market in one of the partner states by 2035. Such agreement promotes integrity and is a way of branding the country as it progresses toward developing own carbon exchange market. 	CMSA, Tanzania National Carbon Monitoring Centre (NCCM); Carbon Monitoring Centre & Tanzania Mercantile Exchange					
Green bonds remain on a small scale as banks/players are participating in the markets in stand-alone.	<ul style="list-style-type: none"> i. Incentivize local banks/ corporates to form consortiums when auctioning green bonds in global financial markets to attract more financing. (Kudo to CRDB and NMB for attempting and securing USD 350 million (London Stock Exchange, Japan's MUFG Bank, and IFC). Two banks formed a consortium when launching their green bond would have attracted more money than what they mobilised in isolation. ii. Negotiate for debts swaps for climate as way of leveraging climate finance. 	CMSA, BoT & MoF					

Target	Interventions	Responsible	Five-Year Development Plans				
			I	II	III	IV	V
Source of Finance 5: Government Guarantees and Infrastructure Bonds for Boosting Roads Network for Rural and Urban Areas							
Unfavourable domestic financing ecosystem, partly due to the high cost of long-term financing. This limit private sector participation in development projects.	i. Reform and capitalise the Development Banks (Agriculture and Investment Banks).	MoF and BoT					
	ii. Sustain and scale up a five-year Infrastructure Bond to TZS 5 trillion by 2050 (<i>currently worth TZS 323 billion, with issuance success/oversubscribed by 215.4%</i>)	MoF, CMSA, and TARURA					
	iii. Scale up Government Guarantees (GGs) to de-risk private sector investment in infrastructure and energy and ease private sector access to finance. This is continuous. Can be costly and carry fiscal risks. But, many projects in development sectors won't happen without them.	MoF					
	iv. Scale up the Bank of Tanzania Agriculture Affordable Financing Programme from the existing seed money of TZS 1 trillion to 5 trillion.	BoT					
Limited investment options in the banking industry, mainly associated with extra-cautious policies.	i. Facilitate capacity building and licensing of low-cost digital banking by 2030.	BoT					
	ii. Scale internet banking to account for 30% of transactions by 2030.						

Target	Interventions	Responsible	Five-Year Development Plans				
			I	II	III	IV	V
Source of Finance 6: Government Suppliers							
	i. Institute preferential tendering process to scale up local participation in development projects by 2030	MoF, PPRA					
	ii. Settlement of all arrears to government suppliers by 2030.	MoF					
Source of Finance 7: Institute Sovereign Wealth Fund							
Lack of fiscal buffer/ stabilization fund to enhance resilience and sustainability.	i. Establish Sovereign Wealth Fund by 2030 for fiscal stabilization and transforming natural resource wealth into financial assets for future generation.	MoF					
	ii. Scale up the Fund by 30% through investment in financial assets by 2045.						

CHAPTER
ONECHAPTER
TWOCHAPTER
THREECHAPTER
FOURCHAPTER
FIVECHAPTER
SIX

→ Risk Assessment and Proposed Mitigations

6.1. Overview

This chapter presents a preliminary assessment of key risks that may hinder the successful implementation of the Long-Term Perspective Plan 2050 (LTPP). It identifies and categorizes risk areas, both generic and sector-specific, that could negatively impact the achievement of the plan's goals and objectives if not properly managed. The chapter also provides a risk heatmap to illustrate the overall risk profile and prioritises areas requiring urgent attention. Proposed mitigation measures are suggested for each identified risk to enhance the resilience, adaptability, and effectiveness of LTPP implementation.

6.2 Key Risk Areas against LTPP Goals and Objectives

Inherently, each goal (and specific objectives) in the LTPP is likely to face uncertainty of achievement emanating from various categories of risks which, if left unmitigated, may compromise the realisation of the Vision 2050. Twenty-three (23) risk areas (RA) have been identified to have the potential of affecting the achievement of LTPP goals and specific objectives. The risk areas are categorized from generic risks to sector-specific risks, as detailed in the next sub-sections.

6.2.1 Generic Risk Areas

The generic risk areas are a category of risk that cuts across all goals and objectives, with the possibility of having a causal effect both on objectives and among themselves. This means one risk area can also influence another risk area/ or multiple risk areas, for example, the influence of the governance framework, political hygiene, regulatory environment, internal security, energy and infrastructure can significantly influence the country's business environment. The following are the identified generic risks:

- i. **Economic risks:** Economic events that may affect the country's fiscal stability and overall wellbeing, resulting from high levels of external debt dependence, trade imbalances, uncontrolled exchange rates, and dependence on commodity exports, and the collapse of key industries.
- ii. **Governance risks:** Potential threats to the stability, effectiveness, and integrity of the Government and its Institutions may lead to falling public trust in the Government and the overall regulatory environment.
- iii. **Political hygiene and ideological risks:** Increased pervasiveness of unclean political activities, characterized by polarised ideological stances, political mudslinging of opposing sides, and covert violence.
- iv. **Geopolitical risks:** Endangered integrity, stability, safety and/ or prosperity of the Country's territory and people, originating from actors/ activities outside the borders.
- v. **Internal security risks:** Potential for increased level of unrest due to increased organized crimes, terrorism, drug/ human trafficking, leading to loss of life, damage to infrastructure, disrupting of investment and trade.
- vi. **Business environment risks:** The business environment may not be attractive, supportive and/ or enabling for both local and international investment.
- vii. **Regulatory risks:** Complex and unclear regulatory framework may increase compliance costs, new business registrations, tax evasion/ avoidance by investors, corruption and hinder long-term planning by foreign investors.
- viii. **Infrastructural risks:** Coverage, integrity, or quality of infrastructure networks (for transport, information, water and energy generation and transmission) may not match rapid expansion and demand from other sectors of development.
- ix. **Technological risks:** Increased computerisation and adoption of new technologies may expose both Government and private institutions to massive data breaches, international cyber-attacks, and premature redundancy of existing IT facilities.
- x. **Education and knowledge infusion risks:** Inefficiencies in the education system and non-alignment of pillars of knowledge-led economy may cause the country's workforce and the general society to be less competitive in the local and global knowledge-based world employment and business.
- xi. **Environmental risks:** Increased frequency and scale of extreme weather events (e.g. drought, floods, and pollution of land and water bodies) may bring about ecological damage, food insecurity, loss of people, animals and marine lives, water scarcity, and damaged settlements and physical infrastructure.

- xii. **Demographic risks:** Overpopulation of urban areas, caused by population growth, the youth-burgeoning, may bring about expansion of unplanned settlements, social crises due to higher unemployment rates and overwhelmed social services like housing, security, education, water and sanitation, health services, and food shortages.
 - xiii. **Public health risks:** Public health services may be overwhelmed or fall below the expected quality standard and coverage, coupled with possibilities of health emergencies that may put the general population due to pandemics, outbreak of infection diseases, or exposure to chemical, biological, radiological agents.
- i. **Agricultural risks:** Inefficiencies in agriculture, both for crop farming and animal husbandry, caused by failure of enabling/ supportive factors (climate, finances, extension services, farming inputs, markets local and export etc), resulting in reduced food security, decline in crop processing and trading, and overall economic stagnation.
 - ii. **Manufacturing and industry risks:** Inefficiencies or low development of industry-enablers (e.g. skilled workforce, access to capital, reliable energy, markets, water, transportation and communication networks) may not align growth in manufacturing.
 - iii. **Mining sector risks:** Frequent changes in the regulatory framework and stagnancy in other supportive sectors may increase the sense of investment uncertainty among existing and potential investors (especially foreign), leading to slow large-scale mineral explorations and extraction, or investment in mineral processing plants by private investors.
 - iv. **Oil and gas risks:** Exploration and drilling of oil and gas reserves may not reach the visioned potential due to high developmental costs, lengthy contractual, compliance and/ or regulatory requirements, lack of technology and local talent.
 - v. **Tourism risks:** The number of foreign tourists may fall, caused by changes in global travel patterns, falling number of wildlife, poor hospitality services, crime, or rising competition from destinations.

6.2.2 Sector-Specific Risk Areas

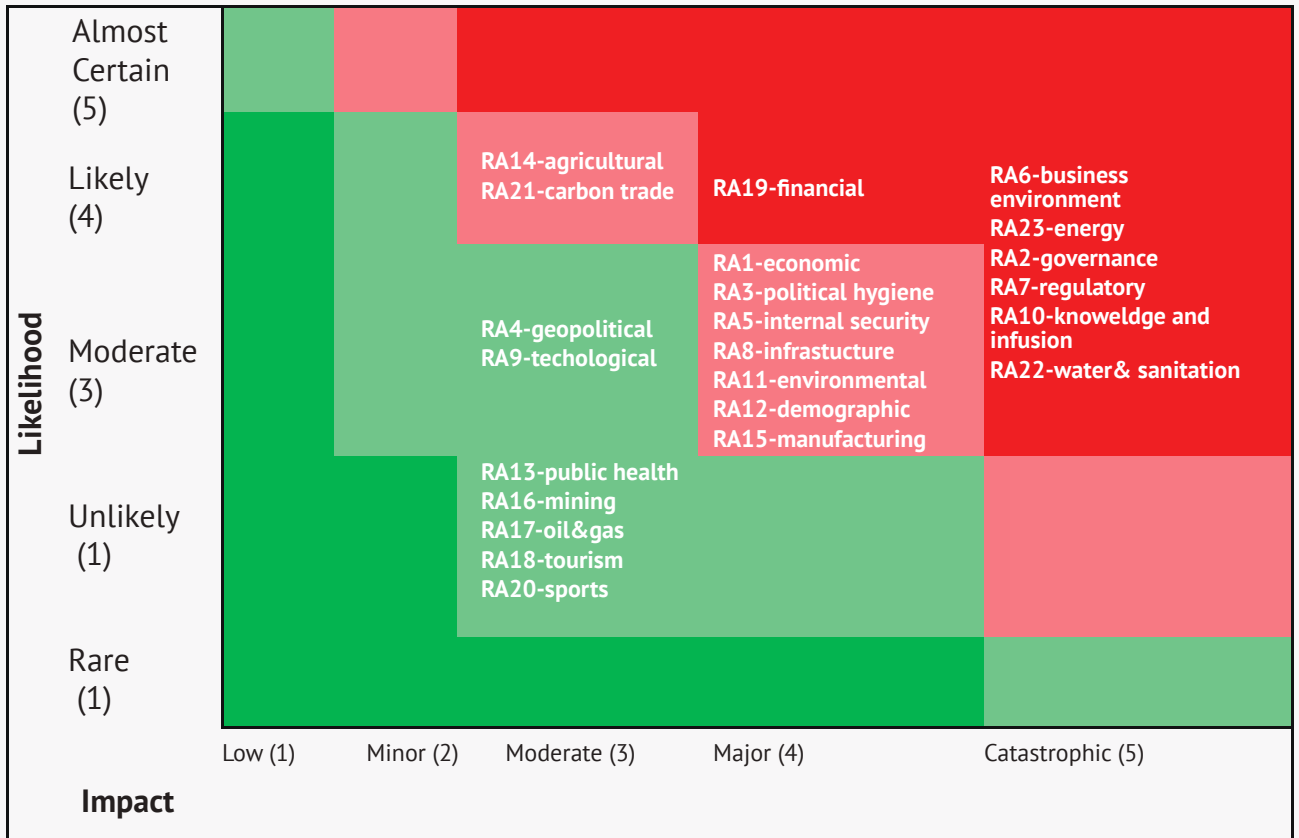
In addition to cross-cutting generic risks, the implementation of LTPP may also face challenges unique to specific sectors of the economy. These sector-specific risks stem from structural weaknesses, policy and regulatory gaps, technological limitations, market uncertainties, and capacity constraints within individual sectors. Identifying these risks is essential for developing targeted mitigation strategies to safeguard sectoral contributions to national development. The following outlines key sector-specific risks that may impact the attainment of Dira 2050 objectives.

- vi. **Financial sector risks:** The possibility that the financial sector might not be supportive of the increased demand for investment capital and volume of transactions, causing financial hiccups and uncertainty among investors and the general public.
- vii. **Sports and creativity risks:** Youth may not be attracted to pursue careers in the sports and creativity industry.
- viii. **Carbon trade risks:** Newness of the sector, limited knowledge at local level, and lack of established legal framework for carbon trading may slow participation of local communities in carbon trading.
- ix. **Water & sanitation risks:** Water sources may be depleted or polluted, and budgetary resources. Water production may not align with the level of commercial water usage in plants, water distribution infrastructures and sanitation networks match the explosive population growth and urbanisation.
- x. **Energy sector risk:** Energy generation, transmission and distribution capacity may not match the increased demand for power consumption by other sectors of the economy. There is a risk that the energy sector may face limited access to finance for capacity expansion and/or operation, aging or inadequate grid infrastructure, outdated power generation plants and distribution lines, reliance on single energy sources (e.g. hydropower which is susceptible to falling water levels due to climate change), high electricity losses during distribution, corruption and managerial inefficiencies during planning, implementation, and management of energy projects.

6.3. Risk Heatmap for Key Risk Areas

To better understand the overall risk exposure associated with the implementation of LTPP, a risk heatmap has been developed. This tool provides a visual representation of the likelihood and potential impact of each identified risk area. By mapping risks across a matrix, the heatmap helps prioritize areas requiring urgent mitigation efforts and allows policymakers to allocate resources more effectively. The classification into extreme, high, and moderate risk levels guides targeted interventions and ongoing monitoring to safeguard the achievement of Dira 2050 objectives. The overall risk profile for LTPP is presented in Figure 6.1.

Figure 6:1. A Risk Heatmap



Key

- Catastrophic impact
- Major impact
- Moderate impact
- Low impact

In summary, seven (7) risk areas are estimated to be extreme (in red region), and nine (9) risk areas are estimated to be high (in light brown region), hence requiring immediate attention and implementation of mitigations, and to be monitored regularly. Seven (7) risk areas are rated as moderate, hence requiring some steady improvement in existing controls and/ or implementation of mitigations.

6.4. Mitigation Measures

Effective mitigation of the risks identified in the implementation of LTPP is essential for ensuring the Plan’s resilience, adaptability, and success. For each of the 23 risk areas, specific and actionable measures have been proposed, tailored to the risk profile and sectoral context. These measures aim to either reduce the likelihood of occurrence or lessen the potential impacts should the

risks materialize. The mitigation strategies combine regulatory reforms, capacity building, stakeholder engagement, and technology adoption, among others. Table 6.1 summarises the risk areas alongside their corresponding mitigation measures, which should be pursued as LTPP implementation is underway.

Table 6.1: Risk Mitigation Measures

Risk Area	Mitigation Measures
RA1: Economic Risks	Diversify the economy; strengthen domestic revenue mobilisation; manage public debt sustainability; enhance export competitiveness and industrial policy; maintain macroeconomic stability through fiscal and monetary discipline.
RA2: Governance Risks	Improve transparency, accountability and anti-corruption frameworks; enhance public sector efficiency; strengthen institutions of checks and balances; ensure budget discipline and participatory governance, especially at sub-national levels.
RA3: Political Hygiene & Ideological Risks	Promote civic education; ensure inclusive political dialogue; enforce electoral integrity; strengthen democratic institutions; promote national cohesion and ideological tolerance.
RA4: Geopolitical Risks	Strengthen diplomatic relations and regional cooperation; enhance border security and intelligence; develop contingency plans for external shocks; build strategic reserves and diversify trade and market sources and destinations of our exports.
RA5: Internal Security Risks	Invest in law enforcement and crime prevention; strengthen anti-terrorism and anti-trafficking units; promote community policing; address socioeconomic inequalities to reduce drivers of unrest.
RA6: Business Environment Risks	Simplify business registration and licensing; ensure policy consistency; improve physical infrastructure; promote public-private dialogue; enforce protection of property and investment rights.
RA7: Regulatory Risks	Harmonise and streamline regulatory frameworks; digitise compliance systems; conduct regular regulatory impact assessments; improve investor awareness on compliance obligations.
RA8: Infrastructure Risks	Prioritise infrastructure financing; promote PPPs in infrastructure; improve maintenance culture; climate-proof infrastructure development; strengthen spatial planning and enforcement.
RA9: Technological Risks	Strengthen national cybersecurity frameworks; invest in digital literacy; promote ethical AI and data governance; build resilient ICT infrastructure; foster local innovation ecosystems.

Risk Area	Mitigation Measures
RA10: Education & Knowledge Infusion Risks	Align curricula, especially for TVET, with market needs; invest in STEM and vocational training; enhance teacher training and incentives; promote inclusive education; strengthen R&D and university-industry linkages.
RA11: Environmental Risks	Mainstream climate resilience across sectors; enforce environmental protection laws; strengthen early warning systems; invest in sustainable land and marine resource use; promote green technologies.
RA12: Demographic Risks	Promote inclusive urban planning; expand access to family planning services; invest in youth employment programmes; scale up social services; strengthen rural development to curb urban migration.
RA13: Public Health Risks	Strengthen health systems and coverage; invest in disease surveillance and emergency preparedness; promote universal health coverage; improve health infrastructure and personnel distribution.
RA14: Agricultural Risks	Promote climate-smart agriculture; improve access to finance and markets; strengthen extension services and mechanisation; secure land rights; expand irrigation and storage facilities.
RA15: Manufacturing & Industry Risks	Provide incentives for local manufacturing; enhance access to credit and energy; upgrade infrastructure; develop skilled labor through TVET; simplify regulations and export procedures.
RA16: Mining Sector Risks	Stabilise mining policy framework; strengthen investor protection; formalise artisanal mining; improve value addition and local content; upgrade geological data systems.
RA17: Oil and Gas Risks	Improve investment frameworks; attract technical partnerships; build local skills; mitigate environmental risks; ensure transparency and public engagement in resource governance.
RA18: Tourism Risks	Enhance tourism marketing; diversify tourism products; improve wildlife conservation; invest in hospitality training; ensure safety and infrastructure in tourist zones.
RA19: Financial Sector Risks	Deepen financial markets; strengthen regulatory oversight; promote digital financial inclusion; improve credit infrastructure; increase financial literacy and consumer protection.
RA20: Sports & Creativity Risks	Invest in grassroots sports and cultural programmes; improve facilities; establish creative industry hubs; promote talent development and commercialisation; integrate arts in education.

Risk Area	Mitigation Measures
RA21: Carbon Trade Risks	Develop a national carbon market framework; raise local awareness; build institutional capacity; promote participation of local communities; strengthen MRV (Measurement, Reporting & Verification) systems.
RA22: Water & Sanitation Risks	Increase investments in water infrastructure; improve water governance and utility efficiency; implement integrated water resources management; expand rural and urban sanitation coverage.
RA23: Energy Sector Risks	Diversify energy sources (e.g., solar, wind, LNG); invest in grid modernisation; reduce transmission losses; attract private investment; strengthen planning and regulatory institutions.

Annex 1: UMIC Comparatives and Data Sources

Indicator	South Africa	Brazil	Mexico	Turkey	Malaysia	Mean UMIC
Economic and Financial Indicators						
GDP (USD) Billion	351.43	1,920.00	1,410.00	905.00	434.00	99.22
GDP per Capita (USD)	6,001.00	8,857.00	10,045.00	10,616.00	11,109.00	7,485.25
Economic Diversification (Manufacturing as % of GDP)	13.2	9.6	17.3	19.2	22.3	10.575
Credit-to-GDP Ratio (% of GDP)	70	70	45	60	80	62.5
Export Complexity Index (higher is better)	0.3	0.3	0.5	0.4	0.6	0.125
Foreign Direct Investment Inflows (USD, billions)	4.6	50	35	15	12	1.775
Agriculture Indicators						
Agriculture contribution to GDP %	2.4	5.5	3.8	6.2	7.1	3.675
Cereal Yield (kg per hectare)	3800	4901	3981	3163.9	3750	3325
Irrigated Land as (%of Tot. Agriculture Land)	1.6	6	23	30	5.5	7.3325

Indicator	South Africa	Brazil	Mexico	Turkey	Malaysia	Mean UMIC
Environmental Indicators						
Forest Coverage (% of land area)	7.6	59	33	15	67	13.475
CO2 Emissions (metric tons per capita)	7.5	2.2	3.9	4.5	7.6	3.825
Renewable Energy Use (% of total energy consumption)	10	45	20	15	6	27.25
Urban Waste Collection (% of urban population)	80	215.3	126.7	85.3	33.9	76.25
Energy and Technology Indicators						
Electricity Generation (MW)	66,700	222,000	104,000	107,000	37,900	107,520
Electricity Consumption per Capita (kWh)	4200	2600	2100	3000	4500	2450
Oil Consumption per Capita (kg)	1000	724	828.2	10,014	965.5	700
Internet Penetration (% of population)	68	74	70	75	84	48.5
Digital Literacy & Readiness	>50%	Medium	Medium	Medium	Medium-High	50
Manufacturing and Processing Indicators						
Manufacturing as % of GDP (Economic Diversification)	12.8	10.9	18.3	18.6	22.3	15
Export Complexity Index (ECI)	0.5	0.6	1.1	0.8	0.9	0.7
Foreign Direct Investment (FDI) in Manufacturing Sector	1.5	5	4	3	2.5	3.2
Value Added per Manufacturing Worker	25000	20000	22000	18000	30000	23000
Social and Human Development Indicators						
Life Expectancy (Years)	64.1	75.9	75.1	77.7	76.3	68.3
Infant Mortality Rate (per 1,000 live births)	25	12.4	12.6	9.2	6.7	25.5
Maternal Mortality Ratio (per 100,000 live births)	119	60	33	17	29	130.25

Indicator	South Africa	Brazil	Mexico	Turkey	Malaysia	Mean UMIC
Under-Five Mortality Rate %	31.2	14	15	11	8	31
Primary Education Enrollment (% Gross)	98	104	104.6	102	104.38	100.5
Mean Years of Schooling	10.2	8	9.2	8.5	10.4	8.75
Tertiary Education Enrollment (% of relevant age group)	24.6	51.3	46.4	115	45.1	25.5
Human Development Index (HDI)	0.709	0.754	0.758	0.838	0.807	0.7215
Employment in Services (% of total employment)	72	70.78	61	56	65	65
Urbanisation (% of population)	66	87.8	81.6	77.5	78.7	56.5
Governance, Stability, and Institutional Indicators						
Corruption Perceptions Index (CPI, higher is better)	44	110	140	110	57	52.25
Political Stability Index (higher is better)	-0.3	-0.31	-0.51	-0.88	0.03	0.15
Global Peace Index	118	2.3	2.6	2.8	1.5	50
Research Funding (% of GDP)	0.85	1.15	0.27	1.4	0.95	0.495
Equity and Inclusion Indicators						
Gini Coefficient (0=perfect equality, 1=max inequality)	0.63	0.529	0.5	0.415	0.411	0.5275
Bank Account Access (% of population ages 15 and older)	70	84	49	74	85	63.75
Access to Safe Water (% of population)	93	85.77	43.03	NA	93.82	50
Poverty Rate (% of population below national poverty line)	55.5	21.4	43.9	32.1	5.6	24.35
Population	62,027,503	220,051,512	130,739,927	84,119,531	33,573,874	

Data Sources	
Economic and Financial Indicators	<ul style="list-style-type: none"> World Bank. (2024). <i>GDP per capita, Economic diversification, Credit-to-GDP Ratio, Export Complexity, FDI inflows</i>. Retrieved from https://data.worldbank.org UNCTAD. (2024). <i>World Investment Report</i>. Retrieved from https://unctad.org/topic/investment/world-investment-report Harvard CID. (2024). <i>Atlas of Economic Complexity</i>. Retrieved from https://atlas.cid.harvard.edu
Agricultural Indicators	<ul style="list-style-type: none"> World Bank. (2024). <i>Agriculture contribution to GDP, Cereal yield, Irrigation statistics</i>. Retrieved from https://data.worldbank.org FAO. (2024). <i>Agriculture Statistics</i>. Retrieved from https://www.fao.org
Environmental Indicators	<ul style="list-style-type: none"> World Bank. (2024). <i>Forest Coverage, CO₂ Emissions per capita</i>. Retrieved from https://data.worldbank.org International Renewable Energy Agency (IRENA). (2024). <i>Renewable Energy Statistics</i>. Retrieved from https://www.irena.org UN-Habitat. (2024). <i>Urban Waste Collection statistics</i>. Retrieved from https://unhabitat.org
Energy and Technology Indicators	<ul style="list-style-type: none"> International Energy Agency (IEA). (2024). <i>Electricity Generation Capacity, Consumption per capita</i>. Retrieved from https://www.iea.org International Telecommunications Union (ITU). (2024). <i>Internet Penetration, Digital Literacy Statistics</i>. Retrieved from https://www.itu.int
Social and Human Development Indicators	<ul style="list-style-type: none"> World Health Organisation (WHO). (2024). <i>Life Expectancy, Infant and Maternal Mortality</i>. Retrieved from https://www.who.int UNESCO Institute for Statistics. (2024). <i>Primary and Tertiary Education Enrollment, Mean years of schooling</i>. Retrieved from https://data.uis.unesco.org United Nations Development Programme (UNDP). (2024). <i>Human Development Index (HDI)</i>. Retrieved from https://hdr.undp.org International Labour Organisation (ILO). (2024). <i>Employment Statistics</i>. Retrieved from https://ilostat.ilo.org
Governance, Stability, and Institutional Indicators	<ul style="list-style-type: none"> Transparency International. (2024). <i>Corruption Perceptions Index (CPI)</i>. Retrieved from https://www.transparency.org World Bank. (2024). <i>Worldwide Governance Indicators (Political Stability)</i>. Retrieved from https://info.worldbank.org/governance/wgi Global Peace Index. (2024). <i>Peace and Stability Rankings</i>. Retrieved from https://www.visionofhumanity.org

Data Sources	
Equity and Inclusion Indicators	<ul style="list-style-type: none"> World Bank. (2024). <i>Poverty, Financial Inclusion, Gini Coefficient</i>. Retrieved from https://data.worldbank.org Transparency International. (2024). <i>Corruption Perceptions Index</i>. Retrieved from https://www.transparency.org UNICEF & WHO Joint Monitoring Programme (JMP). (2024). <i>Access to Safe Water</i>. Retrieved from https://washdata.org CIA World Factbook. (2024). <i>Youth Unemployment Rates</i>. Retrieved from https://www.cia.gov/the-world-factbook
Population Data	<ul style="list-style-type: none"> United Nations Population Division. (2024). <i>Population Data</i>. Retrieved from https://population.un.org

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Macroeconomic Indicators			
GDP per Capita at current prices (TZS Millions)	2024	205,846,493	State of the Economy Report, 2024
Consumer Price Index (Percent)	2024	3.1	State of the Economy Report, 2024
Balance of Merchandise Trade (US Millions)	2024	-5,157.20	State of the Economy Report, 2024
Real GDP (mp) (Percent)	2024	5.5	State of the Economy Report, 2024
Nominal GDP (mp) (Percent)	2024	10.2	State of the Economy Report, 2024
Investment to GDP (Percent)	2024	37.1	State of the Economy Report, 2024
Savings to GDP (Percent)	2024	23.8	State of the Economy Report, 2024
CPI Inflation (Period Average) (Percent)	2024	3.1	State of the Economy Report, 2024

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Short-Term Lending Rate (Up to one year) (Percent)	2024	15.82	State of the Economy Report, 2024
Short-Term Deposits (12 Months) (Percent)	2024	7.85	State of the Economy Report, 2024
Interest Rate Spread (One year)	2024	6.65	State of the Economy Report, 2024
Exchange Rate (TZS/USD), Annual Average	2024	2610.50	State of the Economy Report, 2024
M3 Growth Rate (Percent)	2024	11.1	State of the Economy Report, 2024
M2 Growth Rate (Percent)	2024	9.3	State of the Economy Report, 2024
Non-Performing Loans (Percent)	2024	3.3	State of the Economy Report, 2024
Growth of Credit to Private Sector (Percent)	2024	12.4	State of the Economy Report, 2024
Export of Goods to GDP (Percent)	2024	11.6	State of the Economy Report, 2024
Export of Goods and Services to GDP (Percent)	2024	20.3	State of the Economy Report, 2024
Import of Goods to GDP (Percent)	2024	18.0	State of the Economy Report, 2024
Import of Goods and Services to GDP (Percent)	2024	20.3	State of the Economy Report, 2024
Current Account to GDP (Percent)	2024	-2.6	State of the Economy Report, 2024
Reserve Months to Import	2024	4.4	State of the Economy Report, 2024
Domestic Revenue to GDP (Percent)	2024	15.1	State of the Economy Report, 2024
Tax Revenue to GDP (Percent)	2024	12.5	State of the Economy Report, 2024

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Total Expenditure (Net Lending) to GDP (Percent)	2024	18.5	State of the Economy Report, 2024
Recurrent Expenditure to GDP (Percent)	2024	11.1	State of the Economy Report, 2024
Development Expenditure to GDP (Percent)	2024	7.4	State of the Economy Report, 2024
Foreign Borrowing to GDP (Percent)	2024	2.0	State of the Economy Report, 2024
Domestic Borrowing to GDP (Percent)	2024	1.1	State of the Economy Report, 2024
Contribution of Informal Sector to GDP (%)	2023	0.451	QIES) World Economics
Credit to Private Sector to GDP Ratio (%)	2024	17.5	NBS
Current Account Balance (% of GDP)- Manufactured goods	2024	-2.6	BOT
Traditional Commodities			
Coffee (% of total exports)	2024	3.2	Ministry of Finance
Cotton (% of total exports)	2024	0.8	Ministry of Finance
Sisal (% of total exports)	2024	0.3	Ministry of Finance
Tea (% of total exports)	2024	0.2	Ministry of Finance
Tobacco (% of total exports)	2024	5.6	Ministry of Finance
Cashewnuts (% of total exports)	2024	5.9	Ministry of Finance
Cloves (% of total exports)	2024	0.2	Ministry of Finance

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Non-Traditional Commodities			
Minerals (% of total exports)	2024	45.2	Ministry of Finance
Manufactured goods (% of total exports)	2024	14.7	Ministry of Finance
Fish and Fish Products (% of total exports)	2024	2	Ministry of Finance
Horticultural produce (% of total exports)	2024	5.6	Ministry of Finance
Re-export (% of total exports)	2024	2.6	Ministry of Finance
Other exports (% of total exports)	2024	9.2	Ministry of Finance
Exchange Rate Stability (variance or index)	2025	0.12	BOT
FDI inflows (USD million)	FY2023/24	1648.9	Ministry of Finance
Fiscal Deficit (% of GDP) - including grants	FY2023/24	-4.3	Ministry of Finance
GDP Growth (%)	2024	5.5	Ministry of Finance, NBS
GDP Per Capita (USD)	2024	1227.4	Ministry of Finance, NBS
GNI Per Capita (USD)	2024	1200	Ministry of Finance, NBS
Gross Domestic Saving as % of GDP	2023	18	Ministry of Finance, NBS
Growth rate in key sectors at constant 2015 prices (agriculture, construction, manufacturing (%))			
Agriculture, Forestry and Fishing Growth (%)	2024	4.1	Ministry of Finance
Mining and quarrying Growth (%)	2024	8.3	Ministry of Finance
Manufacturing Growth (%)	2024	4.8	Ministry of Finance
Electricity supply Growth (%)	2024	14.4	Ministry of Finance

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Water supply, sewerage, waste management Growth (%)	2024	4.1	Ministry of Finance
Construction Growth (%)	2024	4.1	Ministry of Finance
Wholesale and retail trade; repairs Growth (%)	2024	4.8	Ministry of Finance
Transport and storage Growth (%)	2024	4.2	Ministry of Finance
Accommodation and Food Services Growth (%)	2024	6	Ministry of Finance
Information and communication Growth (%)	2024	14.3	Ministry of Finance
Financial and insurance activities Growth (%)	2024	13.8	Ministry of Finance
Real estate Growth (%)	2024	4.3	Ministry of Finance
Professional, scientific and technical activities Growth (%)	2024	4.8	Ministry of Finance
Administrative and support service activities Growth (%)	2024	6.2	Ministry of Finance
Public administration and defence Growth (%)	2024	5	Ministry of Finance
Education Growth (%)	2024	6.2	Ministry of Finance
Human health and social work activities Growth (%)	2024	10.1	Ministry of Finance
Arts, entertainment and recreation Growth (%)	2024	17.1	Ministry of Finance
Other service activities Growth (%)	2024	5.9	Ministry of Finance
Activities of households as employers Growth (%)	2024	2.2	Ministry of Finance

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Inflation rate (%)	2024	3.1	Ministry of Finance
Inflation peak due to food shocks (yearly %)	2023	0.021	
Public Debt to GDP Ratio	2023/24	46.3	BOT
Revenue-to-GDP Ratio (%)	FY2023/24	15	WB & MoF
GDP Contributions by Sector			
Agriculture, Forestry and Fishing Share of GDP (%)	2024	26.3	Ministry of Finance
Mining and quarrying Share of GDP (%)	2024	10.1	Ministry of Finance
Manufacturing Share of GDP (%)	2024	7.3	Ministry of Finance
Electricity supply Share of GDP (%)	2024	0.2	Ministry of Finance
Water supply, sewerage, waste management Share of GDP (%)	2024	0.5	Ministry of Finance
Construction Share of GDP (%)	2024	12.8	Ministry of Finance
Wholesale and retail trade; repairs Share of GDP (%)	2024	8.6	Ministry of Finance
Transport and storage Share of GDP (%)	2024	7.5	Ministry of Finance
Accommodation and Food Services Share of GDP (%)	2024	1.1	Ministry of Finance
Information and communication Share of GDP (%)	2024	1.6	Ministry of Finance
Financial and insurance activities Share of GDP (%)	2024	3.3	Ministry of Finance

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Real estate Share of GDP (%)	2024	2.7	Ministry of Finance
Professional, scientific and technical activities Share of GDP (%)	2024	0.7	Ministry of Finance
Administrative and support service activities Share of GDP (%)	2024	2.6	Ministry of Finance
Public administration and defence Share of GDP (%)	2024	3.3	Ministry of Finance
Education Share of GDP (%)	2024	2.2	Ministry of Finance
Human health and social work activities Share of GDP (%)	2024	1.3	Ministry of Finance
Arts, entertainment and recreation Share of GDP (%)	2024	0.4	Ministry of Finance
Other service activities Share of GDP (%)	2024	0.8	Ministry of Finance
Activities of households as employers Share of GDP (%)	2024	0.2	Ministry of Finance
Share (%) of manufactured exports	2024	14.7	Ministry of Finance (NBS)
Total GDP (USD million)	2024	78853.3	Ministry of Finance (NBS)
Financial Sector			
Commercial Banking			
Capital Adequacy Ratio (CAR) (%)	2024	19.3	BOT
Private Sector Credit to GDP (%)	2024	22.5	BOT
Deposit to GDP Ratio (%)	2024	27.2	BOT

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Financial Inclusion Rate (%)	2023	76	BOT
Number of Commercial Banks	2024	35	BOT
Active Mobile Money Accounts (millions)	2024	60.75	BOT
Non-Performing Loans (NPL) Ratio (%)	2024	3.3	BOT
Stock Market Capitalisation to GDP (%)	2024	8.6	CMSA
Number of companies issuing securities	2024	4	CMSA
Financial Inclusion			
Percentage of adult population with access to financial services	2023	89	Bank of Tanzania
Percentage of adult population use financial services	2023	73	FinScope Tanzania 2023 Report
Percentage of adults using mobile banking and digital payment platforms (%)	2023	72	AFIR-BOT
Percentage of youth with access to financial services (banking, mobile, etc.)	2023	73	FSDT
Percentage of women with access to financial services (loans, savings, etc.)	2023	80.6	FSDT
Percentage of SMEs with access to formal credit	2023	19	TICGL (Tanzania Investment and Consultant Group Ltd)

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Percentage of reduction in non-performing loans (NPLs)	2023	16.8	Bank of Tanzania
Interest rates on SME loans (annual %)	2023	9.48	Bank of Tanzania
Number of mobile banking accounts (in millions)	2023	47.2 million	Statista
Number of digital financial transactions (USD Billion or number of transactions)	2023	5.9	Bank of Tanzania
Mobile Payments - Volume(million)	2024	6414	
Value (TZS billion)	2024	198859	
Percentage of population with basic financial literacy (e.g., savings, budgeting)	2023	60	Bank of Tanzania
Number of financial literacy programmes implemented	2024	18	Bank of Tanzania
Volume of long-term capital available for infrastructure and industry loans	2023	Data not specified	Bank of Tanzania
Percentage of businesses (SMEs, agriculture, etc.) accessing long-term credit	2023	Data not specified	Bank of Tanzania
Market capitalization of the stock exchange (USD Value)	2023	5112568548	Bank of Tanzania
Number of new companies listed on the stock exchange	2022	3	DSE

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Percentage of population covered by insurance (life, agricultural, etc.)	2023	32%	ScienceDirect
Premiums collected in the insurance sector (USD Million)	2022	200	Statista
Percentage of microfinance institutions integrated with digital services	2024	55%	Bank of Tanzania
Number of microfinance loans disbursed digitally (USD Value)	2021	8867617.78	BOT Annual Report
Amount of venture capital and angel investment (USD Million)	2022	15	UNCDF, Sahara Ventures (but MoF records as N/A)
Number of startups receiving venture capital investment	2022	32	UNCDF, Sahara Ventures
Financial Inclusion	2023	76%	Bank of Tanzania
Bank Account Ownership	2023	0.22	Bank of Tanzania
Mobile Money Account (T/U/R/Gender)	2023	0.72	Bank of Tanzania
Formal Savings	2023	0.47	Bank of Tanzania
Formal Borrowing	2023	0.36	Bank of Tanzania
Financial Exclusion	2023	0.24	Bank of Tanzania
Percentage of adults with access to formal financial services (%)	2023	89%	Bank of Tanzania
Percentage of adults using mobile banking and digital payment platforms (%)	2023	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Number of registered mobile money and digital wallet accounts	2023	Over 40 million	FSDT
Percentage of adults with active savings accounts	2023	0.18	BOT
Percentage of Male adults with active savings accounts	2023	0.22	BOT
Percentage of Female adults with active savings accounts	2023	0.13	BOT
Percentage of adults covered by insurance products	2023	15%	PMC Article
Development Finance			
Combined Capital base of DFIs (% of GDP)	2024	0.4	BOT
Capita Mix of DFIs include Private Firms, Pension Funds, Insurance Companies	2025	N/A	N/A
Non-Performing Loans	2024	19.1	BOT
Insurance Services			
Insurance Penetration (Total Premium per GDP)	2023	0.65%	Africa Re Dashboard
Insurance Density (Average Premium per Capita)	2021	15,334.1 TZS	TIRA Annual Insurance Market Performance Report 2019–2021

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Microfinance			
Capitalisation and Funding Diversification			
Paid -up Ordinary Share Capital	2024	N/A	N/A
Paid-up Preference Shares	2024	N/A	N/A
Capital Grants	2024	N/A	N/A
Donations	2024	N/A	N/A
Share Premium	2024	N/A	N/A
General Reserves	2024	N/A	N/A
Retained Earnings	2024	N/A	N/A
Profit/Loss	2024	N/A	N/A
Other Reserves	2024	N/A	N/A
Interest Rate Reduction & Risk-Based Lending (%)	2024	N/A	N/A
Percentage level of financial Inclusion Beyond Urban Centers	2025	N/A	N/A
Transition to SME-Focused Microfinance	2025	N/A	N/A
Venture Capital and Angel Investor			
Total VC & Angel Investment (\$M)	2025	\$219.27M	Statista
Number of VC & Angel Deals per year	2022	853 (Africa-wide)	AVCA Report
Notable Exits (IPO/ M&A) (Acquisitions)	2024	M&As prevalent; IPOs rare	Techpoint Africa
Global Innovation Index Rank	2024	120th out 132 countries	WIPO
Global Innovation Index Rank (Regular IPOs & large-scale M&A activity)	2023	113	

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Demography			
Population (Millions)	2024	64.2	State of the Economy Report, 2024
Life expectancy at birth, total (years)	2022	66.0	NBS Policy Implications 2023
Mean age at first marriage	2022	18.1 (no education), 23.7 (secondary+)	NBS Policy Implications 2023
Population (number in million)	2022	61.7	NBS Sensa Report 2022
Population (0-4 as % of total population)	2022	14.0%	NBS Sensa Profile 2022
Population (0-14 as % of total population)	2022	43.0%	NBS Sensa Profile 2022
Population (15-24 as % of total population)	2022	20.0%	NBS Sensa Profile 2022
Population (15-35 as % of total population)	2022	35.0%	NBS Sensa Profile 2022
Population (15-64 as % of total population)	2022	53.4%	NBS Sensa Profile 2022
Population (65+ as % of total population)	2022	6.0%	NBS Sensa Profile 2022
Population, male (% of total population)	2022	48.7%	NBS Sensa Report 2022
Population, female (% of total population)	2022	51.3%	NBS Sensa Report 2022
Population, urban (% of total population)	2022	34.4%	NBS Sensa Profile 2022
Population, rural (% of total population)	2022	65.6%	NBS Sensa Profile 2022
Sex ratio at birth (male births per female births)	2022	1.03	NBS Sensa Profile 2022
Poverty Eradication and Social Development			

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Proportion of the population living below the poverty line	2018	26.4%	NBS Statistical Abstract 2021
Extreme Poverty (Food poverty)	2018	8.0%	NBS Statistical Abstract 2021
Income Inequality (Gini coefficient)	2018	0.38	NBS Statistical Abstract 2021
Un-employment rate	2022	7.8%	NBS Policy Brief Feb 2024
Percentage of working age people in formal employment	2023	28%	Tanzania Digest via LinkedIn
Percentage of population experiencing EAC Multidimensional Poverty	2016	57.1%	UNDP Human Development Report
Health Facilities: Number of Beds	2024	123,769	State of the Economy Report, 2024
Consumption of Cement (Tons)	2024	7,705,918	State of the Economy Report, 2024
Percentage of population experiencing National Multidimensional Poverty	2016	74.43%	IARIW-TNBS Research Paper
Agriculture			
Agriculture growth rate, percent	2024	4.1	Ministry of Agriculture
Agriculture growth rate, percent (Crops)	2024	4	Ministry of Agriculture
Share of agriculture (% of GDP)	2024	26.3	Ministry of Agriculture
Share of agriculture (% of GDP) (Crops)	2024	16.1	Ministry of Agriculture
Agriculture net export (Billion USD)	2023/2024	3.54	Ministry of Agriculture

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Employment (labour force share) in agriculture (% of total)	2024	61.4	Ministry of Agriculture
Food self-sufficiency ratio (%)	2024	128	Ministry of Agriculture
Agricultural GDP (Billion USD)	2024	15.07	Ministry of Agriculture
Agricultural GDP (Billion USD) (Crops)	2024	7.93	Ministry of Agriculture
Domestic fertiliser production (Tons)	2023/2024	158,628	Ministry of Agriculture
Number of trained Extension Officers	2023/2024	7,061	Ministry of Agriculture
Field-Level Extension Workers (Public Sector)	2011	52	GFRAS
Percentage of SMEs contribution to agriculture	2023/2024	40	TICGL
Percentage of labour force contribution by SMEs	2023/2024	50	Ministry of Agriculture
Percentage of farms using mechanized equipment	2023/2024	83.8	Ministry of Agriculture
Percentage of farms using mechanized equipment (tractor)	2023/2024	40.3	Ministry of Agriculture
Percentage of farms using mechanized equipment (oxen)	2023/2024	43.5	Ministry of Agriculture
Percentage of farmers using climate-smart technologies	2023/2024	20	Ministry of Agriculture
Percentage of farmers practicing recycling and re-using of agricultural waste	2023/2024	12	Ministry of Agriculture

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Percentage of farmers with environmental management knowledge	2023/2024	50	Ministry of Agriculture
Percentage of irrigated arable land	2024	2.5	Ministry of Agriculture
Percentage of agricultural R&D expenditure to GDP	2023/2024	0.026	Ministry of Agriculture
Percentage of agricultural output processed locally	2019/2020	10	Ministry of Agriculture
Percentage of marketable surplus sold through structured markets	2019/2020	36	Ministry of Agriculture
Share of Private Sector investment in agriculture (%)	2023/2024	14.9	Ministry of Agriculture
Average yield per hectare (tons/Ha) for key chain values			
Maize	2023/2024	2.1	Ministry of Agriculture
Paddy	2023/2024	4.0	Ministry of Agriculture
Beans	2023/2024	1.6	Ministry of Agriculture
Cassava	2023/2024	2.3	Ministry of Agriculture
Wheat	2023/2024	1.4	Ministry of Agriculture
Cashew (kg/tree)	2023/2024	10.0	Ministry of Agriculture
Cotton	2023/2024	1.3	Ministry of Agriculture
Tobacco	2023/2024	1.5	Ministry of Agriculture

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Coffee	2023/2024	1.0	Ministry of Agriculture
Tea	2023/2024	1.5	Ministry of Agriculture
Sisal	2023/2024	1.4	Ministry of Agriculture
Pyrethrum	2023/2024	0.8	Ministry of Agriculture
Sunflower	2023/2024	1.1	Ministry of Agriculture
Sesame	2023/2024	1.6	Ministry of Agriculture
Sweet Potatoes	2023/2024	2.8	Ministry of Agriculture
Irish Potatoes	2023/2024	4.9	Ministry of Agriculture
Sorghum	2023/2024	1.1	Ministry of Agriculture
Cost of inputs as % of production cost	2024	83	Ministry of Agriculture
Percentage of arable land with declining soil fertility	2019/2020	68	Ministry of Agriculture
Percentage of land under sustainable land management practices	2019/2020	68	Ministry of Agriculture
Percentage of rural roads in good condition	2023/2024	29.12	Ministry of Agriculture
Percentage of villages with agro-logistics/storage facilities	2023/2024	20	Ministry of Agriculture
Percentage of agriculture affected by extreme climate events (e.g., drought, floods)	2022/2023	10.3	Ministry of Agriculture
Time to access agriculture-related permits/services (days)	2024	3	Ministry of Agriculture

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Percentage of farmers accessing extension services digitally or in-person	2019/2020	6.9	Ministry of Agriculture
Percentage of farmers with access to credit	2022/2023	11.5	Ministry of Agriculture
Percentage of crop insurance coverage	2023/2024	0.17	Ministry of Agriculture
Percentage of women-led farming enterprises	2023/2024	56	Ministry of Agriculture
Percentage of youth participation in agribusiness and innovation hubs	2023/2024	0.26	Ministry of Agriculture
Size of irrigated land (Hectares)	2024/2025	983,465.46	Ministry of Agriculture
Livestock			
Annual growth rate	2024	5.1%	SAGCOT - Tanzania Poultry and Livestock Strategic Drive
Animal Feeds			
Commercial Fodder Produced (million tons)	2024	1.0	National Bureau of Statistics Tanzania
Fishing		2.9%	
Annual growth rate	2024	28.4–37.8 million	Scientific Research Publishing (SCIRP)
Hunting		2.9%	
Total revenue from sale of wildlife products (USD)	2022 (approximate)	30000000	
Revenue from leasing wildlife areas(USD)	2022 (approximate)	9000000	
Estimated annual value of illegal hunting activities	2022 (approximate)	50000000	National Bureau of Statistics Tanzania

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Forestry			Ministry of Natural Resources and Tourism
Annual growth rate	2024		EITI Forestry Scoping Study
Gross Value Added (GVA) from Forest Sector	2024	N/A	N/A
Export Value of Forest Products	2024	N/A	N/A
Manufacturing			
Average growth rate of manufacturing	2022	8%	Sciendo
Share of manufacturing (% of GDP)	2022	8.2%	Trading Economics
Employment in Manufacturing (%)	2020	7.1%	Ministry of Energy
Ease of Doing Business ranking	2019	141/190	Digest Tanzania
Energy Efficiency to GDP Ratio	2024		
Value-added export (% of Total)	2022	56.18% (Intermediate goods)	UNU-WIDER
Percent of formalised manufacturing SMEs	2016	2.7%	President's Office, Planning and Investment – Baseline Report
Number of Industrial parks expanded	2024	31 industrial parks registered under TIC	UNCTADstat
Share of FDI on gross capital formation (%)	2024	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Manufacturing Diversification Index/ Export Product Diversification Index	2024	N/A	N/A
Industry			
Annual growth rate	2025	6% projected	UNU-WIDER
Share of industry (% of GDP)	2020	30%	UNU-WIDER
Percent of large-scale share (%)	2016	2.7%	International Energy Agency (IEA)
Percent of small-scale share (%)	2016	97.3%	African Development Bank (AfDB)
Trade and Commerce			
Percentage share of value-added exports (Intermediate goods)	2024	0.5618	World Bank and WITS
Percentage share of raw materials	2024	29.09	World Bank and WITS
Percentage share of consumer goods	2024	13.42	World Bank and WITS
Percentage share of capital Goods	2024	1.16	World Bank and WITS
Percentage of exports verified through blockchain	2024	N/AN/A	N/A
Herfindahl-Hirschman Index (HHI)	2022	0.12	WITS
% of trade executed through digital platforms	2023	41	WITS
% of export products diversified (Intermediate goods)	2023	0.5618	WITS (World Bank)
% of import products diversified (Intermediate goods)	2022	28.8	UN Trade Facilitation Survey

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Share (%) of intra-African trade in total trade (exports)	2024	36.6	AfreximBank, World Bank, UNCTAD, IMF and WTO
Share (%) of intra-African trade in total trade (Imports)	2024	10.0%	AfreximBank (2024)
% of automated cross-border trade (Cross border paperless Trade score)	2023	39%	UNESCAP Global Survey on Digital and Sustainable Trade Facilitation 2023
Global Logistic Performance Index (GLPI)	2023	2.99	World Bank LPI 2023
Customs Efficiency	2023	2.89	World Bank LPI 2023
Infrastructure Quality	2023	3.09	World Bank LPI 2023
Ease of Arranging Shipments	2023	2.78	World Bank LPI 2023
Logistics Competence	2023	2.81	World Bank LPI 2023
Tracking and Tracing	2023	2.77	World Bank LPI 2023
Timeliness	2023	3.09	World Bank LPI 2023
Overall Ranking	2023	61 out of 139	World Bank LPI 2023
Export Competitive Index (ECI)	2023	-1.13	OECD
Export Market Penetration Index	2022	2.77	WITS (World Bank)
High-technology exports as a share of manufactured exports	2022	1.66%	World Bank WITS
Percentage of international Property (IP) transactions digitalized	2024	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Percentage of trade executed digitally	2024	TZS 198.86 trillion in mobile money (28.54% increase)	BOT
Number of Products Exported	2022	2392	WITS
Number of Products imported	2022	3935	WITS
Construction			
Annual growth rate	2024	N/A	N/A
Share of construction (% of GDP)	2024	N/A	N/A
Percentage of construction projects handled by local contractors through Roads Funds	2024	100	Ministry of Construction and Infrastructure
Percentage of construction projects handled by local contractors through Contingence Emergency Response Component (CERC) Projects	2024	86.01	Ministry of Construction and Infrastructure
Percentage of large-scale tenders awarded to foreign firms worth than 50 billion	2024	100	Ministry of Construction and Infrastructure
Percentage of large-scale tenders awarded to foreign firms for CERC projects	2024	13.9	Ministry of Construction and Infrastructure
Adoption rate of advanced construction technologies (%)	2024	31.39	Ministry of Construction and Infrastructure

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Skilled labour availability index / % of skilled construction workers	2024	10	Ministry of Construction and Infrastructure
Percentage of Skilled Workforce to total national workforce	2024	N/A	N/A
Percentage of construction projects integrating energy efficiency	2024	100	Ministry of Construction and Infrastructure
Percentage of construction projects using sustainable materials for climate resilience	2024	75	Ministry of Construction and Infrastructure
Availability of construction sector financing (% of required investment) for Development Project	2024	N/A	N/A
Availability of construction sector financing (% of required investment) for Maintenance Projects	2024	40	Ministry of Construction and Infrastructure
Percentage value of PPP construction projects	2024	0	Ministry of Construction and Infrastructure
Number of New projects assessed for climate risks (Percent)	2024	82 projects	Ministry of Construction and Infrastructure
Energy			
Share of Renewables in Total Primary Energy Supply (Percent)	2022	1	NBS

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Share of Non-Renewables in Total Primary Energy Supply (Percent)	2022	99	NBS
Share of Hydro (Renewable Energy) in Total Primary Energy Supply (Percent)	2022	0.98	NBS
Share of Solar and Wind (Renewable Energy) in Total Primary Energy Supply (Percent)	2022	0.02	NBS
Share of Coal in Industrial Energy Demand (Percent)	2022	15	NBS
Share of Oil Products in Industrial Energy Demand (Percent)	2022	22.7	NBS
Share of Biofuels and Waste in Industrial Energy Demand (Percent)	2022	53.7	NBS
Share of Electricity in Industrial Energy Demand (Percent)	2022	8.1	NBS
Share of Coal in Transport Energy Demand (Percent)	2022	0	NBS
Share of Oil Products in Transport Energy Demand (Percent)	2022	100	NBS

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Share of Biofuels and Waste in Transport Energy Demand (Percent)	2022	0	NBS
Share of Electricity in Transport Energy Demand (Percent)	2022	0	NBS
Share of Coal in Residential Energy Demand (Percent)	2022	0	NBS
Share of Oil Products in Residential Energy Demand (Percent)	2022	0.7	NBS
Share of Biofuels and Waste in Residential Energy Demand (Percent)	2022	97.1	NBS
Share of Electricity in Residential Energy Demand (Percent)	2022	2.2	NBS
Share of Coal in Commercial and Public Services Energy Demand (Percent)	2022	0	NBS
Share of Oil Products in Commercial and Public Services Energy Demand (Percent)	2022	20.3	NBS
Share of Biofuels and Waste in Commercial and Public Services Energy Demand (Percent)	2022	64.7	NBS
Share of Electricity in Commercial and Public Services Energy Demand (Percent)	2022	15.1	NBS

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Share of Coal in Agriculture, Forestry and Fishing Energy Demand (Percent)	2022	0	NBS
Share of Oil Products in Agriculture, Forestry and Fishing Energy Demand (Percent)	2022	0	NBS
Share of Biofuels and Waste in Agriculture, Forestry and Fishing Energy Demand (Percent)	2022	100	NBS
Share of Electricity in Agriculture, Forestry and Fishing Energy Demand (Percent)	2022	0	NBS
Share of Coal in Electricity Generation (Percent)	2022	0.8	NBS
Share of Oil Products in Electricity Generation (Percent)	2022	9.7	NBS
Share of Natural Gas in Electricity Generation (Percent)	2022	77	NBS
Share of Biofuels and Waste in Electricity Generation (Percent)	2022	1.3	NBS
Share of Hydro in Electricity Generation (Percent)	2022	11	NBS
Share of Wind, Solar, etc. in Electricity Generation (Percent)	2022	0	NBS

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Industry Energy Consumption (Percent)	2022	16.4	NBS
Transport Energy Consumption (Percent)	2022	12.2	NBS
Residential Energy Consumption (Percent)	2022	63.5	NBS
Commercial and Public Services Energy Consumption (Percent)	2022	2.0	NBS
Agriculture, Fishing and Forestry Energy Consumption (Percent)	2022	4.4	NBS
Electricity Sold (GWH)	2024	9,114.7	State of the Economy Report, 2024
Transmission loss percentage (%)	2024	138.6	Energy Access and Use Situation Survey II by NBS – 2019/20
Electricity Consumption per capita (kWh)	2025	4031.71	NBS- IASES 2021/22
Electricity generation/ installed capacity (MW)	2024	0.784	NBS- IASES 2021/22
Percentage of population with access to electricity	2025	0.458	NBS- IASES 2021/22
Percentage of population with access to clean lighting (%)	2025	70% other urban and 87% in Dar-es-salaam	NBS Household Census 2022.
Percentage of population in urban areas with Access to Clean Lighting (%)	2025	0.667	NBS Household Census 2022.

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Percentage of Population in rural areas with Access to Clean Lighting (%)	2022	15.9	NBS Household Census 2022.
Percentage of households using clean cooking energy (%)	2022	30	Energy Access and Use Situation Survey II by NBS – 2019/20
Percentage of households in urban areas using clean cooking energy (%)	2022	6.7	Energy Access and Use Situation Survey II by NBS – 2019/20
Percentage of households in rural areas using clean cooking energy (%)	2019/20	0.696	TZS 16.5Tirion,
Percentage of rural population with access to reliable electricity	2024	N/A	N/A
Percentage of urban population with access to reliable electricity	2025	N/A	N/A
Total investment in energy infrastructure (USD value)-Electricity	2024	N/A	N/A
Percentage of Households in urban areas using clean cooking energy	2024	N/A	N/A
Transmission loss (Percent)	2024	14	Deep Dive Reports
Time taken to secure energy sector permits and approvals (days)	2023/24	133	Deep Dive

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Percentage of rural population using clean cooking energy	2024	N/A	N/A
Percentage of population with access to off-grid clean energy solutions (solar, wind)	2024	N/A	N/A
Energy export volume (kWh or USD value)	2024	N/A	N/A
Percentage of energy generated for export vs domestic consumption	2025	N/A	N/A
Average energy price (USD per kWh)	2025	N/A	N/A
Oil and Gas			
Oil and gas sector GDP contribution (Percent)	2021	0.22	TheGlobalEconomy.com
Volume of natural gas reserves (trillion cubic feet)	2025	57.4	Ministry of Energy
Potential Gas and Oil Area under Exploration (Percent)	2025	≤1	Deep Dive Reports
Proven oil reserves (barrels)	2025	0	Ministry of Energy
Foreign direct investment in oil and gas (USD or % of GDP)	2025	3	Ministry of Energy
Number of Resonances/ Exploration Licenses Issued	2025	96	Ministry of Energy
Number of sites explored (Wells)	2024	69.5385	Ministry of Energy
Annual Oil and Gas Production (Million Barrels of Oil Equivalent - BOE)	2024	67.61537	Ministry of Energy

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Annual Volume of Oil & Gas consumption (Million Barrels & m ³ LNG)	2025	0	Ministry of Energy
Volume of LNG exports (in tonnes or USD value)	2024	0	Deep Dive Reports
Percentage of oil & gas infrastructure developed (e.g., refineries, pipelines)	2022/23	1040	Ministry of Energy (EWURA)
Revenue from Oil & Gas (USD Billion)	2024	0	Ministry of Energy (EWURA)
Oil and Gas Export revenue (USD Mill)	2024	100/0	Ministry of Energy
Percentage of oil & gas production for domestic use vs. export	2024	4095254.22	Ministry of Energy
Annual investment in exploration (USD/year)	2024	0	Ministry of Energy
Annual crude oil production (barrels/day)	2024	70.57	Ministry of Energy
Annual natural gas production (cubic meters/year)	2024	more than 4000	Ministry of Energy
Number of skilled professionals trained in oil & gas sector	2024	79	Ministry of Energy (EWURA)
Annual growth rate of industrial gas consumption (%)	Mar-25	58	Ministry of Energy
Number of new industrial gas pipelines and distribution networks	2024	0	Ministry of Energy

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Volume of natural gas exported to EAC & SADC regions (in cubic feet or USD)	2025	8453	Ministry of Energy (EWURA)
Employment in oil and gas sector (% of total workforce)	2024	4.5Mega tonne of carbon dioxide	NBS Household Census 2022.
Percentage of Households Using Biogas	2024	9.2% in 2022, and 403,638MT-EWURA-2023/2024	NBS Household Census 2022.
Percentage of Households Using LPG	2024	15.9	NBS Household Census 2022.
Percentage of households using clean cooking energy (%)	2024	30	NBS Household Census 2022.
Percentage of households in urban areas using clean cooking energy (Percent)	2024	N/A	N/A
Percentage of households in rural areas using clean cooking energy (%)	2025	N/A	N/A
Tourism			
Total Domestic Tourist Arrivals (2024)	2024	3,218,352	The 2024 Maliasili Statistical Bulletin
National Parks Domestic Visitors	2024	767,151	The 2024 Maliasili Statistical Bulletin
Sports Tourism Visitors	2024	751,521	The 2024 Maliasili Statistical Bulletin
Museum Visitors	2024	452,540	The 2024 Maliasili Statistical Bulletin

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Ngorongoro Conservation Area Visitors	2024	401,534	The 2024 Maliasili Statistical Bulletin
Nature Forest Reserves Visitors	2024	254,726	The 2024 Maliasili Statistical Bulletin
Wildlife Zoos Visitors	2024	225,490	The 2024 Maliasili Statistical Bulletin
Conference Tourism Visitors	2024	109,829	The 2024 Maliasili Statistical Bulletin
Tourism Festival Visitors	2024	94,119	The 2024 Maliasili Statistical Bulletin
Game Reserves Visitors	2024	84,929	The 2024 Maliasili Statistical Bulletin
Mining Tourism Visitors	2024	49,934	The 2024 Maliasili Statistical Bulletin
Marine Parks and Reserves Visitors	2024	24,579	The 2024 Maliasili Statistical Bulletin
International Visitor Arrivals (2024)	2024	2,141,895	The 2024 Maliasili Statistical Bulletin
International Tourism Receipts (USD Million, 2024)	2024	3,903	The 2024 Maliasili Statistical Bulletin
International Tourism Receipts (TZS Million, 2024)	2024	10,137,611	The 2024 Maliasili Statistical Bulletin
Visitor Arrivals via Air (2024)	2024	1,386,723	The 2024 Maliasili Statistical Bulletin
Visitor Arrivals via Water (2024)	2024	34,553	The 2024 Maliasili Statistical Bulletin
Visitor Arrivals via Land (2024)	2024	720,619	The 2024 Maliasili Statistical Bulletin
International Visitors for Leisure and Holiday (2024)	2024	1,858,643	The 2024 Maliasili Statistical Bulletin
Contribution of Tourism to GDP (%)	2024	17	MNRT

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Forestry			
GDP Share of Forest Sector (Percent)	2021	3.4	2021 Study on Forestry Sector GDP Contribution by MNRT
Total Value of Exported Commercial Forest Products	2024	N/A	N/A
Total Value of Imported Commercial Forest Products	2024	N/A	N/A
Value of Exported Engineered Wood Products (USD)	2024	N/A	N/A
Value of Exported Beekeeping Products (USD)	2024	N/A	N/A
Total Value of Traded Timber Products	2024	N/A	N/A
Total Value of Traded Non-Timber Products	2024	N/A	N/A
Number of Greenfield and Brownfield Commercial Forest Concession Arrangements	2024	N/A	N/A
Forest Area Covered by Commercial Plantations (Hectares)	2024	N/A	N/A
Forest Area Covered by Woodlots (Percent)	2024	N/A	N/A
Number of Engineered Wood Industries	2024	35	MNRT
Number of Beekeeping Firms	2024	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Number of Timber Industries	2024	N/A	N/A
Transport Logistics			
Volume (tonnes) of cargo transported to the neighbouring nations(e.g., transit and non-transit goods)	2024	N/A	N/A
Number of landlocked countries served by Tanzania's transport network	2024	7	Tanzania Map
Total length of major energy transport pipelines	2024	N/A	N/A
Time taken for goods to transit from port to major trade hubs (e.g., Dar es Salaam to Kigali)	2024	5.47 days	Ministry of Transport
Time taken for goods to transit from port to major trade hubs (e.g., Dar es Salaam to Bujumbura)	2024	7.27 days	Ministry of Transport
Time taken for goods to transit from port to major trade hubs (e.g., Dar es Salaam to Bukavu DR Congo)	2024	6.53 days	Ministry of Transport
Time taken for goods to transit from port to major trade hubs (e.g., Dar es Salaam to Goma DR Congo)	2024	8 days	Ministry of Transport

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Time taken for goods to transit from port to major trade hubs (e.g., Dar es Salaam to Lusaka)	2024	8 days	Ministry of Transport
PHASE I	2024	300km (99.58%)	Ministry of Transport
Lot 1: Dsm-Morogoro	2024	422 km (97.63%)	Ministry of Transport
Lot 2: Morogoro - Makutupora	2024	294 km (14.53%)	Ministry of Transport
Lot 3: Makutupora -Tabora	2024	133km (6.33%)	
Lot 4: Tabora-Isaka	2024	341km (62.37%)	Ministry of Transport
Lot 5: Mwanza - Isaka	N/A	N/A	N/A
PHASE II	2024	N/A	N/A
Lot 6: Tabora - Kigoma	2025	N/A	N/A
Air			
Total cargo (Million tonnes)	2024	7405	Ministry of Transport
Number of International Airports	2024	3	Ministry of Transport
Number of Specialised Airports such as Serengeti Specialised Airports	2024	N/A	N/A
Number of Airstrips	2024	N/A	N/A
Number of Airlines Services	2024	N/A	N/A
Railways			
Length of MGR (Km)		N/A	N/A
Length of SGR (Km)	2024	N/A	N/A
Length of TAZARA railway line	2024	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Number of Neighbouring Countries Connected with Tanzania Railway Network	2024	N/A	N/A
Volume of Transported Cargo by TRC (Tonnes)		N/A	N/A
Volume of Transported Cargo by TAZARA (Tonnes)	202	N/A	N/A
Port			
Annual Port throughput	2024		
Number of Ports Connected with SGR	2024	N/A	N/A
Number of Ports Connected with MGR	2024	N/A	N/A
Number of Ports Connected with TAZARA	2024	N/A	N/A
Number of Ports Connected with International Airports	2024	N/A	N/A
Number of Ports Connected with Road Networks	2024	N/A	N/A
Ship turnaround time (days)	2024	N/A	N/A
Exported cargo volume (million tonnes)	2024	N/A	N/A
Imported cargo volume (Million tonnes)	2024	N/A	N/A
Pipelines			
Volume of gas transported (Million cubic feet)	2024	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Pipeline distance (TAZAMA, EACOP)	2024	N/A	N/A
Number of Households Connected with Gas Pipeline	2024	N/A	N/A
Number of Industries Connected with Gas Pipeline	2024	N/A	N/A
Democracy and Good Governance			
Voice and Accountability	2024	-0.05	World Bank
Political Stability and Absence of Violence	2024	-0.46	World Bank
Government Effectiveness	2024	-0.59	World Bank
Regulatory Quality Index	2024	N/A	N/A
Rule of Law Index	2024	N/A	N/A
Sports and Creative Industry	2023	17.7	National Economic Survey 2023
Annual sector growth rate (%)	2020/21	0.1	Integrated labour Force Survey 2020/21
Level of enforcement of Intellectual Property Rights (index)	2023	0.4	State of the Economy Report 2023
Mining and Quarrying			
BOT bullion gold reserves (metric tons)	2023	40	Ministry of Minerals
Contribution of gold to foreign exchange earnings (Percent)	2024	N/A	N/A
Number of Mineral-Based Manufacturing Industries	2024	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Establishment of gemstone SEZ and market	2025		Ministry of Minerals
Geological Mapping Coverage			
<i>Geological mapping coverage (%)</i>	2025	N/A	N/A
<i>Geochemical Mapping (%)</i>	2025	N/A	N/A
Geophysical Mapping			
Low resolution airborne geophysical mapping	2025	16	Ministry of Minerals
High resolution airborne geophysical mapping 16%	2024	3.92	Ministry of Minerals
Mineral export values (billion USD)	2024	61676	Ministry of Minerals
Gold production (Kg)	2024	373253	Ministry of Minerals
Diamond production (Carats)	2024	46299069	Ministry of Minerals
Gemstone (excluding Diamond and Tanzanite) (Kg)	2024	83015	Ministry of Minerals
Tanzanite production (Kg)	2024	3715542	Ministry of Minerals
Coal production(tons)	2024	3,129 Kg	Ministry of Minerals
Silver production (Kg)	2024	371	Ministry of Minerals
Tin production(tons)	2024	821221	Ministry of Minerals
Gypsum production(tons)	2024	33101000	Ministry of Minerals
Building materials(tons)	2024	1663000	Ministry of Minerals

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Industrial minerals(tons)	2024/2025	2	Ministry of Minerals
Number of Integrated Mining Technical Training (IMTT) colleges established	2024/2025	8	Ministry of Minerals
Number of gemstone facilities (cutting, polishing, lapidary centres)	2024/2025	5	Ministry of Minerals
Number of gemstone-related international partnerships established	2024/2025	4	Ministry of Minerals
Number of international gemstone trading networks	2024/2025	6	Ministry of Minerals
Number of large-scale gold mines	2024/2025	2	Ministry of Minerals
Number of operational mines under STAMICO	2024/2025	21	Ministry of Minerals
Number of special mining licenses (SML)	2024/2025	3	Ministry of Minerals
Proportion of reviewed mining-related policies and legislations	2024/2025	74.19%	Ministry of Minerals
Proportion of skilled workforce in the mining sector (Percent)	2024	40	Ministry of Minerals
Share of formalised artisanal and small-scale miners (Percent)	2024	N/A	N/A
Share of women in mining sector (%)	2024	N/A	N/A

Annex 2: Monitoring and Evaluation Framework

Indicator	Baseline		Data Source
	Year	Data	
Environmental Integrity			
Percentage of Businesses Adopting ESG Standards and Sustainability Reporting	2024	N/A	N/A



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