



THE UNITED REPUBLIC OF TANZANIA



NATIONAL AUDIT OFFICE

**PERFORMANCE AUDIT ON PREPAREDNESS FOR IMPLEMENTATION OF
SUSTAINABLE DEVELOPMENT GOALS**



Ministry of Finance and Planning

A Report of the Controller and Auditor General

March 2018

PREFACE

The Public Audit Act No. 11 of 2008, Section 28 authorizes the Controller and Auditor General to carry out Performance Audit (Value for- Money Audit) for the purposes of establishing the economy, efficiency and effectiveness of any expenditure or use of resources in the MDAs, LGAs and Public Authorities and other Bodies which involves enquiring, examining, investigating and reporting, as deemed necessary under the circumstances.

I have the honour to submit to His Excellency the President of the United Republic of Tanzania, Dr. John Pombe Magufuli and through him to the Parliament a Performance Audit Report on Preparedness for Implementation of Sustainable Development Goals in Tanzania.

The report contains conclusions and recommendations that directly concern the Ministry of Finance and Planning together with its two Agencies i.e National Bureau of Statistics (NBS) and the Planning Commission and the President's Office Regional Administration and Local Government (PO-RALG). These institutions were given the opportunity to scrutinize the factual contents and comment on the report. I wish to acknowledge that the discussions with MoFP and PO-RALG have been very useful and constructive. My office intends to carry out a follow-up at an appropriate time regarding actions taken by the audited entities in relation to the recommendations in this report.

In completion of the assignment, the office subjected the report to the critical reviews of the following experts Dr. Donald Mmari and Dr. Blandina Kilama who came up with useful inputs on improving the output of this report.

This report has been prepared by Ms. Asimuna Kipingu -Team Leader, Mr. Ishengoma Rweyongeza and Ms Yuster Salala - Team Members under the supervision and guidance of Mr. Michael Malabeja- Team Supervisor, Mr. James Pilly - Assistant Auditor General and Ms. Wendy W. Massoy - Deputy Auditor General.

I would like to thank my staff for their devotion and commitment in the preparation of this report. My thanks should also be extended to the audited entities for their fruitful interaction with my office.



Prof. Mussa Juma Assad,
Controller and Auditor General,
Dar es Salaam.
28th March 2018

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ABBREVIATIONS AND ACRONYMS

BEMIS	Basic Education Management Information System
CBOs	Community Based Organizations
CP 5	Fifth Corporate Plan
CSOs	Civil Society Organisations
DC	District Council
DFIs	Development Financing Institutions
ESDP	Education Sector Development Plan
FYDP II	Five Years Development Plan II
ICT	Information and Communication Technology
IMTC	Inter- Ministerial Technical Committee
LED	Local Economic Development
LGAs	Local Government Authorities
LGMD	Local Government Management Data Base
LTPP	Long Term Perspective Plan
M&E	Monitoring and Evaluation
MC	Municipal Council
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MITI	Ministry of Industries, Trade and Investment
MoEST	Ministry of Education, Science and Technology
MoFP	Ministry of Finance and Planning
MoFP-PED	Ministry of Finance, Poverty Eradication Division
MTEF	Medium Term Expenditure Framework
NBS	National Bureau of Statistics
PO-RALG	President's Office Regional Administration and Local Government Authorities
SDGs	Sustainable Development Goals
SPs	Strategic Plans
TDV	Tanzania Development Vision
TIB	Tanzania Investment Bank
TIN	Taxpayer Identification Number
TRA	Tanzania Revenue Authority
TZS	Tanzanian Shilling
UNDG	United Nation Development Group
UNDP	United Nations Development Programmes
VPO	Vice President's Office

EXECUTIVE SUMMARY

Preparedness for implementation of Sustainable Development Goals (SDGs) is crucial for ensuring effective and efficient implementation of set goals and targets. Adaptation of the 2030 Agenda on SDGs into national context; identification and mobilization of resources and capacities required for implementation; and establishment of mechanisms for monitoring, follow-up, review and reporting on the progress of implementation are important for the effective implementation and achievement of the 2030 Agenda set goals and targets.

The Ministry of Finance and Planning (MoFP) through the Planning Commission has been mandated to domesticate SDGs into national plans and to identify and mobilise resources for implementation of the national and global development goals and targets. Also MoFP through National Bureau of Statistics (NBS) is mandated to mainstream SDGs indicators and collect data for monitoring the implementation progress of SDGs at the national level. Further MoFP is mandated to report the progress of implementation of SDGs at the High Level Political Forum (HLPF).

The President's Office Regional Administration and Local Government (PO-RALG) similarly, is mandated to coordinate the Regional Secretariats and Local Governments who are responsible for promoting inclusive sustainable development within their territories and linking the global goals with local communities. In addition, these two ministries in collaboration with other stakeholders are mandated to raise public awareness on SDGs at the national, sub national and local levels.

Following the assessment of the Millennium Development Goals (MDGs) (the predecessor of SDGs) implementation in Tanzania it was noted that, inadequate implementation which resulted into unsuccessful attainment of some MDGs and targets was caused by budget constraints; limited participation and involvement of the private sector; limited capacity and limited involvement of the critical mass of implementers (key players at lower level); and failure to attain Goal 8 on developing a global partnership for development, among other factors.

Taking those challenges as a lesson learnt, and following the government's adaptation of the 2030 Agenda on SDGs, National Audit Office decided to carry out a performance audit at the Ministry of Finance and Planning and PO-RALG on the preparedness for implementation of SDGs.

The objective of the audit was to assess whether the Ministry of Finance and Planning as the leading ministry and the President's Office-Regional Administration and Local Government, as the coordinator of Local Government Authorities (LGAs) who are the key implementers of the agenda, are prepared to implement the 2030 Agenda on SDGs.

The audit focused on the adaptation of the 2030 Agenda on SDGs into national context; identification and mobilization of resources and capacities for implementation; and monitoring, follow up review and reporting on the progress of implementation of SDGs. The audit covered a period of two years from 2015/16 to 2016/17.

Two methods for data collection were used. Interviews and document reviews were done at MoFP, NBS, Vice President's Office (VPO), Planning Commission, PO-RALG, Ministry of Industries, Trade and Investment (MITI), Ministry of Education, Science and Technology (MoEST) and selected LGAs which were Bariadi, Dodoma, Singida, Songea and Kigoma/Ujiji Municipal Councils.

Main Findings and Conclusions

Inadequate Adaptation of the 2030 Agenda on SDGs into the National Context;

Although MoFP embraced nine out of 17 SDGs, 165 indicators out of 230 SDGs indicators, (which is equal to 68%) in the Second Five Years Development Plan (FYDP II) 2015/2016 to 2020/2021; it did not provide for the management of unfinished business of the embraced goals at the expiry of the plan in 2021. Further, MoFP did not provide for the management of the eight goals left out. This was because MoFP did not develop the national sustainable development implementation strategy which would guide on the implementation and attainment of the set SDGs and targets. Similarly, it was noted that, although the Guidelines for Preparation of Annual Budgets and Plans 2015/2016 and 2016/2017 requires MDAs to align their annual plans and budgets but have not provided as to which goals had to be aligned for a particular year.

Also, the audit noted that, none of the visited LGAs had reviewed their plans to integrate the FYDP II and SDGs. Those plans were reviewed because they came to an end. Further the audit noted that five out of six visited LGAs are implementing the strategic plans reviewed prior to the FYDP II and SDGs hence deviated for about two years. This is because MoFP did not state in the guidelines as to when and how the LGAs are supposed to review their strategic plans to integrate SDGs.

This poses a risk for those LGAs to partially implement the FYDP II and SDGs or not to implement completely as it is not integrated to their plans.

Lack of Institutional Mechanism to Integrate the 2030 Agenda into its Actions;

MoFP did not set up an institutional mechanism to integrate the 2030 Agenda on SDGs into the national actions. Although the Planning Commission, MoFP-PED and NBS are carrying out activities related to SDGs, there is no cabinet directive which mandates them to that effect. Similarly, there are unclear boundaries between MoF-PED and Planning Commission as far as SDGs are concerned.

There was also unclear institutional set up for integration of SDGs into actions at the LGA level because the decentralization by devolution (D-by-D) that was intended to transfer implementation of local development and service delivery to the local governments has not been fully implemented. Some central Ministries still exercise significant authority and control on implementation of local development activities and delivery of services that should have been in the mandate of LGAs.

Inadequate Awareness Creation on SDGs

SDGs awareness creation campaigns were inadequately conducted at the national and sub-national levels. Awareness workshops were conducted once in 2016 at zonal levels, while none were conducted at community levels. In addition, no evaluation of the effectiveness of the workshops was done. Also, the audit noted inadequate involvement of multiple actors such as NGOs, CBO, CSOs and private sector in awareness creation campaigns/ workshops. The audit further noted that there are neither set plans nor allocated budgets for more SDGs awareness creation campaigns from the national level to the community level. This is because SDGs are not differentiated from the usual government and global targets. Consequently, there is a risk of the community and other stakeholders not owning the SDGs and their implementation.

Inadequate Use of Multi-Stakeholder Approaches for SDGs Integration

During the preparation of the FYDP II which embraced SDGs, some important stakeholders such as NGOs, CBOs, local community and the indigenous people (as beneficiaries of the plan) who have a significant role to play in policy formulation, implementation and other key

decision-making process regarding the SDGs and FYDP II in particular were not involved. This was because there were no clearly set mechanisms for stakeholders' engagement. Stakeholders' mapping was not conducted to identify the key stakeholders, their roles and responsibilities as well as the point of their engagement in the whole process of implementation and attainment of the set FYDP II and SDGs goals and targets. This may affect the wider reach to the community and decrease transparency in the implementation of the plan and SDGs.

Lack of Comprehensive SDGs Policy Coherence

The audit noted that there are no set mechanisms for breaking down sectoral demarcations and connecting different levels of government actions for implementation of the FYDP II and SDGs. Similarly, there are no set mechanisms for a coordination and strategic partnership between the government and other stakeholders. Further, the audit noted lack of set mechanisms for the responsible stakeholders' joint actions towards the implementation and achievement of the set goals and targets of the FYDP II. This may lead institutions to strive to promote and implement plans that are in line with their mandates, without sufficient inclusion of FYDP II and related SDGs. Also, this may lead to contradictions of the sector policies thereby delaying or hindering the realization of SDGs.

Inadequate Identification and Mobilization of Resources for Implementation of SDGs

The audit noted that, MoFP did not identify the resources and capacities required for implementation of the 2030 Agenda on SDGs. This was because MoFP did not prepare the national SDGs implementation strategy outside the framework of FYDP II, through which they could identify resources and capacities required for implementation of SDGs. However, as 68% of SDGs were mainstreamed in the FYDP II, adequate costing and financing of FYDP II interventions could contribute significantly towards achievement of SDGs.

Inadequate Use of Innovative Methods to Secure Resources and Capacities

The audit noted that, the identified innovative methods for securing resources and capacities for implementation of SDGs are not exhaustive and some are not implementable. For instance, the use of Local government/Municipal bonds may not be practical due to inexistence of appropriate legal instruments and inadequate capacity of the LGAs to generate own-source revenue. The use of the climate

change fund has not been possible, as the MoFP did not set integrated climate financing mechanism for strengthening the national capacity to access these funds and align climate finance spending with the national development priorities as identified in FYDP II. This was because MoFP did not conduct analysis on the environment favouring the operation of the proposed innovative methods; as a result, MoFP will continue to depend on traditional methods which are not sufficient for raising resources and for enhancing capacity of LGAs.

Ineffective Tax Collection System

The audit noted that, the system for tax collection is ineffective in the sense that the tax base is still narrow, leaving out most of the informal sector operations. Similarly, the audit noted that, MoFP through TRA has not established the database for all the Tax payers especially those in informal sector. Also, the audit noted lack of a well-established mechanism for tracking the tax payers especially those with no Taxpayer Identification Number (TIN). This may lead to loss of revenues hence inadequate funding for the implementation of the FYDP II and SDGs.

Inadequate Identification and Mobilization of Capacities (Human Capital and ICT Skills)

The audit noted that, MoFP did not identify capacities required for implementation of FYDP II and SDGs. The audit further noted uneven distribution of capacities which is contrary to the staff allocation list (*Ikama*). This was caused by lack of SDGs capacity needs assessment in various sectors responsible for the implementation of SDG. Inadequate identification of capacities required for the implementation of various sectoral activities might lead to non-achievement the 2030 Agenda.

Inadequate Identification of Risks and Mitigating Strategies in Securing Resources and Capacities

The audit noted that, MoFP inadequately identified the risks and mitigating strategies in securing resources and capacities. The identified risks associated with securing financial resources while leaving out risks associated with securing and mobilization of capacities for implementation of SDGs. This was because MoFP did not identify the required capacities. This may lead the Ministry to be unable to establish mitigation strategies for securing capacities for implementation.

Monitoring, Review and Reporting of the Implementation Progress

- ***Inadequate Identification of Performance Indicators And Baselines to Monitor and Report on the Implementation Progress***

The audit noted that, MoFP inadequately developed the performance indicators and baselines to monitor and report on the implementation progress. For instance only 41% percent of all FYDP II indicators had metadata while 59 percent required extra effort and resources (human and financial) for development.

- ***Inadequate Data Collection Capacity***

The audit noted that, National Bureau of Statistics (NBS) as the coordinator for production of official statistics within the National Statistical System (NSS) lacks capacity in terms of finance, human resources and facilities for data collection and dissemination. For instance, for 282 indicators in the FYDP II, NBS can produce 39% percent of data and the remaining 61% percent are produced by MDAs and other data producers in National Statistical System (NSS). This indicated the potential data available at MDAs to monitor SDGs. However, there is no clear coordination of data produced by MDAs and those produced by NBS. Also, the available data produced by NBS does not fully respond to SDGs with regards to timeliness, frequency and data disaggregation.

- ***Insufficient and Inadequate Data Quality and Availability***

The audit noted insufficient and inadequate data quality and availability. This was because detailed information on specific areas was only available to those entities such as the Statistical Working Group at PO-RALG that collect data on a specific area or subject, particularly education sector in line with the interests of the PO-RALG and MoEST. The audit further noted that there was lack of a harmonised data collection system to be used by the Ministries and LGAs. This affects the timely availability and quality of data hence may impair the whole process of monitoring the progress of implementation of the FYDP II and SDGs.

- ***Inadequate System to Coordinate, Monitor, Review and Report Progress of the 2030 Agenda***

The audit noted lack of a comprehensive and integrated framework and whole-of-government M&E system to provide overall guidance on the development and application of M&E across sectors. It was further

noted that, the M&E departments of the Ministries and LGAs are inadequately capacitated in terms of budget. This may obstruct the measuring of actual impacts of development initiatives and their intended results on sustainable development, thereby creating difficulties to flag areas of risk or failure to identify critical issues that need deeper analysis and policy responses.

General Conclusion

Despite the effort done by the government for preparation and implementation of SGDs, both MoFP and PO-RALG have not adequately prepared for implementation of SDGs. These key ministries are still facing several challenges to fully integrate the SDG into the national content. Also, the government have not done a thorough identification of required resources and capacities to implement SDGs. In addition, the established mechanisms for monitoring and reporting will not be effective in supporting the implementation of SDGs. These deficiencies, may lead to failure to implement and attain the set SDGs and targets for growth and human development.

Audit Recommendations

MoFP should:

1. Develop national implementation strategy which will guide the implementation and achievement of the 2030 Agenda at the national level in line with FYDP II and its successor plans.
2. Analyse the content of the agenda and integrate the SDGs with consideration of timeframe, feasibility, and sustainability of the implementation of the integrated goals.
3. Involve multi stakeholders including local communities and citizens in awareness creation campaigns so as to enable the wide reach in order to enhance ownership of the process of implementation and tracking the progress of SDGs.
4. Conduct assessment of priority interventions with high impact to attain SDGs and determine the sequence of their implementation in order to have a guidance to build the implementation capacities.
5. Establish a responsive and inclusive mechanism of coordinating, monitoring and reporting the progress of implementation of SDGs in FYDP II.

6. Conduct stakeholders mapping to identify the potential stakeholders to be involved and their prospective roles and responsibilities for implementation of the SDGs in FYDP II, without losing sight of the importance of community level.
7. Translate the set targets into guidelines and ensure all sector ministries and LGAs review their strategic plans to integrate SDGs targets in line with national priorities and the resource envelop.
8. Assess the effectiveness of resource mobilization efforts currently in place, and identify innovative methods with the view of widening the tax base for mobilizing resources needed for implementation of SDGs and other national priorities.
9. Conduct needs assessment for the capacity needed for implementation of SDGs in FYDP II.
10. Ensure harmonization of data collection system and tools for quality, timely and adequately disaggregated statistical data.
11. Establish a mechanism for coordination, monitoring, and reporting on the progress of the 2030 Agenda as an integrated part of the FYDP II and also with specific attention on global benchmarking.
12. NBS should use statisticians from MDAs and LGAs to fasten mainstreaming of the remaining SDGs indicators in FYDP II.

PO-RALG should;

1. Establish a responsive and inclusive mechanism of coordinating, monitoring and reporting the progress of implementation of SDGs in FYDP II.
2. Conduct stakeholders mapping to identify the potential stakeholders to be involved and their prospective roles and responsibilities for implementation of SDGs and realize the importance of community level.
3. Conduct capacity need assessment for implementation of sustainable development goals.
4. Establish a consolidated system to capture all sectoral data from LGAs to be used for monitoring the progress of implementation of development projects

CHAPTER ONE

INTRODUCTION

1.1 Background Information

On 25th September 2015, 193 Member States of the United Nations adapted the Sustainable Development Goals (SDGs)¹, a set of 17 aspirational objectives with 169 targets expected to guide actions of governments, international agencies, civil societies and other institutions over the next 15 years (2016- 2030). Succeeding the MDGs, the 2030 Agenda is a global vision for people, for the planet and for long-term prosperity. It charts a plan for the future, shifting the world onto a sustainable and resilient course and leading to transformation in standards of living and to a transition to more inclusive, dynamic and sustainable pathways to development.

The 17 SDGs aim to end poverty in all its form; Good health and wellbeing; Quality education; Gender equality; Clean water and sanitation; affordable and clean energy; Decent work and economic growth; Industry innovation and infrastructure; Reduced inequalities; Sustainable cities and communities; Responsible consumption and production; Climate action; Life below water; Life on land; Peace justice and strong institutions; and Partnerships for the goals while restoring and sustainably managing natural resources. They integrate the three dimensions of sustainable development i.e. economic, social and environmental with closely interwoven targets. The SDGs are indivisible in the sense that no one goal is separate from the others, and all call for comprehensive and participatory approaches.

Tanzania being the signatory to the 2030 Agenda on SDGs has taken initiatives to integrate the agenda into national context. During the conclusion of the 2030 Agenda, Tanzania was preparing its Second Five Years Development Plan (FYDP II), and part of SDGs was reflected in the plan. Further, through Tanzania Development Vision (TDV) 2025, Tanzania embodies its aspirations with respect to development, which inter alia sets the target of economic growth rate of at least eight percent per annum. Such growth rates are considered necessary for reducing poverty and propelling Tanzania from a least developed country to a middle income country with a high level of human development. TDV 2025 envisioned an economy which is transformed from a predominantly low productivity agricultural economy to high

¹ UN Resolution 70/1

productivity agriculture as aspiring board for a diversified and semi industrialized economy.

To achieve the aspirations of the 2025 vision, Tanzania developed the Long-Term Perspective Plan (LTPP) 2011/12-2025/26 with emphasis on transformation of the Tanzanian economy, envisaging a drastic change in the growth path with the contribution of the industrial sector to Gross Domestic Product (GDP) rising to 31percent by 2025. Implementation of LTPP is sequenced in three five-year development plans (FYDPs). Each of the three Plans has a specific theme to underline its thrust and priority interventions. The theme of the First Five Year Development Plan (FYDP I), 2011/12 - 2015/16 was “Unleashing Tanzania’s Latent Growth Potentials” and focused on de-bottlenecking binding constraints to growth. The designated themes for FYDP II (2016/17-2020/21) and FYDP III (2021/22 - 2025/26) are respectively “Nurturing an Industrial Economy” and “Realizing Competitiveness-led Export Growth”.

The current FYDP II (2016/17-2020/21) with the theme “Nurturing Industrialization for Economic Transformation and Human Development” is intended to deepen industrialisation as the key pillar of socio-economic and political development (Intensified industrial development and promotion for structural change: Light manufacturing and resource based strategic industries).

The FYDP II aspires to improve quality of life and human wellbeing; Foster and strengthen implementation effectiveness, including prioritization, sequencing, integration and alignment of interventions; Intensify and strengthen the role of local actors in planning an implementation; and ensure global and regional agreements (e.g. Africa Agenda 2063 and SDGs) are adequately mainstreamed into national development planning and implementation frameworks for the benefit of the country.

1.2 Justification of the Audit

Assessment of MDGs (the predecessor of SDGs) implementation in Tanzania² clearly shows that the government was successful in attaining some of the MDGs³, but was also unsuccessful for some goals⁴. However, a number of challenges faced Tanzania during MDGs implementation which hindered the country to attain some of

²URT (2010) and (2014b) Country Report on MDGs

³ Goal 2,3,4,6 and 7

⁴ Goal 1,5 and 5

the MDGs targets. Those challenges include limited effectiveness in the functioning of LGAs due to lack of capacity; limited participation and involvement of the private sector; limited capacity and limited involvement of the critical mass of implementers (key players at lower level); and failure to attain Goal 8 on developing a global partnership for development⁵.

As in the earlier experience during 15 years of implementation of MDGs, there is no doubt that successful implementation of the first 16 SDGs hinges on the 17th Goal on ‘means of implementation’. For this reason, considerations on this last goal have attracted significant interest of examining the preparedness of the country in implementing the SDGs. Taking those challenges as a lesson learnt, the Controller and Auditor General found it necessary to carry out a performance audit on preparedness for the implementation of the SDGs.

1.3 Audit Design

1.3.1 Objective of the Audit

The overall objective of the audit was to assess whether MoFP as the leading ministry and the PO-RALG, as the coordinator of LGAs as key implementers are prepared to implement SDGs. Specifically, the Audit aimed to assess whether:

- MoFP and PO-RALG adapted SDGs into the national context;
- MoFP has identified and secured resources and capacities (means of implementation) needed to implement SDGs; and
- MoFP and PO-RALG has established mechanism to monitor, follow up, review and report on the progress towards the implementation of SDGs.

1.3.2 Scope of the Audit

The main audited entities were MoFP as the leading Ministry on implementation of SDGs in the country and PO-RALG as the coordinator of LGAs who are the main implementers of SDGs. All sector ministries and central ministries are responsible for implementation of SDGs, but due to resource constraints (staff, time and financial); the team sampled three ministries, each ministry representing one of the sustainability pillars i.e. social, economic and environmental. The

⁵URT 2013, 2014a, 2014b

selected ministries are Ministry of Industry Trade and Investments (MITI), Ministry of Education, Science and Technology (MoEST) and Vice President's Office (VPO)-Environment, as the sector ministries responsible for coordinating the implementation of SDGs. In addition, five regions were covered and one LGA for each region was visited. The regions covered are: Dodoma, Kigoma, Singida, Simiyu and Ruvuma. Meanwhile LGA covered were: Dodoma MC, Singida MC, Bariadi MC, Ujii MC and Songea MC.

The audit assessed the actions put in place by the government since July 2015 to 2016/17 regarding the preparedness for implementation of SDGs at national level⁶, sub-national level⁷ and municipalities⁸. Specifically, the following three issues were the focus of this audit:

- Adaptation of SDGs to national context;
- Identification and mobilization of resources for implementation of SDGs; and
- Monitoring, review, follow-up and reporting on the progress of implementation of SDGs.

The selection of the three mentioned areas was based on their importance in assessing the country's preparedness for implementation of SDGs.

1.3.3 Audit Questions

In order to address the set audit objectives, the audit work was designed using three audit questions that were mainly focusing on adaptation of SDGs into national context, identification and mobilisation of resources for implementation of SDGs (means of implementation) and monitoring, review, follow-up and reporting the progress of implementation of SDGs. More specific audit questions and sub questions are provided in *Appendix 1*.

1.3.4 Assessment Criteria

Assessment criteria were extracted from the United Nations (UN) Resolution 70/1, URT (2015) Five Years Development Plan (FYDP II) 2016/2017-2020/2021, African Union (2015) 2063 Agenda, United Nations Development Group (UNDG) (2015) Reference Guide on Mainstreaming the 2030 Agenda, URT (2016) Guideline for the

⁶ Ministry of Finance and Planning

⁷ Sector Ministries

⁸ LGAs

Preparation of Annual Plans and Budgets 2016/2017, UN (2015) Addis Ababa Action Agenda, URT (2015) Guideline for the Preparation of Annual Plans and Budgets 2015/2016. The criteria used to assess the preparedness are provided in *Appendix 1*.

1.4 Methods for Data Collection

To ensure that data collected give comprehensive picture of the situation on the preparedness for implementation of SDGs, data were collected from MoFP together with its agencies i.e. National Bureau of Statistics (NBS) and the Planning Commission; and PO-RALG (as the main auditees), MITI, MoEST, VPO-Environment (as selected sector ministries) and five regions with one LGA each. Two main methods were used for data collection. The used methods were interviews and documents review.

The audit team conducted interviews to collect primary data and to clarify or confirm information from the documents reviewed and allow officers to provide explanations on how things are done regarding preparedness for implementation of SDGs. Several interviews with a purpose of gathering information on government preparedness for implementation of SDGs were conducted with officials from MoFP, PO-RALG, MoEST, VPO, MITI and one selected LGA from each of the five regions.

In addition to interviews the audit, reviewed various documents including policies, strategic plans, annual plans, annual budgets and annual budget implementation reports of the MoFP, PO-RALG, NBS, Planning Commission, MoEST, MITI and VPO-Environment to assess the preparedness for implementation of SDGs.

The collected data were both qualitative and quantitative. Qualitative data were summarised and coded to compare different responses. Quantitative data were analysed by using statistical tools such as MS excel.

1.5 Limitations of Data Collections

In some instances, the audit team could not get readily available data from documents. In such cases the team relied on verbal information. To check the validity of collected data and information, the team subjected the draft report to experts and the audited entities as explained in section 1.7 of this report.

1.6 Standards Used for the Audit

The audit was done in accordance with the International Standards for Supreme Audit Institutions issued by the International Organization of Supreme Audit Institutions (INTOSAI). These standards require that the audit is planned and performed to obtain sufficient and appropriate evidence to provide a reasonable basis for the findings, conclusions and recommendations based on the audit objectives.

1.7 Data Validation Process

MoFP and its two agencies, i.e. NBS and The Planning Commission together with PO-RALG who are directly concerned with this audit, were given the opportunity to go through the draft report and comment on the figures and information presented. They confirmed on the accuracy of the figures used and information presented in the audit report. Furthermore, the information was crosschecked and discussed with experts on preparedness for implementation of SDGs.

1.8 Structure of the Audit Report

The remaining part of the report covers the following:

- Chapter two describes the system and process for adaptation and implementation for SDGs;
- Chapter three provides audit findings on adaptation of SDGs;
- Chapter four provides audit findings on resources identification and mobilisation for implementing SDGs
- Chapter five provides findings on monitoring, follow-up, review and reporting the progress towards implementation of SDGs;
- Chapter six provides conclusions for the audit; and
- Chapter seven outlines recommendations to improve the current situation.

CHAPTER TWO

SYSTEM OF PREPARATIONS FOR IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS

2.1 Introduction

This chapter describes systems and processes involved in the preparedness for implementation of SDGs; Policies and legislations which provide the policy and legal framework for governing SDGs in the country; and the roles and responsibilities of key actors and stakeholders in the implementation of SDGs.

2.2 Governing Policies, Laws and Regulations

Generally, implementation of the SDGs in Tanzania is governed by various sector policies and legislations. There is neither comprehensive legislation nor policy to guide the implementation and coordination of the implementation of SDGs. The implementation is done through their pre-existed sector policies and regulation.

2.3 Adaptation of SDGs

Adaptation of SDGs into the national context is vital to ensure ownership of the SDGs. SDGs are global targets that should be adapted through national processes in line with the national circumstances and by defining national targets based on national priorities. The process for mainstreaming SDGs at the country level is presented in the subsequent sections:

2.3.1 Raising Public Awareness

The 2030 Agenda for SDGs requires public awareness on SDGs at the country level to be raised at the context of the existing and forthcoming national development vision and plan. The rationale is to ensure that implementation of SDGs is the nationally owned process. Awareness raising process is supposed to consider the sub-national and community levels and involve the multiple actors such as private sector and civil society. Also, the results of the advocacy and awareness-raising campaigns should be evaluated to ascertain its effectiveness.

In Tanzania public awareness raising on SDGs is the responsibility of the MoFP, PO-RALG, sector ministries and LGAs in collaboration with the non-state stakeholders, such as private sector, NGOs, CBOs and CSOs.

2.3.2 Applying Multi-Stakeholder Approaches

Multi-stakeholder approach represents a logical starting point for raising public awareness and creating a broader media or social marketing campaign. The 2030 Agenda for SDGs highlights the importance of bringing different actors together in implementing the new approach to sustainable development. Like in other countries, the success of SDGs in Tanzania will largely depend on stakeholders' involvement and commitments.

Stakeholders in SDGs implementation range from donors to the CSOs, private sector, academic and research think tanks, NGOs, CBOs, FBOs, the government (MDAs) and village communities.

2.3.3 Tailoring SDGs to National, Sub-National and Local Contexts

MoFP is required to set its own national targets building on the global frameworks, but considering its own realities and national circumstances. The main steps for tailoring the SDGs into the national context includes incorporating the SDGs into national development plans, strategies and budgets; reviewing existing strategies and plans; making recommendations; setting national targets and formulating SDGs to align development plans.

Steps involved are:

- Tailoring global targets to national context,
- Setting intermediate targets,
- Translating target to policy,
- Cost interventions and aligning budget.

2.3.4 Creating Policy Coherence

Implementation of SDGs requires an integrated approach to promote all dimensions of sustainable development in a balanced manner, breaking down sectoral silos and connecting different levels of governmental action.

Policy coherence is critical to capitalize on synergies among SDGs and targets, between different sectoral policies, and between diverse actions at the local, regional, national and international levels. It is

also vital to consider the effects of policies on the sustainable development and well-being of people living in other countries, and of future generations. There are two forms of policy coherence which are:

Horizontal policy coherence and integration; refers to policy-making processes that consider the interdependences between dimensions of sustainable development and sectors covered by different goal areas.

Vertical policy coherence and integration; refers to the process of setting strategic linkages and coordinating government action and capacity on sustainable development across as much as possible of the governance process - from policy debate and agenda setting to the formulation of policies and budgets, as well as to their implementation and monitoring throughout different agencies and levels of government.

Strong vertical coherence and integration helps to ensure alignment among all levels of government to reinforce and support achieving the SDGs across different regions and facilitate implementation.

2.3.5 Mobilizing Resources and Capacities

The financing needs for the implementation of SDGs are enormous. Unlike MDGs the implementation of SDGs focused on country-led approaches and country-driven issues. For financing and other means of implementation of SDGs the UN adapted the Addis Ababa Action Agenda (AAAA) in July 2015 at the Third International Conference on Financing for Development. The AAAA on financing for development as well as SDG 17 outline an array of financing mechanisms which include: Domestic public resources, Domestic and international private business and finance, International Development Cooperation, International Trade, Debt and Debt sustainability.

The 2030 Agenda reaffirms a strong commitment to its full implementation, which requires effective mobilization of financial resources and partnerships. The agenda emphasizes on the cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks which will be at the heart of sustainable development efforts.

MoFP through the FYDP II commits to finance the implementation of the mainstreamed SDGs by domestic revenue, support from development partners and Innovative sources. The government's

resource envelope composes of five major components, namely domestic revenue (tax revenue, non-tax revenue), external grants, domestic borrowing and external loans.

2.3.6 Monitoring, Reporting and Accountability

Monitoring will be used as a continuous feedback system involving the overseeing of periodic review of each activity at every level of implementation of SDGs. Monitoring system for implementation of SDGs will focus on meeting the information needs for reporting at the national, regional and global level. The system is required to ensure that there are performance indicators and targets to indicate the progress of implementation of SDGs. Nevertheless, the system will indicate the framework that ensures timely collection, analysis and sharing of implementation information.

The 2030 Agenda for SDGs outlines a follow-up and review framework at national, regional and global levels to promote accountability, support international cooperation and foster mutual learning and sharing of good practices.

In the first years, the review processes are expected to focus on the progress made in the integration of the SDGs into national development plans, strategies and policies, tailoring them to national circumstances, and adjusting or setting relevant institutional arrangements. Afterwards, the review will focus on the actual achievement of the SDGs, monitoring progress against targets and indicators, evaluating policies and programs and reporting on progress.

- **The Review Framework**

The review processes will start at the national level and feed into regional and global levels. The global level involves several different components. National, regional and global reviews of SDG implementation as well as the inputs of organisations and other actors outside the UN system are complementary.

MoFP will be conducting regular and inclusive reviews of progress at the national and sub-national levels which are country-led and country-driven. Such reviews should draw on contributions from indigenous people, civil society, the private sector and other stakeholders, in line with national circumstances, policies and priorities. The parliament as well as other institutions can also support these processes.

Review mechanisms and processes at the national level will include internal review, external review, peer review, inputs and information from audit and oversight agencies, and evaluations of systems, policies and programs. **Figure 1** below presents the summary of stages for adaptation of SDGs into national context.



Figure 1: Stages for adaptation of SDGs into national context

2.4 Government Efforts to Integrate SDGs into the National Context

MoFP and the Planning Commission have taken various initiatives that ensure the SDGs are integrated into the national context and well implemented. The following are the initiatives taken by the government:

2.4.1 Strategies and Plans

MoFP through the Planning Commission in collaboration with other stakeholders developed national development plans. The following are the developed plans:

a) Tanzania Development Vision 2025

The TDV 2025 was formulated in the year 1995. The three principal objectives of the Vision 2025 - are; achieving quality and good life for all; good governance and the rule of law; and building a strong and

resilient economy. These objectives deal with economic issues, social issues such as education, health, environment and increasing involvement of the people in working for their own development. The thrust of these objectives is to attain a sustainable development of the people.

b) Long Term Perspective Plan (LTPP) 2011/2012-2025/2026

The LTPP 2011/2012-2025/2026 was developed and adapted to anchor the reorganization and steer Tanzania's efforts towards achieving aspirations of the 2025 Vision.

Implementation of LTPP is sequenced in three five-year development plans (FYDPs). Each of the three Plans has a specific theme to underline its thrust and priority interventions. The theme of the First Five Year Development Plan (FYDP I), 2011/12 - 2015/16 was "Unleashing Tanzania's Latent Growth Potentials" and focused on de-bottlenecking binding constraints to growth. The designated themes for FYDP II (2016/17-2020/21) and FYDP III (2021/22 - 2025/26) are "Nurturing an Industrial Economy" and "Realizing Competitiveness-led Export Growth" respectively.

c) Second Five - Year Development Plan (FYDP II) 2016/2017 to 2020/2021

FYDP II with the theme "Nurturing Industrialization for Economic Transformation and Human Development" integrated frameworks of the FYDP I (2011/2012-2015/2016) and the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA) 2011/2012-2014/2015 which was further extended to 2015/2016. The objectives for integrating the two frameworks were, to improve efficiency and effectiveness in implementation through organising and rationalising national resources under one framework by addressing critical challenges which beset implementation of the parallel frameworks.

The FYDP II was developed in 2015 when the 2030 Agenda for SDGs was adapted hence some of the SDGs targets and indicators were integrated to the plan. A total of nine out of 17goals of the 2030 Agenda were integrated into the FYDP II. The embedded goals are infrastructure and industrialization (goal 9); end poverty (goal 1); agriculture and food security (goal 2); education (goal 4); Health (goal 3); gender equity (goal 5); water and sanitation (goal 6); energy supplies (goal 7) and partnership for the goals (goal 17).

FYDP II is built on three pillars of transformation namely industrialization, human development and implementation effectiveness.

FYDP II also implements aspects of TDV 2025 which aspires to transform Tanzania to a middle income and semi industrialized nation by 2025. The TDV 2025 aims for the nation by the year 2025 to have: High quality and sustainable livelihoods; Peace, stability and unity; Good governance and the rule of law; an educated and learning society; and a strong and competitive economy.

2.4.2 Programs and Projects for Implementation of SDGs in FYDP II

To achieve the FYDP II and SDGs set targets, the government has established several programs and projects. The established projects include: Agriculture Sector Development Programme (ASDP II); Primary Education Development Programme (PEDP II); Secondary Education Development Programme (SEDP II); Urban Local Government Strengthening Programme(ULGSP); Healthy Sector Basket Fund (HSBF); Free Primary and Secondary Education; Dar es Salaam Rapid Transit (DART); Health Sector Programme Support (HSPS); Rural Water Supply and Sanitation Programme; Tanzania Strategic Cities Programme; Prevention of Transmission of HIV; and Decentralizing Climate Financing.

2.5 Means of Implementation

The scale and ambition of the 2030 Agenda for SDGs requires the inclusion of new partners and all stakeholders in a revitalized global partnership that brings together Governments, civil society, the private sector, the UN system, and other actors such as national parliaments, regional and local authorities, academia and volunteer groups, among others.

The SDGs means of implementation relate to “domestic public resources, domestic and international private business and finance, international development cooperation, international trade as an engine for development, debt and debt sustainability, addressing systemic issues and science, technology, innovation and capacity-building, and data, monitoring and follow-up”.

2.6 Coordination, Monitoring and Reporting

Implementation of SDGs requires coordination among governmental Ministries, Agencies and Departments at the national level. According to UN Resolution 70/1 during implementing SDGs, it is crucial for the government to be able to coordinate, monitor and evaluate the implementation of its work plans and programs. Following-up and evaluating the progress of implementation of SDGs aimed at reviewing what went wrong but more importantly what went right and use those information for further improvements or sharing the gained knowledge and successes made.

According to the FYDP II coordination and monitoring of the implementation is the responsibility of the special committee constituted by the Inter-Ministerial Technical Meeting of Permanent Secretaries backstopped technically by the MoFP. The committee is required to report to the Inter-Ministerial Technical Committee (IMTC) on monthly basis and to the cabinet on quarterly basis.

Further, there is a special monitoring and evaluation framework for national strategic projects. This is to be undertaken in two stages, namely: the operational stage; where the MoFP will have a coordination role with the view to iron-out operational constraints, gathering all stakeholders to discuss and deliberate on the way forward; and a decision-making stage, where the MoFP will have to report to the Economic Committee of the Cabinet, on a quarterly basis, on the status of national strategic projects to inform them and receive directives.

2.7 Key Actors and their responsibilities

The key players in the preparedness for implementation of Sustainable Development Goals are the MoFP and its agencies, PO_RALG, all the sector ministries, LGAs, private sector and civil societies. However, there are various actors who are directly/ indirectly involved in preparedness for implementation of SDGs as explained hereunder:

- **Ministry of Finance and Planning (MoFP)**

MoFP is responsible for managing the overall revenue, expenditure and financing of the government; advice the government on broad financial and economic affairs; and oversees budget preparations and execution.

The Ministry is also responsible for coordinating the inter-governmental and international financial and fiscal relations; establishing a joint committee to ensure that the annual plans resonate well with the budget frame; jointly issue the plan and budget guidelines to be observed by all MDAs and LGAs; and identifying alternative sources of financing development plans.

According to FYDP II, MoFP is a critical player along the SDGs institutional framework, particularly in relation to planning and SDGs financing. Also, it takes a leading role in the coordination, monitoring and evaluation at national level, specifically for strategic national investment programmes and projects as far as implementation of SDGs is concerned. Specifically, as far as FYDP II is concerned, MoFP is responsible for;

- i) Coordinating the implementation of the M&E framework including Monitoring and Evaluation activities undertaken by various actors;
- ii) Mobilizing financial resources for implementation of programmes and projects, for tracking expenditures for financial accountability
- iii) Preparation and production of FYDP II annual implementation/Progress report (APR); Economic Transformation Report (ETR), Produced after every two years; Poverty - Environment Report (P-E) based on LED approach pilot and scale up programs; Engagement Report on dialogues held on policy and the implementation of the various interventions; Budget monitoring and evaluation reports, for tracking expenditure and financial accountability; Mission reports for project inspection missions and SDGs Performance Reports

- **Planning Commission**

The Planning Commission was established as an agency for strategic thinking on the national economy; to provide advice to the government on medium and long-term strategies for socio-economic development focussing on the big picture.

The commission is responsible for monitoring and analysing development trends and providing advice on macro and sectoral policies as well as on socio-economic aspects of development. Also, the commission is currently an overall coordinator of the mainstreaming SDGs into the national context.

- **National Bureau of Statistics (NBS)**

NBS is an executive agency under the MoFP, is responsible for activities related to official statistics in the country including planning and implementing periodic censuses and surveys; designing and updating sampling frames and statistical registers; setting standards; keeping compendia of concepts and definitions up-to-date; and developing and maintaining compilation frameworks such as the Tanzania System of National Accounts. It is also responsible for developing national indicators with the participation of other stakeholders; Identification of national indicators linked to the SDGs (customization); Ensuring disaggregated data to monitor and measure progress; Reporting on the Global Framework of Indicators; and Compilation and publication of periodic progress reports on SDG indicators.

As far as the FYDP II is concerned, the role of NBS will be to provide core statistics and data that are critical for the monitoring and evaluation of FYDP II goals and strategic interventions. It will entail scaling up and deepening of the implementation of the existing Statistical Master Plan whose objective is to strengthen the national statistical system to facilitate the production of quality statistics for decision makers in an objective, timely and cost-effective manner.

- **MDAs, Regional Secretariats and Local Government Authorities**

These are responsible for implementation of FYDP II and SDGs programs and projects hence they have a role to initiate specific projects and programs aimed at reaching the stipulated FYDP II and SDGs results. Therefore, MDAs, Regional Secretariats and LGAs are required to select programs and projects in accordance to FYDP II and SDGs priorities. They are also central for reporting day to day and timeline implementation performance and progress against planned milestones.

MDAs, Regional Secretariats and LGAs are responsible for providing information on the implementation plan to facilitate monitoring and evaluation (M&E) of SDGs. LGAs, are responsible for promoting inclusive sustainable development within their territories; and linking the global goals with local communities. Further, it is the responsibility of local governments and sector ministries to ensure that the priorities identified by communities and sectors are in line with national priorities. As per FYDP II, LGAs are responsible for reporting on implementation progress and achievements of planned outputs at local levels.

LGAs are also responsible for collecting and processing data from primary providers such as villages, wards, health facilities, agricultural extension officers or schools.

- **Parliament**

Parliament is responsible for approving and reviewing the national development plans to advance SDGs implementation in the country; approve budget allocations for SDGs implementation nationwide. Since SDGs are mainstreamed in the national plans, the Parliament will be the highest body to oversee SDGs implementation in the country. Parliament also plays an oversight role to the government by ensuring accountability for its administration.

- **Cabinet and Cabinet Secretariat**

The cabinet is the principal organ for advising the President on all matters regarding the exercise of his presidential powers in accordance with the provisions of the constitution of the United Republic of Tanzania. It is further mandated to assist and advise the President over any matter before being submitted for further action. Some areas or matters the cabinet have been advising the President include plans and administration, including proposal for expenditure which has significant implication on SDGs financing; and overall implementation. Therefore, all policies to support SDGs implementation are scrutinised and approved by the cabinet.

- **Inter-Ministerial Technical Committee (IMTC)**

The IMTC comprises of all Permanent Secretaries chaired by the Chief Secretary. It has a role of scrutinizing budget proposals before they are finally approved by the cabinet and examine proposals submitted by government institutions for government consideration. It is an advisory body and therefore provides technical advice on all policy papers submitted to the cabinet for approval. The IMTC is an important forum in the institutional framework for policy process.

With regard to FYDP II, the IMTC is responsible for constituting a special committee that will oversee implementation of the Plan. The special committee will be required to report to the IMTC on a monthly basis and to the Cabinet on a quarterly basis.

- **Private sector**

Private Sector is among important stakeholders in implementing FYDP II and SDGs. According to the Public-Private Partnership Act (2010), role of the private sector is inter alia to: Carry out feasibility studies; Mobilise resources (for purposes of risk sharing, and for M&E); Provide technical expertise and managerial skills; Provide private investments to create jobs and to promote inclusive and sustainable industrial development; Resources consumption efficiency; and protecting biodiversity. Due to their important role, participation of the private sector is fundamental in the implementation of FYDP II and SDGs. This is in recognition of the attributes of the private sector as the true engine of growth and the facilitative role of the public sector.

- **Civil Society Organizations (CSOs)**

Responsibilities of the CSOs include; raising public awareness on SDGs; Providing advocacy and knowledge to integrate SDGs into national frameworks and to implement it. They also contribute to reviewing and monitoring progress on SDGs and holding governments accountable.

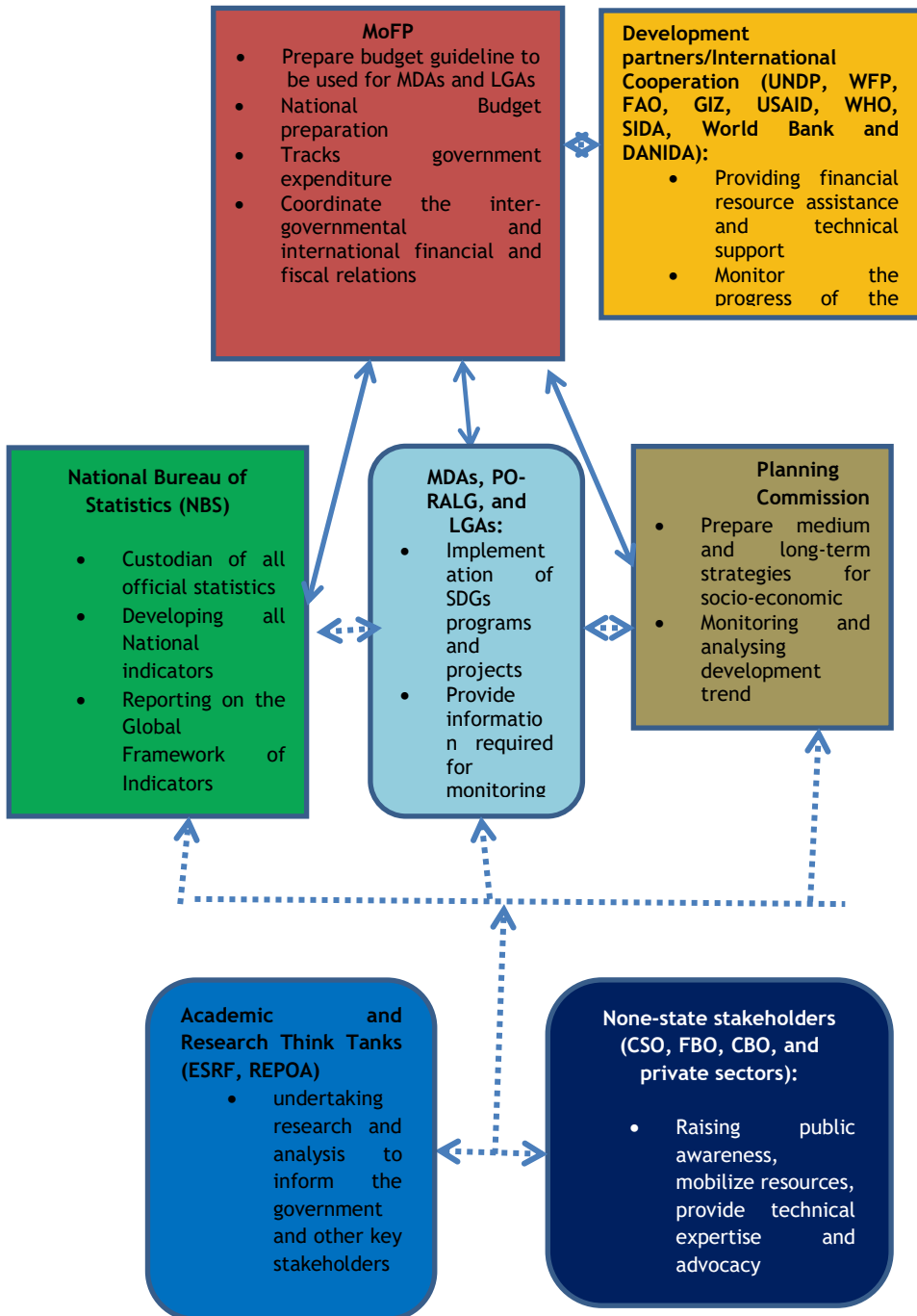
- **Academic and Research Think Tanks**

Academics and research think tanks are involved in undertaking research and analysis to inform the government and other key stakeholders on the feasibility of attaining SDGs, monitoring progress against targets, and proposing additional interventions and policy reviews to accelerate progress in areas where countries lag or are likely to lag behind.

- **Development partners/ International Cooperation Agencies**

The key role of development partners and international cooperation agencies is providing financial resources and delivering international cooperation targets to support the implementation of the SDGs in recipient countries. Also, they monitor progress of the government in implementing the SDGs. **Figure 2:** gives a summary of key actors and their responsibilities.

Figure 2: Key Actors and their Responsibilities in Preparation for Implementation of Sustainable Development Goals



CHAPTER THREE

ADAPTATION OF 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT GOALS

3.1 Introduction

This chapter presents findings obtained during the audit. Specifically, it focuses on the extent to which MoFP and PO-RALG adapted the SDGs into national context. Findings of the audit in this chapter are categorized in five areas as follows: Plans, strategies and policies in place to accommodate SDGs requirement; Institutional mechanism to integrate SDGs into its actions; Approaches used for SDGs integration; Tailoring of SDGs to country context; and Awareness creation on SDGs.

3.2 Inadequate Adaptation of the 2030 Agenda on SDGs into National Context

The UN Resolution 70/1 requires MoFP and PO-RALG to adapt SDGs by reviewing the existing strategies, policies and plans; identify areas for change, and to align budget and national planning cycles to SDGs. Also, the FYDP II requires MoFP to ensure that global and regional agreements (e.g. Africa Agenda 2063 and SDGs) are adequately mainstreamed into national development planning and implementation.

According to the interview with MoFP -PED and Planning Commission officials the audit noted that, when the UN 2030 Agenda for SDGs was adapted, MoFP was preparing the FYDP II, 2015/16-2020/202 thereby embedded a total of nine SDGs into the plan. The embraced SDGs include goals one, two, three, four, five, six, seven, nine and seventeen.

However, the audit noted the following shortcomings in the adaptation of the SDGs into national context:

3.2.1 Not all Existing Plans, Strategies and Policies were Reviewed to Accommodate SDGs Requirement

- **National Level (MoFP)**

According to review of the FYDP II and interview with NBS officials, MoFP embedded a total of nine SDGs and reflected 165 indicators out of 230 of SDGs indicators, which is equal to 68 percent. The review of the FYDP II also revealed that, none of the SDGs are fully mapped with the FYDP II. The review of the FYDP II further pointed out that, although MoFP did not specify as to when the remaining goals would be mainstreamed into the national plans. The eight goals were left out of the FYDP II because MoFP did not develop the national SDGs implementation strategy outside the FYDP II framework that would guide the domestication, implementation and achievement of the SDGs. In addition, the audit noted that FYDP II was silent on the management of the selected nine goals after its closure in 2021, which is nine years before SDGs are concluded.

According to the review of the FYDP II the audit further noted that, MoFP did not prioritize what was intended to be achieved at the end of the plan period given the availability of resources. For instance, the plan identified a total of five flagship projects as a path to influence and catalyse the envisaged transition towards Tanzania’s industrialization and social economic transformation. The audit also noted that the identified flagship projects are huge and demand resources (both fiscal and non-fiscal) thereby posing the risk of being unaccomplished at the end of the plan. **Table 1** presents identified flagship projects in the FYDP II.

Table 1: Costing of the FYDP II Flagship Projects

Project category	Name of the project	Estimated cost(TZS in Trillion)
Central development corridor	Construction of a new Central Railway Line to Standard Gauge	30
	Development of the proposed new Bagamoyo Port;	
	Expansion and modernisation of the Dar es Salaam, Mwanza and Kigoma Ports;	
	Establishment of Special Economic Zones in Bagomoyo, Kigoma Ruvuma and Mtwara;	
	Kurasini Trade and Logistics Centre	

	Dodoma Trade and Logistics Centre	
	Agricultural City of Mkulazi	
	Development of Machinery and Automotive Assembly Industries	
North-West Corridor of Tanga	Expansion and modernization of Tanga Port	40
	Development of Tanga Special Economic Zone	
	Rehabilitation and revitalization of operations in the Ruvu-Tanga - Moshi spur of the Central Railway Line;	
	Construction of the Lake Albert (Uganda) - Tanga oil-pipeline; and	
	Soda Ash Refinery and development of associated chemical and glass sheet industries.	
Mtwara Development Corridor	Coal and Iron Ore Mining and Iron and Steel Complex Plant (Mchuchuma and Liganga);	11
	Preparatory works for the construction of Liquefied Natural Gas Plant	
	Expansion and modernization of Mtwara Port;	
	Mtwara Petrochemical Special Economic Zone	
	Preparatory works for establishment of the gas-based Fertilizers Plant	
	SAGCOT	
	Preparatory works for construction of Mtwara - Liganga - Mchuchuma Railway Line to standard gauge.	
	Improving availability and reliability of electrical power	9
Stand-alone flagship projects	Mass training for development of rare and specialized skills for industrialization	3
TOTAL		93

Source: MoFP (2015) FYDP II

From **Table 1**, the audit noted that the cost of the FYDP II identified flagship projects was 93 Trillion which is equal to 87 percent of the FYDP II estimated cost of 107 trillion. This poses a risk of less attention to be paid to other aspects of SDGs as social and environment. In addition, there is a risk of some of the identified projects not being completed after the five years of the FYDP II. This indicated that, there was lack of proper assessment of priority interventions with high

impact to attain SDGs and sequence of their implementation given the plan time frame and availability of resources.

According to review of the FYDP II the audit further noted that, the MoFP had inadequately prioritised on the unfinished MDGs business as the main objective of SDGs. Some of the unfinished MDGs businesses include eradication of poverty and hunger, improved maternal health, and part of environmental sustainability. This may lead the country to fail to achieve the intended SDGs outcome and impacts.

The audit further noted that, although MoFP embedded 68% of SDGs in the FYDP II and developed the SDGs Baseline Report, there are no strategic plans in place for periodic review to see if other SDGs targets and indicators are responding to current interventions and if not, progressively include them in the respective sector strategic plans.

Inadequate integration of SDGs targets into national development plans and strategies may lead the government not to attain the set goals and targets at the end of the agenda and leaving some goals and targets unattended completely.

- **Sub-national (sector ministries and Local level (LGAs))**

Ministries, Regional Secretariats and LGAs are required to align their annual plans and budgets to the FYDP II, Ruling Party Manifesto of 2015 and SDGs⁹. However, according to interview with officials from PO-RALG the audit noted that sector Ministries and LGAs did not adequately align their plans and targets to SDGs. According to the interview with planning officers and review of strategic plans of visited LGAs, the audit noted that, out of five visited LGAs four did not review their Strategic Plans (SPs) to integrate FYDP II and SDGs. For instance, interviews with the planning officers of Kigoma/Ujiji Municipal Council and the review of their strategic plan revealed that the municipal council was still using the 2013-2018 SP.

Similarly, according to review of the visited LGAs' SPs the audit noted that, the LGAs were using the SPs which define the FYDP I, MDGs and the ruling party manifesto of 2010. This is a deviation of about two years hence posing the risk of inability to implement a substantial part of the FYDP II, SDGs and the 2015 ruling party manifesto to their fullest.

⁹ Guidelines for Preparation of Annual Plans and Budgets of 2016/2017 and 2017/2018

Regarding the LGAs who reviewed their SPs such as Bariadi Municipal Council (MC), the audit noted that, the review was conducted upon the expiry of the previous SPs and not meant to embrace the SDGs. This was exhibited by the fact that, the set targets of the Bariadi MC strategic plan of 2016/2017 to 2020/2021 were not aligned to SDGs goals and targets. The review further revealed that, although the plan reflected some SDGs areas such as education; and access to clean, safe and affordable water, the plan did not set the SDGs targets to be achieved. The audit also noted that, although some LGAs took initiatives to review their SPs there was delay in approval. Those LGAs are Dodoma MC and Singida MC. This led to delay in implementing the current national set plan and targets.

Delay of SPs approval was also the case with the visited ministries. For instance, MoEST reviewed its SP i.e. Education Sector Development Plan (ESDP) 2016/17-2020/2021 to reflect the FYDP II but at the time of this audit the plan was not approved although the ministry was using it. Also, upon review of the ESDP the audit noted that, the plan did not set the targets relevant to SDGs to be attained at the end of the plan which is nine years before the 2030 Agenda for SDGs is concluded. Similarly, although VPO reviewed its strategic plan 2015/2016-2020/2021 following the expiry of the previous plan, but the SDGs set goals and targets were not clearly reflected.

Nevertheless, interview with officials from MITI revealed that the ministry had earlier reviewed its SP to align to the FYDP II but due to the structural change of the ministry, at the time of this audit they were in the process of reviewing it to reflect the new structure. This may lead to delay of implementation of the FYDP II which may result into failure to achieve the set goals and targets. **Table 2** below shows the status of the selected Ministries' and LGAs strategic plans.

Table 2: Status of the Strategic Plans of the Ministries and LGAs as of 2017/18

LGAs and MDAs	Year of review	Status of Strategic Plan	Remarks
MoEST	2016/17 - 2020/21	Draft	Waiting for approval
MITI		Under review	
PO-RALG	2016/17 - 2020/21	Reviewed	Did not reflect the set SDGs and targets
VPO-Environment	2016/17 - 2020/21	Reviewed	Did not reflect the set SDGs and targets
Dodoma MC	2016/17 - 2020/21	Draft	Not approved
Singida MC	2016/17 - 2020/21	Draft	Not approved
Ujiji MC	2013-2018	Not reviewed	
Songea MC	2016/17 - 2020/21	Reviewed	Did not reflect the set SDGs and targets
Bariadi DC	2016/17- 2020/21	Reviewed	Did not reflect the set SDGs and targets

Source; Auditors analysis

In addition, interview with the officials from the PO-RALG revealed that, non-review of the SPs to align SDGs was because the guidelines for the preparation of annual plans and budget did not state as to when the LGAs are supposed to review their SPs to accommodate SDGs. Also, the guidelines did not show how to localize the SDGs. The review of the Tanzania SDGs Baseline Report, 2017 pointed out that non-review of the SPs is also caused by delay of issuance of the guidelines for preparations of annual plans and budgets to the LGAs.

The review of the guidelines for the preparation of plans and budgets 2016/17 and 2017/2018 further revealed that that, although the guidelines required the MDAs, RSs and LGAs to align their budgets and plans with the FYDP II and SDGs, the guidelines did not clearly provide which SDGs were to be aligned for the plan period. This was because MoFP did not translate the goals and targets into those guidelines for them to be directly integrated in the strategic and annual development plans. Also, the guidelines did not provide for the SDGs targets to be considered in the budget and plans in a particular year. Because of unclear directive from MoFP to LGAs and Ministries, there is a risk that SDGs will be superficially implemented by LGAs as well as Ministries.

3.2.2 Lack of Institutional Mechanism to Integrate SDGs into National Actions

MoFP is required to establish an institutional mechanism¹⁰ to integrate SDGs into the national actions¹¹.

However, according to the review of the FYDP II the audit noted that, MoFP did not set an institutional mechanism to integrate SDGs into the national actions. The audit further noted that, although the Planning Commission, MoFP-PED and NBS are carrying out activities related to SDGs, there is no cabinet directive which mandates them to that effect. Interview with MoFP-PED officials and the SDGs desk officer from the Planning Commission revealed that, although PED undertook the activities related to SDGs particularly public awareness creation on SDGs, they are only responsible with goals related to poverty eradication. This is because there is no policy directive showing which institution is solely responsible for dealing with SDGs integration in general. This may cause other SDGs not to effectively be integrated to national actions thereby inadequate implementation which may not achieve the set goals and targets.

The audit also noted that, although FYDP II mandated MoFP to the overall coordination of implementation of FYDP II, the plan did not clearly state as to whether MoFP is also responsible for promoting coordination and integration of SDGs. The audit further noted unclear boundaries between MoFP-PED, NBS and Planning Commission about tracking and reporting on the progress of SDGs.

Regarding institutional set up for integration of SDGs at the local government level, the audit noted unclear institutional set up for integration of SDGs into actions. It was noted that the decentralization by devolution (D-by-D) intended for transferring implementation of national development and service delivery to the local governments had not been effectively implemented. Some central Ministries still exercise significant authority and control on implementation of local development activities contrary to the spirit of devolution and discretionary powers of LGAs. Interview with PO-RALG officials revealed that, most of sector ministries which have not fully delegated their function to LGAs tend to withhold the financing aspect for the central government projects done by LGAs.

¹⁰Section B4 of the Guide suggests an “inter-agency coordinating body”, which may include delegation of this role to an existing agency such as the Planning commission or constituting an inter-institutional steering committee.

¹¹ UNDG (2015) Reference Guide on mainstreaming the 2030 Agenda section B4

For example, the audit noted several water projects were being coordinated at central level. This affects the quality and effectiveness of operation of the projects, because their management is done through the top-down approach. This also contributed to LGAs and Lower Level Governments (LLGs) not to fully assimilate the SDGs in a typical local context (Local Economic Development - (LED) - approaches).

For instance, in Bariadi MC, despite of the presence of the D-by-D policy, LGA lacked a full mandate to mobilise resources, allocate and implement development projects such as large water projects and the Program-For Results (P4R). This was because some of its mandate was withheld by the sector ministries. This makes them to depend for resources (both financial and expertise) on the central government which often leads to delayed release of funds or sometimes not release at all.

Non adherence to D-by-D by sector ministries and lack of appropriate coordination among the sub sectors may lead to partial or non-integration of the agenda thereby non achievement of the set goals and targets.

3.2.3 Inadequate Use of Multi-Stakeholder Approaches for SDGs Integration

MoFP and PO-RALG are required to engage a variety of non- state stakeholders in different ways and at different stages of implementation process from preparedness and awareness rising until monitoring and review¹².

According to interviews with officials from MoFP-PED, MoFP involved stakeholders during the preparation of FYDP II in three phases: First phase sought opinions and inputs from targeted stakeholders (e.g. industrial and business owners and practitioners, high level decision makers in government and politicians; as well as, representatives from the academia, research institutions and the civil society); Second phase targeted solicitation of consensus on the priority areas and interventions and validate presentation and contents of the Plan; and Third phase was approval process of the Government and Parliament to ensure rationale, relevance and pragmatism of the proposed interventions for FYDP II. The interviews further revealed that MoFP

¹² UNDG (2015) Reference Guide on Mainstreaming the 2030 Agenda section B2, and URT (2015) FYDP II Para 7.4.1

intended to consult different stakeholders including non-state actors during the review and reporting on the progress of implementation of SDGs.

However, review of the FYDP II revealed that, MoFP's involvement of stakeholders in these review meetings was inadequate. For example, the ministry did not involve the NGO, CBOs, local community and the indigenous people (as beneficiaries of the plan) who have a significant role to play in policy formulation, implementation and other key decision-making processes as far as the FYDP II and SDGs are concerned.

Likewise, review of the FYDP II and its Implementation Strategy, revealed that, the strategy had identified stakeholders to be involved in the implementation, monitoring and evaluation of the progress of implementation of the FYDP II. Nevertheless, MoFP did not set clear mechanisms for multi-stakeholder's engagement. This is because MoFP inadequately conducted the stakeholders mapping to identify the stakeholder's roles and responsibilities together with the point of their engagement in the whole process of attaining the set goals and targets.

Inadequate multi-stakeholder engagement in the integration of SDGs may affect the process of reaching the wider community and decrease the aspect of transparency to the implementation of the FYDP II and SDGs.

3.2.4 Inadequate Tailoring Of SDGs to Country Context

MoFP and PO-RALG are required to set their own targets building on the global frameworks, while considering its own realities and national circumstances. It should also identify targets which are relevant to sustainable development aspirations; set intermediate targets and translate the targets into policies; identify the costs of operationalizing SDG policy¹³ setting and align it with the national budget¹⁴. The following are the weakness noted:

¹³ SDG policy refers to the strategy for implementing the 2030 Agenda at the national context

¹⁴ UNDG (2015) Section B2 and FYDP II Para 7.4.1

- **Inadequate comparison of the national goals and targets to global SDGs and targets**

According to the review of the FYDP II the audit noted that, MoFP inadequately compared the existing national goals and targets to the global SDGs and targets to set national relevant targets. For instance, the set targets in the FYDP are to be attained by the year 2020/2021 and there are no targets for the 2030. For example, the global SDG target on health is to reduce the children under 5yrs mortality to lower than 25 per 1,000 live births by 2030 while the national target under the FYDP II is 15 per 1,000 births by 2020. The plan shows that, MoFP did not consider the sustainability of the actions under the plan. This was because MoFP did not set a national sustainable development plan in which the global targets could be set on the best interest of sustainability.

Inadequate comparison of the national goals and targets with the global goals and targets may result into failure to attain the global set SDGs and targets in the prescribed time frame and some global SDGs targets may not be attained as planned.

- **Non-Alignment of The Costs of Operationalising SDGs Policy Settings**

According to the review of national annual budget 2016/2017 and 2017/2018 together with the budget speech of the Minister of Finance and Planning, the audit noted that MoFP did not align the costs of operationalizing SDGs policy settings with the national budget. Officials from MoFP- Budget Department confirmed that neither MoFP nor PO-RALG submitted budget proposal for SDG policy¹⁵ setting. Because of this the ministries had not secured funding for operationalising of the SDGs policy.

This poses a risk for the sector ministries who may not evaluate their policies/strategic plans to suit SDGs which may lead to weak implementation and attainment of SDGs targets by the year 2030.

- **Lack of Policy Coherence to Guide the Implementation of SDGs**

The implementation of SDGs requires an integrated approach to promote all dimensions of sustainable development in a balanced manner, breaking down sectoral silos and connecting different levels of

¹⁵ Op. Cit

government action. Policy coherence is critical to capitalize on synergies among SDGs and targets, between different sectoral policies, and between diverse actions at the local, regional, national and international levels.¹⁶

According to interview with officials from the Planning Commission, MoFP had developed the FYDP II Action plan as a tool for guiding the implementation of the FYDP II. The main objective of the action plan was to foster implementation of the Plan by evoking institutional synergies through coordinated sequence of actions and consensus amongst the stakeholders. According to the review of the FYDP II Action Plan Volume 1 most of interventions in the Implementation Strategy demanded a well-coordinated and strategic partnership between the Government on the one hand and the private sector, development partners, the civil society and other non-state actors. This entails the action plan to create shared responsibilities to all stakeholders.

However, upon review of the FYDP II action plan the audit noted lack of mechanisms for breaking down sectoral demarcations connecting different levels of government actions for implementation of the FYDP II and SDGs. In addition, in the action plan MoFP did not set mechanisms for a coordination and strategic partnership between the government and other stakeholders.

The audit further noted that, in the FYDP II action plan MoFP did not set out mechanisms for the other responsible stakeholders to join their actions towards the implementation and achievement of the set goals and targets of the FYDP II.

The audit noted that lack of comprehensive policy coherence guiding the implementation of the SDGs in FYDP II pose the risks of institutions to strive to promote their own strategic plans that do not necessarily reflect on SDGs. This may also pose the risk of having one policy contradicting the other thereby delaying or hindering the execution and realizing targets of the SDGs

3.2.5 Inadequate Awareness Creation on SDGs

MoFP and PO-RALG are required to involve multiple actors such as the private sector in awareness raising efforts and ensure public awareness of the SDGs at the country level is raised in the context of the existing

¹⁶ UN Res. 70/1

or forthcoming national development vision and plan to ensure that SDGs is a nationally-owned process and should evaluate the results of advocacy and awareness-raising campaigns to determine its effectiveness¹⁷.

Based on interview with MoFP-PED, one national wide training workshop on SDG was conducted in year 2016. Participants were Planning Officers and Community Development Officers from the LGAs and Planning Office and the Local Government Officer from the RSs. The training covered four zones with all 26 regions in Tanzania mainland and 185 district councils. The objective was to capacitate the LGAs to localize the SDGs in their plans, programs, projects, and to effectively monitor and report.

However, according to review of the SDG Zonal Workshop Reports, the audit noted that the awareness creation workshops did not involve multiple actors such as private actors, local community leaders and the civil societies. For instance, the organisers of the workshops were MoFP in collaboration with PO-RALG, technical support was from the University of Dar es Salaam (Department of Economics) and the attendees were the Planning Officers and the Community development officers from the LGAs. In addition, due to the significant importance of the SDGs topic, some of non-state stakeholders such as the Policy Forum are carrying out SDGs awareness campaigns at the community level by translating the agenda into Swahili language and printing booklets but their efforts are not backed up nor coordinated with the efforts done by MoFP.

Non-involvement of multiple actors was caused by lack of stakeholder's analysis which would indicate the role of each stakeholder from the government level to the grassroots in the implementation of SDGs. Inadequate awareness creation may lead the non-state stakeholders as well as the community to miss the link that would have enabled them to align national development plans and policies and, ensuring a participatory decision-making and implementation of the Agenda.

Similarly, according to the review of the national annual development plans and budgets for years 2015/2016 and 2016/2017 respectively, the audit noted that MoFP and PO-RALG did not prepare a plan to expand SDGs awareness creation to the community at large in future.

¹⁷UNDG (2015) Reference guide on Mainstreaming the 2030 Agenda section B1

Nevertheless, the Officials from MoFP-PED revealed that, the post-workshop evaluation was not done. As a result, the MoFP and PO-RALG did not get feedback from the participants on the areas that need improvement for the future and, the effectiveness of the awareness program itself.

Furthermore, according to interview with Officials from PO-RALG the audit noted that, inadequate awareness creation was due to not differentiating SDGs from other national and global targets undertaken by the government where special attention was given to awareness creation. These may impede the SDG implementation process as key stakeholders may not own the process in their local contexts.

CHAPTER FOUR

RESOURCE MOBILISATION FOR IMPLEMENTING THE 2030 AGENDA FOR SDGs

4.1 Introduction

This chapter presents findings on the identification and mobilisation of resources and capacities required for implementation of SDGs. Specifically, it focuses on the extent to which MoFP has identified and secured resources and capacities for implementation of SDGs. Findings of the audit are categorized in three areas which are: identification of resources for achieving the national SDGs targets; identification and use of innovative methods to secure resources and capacities; effectiveness of tax collection system; Identification and mobilization of capacities (human capital and ICT skills); and risks and mitigating strategies in securing resources and capacities.

4.2 Inadequate Identification and Mobilization of Resources and Capacities (Human Capital and ICT Skills)

MoFP is required to identify and mobilise resources (means of implementation) to achieve the national SDG targets¹⁸.

According to the review of the FYDP II, MoFP has identified the financial resources for implementation of the FYDP II, which is estimated to cost a total of TZS 107 trillion. Also, the audit noted that, MoFP identified both domestic and external innovative sources in order to complement the amount to be realised through the traditional sources. The review of the FYDP II and the Financing Strategy revealed that, MoFP mentioned use of innovative methods to mobilize resources for implementation of the plan.

Among the proposed innovative methods were the use of Development Financing Institutions (DFIs) through Tanzania Investment (TIB) and Tanzania Agriculture Development Bank (TADB) to raise syndicated loans to finance development projects; the use of foreign market bonds; local government/ municipal bonds; climate change financing; Public Private Partnership and Foreign Direct Investment. Also, MoFP planned to effectively collect domestic tax and widen the tax base.

¹⁸ UN (2015) Addis Ababa Action Agenda Para 22

However, the audit noted the following shortcomings in identification and mobilization of resources and capacities for implementation of SDGs:

4.2.1 Inadequate Identification of Resources for Achieving the National SDGs Targets

According to the review of the FYDP II the audit noted that, MoFP did not identify the resources required for implementation of SDGs. The estimated amount of TZS107 Trillion was for implementation of the FYDP II which embraced only part of SDGs and covers a period of five years. There is a difference of about nine years to the attainment of the 2030 Agenda. This implies that, the identified amount allocated for the FYDP II will affect only small part of SDGs and the amount to be allocated for the remaining eight goals is uncertain. Again, non-identification of resources for implementation of SDGs was caused by lack of the national SDGs implementation strategy.

4.2.2 Inadequate Identification and Use of Innovative Methods to Secure Resources and Capacities

According to the review of the FYDP II and its Financing strategy the audit noted that the identified innovative methods for securing resources and capacities were inadequate and difficult to apply. This was explained as follows:

With regard to development financing institutions (TIB Development Bank in particular), the audit noted that the bank is inadequately capitalised and it was dependent on the government to increase its capital. For instance, in the 2016/2017 National Development Plan the government committed to increase the TIB capital by TZS 100 billion to help implementing development projects which estimated to cost a total of TZS 107 Trillion.

According to review of the TIB Development Bank Annual report of 2016 the audit noted that, the TIB was not performing well thereby posing a risk of not being able to finance the implementation of the development projects. For instance, for the year 2016 the bank recorded loss before tax of TZS. 33,588 Million in 2016 compared to the previous 2015 profit of TZS 9,236 Million. This trend implies that TIB is at risk of facing bankruptcy, and cannot adequately fund the implementation of FYDP II and hence may affect realization of SDGs targets.

Regarding the Foreign market bonds and Local government/ municipal bonds, the review of the FYDP II Financing Strategy revealed that, although these are the potential products which can be used to finance the Plan, MoFP did not set mechanisms to regulate the market for bonds in the country. The strategy also revealed that the local government/municipal bonds did not exist due to inadequate capacity of the LGAs to generate revenues from their own sources.

Regarding the use of Climate Change Financing, interview with officials from VPO-Environment revealed that, MoFP had not set integrated climate financing mechanism for strengthening the national capacity to access these funds and align climate finance spending with the national development priorities as identified in FYDP II. This led MoFP to be unable to access those funds from both domestic and international sources. **Table 3** shows the flow of climate change financing for the financial year 2017/18 as of December 2017.

Table 3: Climate Change Financing 2017/2018(TZS in Million)

S/N	Project	Approved Fund		Released Fund	
		Domestic	International	Domestic	International
1.	Climate Change Adaptation Programme	1850	1,400	0	0
2.	Support Sustainable Land Management of Lake Nyasa Catchment	54	1,826	0	1,061
3.	Ozone Depleting Substances Project	90	228	0	0
4.	Stockholm Convention Implementation Project	64	335	0	0
5.	Lake Tanganyika Environmental Management Programme	532	0	0	0
6.	EMA Implementation Support	76	0	0	0

S/N	Project	Approved Fund		Released Fund	
	Programme				
	TOTAL	2,666	3,788	0	1,061

Source: VPO Project Implementation Report of 31st December, 2017

From **Table 3** out of TZS 2,666 million of the domestic approved funds, no amount was released at the time of the audit while out of TZS 3,788 million of the approved international funds only TZS 1,061million was released which is equal to 28 percent of the approved fund from international source.

Further, the review of the FYDP II, national annual development plans and annual budgets 2016/17 and 2017/18 respectively revealed that tax revenue has been and is still the most relied source of revenue. **Table 4** below is the summary of sources of financing FYDP II (2016/17-2020/21).

Table 4 : Sources of Financing FYDP II

No	Source	Source of Finance	Expected amount (TZS in billion)
1.	Traditional Domestic Sources	Tax revenue	42
		Non Tax revenue	8
		Domestic borrowing	16
		Total	66
2.	Traditional External Sources	Grants	5
		Concessional	6
		Non concessional	6
		Total	17
3.	FDI	FDI	30
		Total	30
4.	Innovative sources of Financing	Local Government Bonds/Municipal Bonds	0.4
		Sovereign Market Bond	3
		Climate Change Financing	0.7
		PPP	4
		Development Financial Institutions (TIB)	15
		Pension Equity Fund	0.3
		Total	23.4
		TOTAL	136.4

Source: FYDP Financing Strategy Vol. 2

From **table 4** traditional sources account for 61 percent of the total revenue in which tax revenue constitutes 51 per cent of domestic revenues. Also the table shows that non-tax revenue contributes 6 per

cent and innovative sources are estimated to account for 17.2 percent of the total revenue. This implies that, the identified innovative methods for securing resources are inadequate and ineffective hence rendering the government to continue using the traditional methods for securing and mobilizing resources. This might affect the achievement of the plan and SDGs in general due to inadequate financing.

According to the review of 2015/2016 and 2016/2017 national annual budgets respectively, the audit noted that, proposed innovative methods of securing resources for implementation of FYDP II in particular did not fully support the government to fund its activities. As a result, most of the development projects were funded from Government fund which was inadequately released. For instance, according to the review of the Minister of Finance Budget Speech 2017/2018 the audit noted that for the year 2016/2017 only TZS 4.6 trillion out of TZS 12 trillion which is equal to 39 percent of the approved development budget was released. This affected and will continue to affect effective implementation of the SDGs in FYDP II.

According to the review of the FYDP II Financing Strategy, inadequate identification of the innovative methods for securing resources was because MoFP did not conduct analysis on the environment favouring the operation of the proposed innovative methods. For instance MoFP identified the municipal bonds as an innovative source without considering the capacity of LGAs in generating resources through own-sources, and also considering that management of municipal bonds is a relatively underdeveloped bond market.

4.2.3 Ineffective Tax Collection System

MoFP is required to improve the effectiveness of the tax system in order to increase the government revenue¹⁹.

Interview with the officials from MoFP-PED revealed that, Tanzania Revenue Authority (TRA) developed a Fifth Corporate Plan -CP5 (2017/2018-2021/22) as an instrument for operationalization of internal resource mobilization efforts. The vision of the instrument is to increase domestic revenue through enhancement of voluntary tax compliance. CP5 has put much emphasis on enhancing domestic revenue collection and was designed to consider changes by incorporating FYDP II and SDGs.

¹⁹ UNDG: Mainstreaming the 2030 Agenda for Sustainable Development (2015)

However, review of the FYDP II Financing Strategy revealed that the tax base is not fully explored as most of the informal sector was not brought into the taxing system. This leads to loss of tax revenue. Also the audit noted that, MoFP through TRA did not establish the database for all the tax payers especially those in informal sector and there was no established mechanism to track the tax payers especially those without Taxpayer Identification Number (TIN). This is evidenced by the current TIN verification activity by TRA.

In review of the national annual development plans and annual budgets 2015/2016 and 2016/2017 the audit noted that, MoFP had put emphasis on collecting tax mainly from PAYE and companies producing cement, beer, cigarette and soft drinks. As production growth varies with demand growth, those supply and demand fluctuations might impact on the revenue collection. For instance, the review of the budget implementation report 2016/17 revealed that, for the year 2016/17 significant shortfall was recorded in corporate tax at 89.8% of the target. The report further revealed that was caused by decline in the sale of goods for local markets faced by companies producing cement, beer, soft drinks and others due to financial market liquidity squeeze which in turn reduced profitability of some of the financial institutions.

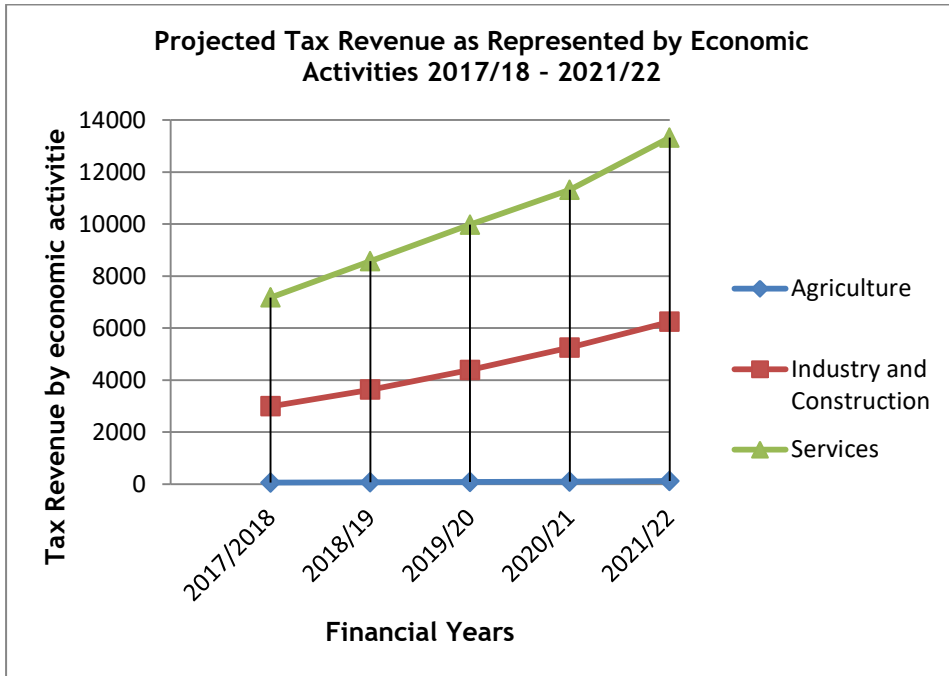
With regard to Pay as You Earn (PAYE) the report revealed that, PAYE performance was at 90.5% because of retrenchment of workers in some companies caused by the slowdown of business activities as well as removal of fictitious civil servants. Performance of domestic Value Added Tax (VAT) and excise duty was also below the target due to decline in consumption of some manufactured goods such as cigarettes, beer, soft drinks and hard drinks which have affected the taxable base.

Further, the audit noted that, MoFP through TRA emphasized on the use of EFDs for revenue collection. However, the emphasis was largely made on the collection of the taxable revenue while little emphasis is made on the collection of non-taxable revenue. Also awareness on the use of EFDs is made mostly in big cities and towns while the rural areas where LGAs collect most of their revenue, are left out, thereby posing the risk of loss of revenue.

Nevertheless, upon review of the CP-5 the audit noted that, the system for projecting revenue collection does not consider the reality of the growth of the particular sector. For instance TRA projected to collect revenue from different economic activities as shown in **Figure 2**

below. Despite the fact that 75% of the population depend on agricultural sector, within five years TRA projected agriculture sector to yield less revenue compared to other sectors like industries and service sectors which engage a small proportion of the population.

Figure 2: Projected Tax Revenue as Represented by Economic Activities 2017/18 - 2021/22



Source: Extracted TRA CP-5

Further, TRA CP-5 pointed out that, tax system was not effective because of several internal weaknesses that include: lack of a robust integrated domestic tax system; low reliability of the taxpayer registration database; inadequate ICT security; frequent system downtime; and inadequate synergies between departments, skills gaps to administer specialized sectors. These weaknesses might impair mobilisation of resources for implementation of SDGs.

4.2.4 Inadequate Identification and Mobilization of Capacities (Human Capital and ICT Skills)

Interview with officials from MoFP-PED and review of the FYDP II revealed that, MoFP planned to develop human capital and ICT skills through training at different levels within and outside the country. Also the FYDP II pointed out that, MoFP would work in cooperation with the

private sector, development partners and other non-state stakeholders to mobilise and secure capacities for implementation of the FYDP II and SDGs. According to the review of the FYDP II and the National Annual Development Plans 2015/16 and 2016/17, MoFP planned for training of rare and specialized skills for industrialization and human development.

However, according to the review of the FYDP II audit noted that, MoFP did not identify rare and specialised skills and the extent required for implementation of the SDGs in the plan. This was because MoFP did not estimate the required capacity (in terms of skills) for implementation of the FYDP II which embedded the SDGs. This may result into training of wrong or unneeded skills which may lead to inadequate skilled personnel required for implementation of SDGs.

The audit further noted uneven distribution of capacities contrary to the staff allocation list which requires each LGA to have two statisticians. It was for example noted that Dodoma MC had four statisticians while Kigoma had none. The problem of inadequate capacities was noted in other sectors such as health sector in Songea whereby out of 588 required health workers, only 242 were available, reflecting a deficit of 346 staff.

This was caused by lack of capacity needs assessment in various sectors responsible for the implementation of sustainable development goals. The acute deficit in capacities required for the implementation of various sectoral activities might lead to failure in achieving the set SDGs targets.

4.2.5 Inadequate Identification of Risks and Mitigating Strategies in Securing Resources and Capacities

MoFP is required to identify risks and establish risk mitigating strategies in securing resources and capacities for implementation of SDGs²⁰.

According to the review of the FYDP II Financing strategy, MoFP identified risks in securing resources and capacities for implementation of the FYDP II. The identified risks included moving beyond traditional mechanisms of financing development by finding new sources to complement traditional mechanisms of financing implementation of the plan.

²⁰ UN (2015) Addis Ababa Action Agenda

However, the audit noted that, MoFP identified only risks associated with securing financial resources while leaving out risks associated with securing and mobilizing capacities for implementation.

Non-identification of risks associated with securing capacities for implementation of the plan and SDG was due to MoFP failure to identify the required capacities making it difficult to establish risks associated with securing capacities.

CHAPTER FIVE

MONITORING AND REPORTING IMPLEMENTATION OF THE SDGs

5.1 Introduction

This chapter presents findings about monitoring, follow-up, review and reporting on the SDGs implementation progress.

5.2 Mechanisms to Monitor, Review and Report on the Progress

MoFP is required to conduct regular and inclusive reviews of progress at the national and sub-national levels which are country-led and -driven. Such reviews should draw on contributions from indigenous people, civil societies, the private sector and other stakeholders, in line with national circumstances, policies and priorities²¹.

According to the interview with officials from NBS, PO-RALG and LGAs together with review of the SDGs Data Road Map, 2017, the audit noted that, efforts were done by the MoFP, NBS and Planning Commission in understanding data production potential to facilitate reporting on SDGs including preparations for SDGs baseline report and development of data gaps assessment report. However, several weaknesses were observed, as presented in the following sections:

5.2.1 Inadequate Identification of Performance Indicators and Baselines to Monitor and Report on the Implementation

MoFP is required to establish national performance indicators in order to feed strategic planning, budgeting, policy analysis, programme evaluation and decision making.²²

Interview with officials from MoFP, Planning Commission and review of the FYDP II revealed that, MoFP established performance indicators for monitoring and evaluating the progress of FYDP II where SDGs were embraced.

However, the interview with officials from NBS and review of the Progress Report on SDGs Data Road Map, 2017 had shown that only 41

²¹ UN Res 70/1

²² FYDP II Section 7.1

percent of SDGs indicators had metadata²³ while 59 percent required additional efforts and resources (human and financial) for development. Also the officials revealed budgetary constraints for the development of performance indicators, wherein most cases they depended on donor funds which sometimes were not released timely.

Further, according to interviews with officials from the visited LGAs and the selected Ministries, there is no clear link between NBS on one hand and sector ministries and LGAs on the other hand. This has affected the development of indicators in the sense that, officials from sector ministries and LGAs had no avenue to participate in the development of performance indicators for monitoring the implementation of SDGs. Inadequate identification of performance indicators might lead to delay or lack of indicators for some SDGs and targets hence rendering tracking and monitoring progress of implementation ineffective.

5.2.2 Inadequate Data Collection Capacity

NBS is required to be equipped for quality and timely availability of data at a required level of disaggregation.²⁴

However, review of Progress Report on SDG Data Road Map, 2017 indicated that NBS as the coordinator for production of official statistics within the National Statistical System (NSS) lacks capacity in terms of finance and human resources for data collection and dissemination. Table 5 shows the NBS’s capacity in terms of human resources.

Table 5: NBS Capacity in Terms of Human Resource

S/N.	Category	Available	Required (for optimal efficiency)	Gap
1	NBS Management (Directors and Managers)	14	21	7
2	Principal Statisticians	11	22	11
3	Senior statistician	35	45	10
4	Statisticians	55	66	11

²³ Data which provides information about one or more aspects of the data used to summarise basic information about data which can make tracking and working with specific data easier

²⁴UNDG Reference Guide on Mainstreaming the 2030 Agenda Section A3 and the FYDP II Section 7.2

S/N.	Category	Available	Required (for optimal efficiency)	Gap
5	Assistant Statistical Officers	12	12	0
6	Senior GIS Officers	2	2	0
7	GIS Officers	3	3	0
8	Assistant GIS Officers	6	6	0
9	Senior ICT Officers	4	4	0
10	ICT Officers	3	3	0
11	Assistant ICT Officers	1	1	0
12	Supporting Staffs	39	43	4
TOTAL		185	228	43

Source: NBS

From **Table 5**, although NBS had a total of 185 out of 228 staff (which is equal to 81%), the audit noted deficit of statisticians who are key in data collection and analysis for tracking the progress of implementation of FYDP II and SDGs. For instance out of the staff gap of 43, 32 were statisticians. This constitutes 74% of the total human resource gap.

The audit further noted that, despite the inadequate data collection capacity of NBS, there is no coordination of data collection between NBS, the sector ministries and LGAs. The data collection system and tools developed by MDAs and LGAs were not compatible with NBS system. In addition, the audit noted that, although for 282 SDGs indicators in the FYDP II, NBS can produce 39 percent of data while the remaining 61percentis produced by MDAs and other data producers in National Statistical System (NSS), there is no clear link of the data produced by NBS and those produced by MDAs and other data producers.

For instance, MoEST and PO-RALG had a well-established data system, known as Basic Education Management Information System (BEMIS) used for data collection, analysis, storage and reporting on all issues regarding education; PO-RALG had a PlanRep system which is used for planning, budgeting and reporting; and Ministry of Health has HoMIS for collecting health data. If the three systems were integrated to NBS data collection system, it could enhance the capacity of NBS in terms of data collection for tracking and monitoring implementation progress of SDGs.

Interviews with PO-RALG, MoEST, VPO-Environment and MITI officials revealed that, MDAs did not establish statistics departments. It was also noted that, although the PO-RALG Statistic Working Group under the Directorate of ICT was working on baseline data collection from different sectors, due to inadequate number of statisticians at the time of this audit they collected and analysed data from the education sector only.

Further, interview with the officials from planning, monitoring and statistics departments of the selected LGAs revealed a shortage of facilities and statisticians and some of the available statisticians were not qualified. Interviewed PO-RALG officials further revealed that out of 26 RSs only 16 RSs had one statistician each, while 10 regions had none. Further, interview with statistical officers from the visited LGAs and selected Ministries revealed that, the statisticians employed in institutions other than NBS did not have mandate to report on statistical issues.

Review of consolidated SDG Zonal Workshop report further revealed that, despite of the shortage of statisticians, those available were not used for the intended purpose. For example at the time of this audit, statistician for Singida MC was solely working for Tanzania Social Action Fund. This poses a challenge in data collection and timely availability of data for tracking the implementation progress of SDGs.

Furthermore, interview with NBS officials and review of the NBS annual budgets 2015/2016 and 2016/2017 revealed inadequate release of fund for implementation of different projects such as the development of the Tanzania Statistical Master Plan (TSMP). For instance in 2015/2016 only 60 percent was released while in 2016/2017 only 54 percent was released. This may lead to non-accomplishment of the NBS activities, which might result to inadequate collection of data for tracking and monitoring of the implementation of FYDP II and SDGs. **Table 6** shows the trend of fund release for catering NBS activities for 2015/2016 and 2016/2017.

Table 6: Trend of Release of NBS Funds

Financial Year	Approved Budget (TZS in Billion)	Released amount (TZS in Billion)	%unreleased amount
2015/2016	33	20	40
2016/2017	32	17	46

Source: Auditors Analysis

The audit noted further that MoFP did not identify key stakeholders for data collection process. For instance, Civil Societies and NGOs who are important and have capacities for data collection were inadequately used as a result; their experience for the progress towards preparedness for implementation of SDGs could not be captured in the data collection process.

5.2.3 Insufficient and Inadequate Data Quality and Availability

Review of the Progress Report on SDGs Data Road Map 2017 revealed the existence of data disaggregation²⁵. The detailed information on specific areas was only available to those entities such as the Statistical Working Group at PO-RALG who collect data on a specific area or subject, particularly education sector in line with the interests of the PO-RALG and MoEST.

According to interview with statisticians from the visited LGAs, the audit noted that, data collection tools and mechanisms from different sectors at MDAs and LGAs level were not harmonized. This poses a risk on availability of quality data (timely, reliability and precision). The interview further revealed that, although 61 percent of data are produced by MDAs, there is no harmonised template and system for data collection as a result data produced by MDAs and LGAs are not compatible with thereby not captured by NBS data system.

Interviews with planning officers from Dodoma, Songea and Singida Municipal Councils revealed the presence of data quality challenges due to lack of established department responsible for consolidating data from sectors. The planning officers also revealed that, previously LGAs used to store data on the Local Government Management Data Base(LGMD) through which data from all sectors were available and easily accessible. However, since the system was phased out, at the time of this audit there was no alternative system created. Interview with NBS officials revealed that, NBS in collaboration with LGAs developed social economic profile available in both manual and electronic format which were used to set benchmarks when planning. However, due to inadequate ICT facilities and resources the profiles are mainly operate on manual format, which becomes tedious and repetitive and difficult to update.

Absence of the established system for collecting, analysing and storing data is likely to impair the quality of the data, thereby affecting the

²⁵ Separation of data in sub-population

process of monitoring and tracking implementation progress of the FYDP II and SDGs.

According to interview with officials from NBS data availability and quality is affected by the frequency of data collection. The frequency of data collection is considered to be low as it takes a long time before new data is collected. For instance, the Population and Housing Census are conducted once every ten years, with the most recent census conducted in 2012 following that of 2002. Household Budget Survey is conducted every five years, with the most recent being conducted in 2012 following the one in 2007. The pointed frequency of data collection is likely to impair timely availability and quality of data for tracking implementation progress of SDGs.

Furthermore, review of the Post 2015- Data Test pointed that data for various targets and indicators tested were not available and accessible. **Table 7** below shows data availability for measuring progress against proposed indicators (for more details refer appendix 2).

Table 7: Data Availability for Measuring Progress against Proposed Targets and Indicators

Goal area	Data for indicator readily available	Calculation from existing data sources needed	Data to be collected
Global	2	3	
National	2	4	
Ensure Quality Education for All			
Global	5		
National	5	2	
Create jobs, sustainable livelihood and sustainable growth for all			
Global	1	6	
National	2	1	4
Ensure sustainable energy and develop infrastructure for all			
Global	3	2	3
National		1	2
Establish sustainable, healthy and resilient environment for all			
Global	2		3
National			8
Establish open, accountable, inclusive and effective institutions, rule of law and a peaceful and inclusive society			
Global	4		5
National	6		
Establish a global partnership for sustainable development			
Global	6		
National	1		4

Goal area	Data for indicator readily available	Calculation from existing data sources needed	Data to be collected
Total			
Global	23	11	11
National	10	8	18

Source: Post 2015- Data Road map report

Table 7 shows lack of data for four out of seven goals the government had focused on; which are goals on governance, energy, infrastructure and environment. Data on governance was available for only four of the nine indicators examined from official sources. For energy and infrastructure, data was available for five of the eight indicators. Only two of the five indicators examined for the environment had available data. Generally, there was limited data for these goal areas, particularly when compared to education, health and poverty. Further the Post 2015 Data test report revealed large variations in the quality of data across goal areas.

The audit noted that, the deviation portrayed in table 7, was due to untimely, unreliable and inaccurate data. This was caused by lack of harmonised data collection tools and mechanisms from different sectors at MDAs and LGAs level. The poor quality and untimely availability of data may impair the tracking, monitoring and review of implementation progress of the FYDP II which embraced SDGs.

5.2.4 Inadequate System to Coordinate, Monitor, Follow-Up, Review and Reporting on the Progress of Implementation of SDGs

MoFP is required to set relevant institutional arrangement for coordinating strategies for achieving SDGs²⁶. Interview with Planning Commission officials and review of the FYDP II Monitoring and Evaluation Strategy officials revealed that, MoFP established the M&E system for tracking the progress of implementation of FYDP II. Through this strategy, MoFP set the institutions for coordinating implementation of progress of the FYDP II. Also the officials revealed that, currently the Planning Commission is preparing the M&E Strategy specifically for SDGs.

Although the FYDP II M&E Strategy entails to use various data systems from MDAs, LGAs, and Non State Actors (NSAs) that have already established comprehensive Management Information System (MIS),

²⁶ Guidelines for the preparation of annual plan and budget for 2015/16(4.7 Para 36)

interview with the LGAs officials revealed that, at the time of this audit LGAs did not have a system in place for data gathering. Previously the system used was Local Government Management Database (LGMD) which phased out. Currently LGAs are using PlanReP for planning, budgeting, and reporting. This system could be advanced and used by NBS to get data from MDAs and LGAs.

Also, interview with PO-RALG, the Planning Commission and NBS officials and review of the FYDP II M&E Strategy pointed out lack of a comprehensive and integrated framework and whole-of-government M&E system to provide overall guidance on the development and application of M&E across sectors. Lack of an integrated and effective M&E system may obstruct the measuring of actual impacts of development initiatives and their intended results on sustainable development, resulting in difficulties to flag out risk areas or identify critical issues that need deeper analysis and policy responses.

In addition, interview with the Planning, Monitoring and Statistic officers of the visited LGAs revealed that, there were no clearly set mechanisms for the LGAs to track and report on the progress of implementation of SDGs in FYDP II. The available tracking mechanisms are for tracking and reporting on the progress of implementation of the ruling party manifesto.

Further the review of the Medium Term Expenditure Framework (MTEF) of the visited LGAs revealed that, the existing reporting system does not link the LGAs set objectives with the SDGs objectives and targets. This may result to failure in tracking the progress of implementation of SDGs thereby MoFP may not be able to evaluate the trend and status of implementation at all levels of government.

5.2.5 Inadequate Capacity of M&E Departments in MDAs, and LGAs

Planning Officials from visited LGAs, MITI, PO-RALG, MoEST and VPO revealed that, M&E activities are not prioritised in the budgets of the Ministries and LGAs. The budget allocated for M&E activities was low compared to the cost and extent of the development projects to be monitored and evaluated. In addition, Review of the annual plans and budgets of the visited LGAs and selected ministries revealed that, the budget for M&E activities for the government funded projects do not exceed 3% of the whole budget. The only exception is the planning commission, which receive a substantial percentage allocation of budget for Monitoring and Evaluation.

The officials further revealed that, in most cases, for the Government funded projects M&E is conducted by using ‘Office Charges’(OC) which in most cases is insufficient. **Table 8** shows the budget allocated and the amount of fund released for M&E activities of the visited at LGAs and Ministries for the years 2015/16 and 2016/2017(for more details refer appendix 3).

Table 8: Allocated Budget for M&E Activities

LGAs/MDAs	Financial Years	Released amount for M&E	Percentage of M&E funds in total budget
MoFP	2015/16	792,375,205	28.3
	2016/17	1,096,459,000	29
MITI	2015/16	111,279,430	0.2
	2016/17	78,337,215	0.1
Planning commission	2015/16	68,000,000	100
	2016/17	234,875,067	96
Dodoma MC	2015/16	0	0.3
	2016/17	25,896,400	2.3
Songea	2015/16	8,000,000.00	0.67
	2016/17	7,898,000	0.18
Singida	2015/16	31,921,978.73	0.39
	2016/17	18,920,000	0.41
Kigoma/Ujiji MC	2015/16	0	2.1
	2016/17	271,165,000	1
Bariadi MC	2015/16	226,811,055.01	2.2
	2016/17	367,304,041.27	1.7

Source: Auditors Analysis

From **Table 8** the audit noted that, the M&E budget is minimal compared to the value of and extent of the development projects per LGA/Ministry. This poses a risk of some development projects being left without being monitored leading to underperformance and leakage of the tax payers money funds. The audit further noted that, if no efforts are made to strengthen the capacity of M&E departments in terms of budget, there is a risk of the SDGs being ineffectively monitored making it difficult to identify the trends and progress of implementation.

CHAPTER SIX

CONCLUSION

6.1 General Conclusion

Despite the effort done by the government for preparation and implementation of SDGs, both MoFP and PO-RALG were inadequately prepared for implementation of SDGs. These key ministries are still facing several challenges to fully integrate the SDG into the national context. Also, the government have not done a thorough identification of required resources and capacities to implement SDGs. In addition, the established mechanisms for monitoring and reporting will not be effective in supporting the implementation of SDGs.

The specific conclusions are divided into three parts as presented hereunder:

6.2 Inadequate Adaptation of Sustainable Development Goals to the National Context

Although the Ministry of Finance and Planning has embedded SDGs into the FYDP II, it did not prepare national SDGs plan. This resulted into failure of the MoFP and President's Office Regional Administration and Local Government to adequately integrate SDGs into national context.

Also, although MoFP in collaboration with PO-RALG organized SDGs awareness creation workshop, the awareness creation was inadequate because it did not reach the community and non-state stakeholders. There is therefore the risk of the community and other stakeholders not owning the whole process of implementation of SDGs. This may affect the attainment of the set goals and targets and the principle of no one is left behind may not be materialised.

MoFP and PO-RALG did not conduct stakeholders mapping to identify key stakeholders to be involved during the planning, implementation and monitoring, review, follow up and reporting on the progress of implementation of SDGs. This resulted in non-involvement of the local communities and citizens in the preparation of FYDP II. Stakeholders have a remarkable role in the implementation and monitoring of the progress of SDGs in the plan as the result the wider reach to the

community and transparency in implementation of the SDGs in FYDP II might be affected.

Interventions in the FYDP II Implementation Strategy demanded a well-coordinated and strategic partnership between the government on the one hand and non-state stakeholders on the other hand. However, MoFP did not set mechanisms for breaking down sectoral silos and connecting different levels of government actions for implementation of the SDGs in FYDP II. This might result in institutions striving to promote their daily plans, disregarding the need to attain SDGs. This may also pose the risk of one policy contradicting another thereby delaying or hindering the execution of the activities and interventions to deliver SDGs targets.

6.3 Inadequate Identification and Mobilization of Resources and Capacities

Although MoFP identified resources required for implementation of the FYDP II which embedded a total of nine SDGs, MoFP did not identify the resources and capacities required for implementation of SDGs in general.

Furthermore, MoFP through the FYDP II entailed to use innovative options for securing resources and capacities. However, analysis on the suitability and viability of the alternative methods has not been conducted. This poses the risk of MoFP continuing to fund development projects using the traditional sources which are scarce thereby rendering the achievement of the set goals and targets impossible. In addition, although MoFP through FYDP II planned to train human resource on rare and specialized skills, skill gap analysis was not conducted to identify the required skills for implementation of the FYDP II. This poses risk for MoFP to develop staff in skills that are not required.

6.4 Inadequate Mechanism to Monitor, Follow-Up Review and Report on the Progress towards the Implementation SDGs

Monitoring and evaluation on implementation of SDGs is important as it ensures progress in attaining the set targets, outputs and objectives. The audit noted that, the set M&E framework was ineffective because NBS did not adequately identify performance indicators and baselines to monitor and report on the implementation of SDGs.

NBS had inadequate capacity for data collection, posing a challenge on the timely and quality availability of data required for tracking the progress implementation of the FYDP II and SDGs.

Further, the system for data collection and analysis is not harmonised due to lack of clear link between NBS the custodian of the national data on one hand and MDAs and LGAs on the other hand. The system used by the MDAs and LGAs is not compatible to that of NBS making data sharing difficult between those institutions. A harmonised data system could reduce the NBS data collection capacity gap. PlanREP system used by PO-RALG could have been improved and linked to NBS. This could have enhanced data collection from the LGAs which could be connected directly to NBS.

CHAPTER SEVEN

AUDIT RECOMMENDATIONS

7.1 Introduction

The audit findings and conclusions point out gaps in the preparedness for implementation of SDGs. The gaps were noted in all three areas, namely: the adaptation of SDGs into the national context; identification and mobilization of resources and capacities for implementation of SDGs; and the set up mechanisms for monitoring, reviewing and reporting on the progress of implementation of SDGs.

This chapter contains recommendations to MoFP and PO-RALG on what should be done to enhance preparedness for implementation of SDGs interventions.

The audit office believes that these recommendations, if fully implemented, will enhance smooth implementation of interventions and achievement of SDGs and ensure the presence of the 3Es of Economy, Efficiency and Effectiveness in the use of the public resources.

7.2 Adaptation of SDGs to the National Context

7.2.1 The Ministry of Finance and Planning should:

1. Develop national implementation strategy which will guide the implementation and achievement of SDGs at the national level in line with FYDP II and its successor plans.
2. Analyse the content of the 2030 Agenda for SDGs and integrate the SDGs with consideration of timeframe, feasibility, and sustainability of the implementation of the integrated goals.
3. Involve multi stakeholders including local communities and citizens in awareness creation campaigns to enable the wide reach to enhance ownership of the process of implementation and tracking the progress of SDGs.
4. Conduct assessment of priority interventions with high impact to attain SDGs and determine the sequence of

their implementation have a guidance to build the implementation capacities.

5. Establish a responsive and inclusive mechanism of coordinating, monitoring and reporting the progress of implementation of SDGs in FYDP II
6. Conduct stakeholders mapping to identify the potential stakeholders to be involved and their prospective roles and responsibilities for implementation of the SDGs in FYDP II, without losing sight of the importance of community level.
7. Translate the set targets into guidelines and ensure all sector ministries and LGAs review their strategic plans to integrate SDGs targets in line with national priorities and the resource envelope.

7.2.2 The President's Office Regional Administration and Local Government should:

1. Conduct stakeholders mapping to identify potential stakeholders to be involved and their prospective roles and responsibilities for implementation of SDGs.
2. Review the current decentralization policy to put in place an effective mechanism for devolving powers and responsibilities to LGAs for effective implementation of development projects and service delivery.

7.3 Identification of Resources and Capacities

7.3.1 Ministry of Finance and Planning should:

1. Assess the effectiveness of resource mobilization efforts currently in place, and identify innovative methods with the view of widening the tax base for mobilizing resources needed for implementation of SDGs and other national priorities.
2. Conduct needs assessment for the capacity needed for implementation of SDGs in FYDP II.

7.3.2 The President's Office Regional Administration and Local Government should ensure:

1. Conduct capacity needs assessment for implementation of FYDP II and SDGs interventions at LGA levels

7.4 Mechanism for Monitoring, Evaluation and Reporting on the Implementation of SDGs

7.4.1 Ministry of Finance and Planning should:

1. Ensure harmonization of data collection system and tools for quality, timely and adequately disaggregated statistical data
2. Establish a mechanism for coordination, monitoring, and reporting on the implementation progress as an integrated part of the FYDP II and with specific attention on global benchmarking
3. NBS should use statisticians from MDAs and LGAs to fasten mainstreaming of the remaining SDGs indicators in FYDP II

7.4.2 PO-RALG should:

1. Establish a consolidated system which will capture all sectoral data from LGAs to be used for monitoring the progress of implementation of development projects

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APPENDICES

Appendix 1 : Audit Questions, sub-questions and assessment criteria

S/No	Audit Question	Sub-question	Assessment criteria	Source of the Criteria
1.	To what extent has the MoFP and PO-RALG adapted the 2030 agenda into national context?	<p>Has the MoFP and PO-RALG put in place processes and institutional arrangements to integrate the 2030 Agenda into the plans, policy legislation, budget and programmes?</p> <p>What efforts have been made to put in place processes and institutional arrangements to integrate the 2030 Agenda into their plans, policy legislation, budget and programmes?</p>	<p>MoFP has to review existing strategies, policies and plans and identify areas for change</p> <p>MoFP has to align budget and national planning cycles to the 2030 Agenda on SDGs</p> <p>MDA, Rss, LGAs and Public Authority entities are required to integrate SDGs and other crosscutting issues into their plans</p> <p>MoFP should ensure that global and regional agreements (e.g. Africa Agenda 2063 and SDGs) are adequately mainstreamed into national development planning and implementation frameworks for the benefit of the country</p>	<p>UN Resolution 70/1 Para 59</p> <p>Guidelines for preparation of Plans and Budgets 2016/2017(Para.5.5) and 2017/2018 section 1 para 2 and section 2.3 para 58)</p> <p>URT (2015) National Five Years Development Plan (FYDP II) Para 1.3 (ix)</p>

S/No	Audit Question	Sub-question	Assessment criteria	Source of the Criteria
		<p>Has MoFP and PO-RALG put in place mechanisms and strategies for public awareness on SDGs?</p>	<p>MoFP should ensure Public awareness of the SDGs at the country level is raised in the context of each country's existing or forthcoming national development vision and plan in order to ensure that SDGs is a nationally-owned process.</p> <p>MoFP should consider the sub-national and community level and involve multiple actors such as the private sector in awareness raising efforts.</p> <p>MoFP should evaluate the results of advocacy and awareness-raising campaigns.</p>	<p>UNDG (2015) Reference guide on Mainstreaming the 2030 Agenda, section B1.</p>
		<p>Has the MoFP informed and involved citizens and stakeholders in the processes and institutional arrangement to integrate the 2030 Agenda?</p>	<p>MoFP should engage a variety of non- state stakeholders in different ways and at different stages of implementation process from preparedness and awareness raising to</p>	<p>UNDG (2015) Reference Guide on Mainstreaming the 2030 Agenda, Section B2</p> <p>URT (2015) FYDP II Para. 7.4.1</p>

S/No	Audit Question	Sub-question	Assessment criteria	Source of the Criteria
		<p>How are responsibilities allocated among various levels of government (national, subnational and local) for the coherent implementation of the 2030 Agenda?</p>	<p>monitoring and review. MoFP should establish responsive, inclusive and participatory approach to implement the Agenda.</p>	<p>UNDG (2015) Reference Guide on Mainstreaming the 2030 Agenda, Section B4 URT (2015)FYDP II Para 7.4.2</p>
		<p>Has the MoFP designed policies and institutional mechanisms to support integration of the three dimensions of sustainable development (economic, social and environmental) and the principles of the 2030 Agenda (e.g. “leave no one behind”)?</p>	<p>MoFP is required to pursue all dimensions of sustainable development in a balanced and integrated way.</p>	<p>UN Resolution 70/1 para 2 UNDG (2015) Reference Guide on Mainstreaming the 2030 Agenda, Section B4</p>
2.	<p>Has the MoFP identified and secured resources and capacities required for implementation of the 2030 Agenda?</p>	<p>Has the MoFP identified the resources (including financial, human, ICT, data and statistics) needed to implement, monitor and report on the implementation of the 2030 Agenda?</p>	<p>MoFP has to establish cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks. MoFP has to set nationally defined domestic targets and timelines for enhancing</p>	<p>UN Resolution 70/1 Para 63 URT (2015) FYDP II Para 5 AU (2015) Agenda 2063Para 3 UN (2015)Addis Ababa Action Agenda Para 22</p>

S/No	Audit Question	Sub-question	Assessment criteria	Source of the Criteria
			<p>domestic revenue as part of the national sustainable development strategies.</p> <p>MoFP has to underscore the effective mobilization and use of domestic resources needed to implement the 2030 Agenda.</p> <p>MoFP has to mobilize necessary support and partnership for the implementation of SDGs.</p>	<p>UN (2015)Addis Ababa Action Agenda Para 20 URT(2016) Guideline for the Preparation of Annual Plans and Budgets of 2016/2017 Para 33(e)</p> <p>UN Resolution 70/1 Para 77</p>
		<p>Has the MoFP identified cooperation and partnership opportunities for acquisition of required resources and capacities to achieve the 2030 agenda?</p>	<p>MoFP has to identify cooperation and partnership opportunity for requiring resources for implementation of the 2030 on SDGs.</p>	<p>UN (2015)Addis Ababa Action Agenda Para 10 UN Resolution 70/1 Para 39 UN Resolution 70/1 Para 67, 68 and 69 AU (2015) Agenda 2063 para 63</p>
		<p>Has the MoFP identified</p>	<p>MoFP has to identify risks</p>	<p>UN (2015)Addis Ababa</p>

S/No	Audit Question	Sub-question	Assessment criteria	Source of the Criteria
		risks and mitigating strategies in securing resources and capacities for implementation of the 2030 Agenda?	and establish risk mitigating strategies in securing resources and capacities for implementation of the 2030 Agenda on SDGs.	Action Agenda Para
		Has the MoFP used innovative methods to secure resources and capacities for implementation of the 2030 Agenda?	MoFP has to use innovative methods to secure resources and capacities for implementation of the 2030 Agenda on SDGs. MoFP has to improve the effectiveness of the tax system and strengthening international tax cooperation in order to increase government revenue.	UN (2015)Addis Ababa Action Agenda Para 35 UN (2015)Addis Ababa Action Agenda Para 22 URT (2016) Guideline for the Preparation of Annual Plans and Budgets of 2016/2017 Para 16 URT(2015)FYDP II Para 5.4.1.1 (i)
		What measures has MoFP established to foster cooperation among entities related to preparedness for implementation of the 2030 Agenda?	MoFP is required to include new partners and all stakeholders in a revitalized global partnership.	UN Resolution 70/1 Para 39 and 60 URT (2015)FYDP II Para 5 UN (2015)Addis Ababa Action Agenda Para 10
3.	How are the monitoring, follow-	Has the MoFP identified performance indicators	MoFP has to establish national performance	FYDP II Section 7.1

S/No	Audit Question	Sub-question	Assessment criteria	Source of the Criteria
	<p>up, review and reporting systems put in place to evaluate the implementation of the 2030 Agenda on SDG?</p>	<p>and baselines and set milestones to monitor and report on the implementation of the 2030 Agenda?</p>	<p>indicators in order to feed strategic planning, budgeting, policy analysis, programme evaluation and decision making.</p> <p>MoFP is required to build on the existing national planning and review mechanisms and to adapt indicators, establish benchmarks, monitoring progress, identifying gaps and challenges, reporting and following up on the implementation of the 2030 Agenda on SDGs.</p> <p>MoFP has to conduct regular and inclusive reviews of the progress at the national and sub national levels which are country led and driven.</p> <p>Monitoring, follow-up, review and report process should draw on contributions from indigenous people, civil society, the private sector</p>	<p>Guidelines for the preparation of annual plan and budget for 2015/16(Section 2, Para 2.2 (g)</p> <p>UNDG (2015) Reference guide on Mainstreaming the 2030 Agenda, section B7.</p> <p>FYDP II, Section 7.3 UNDG (2015) Reference guide on Mainstreaming the 2030 Agenda, section B7.</p>
		<p>Have monitoring, follow-up, review and report processes been designed through a participatory process and enable stakeholder engagement?</p>		

S/No	Audit Question	Sub-question	Assessment criteria	Source of the Criteria
		<p>What plans does MoFP have in place for coordination, mobilization and articulation of different government entities and stakeholders related to preparedness for implementation of the 2030 Agenda on SDGs?</p>	<p>and other stakeholders. MoFP should on their existing national planning and review mechanisms and to adapt indicators, establish bench marks, monitoring progress, identify gaps and challenges, reporting and following up.</p>	<p>UNDG (2015) Reference guide on Mainstreaming the 2030Agenda, section B5 FYDP II Section 3.44 (iii)</p>
		<p>Has the MoFP put in place processes to ensure the quality, availability and required level of disaggregation of the data needed?</p>	<p>National Statistical Organisation or agency should have been equipped to have quality and timely available data at the required level of disaggregation</p>	<p>UNDG (2015) Reference guide on Mainstreaming the 2030 Agenda, section A3. FYDP II, Section 7.2</p>
		<p>Has the MoFP established a mechanism to monitor, follow up, review and report on the progress toward the implementation of the 2030 Agenda?</p>	<p>MoFP committed to engage in systematic follow up and review of the implementation progress to ensure that no one is left behind</p>	<p>Guidelines for the preparation of annual plan and budget for 2015/16 (4.6 Para 34)</p>
		<p>Has MoFP assigned responsibilities to any agency to monitor and coordinate strategies for achievement of the 2030</p>	<p>MoFP isrequired to set relevant institutional arrangement for coordinating strategies for achieving the 2030 Agenda</p>	<p>Guidelines for the preparation of annual plan and budget for 2015/16(4.7 Para 36)</p>

S/No	Audit Question	Sub-question Agenda on SDGs?	Assessment criteria on SDGs	Source of the Criteria
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Appendix 2: Data availability for measuring progress against proposed targets and indicators

Goal area	Targets	Indicators	Data for indicator readily available	Calculation from existing data sources needed	Data to be collected
End Poverty					
Global	3	5	2	3	
National	3	6	2	4	
Ensure Quality Education for All					
Global	2	5	5		
National	4	7	5	2	
Create jobs, sustainable livelihood and sustainable growth for all					
Global	3	7	1	6	
National	6	7	2	1	4
Ensure sustainable energy and develop infrastructure for all					
Global	2	8	3	2	3
National	1	3		1	2
Establish sustainable, healthy and resilient environment for all					
Global	3	5	2		3
National	3	8			8
Establish open, accountable, inclusive and effective institutions, rule of law and a peaceful and inclusive society					
Global	5	9	4		5
National	3	6	6		
Establish a global partnership for sustainable development					
Global	2	6	6		
National	2	5	1		4
Total					
Global	20	45	23	11	11

Goal area	Targets	Indicators	Data for indicator readily available	Calculation from existing data sources needed	Data to be collected
National	19	36	10	8	18

Source: Post 2015 - Data Road map report

Appendix 3: Allocated budget for M&E Activities

LGAs /MDAs	Financial Years	Total Budget of the LGA/MDA	Allocated budget for M&E	Released amount for M&E	Percentage of M&E funds in total budgeted
MoFP	2015/16	4,315,843,000	1,221,423,000	792,375,205	28.3
	2016/17	5,040,798,000	1,468,940,000	1,096,459,000	29
	2015/16	77,319,457,983	161,039,760	111,279,430	0.2
	2016/17	85,030,334,593.04	77,938,000	78,337,215	0.1
Planning commission	2015/16	68,000,000	68,000,000	68,000,000	100
	2016/17	244,036,000	234,875,067	234,875,067	96
Dodoma MC	2015/16	15,273,485,153	44,135,030	0	0.3
	2016/17	6,575,812,081	151,330,000	25,896,400	2.3
Songea	2015/16	4,932,635,849	33,404,300	8,000,000.00	0.67
	2016/17	17,247,225,149	31,210,000	7,898,000	0.18
Singida	2015/16	8,107,717,663.2	31,921,978.73	31,921,978.73	0.39
	2016/17	12,966,907,406	54,123,200	18,920,000	0.41
Kigoma /Ujiji MC	2015/16	32,189,103,740	688,024,840	0	2.1
	2016/17	39,925,289,411	413,345,900	271,165,000	1
Bariadi MC	2015/16	33,422,661,488.43	734,386,113.83	226,811,055.01	2.2
	2016/17	34,331,424,664.00	593,644,850.00	367,304,041.27	1.7

Source: Auditors Analysis

Appendix 4: Response from MoFP

SN	RECOMMENDATIONS- MoFP	MoFP COMMENT(S)	ACTION(S) TO BE TAKEN	TIME LINE
1.	Develop national implementation strategy which will guide the implementation and achievement of the 2030 Agenda at the national level in line with FYDP II and its successor plans.	Tanzania developed the National Five Years Development Plan (FYDP-II) as the main instrument for implementing the SDGs at national level. The SDGs have been integrated into the FYDP-II as part of SDGs localization and implementation is being done through the Plan.	MoFP to coordinate development of national strategy for SDGs which is in line with FYDP II	September - Dec, 2018
2.	Analyse the content of the agenda and integrate the SDGs with consideration of timeframe, feasibility, and sustainability of the implementation of the integrated goals.	Analysis for SDGs with regards to timeframe, feasibility, and sustainability was conducted and mainstreamed into FYDP II	Further analysis will be considered during the reviewing of FYDP II and Tanzania Vision 2025 to ensure timeframe, and feasibility, and sustainability of the implementation of the integrated goals	June 2020 - July 2021
3.	Involve multi-stakeholders including local community and citizens in awareness creation campaigns so as to enable the wide reach in order to enhance ownership of the process of implementation and tracking the	MoFP and its institutions organized SDGs consultation workshops in order to educate and raise awareness to LGAs to enable the incorporate SDGs in their Strategic Plans. Participate in SDGs implementation. All RSs and LGAs	Going forward, further localization will be organized by Planning Officers from district councils. They will be facilitated in terms of capacities and resources	Continuous

SN	RECOMMENDATIONS- MoFP	MoFP COMMENT(S)	ACTION(S) TO BE TAKEN	TIME LINE
	progress of SDGs	key actors country-wide participated in the consultation workshops.	to raise awareness to the council leaders	
4.	Conduct assessment of priority interventions with high impact to attain SDGs and determine the sequence of their implementation in order to have a guidance to build the implementation capacities.	Priorities interventions have been articulated in the FYDP-II. Every financial year, assessment of the implementation of previous priorities is conducted whereby achievements, constraints and lesson learnt are documented to inform future planning and budgeting.	Conduct assessment to improve priority interventions, choices and determine the sequence of their implementation at all Government levels	Every financial year
5.	Establish responsive and inclusive mechanism of coordinating, monitoring and reporting the progress of implementation of and SDGs in FYDP II at all levels of the Government	<p>The Government has developed a FYDP II Monitoring and Evaluation System (MES) which will automatically respond to SDGs.</p> <p>In addition; there is a draft Poverty Monitoring System (PMS 2016/17-2020/21) which provides guidance for monitoring FYDPII and SDGs at national level particularly on the poverty related indicators.</p> <p>The draft SDGs Baseline Report is being finalized. This report</p>	<p>Enhancing a coordination mechanism for FYDPII and SDGs by leveraging the already established initiatives on Monitoring and Evaluation Strategy (MES) and Poverty Monitoring System (PMS)</p> <p>The PMS and SDGs Baseline Report will be shared with other stakeholders such as CSOs, Research and High Learning Institutions (researchers) to widen</p>	July - Dec 2018

SN	RECOMMENDATIONS- MoFP	MoFP COMMENT(S)	ACTION(S) TO BE TAKEN	TIME LINE
		benchmark the beginning of tracking progress of SDGs indicators as well as reporting performance.	ownership in M&E.	
6.	Conduct stakeholders mapping to identify the potential stakeholders to be involved and their prospective roles and responsibilities for implementation of the SDGs in FYDP II, without losing sight of the importance of community level.	NBS in collaboration PED and PC have conducted two thematic workshops with MDAs, LGAs, CSOs, private sector, research institutions and higher learning institutions to share the FYDP II and SDGs data gaps assessment to build more partnership and engagement.	More four thematic workshop will be conducted which will improve partnership and engagement in FYDP II and SDGs. Roles and responsibilities to potential stakeholders for implementation of SDGs related interventions will be mapped	September 2018 - March 2019
7.	Translate the set targets into guidelines and ensure all sector ministries and LGAs review their strategic plans to integrate SDGs targets in line with national priorities and the resource envelop	Among the objectives of the SDGs awareness creation done by MoFP and its institutions to LGAs was to build capacity on integrating the SDGs during the review of their SPs	MoFP in collaboration PO-RALG will continue insisting and supporting LGAs to review their SPs and ensure they are in line with the FYDP II and SDGs	July 2018 - June 2019
8.	Assess the effectiveness of resource mobilization efforts	The FYDP II is in implementation through annual plans and budget	Continue to implement SDGs in FYDP II through	Annually

SN	RECOMMENDATIONS- MoFP	MoFP COMMENT(S)	ACTION(S) TO BE TAKEN	TIME LINE
	currently in place, and identify innovative methods with the view of widening the tax base for mobilizing resources needed for implementation of SDGs and other national priorities	process where resources mobilization and utilization is reviewed. Each year sources of fund is determined depending on the current economic situation therefore source of funds which is in the FYDP II is not static. It is annually reviewed together with identification of new possible sources of funds for implementation of SDGs which is in the FYDP II	annual review of Resources mobilization and expenditure pattern to meet the set Five year development goals	
9.	Conduct needs assessment for the capacity needed for implementation of SDGs in FYDP II	Capacity gaps are normally assessed during the review of SPs for effective implementation of development programs	The process will be enhanced to widen the dimensions measured to reflect data revolution with regards to FYDP II and SDGs demands	2018/19 - 2019/20
10.	Ensure harmonization of data collection system and tools for quality, timely and adequately disaggregated statistical data	NBS coordinate production of official statistics within the National Statistics Systems. It has developed data quality framework and guidelines to be used by all Stakeholder willing to produce official statistics	Through the existing initiatives, NBS will enhance harmonization of data management systems within the National Statistics System	Continuous
11.	Establish Institutional Mechanism for effective coordination, monitoring, and reporting on the	MoFP and its Institutions are working on FYDP II and SDGs implementation in collaboration with MDAs, LGAs	The team proposed an institutional framework which will require higher	2018/19

SN	RECOMMENDATIONS- MoFP	MoFP COMMENT(S)	ACTION(S) TO BE TAKEN	TIME LINE
	<p>progress of the 2030 Agenda.</p>	<p>and other key stakeholders including the community in general.</p> <p>The Audit report has identified gaps in institutional set up to effectively coordinate, monitoring, and reporting on the progress of the 2030 Agenda as an integrated part of the FYDP II.</p>	<p>level decision to take action.</p> <p>The institutional arrangement / structure for coordination, monitoring and reporting to be established with clear roles and responsibilities in delivering on SDGs.</p>	
12.	<p>NBS should use statisticians from MDAs and LGAs to fasten mainstreaming of the remaining SDGs indicators in FYDP II</p>	<p>NBS in collaboration with the MDAs and LGAs have conducted SDGs and FYDP II data gaps assessment to support on data roadmap development for FYDP II and SDGs implementation. This work is in final stage on reconciliation and costing of data production and dissemination.</p>	<p>NBS is planning to finalize the data gaps assessment in collaboration with the MDAs and LGAs for effective implementation of FYDP II and SDGs</p> <p>Conduct thematic workshops with key stakeholders including Government and Non-Government Actors to strengthen partnership and engagement in the process.</p>	2018/19

Appendix 5: Response from PO-RALG

S/N	RECOMMENDATIONS	RESPONSIBLE	PO-RALG COMMENT(S)	ACTION(S) TO BE TAKEN	TIMELINE
1	Conduct mapping to identify the potential stakeholders to be involved and their prospective roles and responsibilities for implementation of SDGs and realize the importance of community level	DSC	Stakeholders mapping tool is undertaken	The tool will be developed. The stakeholders mapping tool is on preparation.	Mapping exercise to be conducted during 2018/19 Financial Year
2	Review the current decentralization policy to put in place an effective mechanism for devolving powers and responsibilities to LGAs for effective implementation of development projects and service delivery	DSC	Comments agreed	The review process is ongoing. D by D policy review is under Local Government Reform Programme III. The reviewed D by D policy will provide direction on how various stakeholders will be involved and their responsibilities	Started on March 2018 to be finalized in September 2018

S/N	RECOMMENDATIONS	RESPONSIBLE	PO-RALG COMMENT(S)	ACTION(S) TO BE TAKEN	TIMELINE
3	Conduct needs assessment for the capacity needed for implementation of FYDP II and SDGs interventions at LGAs levels	DLG	PO-RALG will coordinate and facilitate the LGA's to conduct assessment for capacity needed for the implementation of FYDP II and SDGs interventions at LGA's level including issues of institutional strengthening.	in the implementation at all levels. Consultation with responsible departments (DEA, DSC, DRA and DLG) to identify capacity gaps in terms of Human Resource, Financial and Equipment. To write a letter to RAS to request them facilitate and assist their respective LGA's to conduct needs assessment. This will include: -To take stock of availability of the important tools for successful	2018/19 Financial Year

S/N	RECOMMENDATIONS	RESPONSIBLE	PO-RALG COMMENT(S)	ACTION(S) TO BE TAKEN	TIMELINE
4	Establish a consolidated system which will capture all sectoral data from LGAs to be used for monitoring the progress of implementation of development projects	DPP	PO-RALG has already developed Monitoring and Evaluation Framework (2016), task ahead is to develop Monitoring and Evaluation Management Information System (MEMIS). The systems in place include: School Information System (SIS), PLAN REP and LGRCIS.	<ul style="list-style-type: none"> implementation of SDGs & FYDP II. -Guidelines and -Capacity Building (CB) which has been conducted to RS & LGAs on SDGs & FYDP II. 	September, 2018.

S/N	RECOMMENDATIONS	RESPONSIBLE	PO-RALG COMMENT(S)	ACTION(S) TO BE TAKEN	TIMELINE
				existing systems.	Sectoral