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

NATIONAL PLANNING GUIDELINE

JUNE 2026

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DIRA 2050

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Abbreviations & Acronyms

ADP	Annual Development Plan
ASPC	Assistant Administrative Secretary for Planning and Coordination
CB	Cost-Benefit
CDP	Council Development Plan
DFIs	Development Finance Institutions
DIRA 2050	Tanzania Development Vision 2050
DPCO	District Planning and Coordination Officers
DPPs	Directorates of Policy and Planning
e-GA	e-Government Authority
ESDP	Education Sector Development Plan
ESIA	Environmental and Social Impact Assessment
FGD	Focus Group Discussion
FYDPs	Five Year Development Plans
GAMS	General Algebraic Modelling System
GWh	Gigawatt-hour
IRR	Internal Rate of Return
ISIC	Industrial Classification of All Economic Activities
KPI	Key Performance Indicator
LGAs	Local Government Authorities
LTPP	Long-Term Perspective Plan
MCDA	Multi-Criteria Decision Analysis
MDAs	Ministries, Independent Departments and Agencies
MoF	Ministry of Finance
MTSPBM	Medium-Term Strategic Planning and Budgeting Manual
MW	Megawatt

NBS	National Bureau of Statistics
NGOs	Non-Governmental Organisations
NPC	National Planning Commission
NPV	Net Present Value
NAoT	National Audit Office of Tanzania
OTR	Office of the Treasury Registrar
PESTEL	Political, Economic, Social, Technical, Environmental and Legal
PMO - PPC	Prime Minister's Office - Policy, Parliamentary Affairs and Coordination
POPI	President's Office – Planning and Investment
PO-PSMGG	President's Office - Public Service Management and Good Governance
PO-RALG	President's Office – Regional Administration and Local Government
POSH	President's Office – State House
PP	Payback Period
PPP	Public-Private Partnerships
PSCs	Public and Statutory Corporations
PSMP	Power System Master Plan
RDP	Regional Development Plan
ROI	Return on Investment
RSs	Regional Secretariats
SAM	Social Accounting Matrix
SAPs	Structural Adjustment Programmes
SLR	Simple Linear Regression
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SPs	Strategic Plans
SPVs	Special Purpose Vehicles
STP	Sectoral Transformation Plan
SUTs	Supply and Use Tables
SWOC	Strengths, Weaknesses, Opportunities and Challenges
UMIC	Upper Middle-Income Country
WACC	Weighted Average Cost of Capital

Definition of the Key Terms

Accountability: The clear and inescapable obligation to ensure, and demonstrate to superiors and the public, that delegated authority has been exercised responsibly, and that assigned work has been carried out and completed in accordance with principles of integrity as well as agreed targets, rules, standards, and performance measures.

Appraisal: An overall assessment of the relevance, feasibility, and potential sustainability of a series of interventions, conducted prior to decisions on implementation or financing.

Assumptions: Reasoned expectations about factors or conditions that may influence the progress or success of an intervention.

Baseline Value: The initial or historical value of a given indicator at a specified point in time, used as a reference for measuring future progress.

Benchmark: A reference point or standard against which performance or achievement can be assessed. This may include results previously achieved by comparable institutions or to what can reasonably be expected under similar circumstances.

Business Planning: A structured process of determining business objectives, defining strategies to achieve them, and outlining all the needed resources, timelines, and actions required to achieve them. It also includes identifying potential challenges and developing contingency measures.

Capacity Building: A process of investing in people, institutions, and practices that leads to:

i. enhancing knowledge and skills to improve performance and competence.
ii. improving systems and procedures to increase efficiency and institutional strength.
iii. fostering values and mindsets that support adaptability, innovation, and resilience; and
iv. ensuring sustainable impact rather than short-term results.

Central Planning System (Command Economy): An economic system in which key decisions regarding production, investment, and resource allocation are determined by a central authority, such as the government.

Economy The efficient use of resources in the production or delivery of goods and services, ensuring that waste is minimised. An activity is considered economical when resources such as time, money, and effort are used judiciously to achieve intended outcomes within defined timelines and quality standards.

Efficiency: The extent to which resources or inputs, such as funds, expertise, and time, are used optimally to produce intended outputs or results, with minimal waste.

Evaluation: A periodic assessment of efficiency, effectiveness, impact, sustainability, and relevance in relation to its stated objectives. Evaluation must be based on clear criteria, grounded in evidence, on what will be measured; it needs to be evidence-based; it must be fair; and it must produce actionable feedback that can lead to improvement.

Goal: A statement describing the intended long-term impact to be achieved.

Governance: The way power, authority, and decision-making are exercised and managed, and their influence on public life, particularly in relation to economic and social development. It encompasses how governments manage resources, deliver services, uphold laws, and ensure accountability, transparency, and the protection of national interests.

Impact: An effect on well-being. A significant long-term developmental change induced in the user of a service or product. Impacts may be direct or indirect, intended or unintended.

Indicator: A measurable variable, either quantitative or qualitative, used to assess progress, performance, or change. It provides a clear and reliable means of measuring achievement, tracking changes resulting from an intervention, and evaluating the performance of a party or institution against planned objectives. Indicators often serve as indirect measures of an underlying phenomenon or outcomes and are typically accompanied by baseline values and a SMART time-bound format and may be disaggregated to allow for comparison across different groups or contexts.

Input: The financial, human, and material resources utilised to implement an activity. Inputs are commonly measured in monetary terms but may also include time, labour, and equipment.

Input-Output Table: A matrix or table showing the origin and destination of each product within an economy.

Institutional Planning: The process of developing a structured framework to achieve an organisation's long-term goals and objectives. It helps to define goals, allocate resources, and design strategies for sustainable growth and improvement, ensuring that institutions operate efficiently and remain aligned with their mission. It connects the current position with desired future outcomes.

Investment Planning: The process of allocating resources to specific assets to maximise financial returns for the institution and its stakeholders. It aims to structure the assets to ensure steady growth while balancing risk and future needs.

Monitoring: An ongoing function that uses the systematic collection of data on specified indicators to provide management and key stakeholders of an intervention with indications of progress, the achievement of objectives, and the utilisation of allocated funds. It is intended to measure progress against milestones, budgets, and resource use, as well as risk management and compliance. This enables the early detection of challenges, allowing for timely intervention before they escalate, keeping individuals and teams aligned with goals, and providing a mechanism to optimise performance by identifying inefficiencies and facilitating improvements.

Objective: A broad statement of what is to be achieved and the improvements to be made. An objective describes the intended outcome or impact and summarises the rationale for undertaking a series of actions.

Outcome: The likely or realised short- and medium-term effects of an intervention's outputs. A direct, intermediate change or improvement in the welfare of the customer or beneficiary resulting from the use of a service (or output). Examples include improved health after visiting a dispensary or increased knowledge after completing school.

Output: The products, goods, and services resulting from an intervention; it may also include immediate changes arising from the intervention that are relevant to the achievement of outcomes.

Performance: The degree to which an intervention or an implementer operates in accordance with specific criteria, standards, or guidelines, or achieves results in line with stated objectives or plans.

Process: How something is done.

Programme: A time-bound intervention that differs from a project in that it usually cuts across sectors, themes, and/or geographic areas, uses a multidisciplinary approach, involves more institutions than a project, and may be supported by multiple funding sources.

Results: The outputs, outcomes, or impacts (intended or unintended, positive and/or negative) of a development intervention.

Results Chain: The causal sequence for an intervention that stipulates the necessary sequence to achieve desired objectives, beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts, and feedback.

Sectoral-Based Programme: Refers to a form of collaboration in which, in line with priority development plans, a majority of stakeholders in a particular sector work together to align their activities and resource inputs while sharing a common, sector-wide transformation plan.

SMART: Attributes of indicators, but sometimes applied to other planning entities, such as targets or objectives. SMART stands for Specific, Measurable, Achievable, Realistic, and Timely; it is a means of assessing performance indicators.

Social Accounting Matrix: An economy-wide data framework that captures a country's detailed economic structure.

Stakeholders: All those with a direct or indirect interest in an institution, its activities, and its achievements. These may include clients or customers, partners, employees, shareholders/owners, government, or regulators.

Supply-Use Tables: Refers to a matrix that contains comprehensive, balanced statistics on goods and services in an economy, identifying domestic production, imports, final consumption, intermediate costs, investment, trade and transport costs, and exports. The matrix is a useful tool for analysing an economy in a snapshot.

Sustainability: The continuation of benefits from an intervention after it has been completed. The probability of continued long-term benefits. The resilience of net benefit flows to risk over time.

Target: Results intended to be achieved within a specific time period, or the goods or services intended to be produced over a given period by an institution to achieve its objectives.

Foreword

The current planning framework has facilitated the formation and implementation of the Tanzania Development Vision 2025, the Long-Term Perspective Plan, and three Five-Year Development Plans, as well as institutional plans and initiatives, thereby contributing to the country's achievements in both economic growth and social development. Tanzania has developed Dira 2050, intending to become a prosperous, just, inclusive, and self-reliant nation. The operationalisation of Dira 2050's aspirations will be derived through long-term, medium-term, and short-term plans at all levels.

Despite registered gains before the implementation of Dira 2050,the current planning framework has not fully utilised its potential to support swift economic management in the country. Key challenges include poor coordination among government institutions, fragmentation and overlaps during implementation, siloed execution across government entities, and limited inclusion of the private sector in service delivery.

Hence, to enhance efficiency and ensure the effective implementation of Dira 2050, the Government, through the NPC and in collaboration with stakeholders, has reviewed the planning process and frameworks to properly guide the management of the economy, the planning process, and the implementation of approved national development plans, with a view to securing sustained national economic growth and development. This is in line with the National Planning Commission Act, CAP 127, which mandates the Commission to oversee the management of the economy, the planning process, and the implementation of approved national development plans to achieve sustained national economic growth and development.

Thus, the National Planning Guideline (NPG) guides the planning process holistically by incorporating development and institutional planning at Ministries, Departments, and Agencies, as well as at the Regional and District levels. Development Planning shall ensure that all plans follow the basic procedures from the preparatory stage in order to create synergies from the central level to the local government areas (thus embracing both top-down and bottom-up approaches by informing plans at all stages). Additionally, the NPG will provide an avenue for both government and other stakeholders to contribute towards a robust economic management by implementing Sectoral Transformation Plans at the Central Government level and Regional Development Plans at the Regional level.

The Guideline shall also ensure that the strategic, investment, and business plans prepared by Government institutions focus on achieving the national vision. In general, the development of the Guideline is a result of various Government interventions and best practices, as well as lessons learnt from the execution of national development frameworks, which are to be incorporated into a robust planning process.

Therefore, I welcome all of you to join the Government's effort to ensure that the intended objectives of the NPG are not only followed but also executed at all levels of the planning sphere. The Guideline shall drive a transformative shift in planning conduct and mindset, ensuring smooth implementation, an implementation that cannot be done by one planning entity alone; rather, it requires a collaborative approach, especially after the development of Dira 2050. I call upon all stakeholders to take part in shaping the kind of development we want by planning together while embracing the planning process for the betterment of our people.

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Prof. Kitila Alexander Mkumbo

Minister of State, President's Office - Planning and Investment

Preface

In July 2025, the United Republic of Tanzania successfully launched Tanzania Development Vision 2050 (Dira 2050), marking a pivotal milestone in the country's long-term development vision. With Dira 2050 in place, the next critical step involves formulating implementation instruments to ensure its effective realisation. Pursuant to Section 6(2)(h) and (o) of the Planning Commission Act, 2023, the National Planning Commission emphasises the importance of aligning sector plans with national development priorities to ensure optimal utilisation of the country's resources. Furthermore, the Act underscores the need for a harmonised planning system across all levels of government.

To operationalise this vision and address existing challenges within the planning landscape, the Government has developed the National Planning Guideline (NPG). The NPG serves as a comprehensive framework to guide the preparation of national, sectoral, regional, and council-level plans. It aims to promote coherence, alignment, and coordination among development plans, thereby strengthening the planning and implementation systems required to drive sustainable economic growth and development.

The preparation of the NPG adopted a participatory approach, involving a wide range of stakeholders from both the public and private sectors. These included planning experts from ministries, departments, and agencies (MDAs), Local Government Authorities (LGAs), Regional Secretariats (RSs), academia, research institutions, development partners, Non-Governmental Organisations (NGOs), and Civil Society Organisations (CSOs). Both qualitative and quantitative methods were employed to ensure that the guideline is grounded in evidence, relevance, and inclusiveness.

The NPG is designed to improve and standardise the planning process by offering technical guidance and step-by-step procedures for institutional and development planning at all administrative levels. It ensures that plans formulated at the national, sectoral, institutional, regional, and council levels are well aligned with the instruments established to implement Dira 2050. Despite a well-structured planning system, key challenges persist, including fragmented implementation frameworks, conflicting stakeholder priorities, duplication of efforts, market inefficiencies in the delivery of public goods, limited coordination across sectors, and inadequate integration of local development initiatives into national priorities. These challenges have underscored the need for a more integrated and responsive planning framework—hence, the NPG.

A significant highlight of the NPG is the introduction of two key instruments: the Sector Transformation Plan (STP) and the Regional Development Plan (RDP). The STP shifts the focus from ministerial-based planning to sector-based planning. This transformation is crucial for reducing fragmentation, avoiding duplication of interventions, and fostering greater synergy and collaboration across sectors. By coordinating efforts around sectoral goals rather than institutional mandates, the STP enables a more coherent and efficient planning and implementation process.

Similarly, the RDP has been introduced to bridge the gap between national plans and local implementation. It ensures that regional and council-level planning is directly aligned with national priorities, thereby facilitating the effective delivery of development outcomes at the grassroots level. The RDP strengthens vertical coordination among national, regional, and local government institutions, and promotes spatial equity in the allocation and utilisation of resources, thereby synergising national and sub-national levels.

The NPG provides directives for preparing short-, medium-, and long-term plans, outlining clear procedures for each level. It establishes mechanisms to align institutional plans with medium-term national development plans, creates operational linkages across government tiers, and fosters coordinated implementation of development programmes. Moreover, it shifts planning from a project-based to a programme-based approach, encouraging more strategic and integrated interventions.

Overall, the full implementation of the NPG will significantly enhance Tanzania's planning system and economic management. It establishes a standardised approach to planning that ensures alignment, coordination, and complementarity of development efforts across sectors and levels of governance. The NPG further extends its guidance to commercial and investment-oriented entities, ensuring that their plans align with national development strategies, such as the Long-Term Perspective Plan (LTPP) and the Five-Year Development Plans (FYDPs).

The introduction of the Sector Transformation Plan and Regional Development Plan marks a significant step towards a more integrated, inclusive, and results-driven planning culture. These instruments will play a critical role in enhancing coordination, strengthening interlinkages among stakeholders, and optimising resource allocation to realise the aspirations of *Dira 2050*.

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Dr. Tausi Mbaga Kida

Permanent Secretary – President's Office, Planning and Executive Secretary –National Planning Commission

Tanzania has developed Dira 2050, intending to become a prosperous, just, inclusive, and self-reliant nation.

Introduction

National Planning Guideline

CHAPTER

01

1.1. Background

Since independence, Tanzania's planning process has undergone significant changes in approaches, techniques, and structures. This situation was primarily attributed to both external and internal influences, necessitating adaptation and accommodation to support effective economic management and the delivery of national development aspirations. From the 1960s to the late 1980s, Tanzania practised a central planning system in which the majority of socioeconomic decisions in the country were based on government-issued directives. Challenges emanating from the application of the *central planning system* and the economic crisis in 1986 led to the transition of the Tanzanian planning system to a market-based system. It also adopted the Structural Adjustment Programmes (SAPs), which were designed to reduce government control and promote a market-competitive economy.

Further, since the 1990s, Tanzania has moved toward a mixed economy, with various reforms, and has adopted a *mixed economy planning system*. Under this system, economic decisions are partly guided by the private sector and partly through state interventions. This implies that instruments of Tanzania's planning systems, including the national vision, sector policies and plans, are significantly influenced by both private and government positions at the institutional, sector, and national levels.

In that regard, the adoption of a respective planning framework depends on the prevailing economic system *(market economy, command economy and mixed economy)*. Within each economic system, the country employs its respective planning frameworks, with specific definitions, timing, procedures, and guiding instruments.

1.2. The Context

Tanzania employs a mixed economy planning system. This system is built on Dira 2050, which is supported by the Long-term Perspective Plan (LTPP) as an implementation framework. LTPP *defines the structure of the economy, long-term development targets, and sectoral positions in the long term*. The system is designed and operationalised in a complementary manner to support economic management at the national, sector, institutional, and local levels. In this regard, all pillars of the State (Executive, Judiciary and Legislative) work together to actualise the system's operations, results and deliverables.

Structurally, the central planning entity has commonly been located at the national level, *"either as part of the ministry or an independent department under a respective office."* Generally, the entity works with Directorates responsible for Policy and Planning (DPPs), serving as the sector's representative, while occasionally collaborating with local government planning entities. This entails limited operational support from the national planning entity to the Regional Secretariats (RSs) and Local Government Authorities (LGAs), inaccurate sector classification, and a bias toward institutional performance rather than sector performance. However, this situation contradicts the principal definition of the International Standard Industrial Classification of All Economic Activities (ISIC).

Under the legal and *regulatory* framework, the planning process in Tanzania is governed by Article 63(3)(c) of the Constitution of the United Republic of Tanzania of 1977, which mandates Parliament to "deliberate upon and authorise any long-term, medium-term and short-term plans which are intended to be implemented in the United Republic of Tanzania and enact a law to regulate the implementation of that plan." As such, development plans are centred on people's choices and priorities.

Other guiding legislation includes the Budget Act CAP 439, which states that, "In preparing the budget, the Government and public entities shall not include in the budget estimates any project which is not listed in the National Development Plan, or which can be financed by the private sector or in a manner satisfactory to the Government." Further, section 7 (4) of the Budget Act states that: (a) only approved integrated development plans are implemented; (c) development projects are implemented in order of priority; (f) development projects are to be approved by the National Planning Commission before being included in the budget. Such legal directives reflect the prioritisation aspect as part of the planning process and practice.

Moreover, the National Planning Commission Act, CAP 127 articulates that, "the Commission shall be responsible for the management of the economy, *planning process* and implementation of the national development plans as approved, with a view to securing sustained national economic growth and development as intended." Specifically, the operational function requires the National Planning Commission to: [1] ensure alignment of sectoral plans with the national plans for the effective utilisation of the country's resources; and [2] oversee and provide guidance on the preparation of strategic plans formulated by ministries, independent departments, executive agencies, regional secretariats, local government authorities and other public institutions. The Local Government (District Authorities) Act, CAP 288, the Local Government (Urban Authorities) Act, the Local Government Finances Act, CAP 290, and the Urban Authorities (Rating) Act, CAP 289 provide a framework for local government planning and administration in Tanzania, ensuring effective governance, service delivery, and development at the local level.

Generally, the legal and regulatory framework for the planning process in Tanzania reflects that the current planning system engages various stakeholders, notably the National Planning Commission, the Ministry of Finance, Local Government Authorities, and the National Assembly, whereby each stakeholder is responsible for a specific task in formulation, approval, and oversight. Other stakeholders such as ministries, independent departments and agencies, regional secretariates, and the private sector, including non-state actors, are technically engaged in the formulation process and implementation.

While the desired planning system is well articulated, the actual situation reveals a different reality. This is evidenced by fragmentation in linking the vision's implementation tools to the sector, institution and local levels; uncoordinated implementation of interventions to deliver on national development targets; conflicting priorities among stakeholders; market inefficiencies in delivering for the public interest; limited alignment of local development initiatives with national development priorities; limited inclusion of the private sector and non-state actors in the actualisation of intended development targets; and a focus on delivering for institutional goals rather than sectoral objectives. In that regard, the situation calls for developing an effective mechanism to strengthen and improve the planning process and system in Tanzania, hence the National Planning Guideline.

1.3. National Planning Framework

The National Planning Framework provides the institutional and planning architecture through which Tanzania translates the aspirations of Dira 2050 into coordinated national development interventions. It establishes a hierarchical and integrated planning system that links long-term national aspirations with medium-term priorities, institutional planning, annual implementation, budgeting, and results monitoring. The framework ensures that all planning instruments are aligned and mutually reinforcing, thereby promoting coherence, coordination, accountability, and efficient utilisation of national resources.

Figure 1.1: National Development Planning Framework

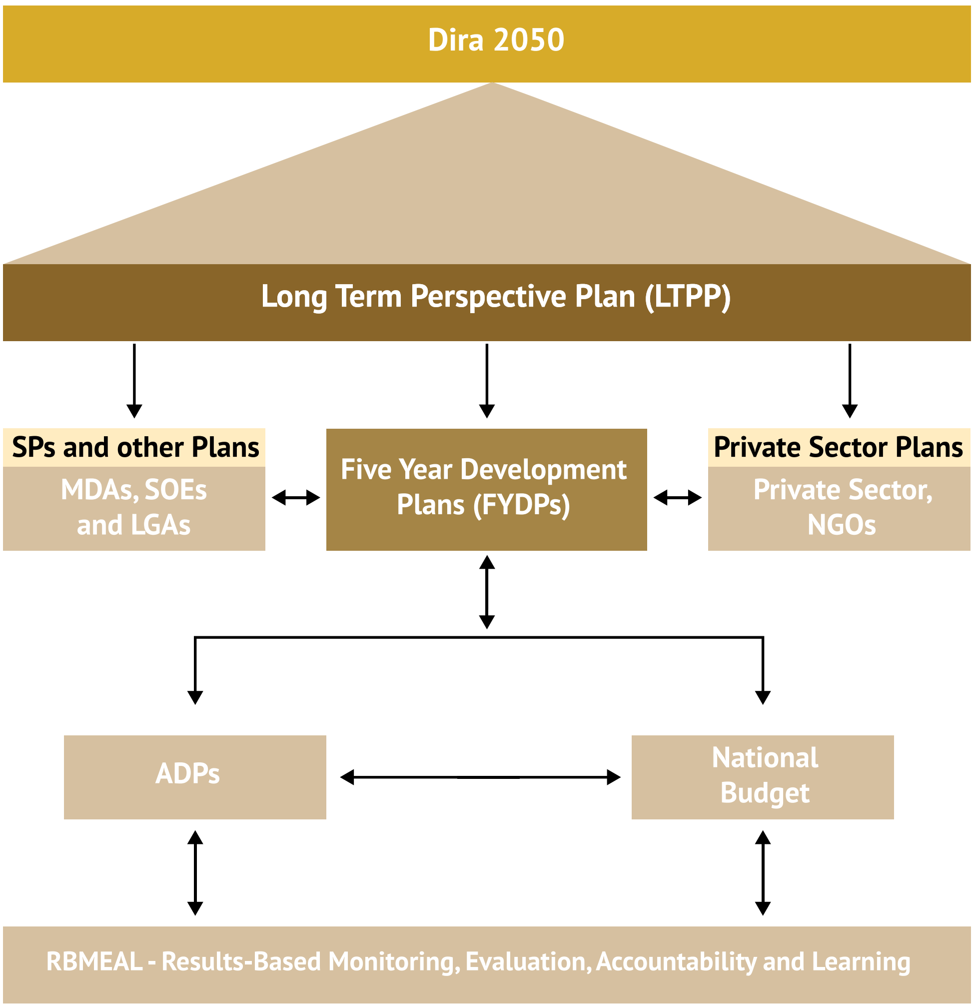

Figure 1.1 illustrates the institutional and planning architecture through which Dira 2050 is operationalised and translated into implementation. At the apex, Dira 2050 provides the country's long-term development aspirations and strategic direction. These aspirations are translated into actionable priorities through the Long-Term Perspective Plan (LTPP), which serves as the principal implementation instrument of the Vision. The LTPP is subsequently operationalised through successive Five-Year Development Plans (FYDPs), ensuring that long-term national aspirations are implemented through sequenced medium-term interventions.

The framework further illustrates that the implementation of the FYDPs is undertaken through a coordinated set of planning instruments. At the public sector level, Sector Transformation Plans (STPs), Regional Development Plans (RDPs), Council Development Plans (CDPs), Strategic Plans, Investment Plans, and Business Plans prepared by Ministries, Departments and Agencies (MDAs), Regional Secretariats (RSs), Local Government Authorities (LGAs), State-Owned Enterprises (SOEs), and other public institutions translate national priorities into sectoral, regional, institutional, and operational interventions. Likewise, private sector entities, non-governmental organisations (NGOs), and other non-state actors prepare their strategic, business, and investment plans in alignment with the priorities and strategic direction of the FYDPs, thereby complementing Government efforts in achieving national development objectives.

The priorities and interventions contained in the FYDPs are subsequently translated into Annual Development Plans (ADPs), which guide annual implementation and resource allocation through the National Budget. Similarly, sectoral annual plans are aligned with the ADPs to ensure consistency between sectoral priorities and the annual national development agenda. Throughout the implementation process, progress is monitored through the Results-Based Monitoring, Evaluation, Accountability and Learning (RBMEAL) Framework to ensure policy coherence, effective performance tracking, accountability, continuous learning, and the achievement of the intended national development outcomes.

The National Planning Framework therefore establishes both vertical and horizontal linkages among planning instruments and implementing institutions. Vertically, it aligns long-term aspirations with medium-term plans, sectoral and regional plans, institutional plans, annual plans, budgets, programmes, and projects. Horizontally, it strengthens coordination among sectors, government institutions, regional and local authorities, the private sector, development partners, civil society organisations, and other stakeholders. Through these linkages, the Framework ensures that all development interventions are coherent, mutually reinforcing, and collectively contribute to the achievement of the aspirations of Dira 2050 while promoting evidence-based planning, coordinated implementation, efficient resource utilisation, and results-oriented development management.

1.4. Objective of the National Planning Guideline

The National Planning Guideline (NPG) provides guidance on the planning process and procedures at the national, sectoral, regional and council levels to the public entities (MDAs, Parastatals, RSs, and LGAs). More specifically, the Guideline aims to:

i. Standardise the process for institutional and development planning within public entities.

ii. Align institutional plans with the medium-term national development plan.

iii. Institutionalise the operational and execution linkages for the regional and council levels on the medium-term national development plan.

iv. Mainstream private sector engagement during planning and implementation processes.

v. Re-design the implementation of development plans from the ministerial to sectoral approaches

1.5. Approach and Methods of Developing the Guideline

The preparation of the NPG employed a participatory approach at the drafting and approval stages. Specifically, the preparation of the Guideline involved government officials from the President's Office – State House (POSH), President's Office - Public Service Management and Good Governance (PO-PSMGG), President's Office – Regional Administration and Local Government (PO-RALG), President's Office – Planning and Investment (POPI), Prime Minister's Office Policy, Parliamentary Affairs and Coordination (PMO - PPC), Ministry of Finance (MoF), National Planning Commission (NPC) and Office of the Treasury Registrar (OTR). These entities were deliberately engaged based on their roles and responsibilities in the planning process and in the coordination of development plans at their respective levels.

Furthermore, the preparation of the NPG employed various methods, including: [1] a review of relevant documents such as the Constitution of the United Republic of Tanzania of 1977, the Medium-Term Strategic Planning and Budgeting Manual (MTSPBM) 2008, the National Planning Commission Act CAP 127, the Budget Act, CAP 439, and other legislation governing local government authorities; [2] consultations with Directors responsible for Policy and Planning (DPPs) from all sector ministries, District Planning and Coordination Officers (DPCO), and the Assistant Administrative Secretary for Planning and Coordination (AASP&C); [3] key informant discussions with senior government officials on economic management and national planning; and [4] review of the Guideline by experts from the private sector and development partners.

1.6. Scope of the Guideline

The Guideline covers four levels within the planning system in Tanzania; *national, sectoral, regional, and council.* Operationally, the Guideline provides MDAs, RSs, parastatals, and LGAs with direction on undertaking planning activities. Furthermore, the Guideline articulates the planning processes to be adhered to during institutional and development planning, including resource planning, to actualise the intended plans.

1.7. Layout of the Guideline

The Guideline is structured in seven chapters. *Chapter One* introduces the guideline, highlighting the background to the planning process in Tanzania and detailing the context, rationale, objectives, and scope of the Guideline. *Chapter Two* presents the approach and technical procedures for the development planning of long-term, medium-term, and short-term plans at the national and sectoral levels, demonstrating the linkage between the activities of planning entities and the national development aspirations. *Chapter Three* provides a technical approach to regional and council development planning, reflecting their positions and linkages to national development planning. *Chapter Four* presents the planning process for public institutions, detailing the technical procedures for strategic planning in MDAs, Statutory corporations, RSs, and LGAs. It further describes the procedures and approaches for undertaking investment and business planning. *Chapter Five* highlights resource planning, presenting the planning process for human, financial, technological resources, and materials to actualise institutional and development plans. *Chapter Six* presents the institutional framework, articulating the roles and responsibilities of various entities in implementing the National Planning Guideline. Finally, Chapter Seven provides the relevance of the NPG to economic management, based on the application of the NPG in planning and influencing development interventions.

National and Sectoral Development Planning

National Planning Guideline

CHAPTER

02

This chapter details the approach and technical procedures for development planning for long-term, medium-term, and short-term plans at national, sectoral, regional and council levels. It demonstrates the practices adhered to by MDAs, RSs, and LGAs, thereby establishing the linkage of entities' activities to national development aspirations.

2.1. The Concept of Development Planning

Development planning is a process of setting goals, identifying resources, and formulating strategies to achieve sustainable growth within the specific context of an entity or a country. At the national level, the process is strategic and aims to create a comprehensive framework to address *national challenges,* improve living standards, and promote equitable development across *sectors* and *regions*. Notable development plans arising from this process include *national, sectoral, and regional development plans*. Categorically, the process covers *long-term, medium-term, and short-term planning*. Details on each category are provided as follows:

2.2. Long-Term Planning

Long-term planning is the process of establishing a strategic planning framework to attain a long-term development objective. Commonly, the process sets goals to be achieved over at least 10 years. It involves anticipating future needs, assessing the resources required, and creating a roadmap to guide decisions and actions by considering trends, risks, and opportunities. From long-term planning, entities develop long-term plans. Notable examples of long-term plans include the Long-Term Perspective Plan (2026/27 – 2050/51), the Transport Master Plan (2013–2033), the Dar es Salaam Master Plan (2016–2036), the Water Sector Master Plan (2006–2035) and the Integrated Electricity Power Master Plan (2016–2040).

2.2.1. Common Procedures for Long-Term Planning

Irrespective of the duration, entity category or country, developing a long-term plan adheres to the following main procedures:

i. **Initial Preparation:** Prepare a *technical paper* detailing; on [1] the genesis and background of the plan; [2] the rationale for developing the plan; [3] the objective of the technical paper in guiding the preparation of the plan; [4] the proposed approach; [5] the participation of stakeholders; and [6] the roles and responsibilities of different entities in managing the process. *Commonly, the developed technical paper is informed by an evaluation report of the ending long-term plan, or, if there is no such plan, uses the findings from the baseline survey to justify preparation of the long-term plan.*

ii. **Structural, Institutional and Policy Analysis:** At *the entity level,* the analysis focuses on linkages between policies, laws, and regulations, as well as the organisation's structure for coordination and growth potential (commonly applying PESTEL). At the sectoral and national levels, the analysis examines the sectoral and economic structure to identify magnitude and direction based on forward, backward, and total linkages *(such as applying Input-Output and Social Accounting Matrix-SAM)*.

iii. **Projections:** Interpreting the findings from the analysis *(procedure ii),* provides baseline data and information for relevant areas of planning. Based on the baseline data and experience, assumptions should be set and relevant models developed to undertake projections for the intended duration. Technically, this procedure focuses on five areas: [1] defining scope and objectives, [2] selecting an appropriate model, [3] gathering and preparing data, [4] applying the model by running simulations or iterations. *For an institution, apply a performance model, while for sectoral or national level projects, apply variable-related models using relevant software such as the General Algebraic Modelling System (GAMS).*

iv. **Subjecting Projections to Shocks**: Once projections have been established, subject them to shocks to determine the position of the plan under base, pessimistic, and optimistic conditions. Notable shocks at an entity level may include changes in policies, mandates, and institutional structures, *while* at the sectoral and national levels, shocks may include changes in global oil prices, development partners' policies, geopolitics, and conflicts. Subjecting projections to shocks enables *scenario planning*

v. **Set Targets:** With clear projections simulated across possible shock scenarios, set targets based on the final results. Generally, targets should be SMART and quantitatively set for easy tracking and performance assessment.

vi. **Identify Interventions to Attain Targets:** These are solutions and strategies that aim to accelerate the achievement of set targets. These interventions can be clustered into reforms, projects, policies and action points. Establish linkages among interventions and call for coordination and sectoral implementation.

vii. **Prioritising and Sequencing Interventions:** This procedure calls for prioritising the identified interventions based on urgency, relevance and impact at all levels *(institution, sector and nation)*. Further, prioritised interventions should be sequenced and aligned to ensure forward and backward linkages, thereby qualifying the input-output associations among variables of interest.

viii. **Documenting the Long-Term Plan:** This involves drafting the plan by documenting all deliverables obtained from all procedures (i-vii). The plan comprises various chapters and annexes. Notable chapters include the introduction – commonly based on an evaluation or baseline study to justify the plan, the current status of the variables of interest related to the plan, targets and interventions, implementation, monitoring and evaluation. ***(The outline of the plan is attached as Annex 1).***

A. Long-term Planning: The Case of LTPP 2050 (National Level)

01

A practical example of long-term development planning at the national level is the development of the Long-Term Perspective Plan (LTPP) 2050 as an implementation tool for *DIRA 2050*. The LTPP envisions Tanzania attaining Upper Middle-Income Country (UMIC) status with a one-trillion-dollar economy. The process adopted a semi-structured, participatory and evidence-based approach aligned with *DIRA 2050* and grounded in the history of development planning and global practices. It began *with* a review of TDV 2025 to identify achievements, challenges, and bottlenecks based on the evaluation of TDV 2025, and FYDPs - ***(Procedure I).***

02

Data analysis on Tanzania's economic structure was undertaken using the Supply and Use Tables (SUTs) to show the flow of goods, services and value added within the economy. This provided a comprehensive view of how production and consumption are interconnected across sectors. The analysis focused on understanding productivity, trade patterns and potential vulnerabilities. Technically; [1] The SUT data were acquired, prepared and approved by the National Bureau of Statistics (NBS) using tools such as Excel and GAMs; [2] Sectoral composition and output structures were examined; [3] Input-output interdependencies were analysed to establish economic linkages – ***(Procedure II).***

03

Once the economic structure and position were identified, projections were undertaken based on available baseline data. Projections for intermediate milestones and 2050 targets were informed by historical trends, relevant literature and benchmarks from UMICs, and were further refined through consultations with relevant stakeholders. Projections were also subjected to trade and regional dimensions to reveal intra-country disparities and the concept of open economies – ***(Procedure III).***

04

The projections were subjected to scenario analysis to derive advanced indicators. This involved calculating GDP components, population dynamics and building multipliers for policy simulations (e.g., export contribution and employment creation). Notable econometric tools included regressing SUT-derived coefficients on growth data to test structural changes, then setting targets as obtained after simulations into shocks - ***(Procedures IV&V).***

05

pathways to prosperity *(DIRA 2050)* were developed. Since it is practically impossible to fully actualise a 25-year intervention in a single phase, five Medium-Term Development Plans (FYDPs) were proposed as pathways, thereby defining interventions and priorities for FYDP IV, V, VI, VII, and VIII - ***(Procedures VI & VII);*** and

06

Documenting the plan into a book with six chapters and various annexes. – **(Procedure VIII).**

B. Long-Term Planning: the Case of Developing Power System Master Plan (Sectoral Level)

A practical example of applying long-term planning procedures at the sectoral level is noted in the preparation of the Power System Master Plan (PSMP) 2024 Update. The Plan serves as a critical roadmap for guiding Tanzania's power sector investments over the short, medium, and *long terms*. It provides a strategic framework for guiding the development of power generation and transmission infrastructure to meet the growing energy demands and support broader socio-economic transformation *generally outlined* in *DIRA 2050*. This implies that the prepared PMSP is aligned with and actualises the LTPP 2050 targets and interventions respectively. In that regard, the preparation of PSMP adhered to the following steps in relation to section 3.1.1.

Defining the variable of interest *(the power system)* and its components, and how it evolved over time from a planning perspective. It featured the background and performance of the ending PSMP 2020 and the gaps to be addressed, thereby complying with ***Procedure I.***

Procedure II involved analysing the power system's performance, specifically focusing on power demand, energy losses, the generation plan, and the transmission plan. This captured the historical position of the variable of interest for the period 2020–2024.

In ***Procedure III,*** load forecasting was carried out using a two-fold approach: (1) reviewing historical data (2012–2023) and (2) reviewing emerging issues. A forecast was developed for each aspect, and these were then combined to determine electricity customer growth and peak-demand electricity requirements. Technically, the forecasting applied a Simple Linear Regression (SLR) model based on developed assumptions and scenarios for the base, low, and high cases, leading to ***Procedure IV.***

In ***Procedure V,*** targets were set for the year 2050 regarding electricity generation requirements (GWh), peak demand requirements (MW), the number of customers across all categories, energy consumption by customer category, and emerging issues.

With targets established, ***Procedure VI*** was executed to identify and outline interventions for power generation and transmission line network expansion, considering the feasibility and optimality of the related projects.

By applying economic and financial analysis, projects were sequenced and prioritised based on their investment requirements and potential impact on the power system, adhering to ***Procedure VII.***

The process was finalised by drafting the PSMP 2024 Update, to complying with ***Procedure VIII.*** The developed PSMP consists of various chapters and annexes for reference purposes.

2.3. Medium-Term Planning

This is defined as setting goals and developing strategies for a country or entity to attain medium-term development objectives. Commonly, the set goals are meant to be achieved within a span of up to 5 years, bridging short-term operational goals and long-term strategic vision. In this regard, the process focuses on setting achievable objectives, allocating resources, and adapting to change while keeping the broader picture in mind.

Medium-term plans are developed from medium-term planning. Notable examples of medium-term plans include The Third Five-Year Development Plan (FYDP III) 2021/22 – 2025/26 and the Education Sector Development Plan (ESDP) 2021/22–2025/26.

2.3.1. Common Procedures for Medium-Term Planning

Undertaking medium-term planning should adhere to the following main procedures:

i. **Initial Preparation:** This procedure calls for developing an inception document, such as a technical paper or concept note, detailing how the process will be undertaken. Generally, the developed document includes background information about the variable of interest, the methods and approach to be applied during the process, and a tentative indication of stakeholders and deliverables that will be produced as a result of executing the assignment. *Technically, the developed paper may be informed by an evaluation report of an ending medium-term plan or justification derived from the long-term plan (if any), in the case of a sequencing implementation tool.*

ii. **Undertake Situational Analysis:** The analysis referred to under this procedure includes assessing the effectiveness of interventions, such as projects and strategies, in achieving the entity or country's medium-term development objectives. At the entity level, the analysis examines how the execution of activities and resource allocation supported the strategic objective, *while* at the sectoral and national level, the analysis highlights the implementation of projects towards attaining macroeconomic targets on contribution to growth, employment creation and social welfare.

iii. **Comparative Analysis for Performance Assessment:** With the situational analysis *in place, the current status will be clear and well established. However, there will still be a gap in distinguishing between progress and performance with respect to achievements.* The *importance* of this procedure is to establish the performance gaps, establish new baseline statistics (rebasing) and propose new interventions to accelerate efforts towards attaining the objectives.

iv. **Forecasting:** As this is medium-term planning, forecasting is the best approach for estimating future medium-term outcomes. This procedure is a data-driven estimate of future outcomes based on historical data, trends and a statistical model. Technically, it is not subject to scenario analysis. The forecast results should cover five years.

v. **Setting Targets:** Using the results from Procedures III and IV, set targets. To attain the Long-Term Plan, set targets should not be adjusted to distort the intended long-term targets. In that regard, adjustments are within a medium-term range. *Developed targets should be SMART and linked to long-term targets,* if any;

vi. **Develop, Sequence and Prioritise Interventions:** To achieve the intended/ set targets, develop, sequence and prioritise actions for execution. At the entity level, interventions should be linked to all functions at department and unit levels, *while* at the national level, interventions are cross-sectoral projects to deliver at the outcome (medium-term) and impact level (long-term).

vii. **Documenting the Medium-Term Plan**: Draft the plan, including outputs from all procedures. The plan should include various chapters and annexes as needed. Notable chapters for this plan include the introduction, interventions, implementation, and monitoring and evaluation ***(Detailed outline of the chapters of the Medium-Term Plan is annexed 2).***)

Medium-Term Planning: Experience in Developing FYDP III (National Level)

- The FYDP III (2021/21 – 2025/26) is the third medium-term development plan for implementing the LTPP (2011/12 – 2025/26) in realisation of the TDV 2025. The development of FYDP III adhered to the application of *medium-term planning procedures* in the following ways. *Firstly,* a concept note elaborating the approach, methods, and techniques for developing FYDP III was created. It detailed on the background of the subject of interest based on the comprehensive evaluation report of the ending FYDP II. Furthermore, the concept note highlighted how stakeholders would be engaged, and the approval process ***(Procedure I).***

- *Secondly,* **Procedure II** was executed by undertaking a situational analysis. This involved a literature review to gather secondary data, and verification and confirmation using primary data collected during the evaluation of the FYDP II. The analysis focused not only on the implementation of projects outlined in FYDP II, but also their relevance and implications for the LTPP and TDV 2025.

- *Thirdly,* performance assessment was undertaken by comparing results obtained in the situational analysis with the intended targets in FYDP II. The purpose of this procedure was to determine the difference and establish a mechanism for carrying it forward to FYDP III. This entails that the difference between actual and desired performance is not ignored; instead, it should be accumulated to the next target to contribute to the LTPP ***(Procedure III).***

- *Fourthly,* by using historical data on variables of interest in FYDP II, and newly introduced variables, estimates for the targets were undertaken by forecasting. Results were presented to various stakeholders for further analysis and interpretation, as well as setting targets ***(Procedure IV&V).***

- With targets set, various interventions at sectoral levels and projects were developed to facilitate the actualisation of the targets. Specifically, a list of interventions was outlined below the targets to reflect the linkage between variables of interest and respective actions ***(Procedure VI&VIII).***

- *Lastly,* drafting was undertaken by compiling information obtained from other procedures. The drafted FYDP III consisted of eight (8) chapters and annexes.

2.3.2. Sectoral Transformation Plan: Medium-Term Planning (Sectoral Level)

The Sectoral Transformation Plan (STP) is designed to guide the evolution of specific economic sectors towards a more productive, sustainable, and competitive structure[1]. It focuses on reallocating resources, adopting new technologies, addressing challenges, and promoting inclusive growth. STPs differ from general economic plans by targeting sector-specific dynamics. Operationally, these plans are classified as medium-term sector plans, aiming to converge all stakeholders within the sector towards a specified development objective.

Technically, these sectors are derived from prevailing visions, e.g., *DIRA 2050*, and their *integration points* are defined by the International Standard Industrial Classification of All Economic Activities (ISIC). *Dira 2050* identifies transformative sectors, as shown in Table 1.

Table 1: Sectors (Dira 2050) Relative ISIC

No.	Transformative Sector (Dira 2050)	Relative ISIC Section	Lead Ministry
1	Agriculture	Agriculture, Forestry and Fishing	Ministry of Agriculture
2	Industrial and Manufacturing	Manufacturing	Ministry of Industry and Trade
3	Construction	Construction	Ministry of Works
4	Mining and Quarrying	Mining and Quarrying	Ministry of Minerals
5	Oil and Gas	Mining and Quarrying	Ministry of Energy
6	Tourism	Accommodation and Food Service Activities	Ministry of Natural Resources and Tourism
7	Financial	Financial and Insurance Activities	Ministry of Finance
8	Sports and Creative	Arts, Entertainment and Recreation	Ministry of Information, Culture, Arts and Sports
9	Improving Housing, Human Settlements and Real Estate Development	Real Estate Activities	Ministry of Lands, Housing and Human Settlements Development
10	Transforming Trade and Commerce	Wholesale and Retail Trade	Ministry of Industry and Trade
11	Achieving a Robust Business Sector	Cross-cutting	President's Office – Planning and Investment
12	Strategising Bilateral, Regional and Multilateral Cooperation	Public Administration	Ministry of Foreign Affairs and East African Cooperation
13	Formalisation of the Economy and Its Management	Cross-cutting	President's Office – Planning and Investment (working jointly with Ministry of Finance and TRA)

These sectors are positioned as impact points of Dira 2050; well-established forces *(drivers)* should be in place to accelerate interventions within these sectors. These interventions include integrated logistics, energy, science and technology, research and development, and digital transformation. In this regard, the STP works to establish both *intra-* and *interlinkages*. The development of the STP shall adhere to the following procedures:

1 This type of plan is newly introduced by this Guideline

i. **Sector Identification and Scope Definition:** While Dira 2050 has outlined various sectors at the *univariate level,* it is important to qualify each sector by pinpointing specific industries or subsectors for transformation using ISIC codes. This precision ensures stakeholders agree on which activities are included.

ii. **Data Collection and Analysis:** Referring to economic structure data based on input-output tables, supply-use tables, and a social accounting matrix, organise data to diagnose a sector's current state. Technically, this step aims to create an evidence-based baseline for designing transformation pathways, projections, and strategies. Without robust data, progress risks being speculative or ineffective, as it may overlook critical factors such as productivity gaps or workforce vulnerabilities. Thus, this step ensures baseline establishment, gap identification, trend analysis, and risk assessment.

iii. **Projections and Scenario Modelling:** With identified baselines at the industry and activity levels, as per ISIC, model future outcomes for specific industries. With respect to DIRA 2050 and its implementation tools, these scenarios are modelled in relation to changes in drivers *(integrated logistics, energy, science and technology, research and development, and digital transformation)*.

iv. **Design Sectoral-Based Programmes:** Since specific industries are featured with specific activities, they tend to develop respective projects. However, the STP intends to link these activities and projects to deliver on medium-term development objectives. In this regard, design sectoral programmes to deliver cross-sectoral projects by establishing forward and backward linkages. Further, the design should ensure proper positioning regarding regulatory measures, economic incentives and market-based tools.

v. **Document the STP:** Draft the STP with various chapters detailing the introduction and context, diagnostic analysis, sectoral dynamics and linkages, transformation pathways and strategies, programmes and implementation mechanisms, and monitoring, evaluation, and reporting ***(Detailed outline of the STP's chapters is annexed 3)***

Box 16: Guidance on Sector Classification for Developing STPs

i. The public entity responsible for national planning, in collaboration with various stakeholders, *particularly* sector ministries, will classify economic activities based on ISIC to establish and substantiate sectors.

ii. With respective to *Dira 2050*, there will be three clusters defining operational sectors for implementing the FYDPs. These are [1] *Agriculture, Forestry and Fishing*, [2] *Industry and Construction,* and [3] *Services*. In that regard, outlined transformative sectors and drivers will be interlinked based on that classification.

2.4. Short – Term Planning

Short-term planning entails setting actions and interventions to achieve short-term development objectives, usually over a year. It focuses on immediate, prioritised, specific, and actionable steps to meet deadlines or address current needs. In this regard, the process emphasises allocating resources, scheduling tasks, and ensuring timely completion to avoid accruals. From short-term planning entities develop short-term plans. Notable examples of such plans include the Annual Development Plan (ADP), MDAs, RSs, and LGA action plans, which are *commonly developed annually to align with budgets*. In that regard, the short-term plan is outlined with the following qualities **(Box 17).**

Box 17: Qualities of a Short-Term Plan

- **Specificity** – defining objectives and tasks without an ambiguity;
- **Measurability** – outcomes are quantifiable, can be tracked, and evaluated;
- **Achievability** – realistic based on resources, time and constraints;
- **Relevance** – aligns with broader goals stipulated in medium-term and long-term plans;
- **Time-bound** – deadlines are clearly defined to create urgency and focus;
- **Flexibility** – allows adjustments in response to challenges or crises;
- **Action-oriented** – focuses on specific actionable steps rather than ideas; and
- **Prioritisation** – tasks are organised by importance and urgency to maximise efficiency.

2.4.1. Procedures for Short-Term Planning

Technical procedures for undertaking short-term planning shall follow the steps outlined below at the national and institutional levels within the government machinery.

2.4.1.1. National Level

Short-term planning at the national level involves preparing an Annual Development Plan (ADP) or other related plans to meet short-term development requirements and contribute to medium-term development objectives. The preparation of such plans applies a participatory approach and employs the following steps:

i. **Initial Preparation Stage:** In this step, develop the concept paper to justify developing the plan. At the national level, the rationale may include the need to contribute to medium-term development objectives or an urgency requiring immediate or short-term solutions.

ii. **Review of Implementation Report on Previous Plan:** Undertake an evaluation to determine the performance of the ending plan, *if any*, or conduct a rapid appraisal assessment to determine the current status of the subject to be planned for. Engage stakeholders from MDAs, NGOs, CSOs, and the private sector. For plans executed through projects, it is important to review project implementation reports to determine the status and discuss requirements for the next plan.

iii. **Set the Intended Targets at the Macro Level:** Since the national-level short-term planning aims to achieve the medium-term development objective, set targets at the macro level rather than the institutional level. In this regard, the set targets are shared among stakeholders.

iv. **Establish Required Interventions and Priorities:** To achieve the intended targets, it is necessary to identify required interventions at the policy, programme, and project levels. This step should be attached to related costs and expenses.

v. **Document the Short-Term Plan:** Draft the plan, comprising relevant chapters detailing the introduction, overview of the performance of the previous plan, macro-level targets, interventions and costs, and key monitoring and evaluation (M&E) highlights (the **detailed content of the Short-Term Plan is provided in Annex 4).**

2.4.1.2. Institutional Level - MDA's, RS and LGA Level

At the institutional level, short-term planning aims to achieve an entity's short-term development targets, based on its strategic, business, and investment plans, or all plans. Primarily, entities are required to develop an Annual Action Plan (AAP) and cost the plan by developing the cash flows. This guidance aligns with Plan and Budget Guidelines. The process is participatory and shall adhere to the following steps:

Box 17: Short-Term Planning at the Institutional Level: the Case of Action Plan

i. **Initial preparation:** conduct a situation analysis to provide the current status of the performance of the previous annual plan to build a basis for the new plan.

ii. **Stakeholders Mapping and Engagement:** The implementing entity shall conduct stakeholder mapping and engagement to ensure the annual plan is well aligned with the ADP and complements other plans within and across sectors and entities. This assignment should involve consultations with internal (institutional teams) and external (citizens, private sector, CSOs, development partners) stakeholders.

iii. **Alignment of Institutional Priorities with ADP priorities and targets:** MDAs, RSs, and LGAs must map ADP priorities against their institutional mandates and sectoral strategies and identify customised development objectives derived from FYDP III that can be operationalised at the institutional or local level.

iv. **Drafting Action Plan and Budget Estimate Preparation:** Translate ADP priorities into annual action plans (AAPs) with measurable outputs and timelines. Prepare corresponding annual budget estimates, ensuring alignment with development budget ceilings and fiscal space set by the National Planning entity in collaboration with the Ministry responsible for Finance.

Development planning is a process of setting goals, identifying resources, and formulating strategies to achieve sustainable growth within the specific context of an entity or a country

Regional and Council Development Planning

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Chapter Three provides a technical approach to the planning process linking national development planning to regions and councils. The chapter details the relevance of these linkages, their usefulness and the importance of linking regions and councils as key points for the actualisation and implementation of national development plans, with the aim of attaining the prevailing national development vision.

3.1 Regional Development Planning

Regional development planning is a strategic process that aims to promote balanced and sustainable economic and social development within a specified geographical region. Typically, the process involves collaboration among stakeholders, such as central government, local governments, communities, and the private sector, to align local needs, available resources, and national development aspirations. *This process results in the Regional Development Plan (RDP).*

Regional development planning aims to actualise nationally approved interventions at the regional level, in line with the region's potential. In that regard, the process is aligned with the prevailing FYDP. Consequently, all regions in Mainland Tanzania are directed to develop an RDP. Undertaking regional development planning involves the following steps:

i. **Establish and Develop Alignment Points to FYDP:** This step guides regions in establishing points of linkage with FYDPs. The respective region will review the prevailing FYDP to identify relevant interventions. This entails that, from the FYDP, the region will outline specific points of linkage, focusing on scope or area of engagement, rather than magnitude. This step will utilise Matrix 1 as a technical tool.

Box 18: FYDP Alignment Matrix for RDP

Region	[2]Point of Alignment in FYDP	Actual Position
Example: Arusha	Tourism	National Parks, Cultural Tourism,
	Mining	Tanzanite, Mineral Markets

2 The point should be derived from the FYDP intervention, articulated as it is without any changes in relation to transformative sectors outlined in DIRA 2050

ii. **Conduct Regional Potential Assessment:** This situational analysis identifies the magnitude of regional potential relevant to aligned points in FYDPs. Specifically, this step involves data collection on the region's socio-economic conditions, demographics, natural resources and environmental challenges. Technically, the step requires the participation of the NBS in data collection and analysis to identify the magnitude of regional potentials.

iii. **Stakeholder Mapping:** Identify all key stakeholders, including local government authorities, businesses, communities, and the private sector. This step should facilitate assigning roles and responsibilities and establishing inter-governmental coordination. Technically, for each aligned point (refer to step ii) outline key stakeholders and their roles regarding technical capacity, financing and other tasks.

iv. **Setting Regional Development Objectives:** Based on region's strength (as derived from the FYDP), set the regional development objectives. The developed objectives should be SMART and outline the region's contribution to the FYDP's performance and attainment of the *DIRA 2050* aspirations.

v. **Outlining Regional Development Interventions:** Identify and explain the interventions required to achieve the set objectives. These interventions are region-based and take into consideration any ongoing projects. As development interventions are also cross-sectoral, their preparation should align with STPs.

vi. **Document the RDP:** Draft the RDP with various chapters detailing the introduction, justification of the RDP, regional potential and resources, the region's position in relation to the FYDP, interventions and linkages to STPs, implementation mechanisms, monitoring, evaluation, and reporting ***(Detailed outline of the RDP's chapters is annexed 5).***

3.2 Council Development Planning

This is the process of planning for actualise the RDP. It involves cascading the respective RDP to a specific council, specifying related interventions and projects for implementation of the RDP. In that regard, council development planning adheres to the following steps:

i. **Cascading RDP to Specific Council:** As the RDP consists of each council's position, targets and contribution to the FYDP, the respective council should capture its portion for easy implementation. This step involves breaking down the RDP to deliver at the council level, hence, to establish focus points and areas of concentration.

ii. **Specifying and Sequencing Relative Interventions:** Not all interventions mentioned in the RDP are relevant to all councils, as they have different resources, stakeholders, and potential. In that regard, councils should specify and sequence only relevant interventions in order to avoid undertaking projects that are not useful to the council's needs and demands.

iii. **Identifying Specific Projects:** As interventions consist of many cross-cutting projects spanning many councils within the region, specify, for each intervention area, the projects relevant to the respective council. This means that, in some cases, a council may have projects from all interventions identified in the RDP or otherwise.

iv. **Aligning Projects with Local Needs:** Identified projects are primarily linked to RDP and, by implication, FYDP, and are therefore designed to deliver on national development aspirations. However, people's needs in a locality change depending on the prevailing situation. In that regard, identified projects should be attributed to local needs at the time, with attention focused on RDP's objectives and FYDP's targets.

v. **Costing the Projects:** Focusing on public investment, projects should be costed for financing. Furthermore, the investment should be apportioned between public and private financing to establish a basis for contribution from various stakeholders.

vi. **Documenting the CDP:** The Council Development Plan (CDP) is documented in a matrix form consisting of interventions, projects, activities and costs. The CDP matrix will be annexed to the RDP in the format **annexed 6.**

3.3 CDP's Convergence to STP and RDP for FYDP

Sector Transformation Plans (STPs) and Regional Development Plans (RDPs) serve the same purpose at different scopes; *sector and region*, respectively. These scopes have different stakeholders, mandates, roles and responsibilities, as well as advantages and disadvantages. In that regard, STPs and RDPs complement each other to deliver on FYDP. complement each other to deliver on FYDP.

Generally, *the delivery point of each plan on FYDP* differs: STP is positioned at the policy level and programmes are designed from FYDP interventions, while RDP is positioned at the implementation level and projects are designed at council levels (CDP's) to deliver on FYDP. This entails that there is a ***"converging point of STP and RDP"*** on programmes and projects, in the sense that the actualisation of the STP's programmes is done through RDP's projects under councils.

In that regard, developing both STP and RDP will be guided by national planning entity and applies participatory approach by engaging all related MDAs, RSs and LGAs.

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This chapter presents the planning process for public institutions by detailing technical procedures for undertaking strategic planning in MDAs, Statutory Corporations, RSs and LGAs. Furthermore, it describes step-by-step procedures for investment and business planning for respective entities with a commercial orientation approach and undertakings

4.1 An Overview of Institutional Planning

Institutional Planning refers to the process of developing a structured framework to achieve an organisation's vision and objectives. The process is participatory, involving employees and consultation with stakeholders. Categorically, institutional planning aims to achieve operational, investment and business objectives as primarily defined by its policy or legal instrument. In that regard, institutional planning establishes parameters for assessing the entity's performance, investment, and business capacity to operationalise sector and national plans.

Institutional planning is the responsibility of all public entities *(MDAs, Public and Statutory Corporations, RSs, and LGAs)*, as they are legally required to develop strategic plans to guide their operations and undertakings in the medium term. Moreover, entities established under the Executive Agencies Act, CAP 245, the Companies Act, CAP 212, the Public Corporations Act, CAP 257 and entities with commercial and non-commercial business orientation, are required to develop investment and business plans as part of institutional planning.

Institutional planning is structured around three key areas: [1] *Strategic Planning* [2] *Investment Planning* and [3] *Business Planning*. These plans, while distinct are interdependent. An institution undertaking an investment must first develop an Investment Plan, and where commercial or revenue-generating activities are anticipated, this is further supported by a **Business Plan** that outlines the operational, marketing and financial model. **Both the Investment Plan and the Business Plan originate from, and must be fully consistent with, the institution's Strategic Plan,** which provides the long-term vision, strategic priorities, and performance objectives. Conceptually, the Strategic Plan defines what the institution aims to achieve; the Investment Plan defines what assets and capital projects are needed to achieve it; and the Business Plan defines how those assets will be run sustainably and competitively. Together, the three form a sequential and mutually dependent institutional planning framework.

To ensure coherence, timely implementation, and compliance with national planning requirements, all plans must align with the national monitoring and evaluation framework, the budgeting cycle, and the NPC planning calendar.

4.2 Strategic Planning

Strategic planning is a systematic process of defining an organisation's vision, mission, and objectives, and developing strategies to achieve them. The process focuses on aligning the organisation's deliverables, targets, and outputs with its overarching purpose and external environment. By adopting a broader and forward-looking perspective, strategic planning establishes clear priorities and aligns resources toward common objectives.

Although all entities prepare Strategic Plans, their orientation differs according to the entity's mandate. Commercial entities tend to emphasise financial performance, market positioning, and operational efficiency, while non-commercial entities focus on service delivery, equitable access, and the fulfilment of statutory obligations. These differing mandates shape how strategic priorities are interpreted and inform the development of institutional objectives, as detailed in the objective formulation.

Primarily, strategic planning aims at improving performance, enhancing an institution's relevance to stakeholders, improving accountability and transparency at the institutional, departmental, and individual levels, strengthening communication among stakeholders, and establishing priorities for efficient and effective resource allocation. It also addresses questions about the existence and objectives of an organisation, as well as stakeholders' expectations. In that regard, from strategic planning, the organisation develops the following features of a **strategic plan, as shown** in **Box 1.**

Box 1: Qualities of a Good Strategic Plan – Checklist

i. **Challenging** - Motivates the institution to strive to achieve its mission and vision.

ii. **Change-oriented and creative** - Encourages creativity and innovativeness;

iii. **Clear and simple to understand** – Easily understood and facilitates broad communication.

iv. **Analytical** - Based on a clear assessment of the current situation as well as possible risks and uncertainty;

v. **Prioritised** - Targets contained in the SP should be prioritised;

vi. **Participatory with Ownership** - Involves key stakeholders, thereby broadening to accommodate all aspects related to an entity.

vii. **Flexible** – Where deemed necessary, can be subjected to changes, updates and reviews to adhere to the redefined roles of Government.

4.2.1 Main Steps in Strategic Planning

All entities should adhere to the following steps when undertaking strategic planning. These entities include Public and Statutory Corporations (PSCs), Ministries and Offices defined under the prevailing Presidential Instrument, commonly including sectoral ministries, entities under the President's Office, Vice President's Office, and Prime Minister's Office; Regional Secretariats, LGAs – articulated under CAP 287, and Independent Departments and Agencies

i. **Step 1: Preliminary Stage** – Develop a concept note that describes the assignment, management process, leadership, and responsibilities. The prepared concept note should describe: [1] Background; [2] The methodology and approach; [3] List of stakeholders to be involved (external and internal), [4] Work plan and timetable; [5] Role of accounting officer, management, internal staff, and engagement of a facilitator *if any.*

ii. **Step 2: Undertaking the situational analysis** – This involves assessing external and internal factors to describe the organisation's status in relation to its operational objective. The analysis establishes ways forward for us to confirm or determine the organisation's vision, mission, objectives, and targets, depending on the status of the institution, by observing high-level frameworks or establishment order. ***Box 2*** *summarises the procedures (methods and approaches) for conducting a situation analysis.*

Box 2: Note on Situation Analysis

i. Apply, mixed methods, techniques and approaches to undertake situation analysis. Notable methods and techniques *include review of relevant information, performance review, service delivery surveys and institution self-assessment/benchmarking; and*

ii. Provide qualitative interpretation of quantitative results obtained from the analysis to establish critical issues (gaps, challenges, opportunities and ways forward) as a basis for the new plan.

Situation analysis involves a series of steps, The steps are outlined as follows:

a. Review of Relevant Information

This method involves reviewing existing information from secondary sources, such as national development frameworks, including *Dira 2050,* LTPP 2050, Manifesto, and STP. Other notable documents *include approved functions and organisation structure, relevant laws and regulations, policies, sectoral plans and strategies, performance reports, and audited financial statements*. Primarily, the review intends to gather evidence and identify missing information, which will be collected from stakeholders as primary sources.

b. Performance Review

This method will assess progress towards achieving the intended outcome as stipulated in the existing Strategic Plan. Technically, performance assessment aims to answer questions about the attainment of the outcome indicator target value. *Identify unfinished business between SPs, as well as emerging issues*. The interpretation of the performance results will focus on:

i. Comparing the actual results against the intended outcome.

ii. Reasons for the actual performance.

iii. Explain factors for the performance of unintended outcomes.

iv. Implications of the result relevant to the organisation's role.

v. Recommendations towards shaping the strategies and targets in the new SP.

c. Service Delivery Survey

The survey will collect perceptions, opinions, and ideas from a range of clients and customers. Technically, the survey gathers primary information to verify and confirm secondary information obtained in a review or performance assessment. Further, the survey provides informed analysis to determine whether core values are still sufficiently adhered to, thereby informing the redesign of updates

d. Institutional Self-Assessment (ISA) and Benchmarking

This element enables the organisations to critically and comprehensively evaluate their capacity to perform by benchmarking themselves against generally accepted good management principles and practices. The exercise is conducted using internal capacity, as the organisation's conduct is already known. ISA enables organisations to document and score their performance, so that they can demonstrate improvements (or otherwise) over time. The process involves identifying strengths and weaknesses within the organisation to highlight areas that require intervention, focusing on its capabilities in *finance, human resources, operational efficiency, technology, and infrastructure.*

When such an assessment is carried out against an internationally recognised and accepted framework of best management principles and practices, it serves as an appropriate benchmarking tool that offers opportunities to measure performance against best practice. Table 2 provides a brief overview of how to conduct an ISA..

Table 2: Elements for Institutional Self-Assessment

S/N	Analysis	Score (H/M/L)	Way Forward
1.	Governance		
2.	Operations and management		
3.	Human Resource Development		
4.	Business Service Delivery		
5.	Financial Management		
6.	External relations and Partnership		
7.	Technology and Infrastructure		

e. Comparative Analysis

The technique involves comparing an institution's performance and practices with those of similar entities, either nationally or internationally. Generally, the aim is to identify best practices for incorporation into the institution's strategic plan. The analysis typically expands on Internal Security Audit (ISA) to include additional parameters related to the entity's functions and performance.

f. Stakeholders' Analysis

This analysis aims to understand the needs, expectations, priorities, influence, and interests of the organisation's stakeholders. These views should be provided directly by the stakeholders themselves, rather than being speculated upon by the organisation. Stakeholders should also be encouraged to articulate what resources will be available to them in relation to the organisation. To that end, this step involves interaction with stakeholders to discuss both the what and how of delivery, in order to complement their roles in achieving the organisation's vision. This analysis technically proceeds along three key steps.

i. ***Identifying Stakeholders*** – Consider the organisation's clients and customers, which may include the private and public sectors, Non-Governmental Organisations (NGOs), non-state actors, international organisations and the public. Ensure that no stakeholder category is overlooked.

ii. ***Holding a Meeting (FGD)*** – The purpose of the meeting is to gather feedback from stakeholders regarding the organisation. This includes *their expectations, the organisation's delivery capacity, their satisfaction with service provision, complaints, identified weaknesses in service delivery, challenges, and suggested improvements. To avoid influencing stakeholders' opinions,* internal staff participation should be limited, with staff primarily taking notes and listening. Guidance on conducting an FGD is detailed in **Box 3.**

Box 3: Guidelines on FGD for Stakeholders' Analysis

i. Hold a stakeholders' workshop, hosting stakeholders in a room, in accordance with the FGD proposed number of participants, not exceeding 6 – 12;

ii. Invite all relevant stakeholders and inform them about the subject under discussion;

iii. Group stakeholders based on the services offered by their organisation;

iv. Ask open-ended questions to gather as much details as required;

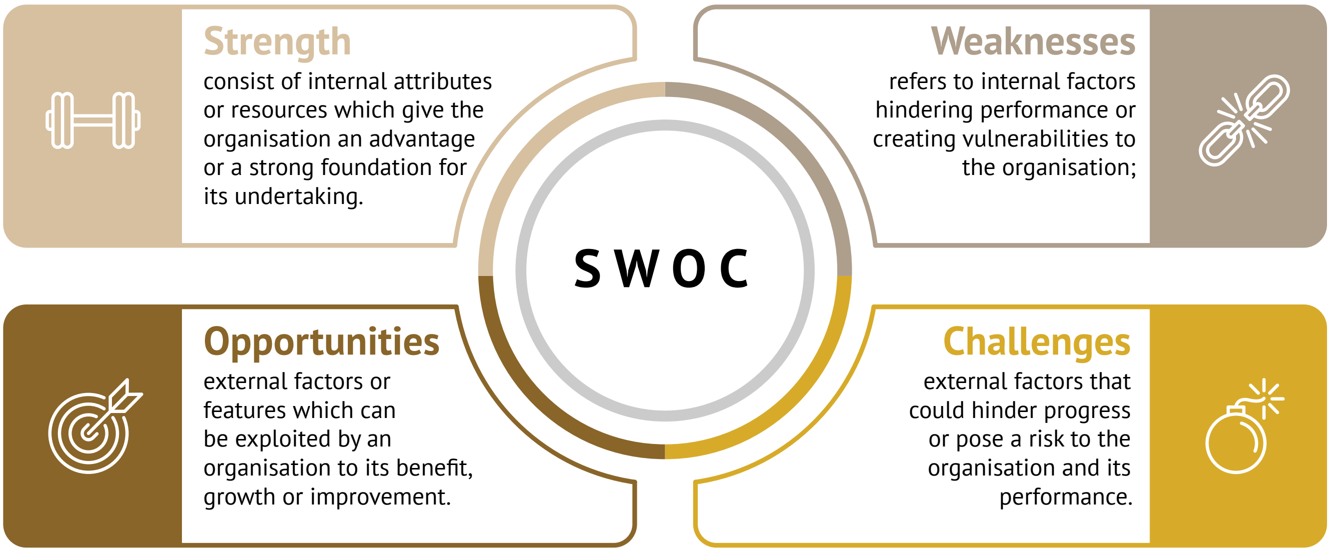
v. Discourage influencing stakeholders' views and opinions to avoid bias; and

vi. Take notes and document views and opinions for further analysis.

iii. ***Analysing Stakeholders' Views –*** Qualitative information gathered through focus group discussions (FGD): it is important to identify key messages and themes for documentation and to shape the vision and mission statements. Apply tools for qualitative data analysis, such as *Nvivo*, *ATLAS.ti*, or other computer-aided qualitative data analysis software.

g. SWOC Analysis

The SWOC tool evaluates strengths, weaknesses, opportunities and challenges to help an organisation assess its internal and external environment. Specifically, the SWOC framework consists of Strengths *(internal, positive),* Weaknesses *(internal, negative)*, Opportunities *(external, positive)*, and Challenges *(external, negative)*. Detailing the components:



From an operational perspective, the mandate given to an organisation through its establishment instrument determines its strengths, *whereas* other entities' operational mandates affecting the organisation's performance capacity determine challenges.

Box 4: Guidelines on Undertaking SWOC Analysis

i. SWOC is conducted through brainstorming sessions with relevant staff and stakeholders.

ii. Gather data – internal factors (finance, employee, operational KPIs) and external factors (product or service consumption, contradictions and competition from other entities).

iii. Analyse data and organise findings.

iv. Prioritise factors based on impact.

v. Develop strategies in the form of ***SO Strategies*** - (use strength to seize opportunities); ***WO Strategies*** - (address weakness to capture opportunities); ***SC Strategies*** - (use strength to counter challenges); ***SW Strategies*** (use strength to combat weaknesses), ***OC Strategies*** – (optimise opportunities to supress challenges) and ***WC Strategies*** – (minimise weakness to avoid challenges); *and*

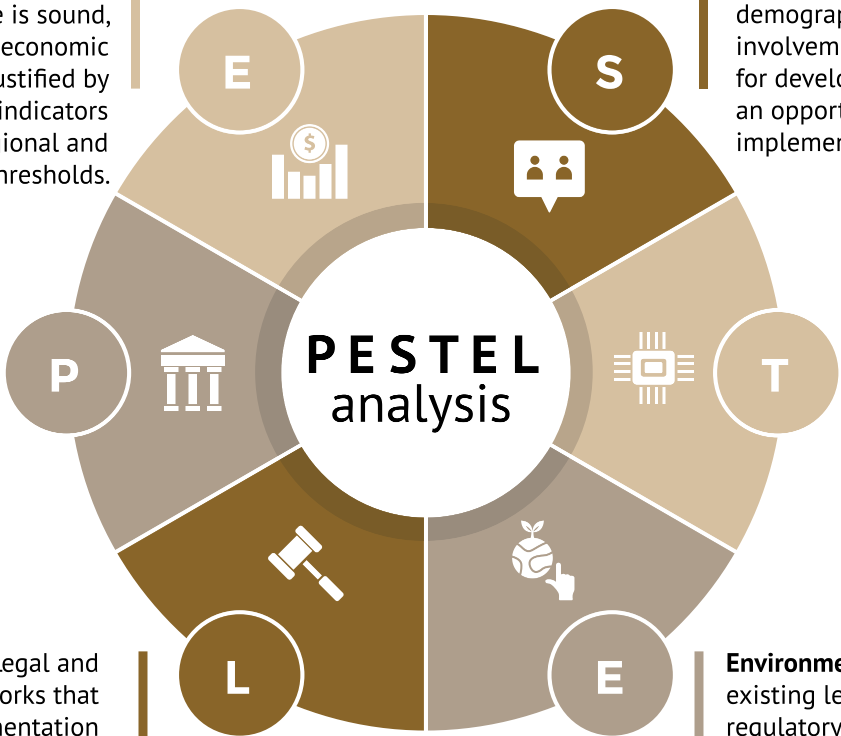
vi. Use developed strategies to inform planning.

h. PESTEL Analysis

The PESTEL tool evaluates external factors relating to Political, Economic, Social, Technological, Environmental and Legal aspects which favour or limit an institution's ability to deliver its mandates.

Economic: Asses whether the economic growth rate is sound, reflecting a feasible economic situation. This is justified by tolerable macroeconomic indicators within acceptable regional and international thresholds.

Social: Focus on settings such as demographic trends, community involvement, and citizens' appetite for development provides an opportunity for efficient implementation of strategic plans.



Political: Encompasses the current political conditions at national, regional and global levels.

Technological: Explores global advances in technology and innovation that can affect an organisation's performance in service delivery.

Legal: Examine Legal and regulatory frameworks that support the implementation and execution of institutional functions

Environmental: Analyses existing legal and regulatory frameworks that support environmental management for the effective implementation of the institution's mandates; and

h. Problem Tree or Logic Model

This visual tool is used to identify, organise, and analyse the causes and effects of a specific problem. The problem is broken down into manageable parts by framing it as a tree trunk, with the roots representing causes and the branches representing effects. The problem tree analysis involves six stages, as detailed below:

i. ***Identify the core problem (trunk)*** – This is achieved by defining the main problem and agreeing on the problem statement with all stakeholders.

ii. ***Determine the cause (root)*** – This involves brainstorming the primary cause of the problem, conducting in-depth analysis to identify the root cause (secondary causes), and grouping similar causes to avoid redundancy.

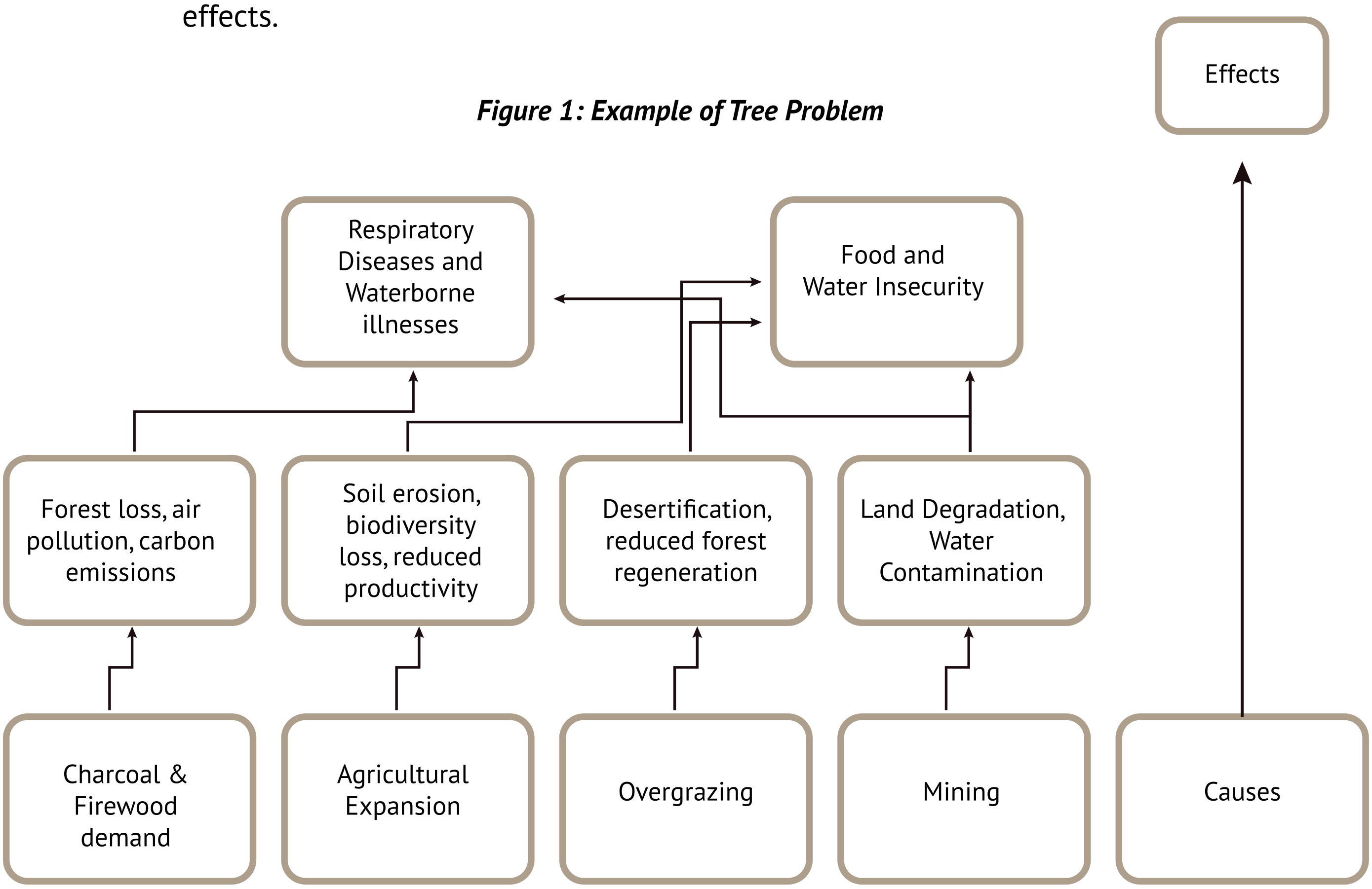
iii. ***Identify the effects (branches)*** – List the immediate consequences of the problem and explore secondary or long-term effects.

iv. ***Draw the problem tree*** – Place the core problem in the centre (trunk), draw roots below to represent causes, branch out to show primary and secondary causes, and draw branches above to represent effects, extending to secondary or tertiary effects. Use arrows to show the relationships between the problem, causes, and effects.

v. ***Analyse and validate*** – Review the tree with stakeholders to ensure accuracy and completeness, check the logical flow, and identify leverage points for interventions.

vi. ***Translate into a solution*** - Convert the problem tree into an objective tree by rephrasing the causes into solutions. Apply this to developing a vision, mission and interventions.

Figure 1: Example of Tree Problem



NB: *In conclusion, the situation analysis tools and methodologies described above can be supplemented with other tools the institution consider suitable. For instance, the Theory of Change or any other cause-and-effect analysis model, can be applied in place of a Problem Tree or a Logic Model.*

j. Critical Issues

Based on the analysis from each situational analysis technique, identify and formulate the critical issues. These should describe the constraints facing the organisation that need to be addressed, and the opportunities that need to be exploited during the Plan's implementation. Critical issues are primarily identified based on their frequency, the potential for quick wins upon resolution, any adverse or severe effects on the organisation if left unrectified, and other key issues that require addressing in the Plan. Therefore, the focus when documenting these critical issues should be on providing strategic guidance for the organisation to determine its future direction.

Step 3: Developing Institutional Vision, Mission and Core Values

a. Vision Statement

A vision statement is a concise declaration of an organisation's long-term aspirations, describing its desired future state or ultimate goal. It outlines the organisation's aims and is a *future-oriented,* or *idealistic statement*. As such, the vision statement is not necessarily formulated or updated each time the strategic plan is reviewed within the span of the national development vision, which serves as a reference framework guiding planning. However, the vision statement can be updated to reflect changes in the institution's mandates. Technically, the development of the vision statement will adhere to the following steps:

i. Review key mandates and statutory requirements of an entity by synthesising information on situational analysis *(Section 2.1);*

ii. Define the core business or undertaking of an entity by using a few words;

iii. Identify and outline the most important stakeholders and what the organisation aspires to achieve for them.

iv. Combine steps (ii) and (iii) to draft the vision statement by considering core values and the national vision; and

v. Present the draft statement to the participants for correction, adjustment and agreement.

Box 5: Qualities of Good Vision Statement

Future-centred
Describes the impact of an organisation's functions on the stakeholders.

Inspirational
Motivates stakeholders and captures the imagination of staff;

Concise
Typically one sentence, memorable and easy to recall and communicate.

Driven by the National Development Vision
Aligns with prevailing national development aspirations; and

Aligned with Values
Connects to the core principles and mission of the organisation

b. Mission Statement

A mission statement is a concise declaration of an organisation's core purpose, values, and primary objectives. It details the reasons for an entity's existence, what it seeks to achieve, and how it serves its stakeholders. Essentially, the mission statement defines an entity's core business, articulating the direction and scope of its work, as well as its alignment with clients and stakeholders. Thus, the mission statement reflects a long-term commitment to achieving the institution's vision and does not need to be changed or updated every time the strategic plan is reviewed, unless the mandate has changed in the medium term. *In strategic planning, the mission statement influences the formulation of organisational objectives.* The development of a mission statement typically adheres to the following steps:

i. Review an entity's key mandates and statutory requirements using the synthesised information from the situational analysis (Section 2.1).

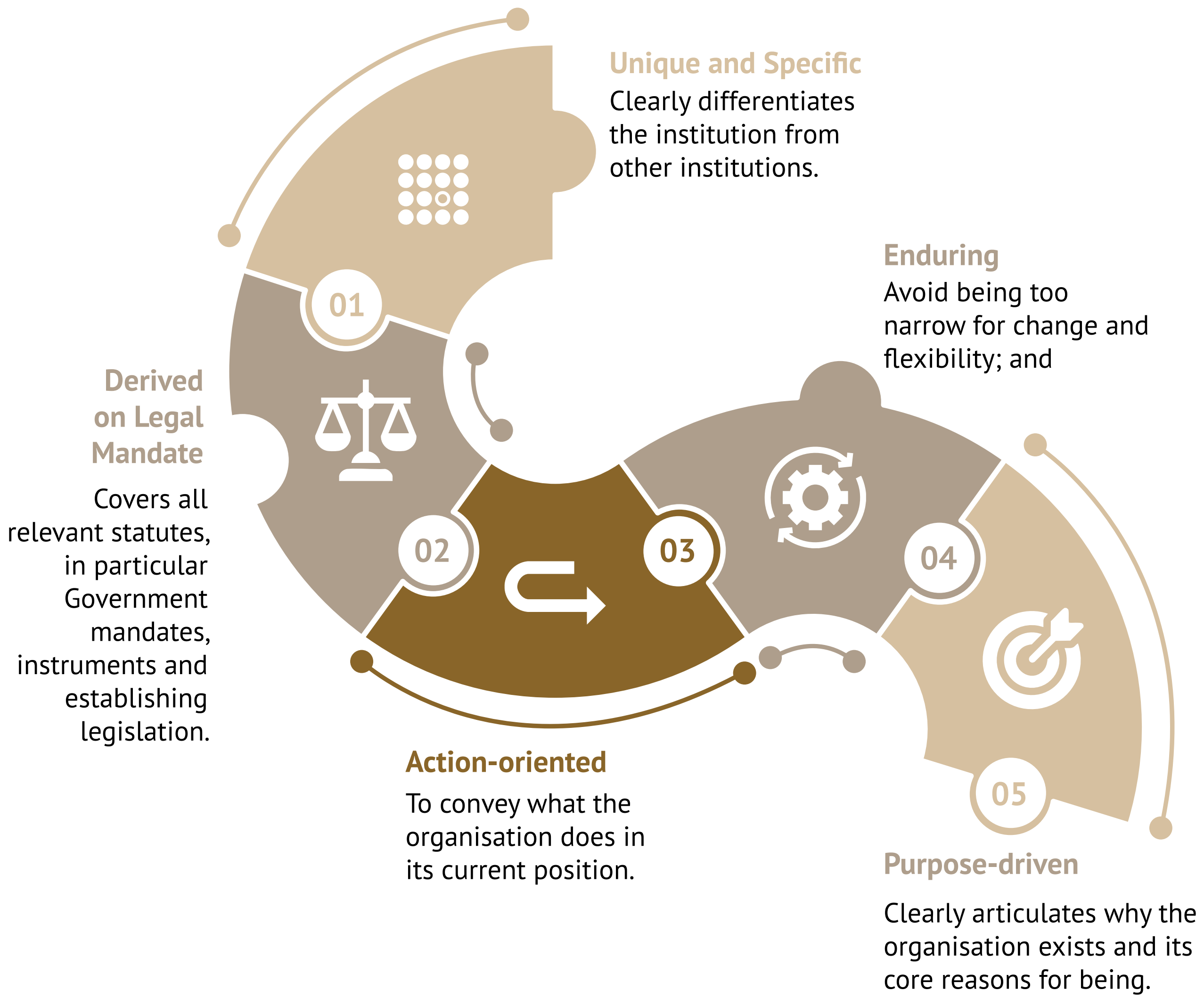
ii. Define the entity's core business or undertaking concisely.

iii. Identify and outline the most important stakeholders and the organisation's provision for them.

iv. Combine steps (ii) and (iii) to draft a mission statement; and

v. Present the draft statement to the participants for correction, adjustment, and agreement.

Box 6: Qualities of a Good Mission Statement



c. Core Values

These are enduring beliefs that an institution and its people hold in common and endeavour to put into action. Values lead individuals to believe and act firmly towards achieving institutional objectives. In strategic planning, core values are incorporated into the formulation of vision and mission statements. These values, depending on the institution's focus, can include the following; professionalism, integrity, teamwork, accountability, and transparency.

Step 4: Developing Objectives

An institutional objective is a broad statement outlining what an institution aims to achieve regarding the wellbeing or experience of its main stakeholders, as influenced by its actions. This statement guides subsequent actions and interventions, thereby dictating the fulfilment of its mission. In strategic planning, developing institutional objectives involves the following steps:

a. Synthesise the findings from the situation analysis, alongside the vision and mission statements.

b. Define objectives based on standardised criteria.

c. Engage stakeholders to gather input by presenting the objective, ensuring a shared understanding of the objectives developed.

d. Validate and refine the objective based on step (iii); and

e. Align developed objectives with resources and capabilities.

- *Example of Institutional Objective:* **Coordination of Plans Preparation and Implementation Enhanced (SUBJECT+ACTION in past tense)**

The NPG directs that all institutions formulate objectives in the following order:

i. Objectives should be lettered A to Z, with a focus on aligning institutional core functions towards delivering on FYDP.

ii. Objectives delivering to STP, RDP and CDP should be named by letter Z.

iii. Objectives delivering on cross-cutting issues shall maintain their original format, thus Objective A: HIV/AIDS and NCD: Objective B: Anti-Corruption: Objective X: Environment and Objective Y: Nutrition.

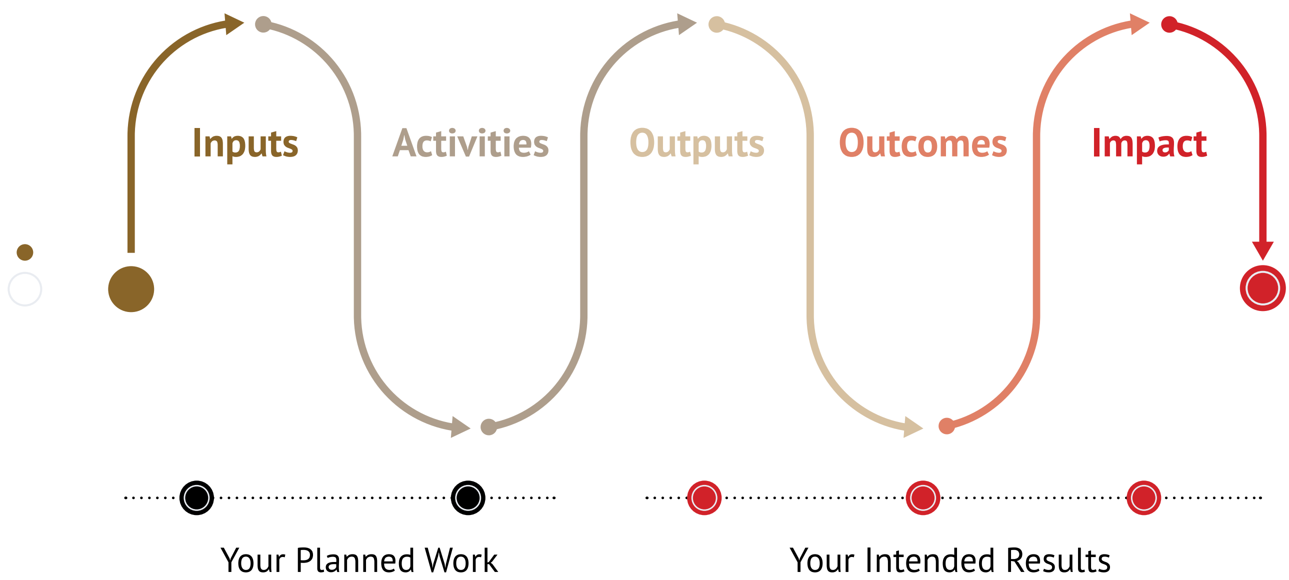
It is important to note that, for institutions whose core functions fall under (iii), they should be included in the core objectives.

Note:

1. Institutional Objective for Delivering the FYDP

The institutional objective delivering the medium-term national development aspirations (FYDP) will be adopted from the customised version as a cross-cutting development objective. Its strategies and targets will be measured towards understanding the unique contribution of the entity to FYDP. Additionally, this objective should be linked with STP, RDP and CDP. The delivery to the FYDP is considered at outcome level, hence qualifying the logic model demonstrated by **Figure 2.**

Figure 2: Demonstration of SP's Delivery to FYDP



2. Institutional Objective for Delivering on Cross-Cutting Issues

These objectives (A, B, X and Y) have been maintained from the previous SP guideline to ensure effective implementation and historical performance. They encompass all cross-cutting issues pertaining to HIV/AIDS and NCDs, corruption, nutrition, and the environment.

Step 5: Developing Strategies

Strategies are deliberate approaches designed to achieve an organisation's objectives. They translate high-level objectives into actionable steps, aligning resources, processes, and stakeholders to drive success. The development of strategies will technically adhere to the following steps:

i. Adapting the clearly defined objectives (refer to Step 4).

ii. Breaking down the strategies to identify priorities for sequencing.

iii. Exploring options and alternatives based on cost, benefits, feasibility, and applicability; and

iv. Selecting the best options and setting the target.

Box 8: Qualities of Good Strategies

i. **Clarity and Focus** – Easy to understand and defines specific objectives.

ii. **Realistic and Feasible** – Grounded in reality, considering available resources, constraints, and risks.

iii. **Adaptability** – Flexible enough to adjust to changing circumstances.

iv. **Leverage strength** – Capitalise on your unique advantages; and

v. **Evidence-based** – Informed by data, research and insights.

- *Example of Institutional Strategies:* **Strengthening planning and implementation linkages between related productive, social and infrastructure sectors (ACTION + SUBJECT)**

Step 6: Developing Targets

A target is a final product or deliverable, in the form of goods or services, produced by a department or cost centre of an institution and provided to its service recipient over a given period. It serves as a clear, quantifiable benchmark to guide actions, allocate resources, and evaluate progress. Generally, developing targets is a consultative process involving three main rounds: [1] preliminary targets are developed during a group work session; [2] the group work results are reviewed at the institutional level to assure quality, clarity, relevance, and coherence; and [3] the targets are fine-tuned based on the agreed position at round (2).

Technically, targets are categorised into three types; [1] Capacity building (C) - activities related to developing the institution's capabilities to deliver services; [2] Service delivery (S) - the provision of a service to the public or to other institutions; and [3] Capital investment (D) - the acquisition of capital assets, either through purchase or construction. Capital investment is commonly structured as projects. The development of a target follows these steps:

i. Identify objectives in relation to division, department or unit roles and key functions;

ii. Brainstorm on key outputs and services derived from identified objectives;

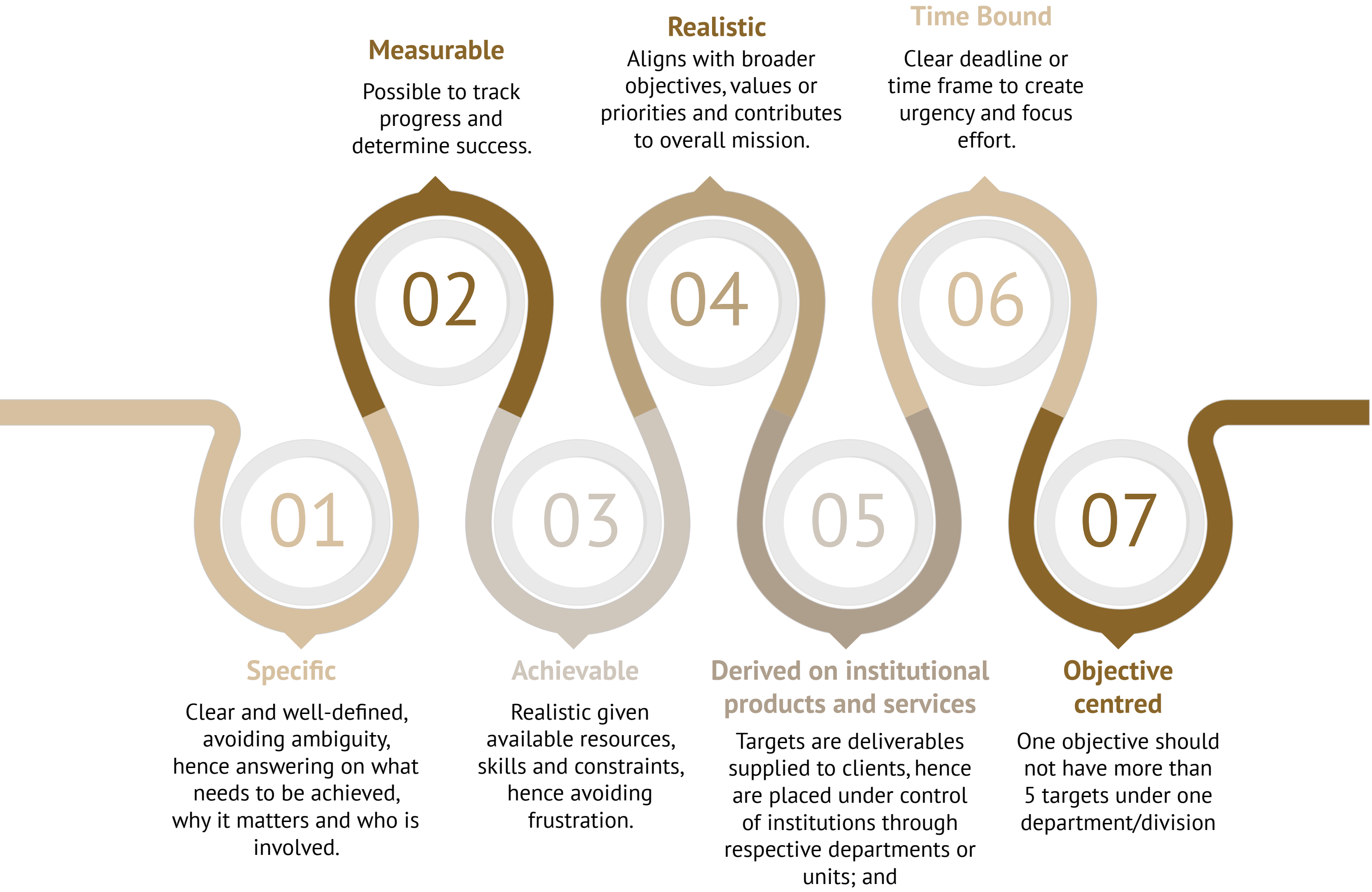
iii. Outline the output and service, and present the result at the institutional level for discussion and improvement;

iv. Convert the output or service into a target by applying SMART *(Specific, Measurable, Achievable, Realistic and Time-bound)* criteria;

v. Categorise targets based on C, S and D classification (Step 6); and

vi. Ensure the target is specific at the institutional level and, if more than one entity is working towards the same target, prioritise.

Box 9: Qualities of Good Target



- *Example of Institutional target:* ***6 National Development Plans prepared and implemented by XX year (SUBJECT+ACTION in past tense+ TIME)***

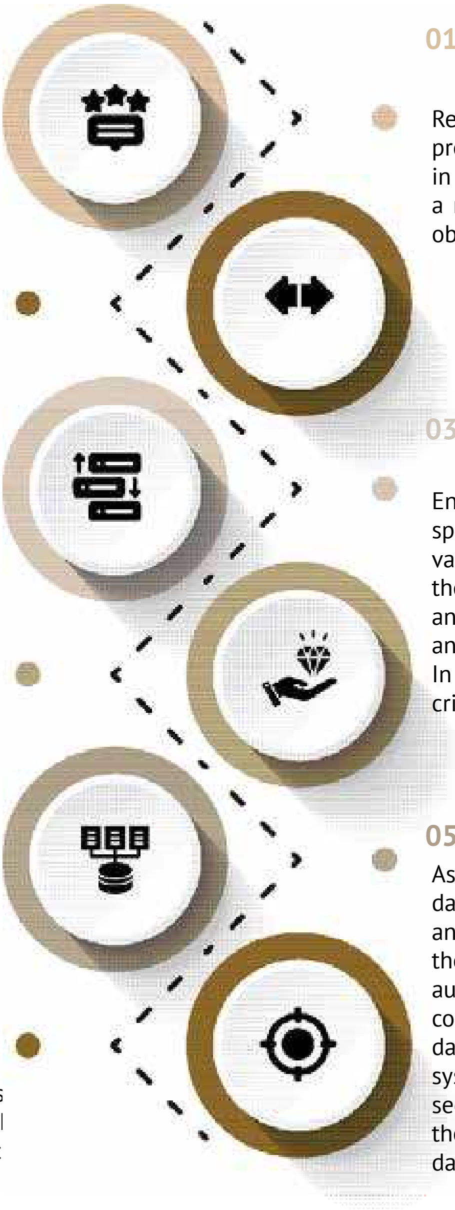
Step 7: Developing a Results Framework

This management tool is used to define and measure an organisation's performance. The framework provides a structured approach to clarify goals, track progress and evaluate success by linking activities to intended results. With respect to strategic planning, developing a results framework will consist of; [1] the design of indicators to monitor progress toward objectives; [2] the design of SMART targets; and [3] the design of evaluations and reviews, which will probe more deeply into issues of performance. Specifically, each element is described as follows:

a. Indicators to Monitor Progress

These are known as *performance indicators;* they are measurable metrics used to assess an organisation's success in achieving its strategic objectives. Indicators are generally categorised as quantitative or qualitative. However, other categories may be applied in the context of strategic planning. These include lagging, input, process, output, and outcome indicators. Developing a performance indicator will be guided by the following steps **(Box 10).**

Box 10: Steps for Developing Performance Indicators



01. Review and clarify the objective statement SMART

Review the objective based on the guidance provided on Step 4 and the qualities described in Box 7. Break down the statement by using a result chain to reflect the outcome of the objective.

02. Create a list of possible indicators and prioritise them

Since an objective can be measured in many ways then list possible indicators (sometimes can be fetched from previous SPs or other documents) or develop new indicators for a clear measure of the objective. Reduce the list to 5 indicators per objective. Prioritise based on the accuracy of an indicator and available data to support its feasibility and usefulness.

03. Make all prioritised indicators SMART

Ensure all prioritised indicators have a specified unit of measurement (absolute value, percentage or ratio), examine whether they are quantifiable and have quality aspects and evaluate if they can be disaggregated, and specifying the time of measurement. In case, the indicator doesn't fit into SMART criteria, then drop it;

04. Establish baseline value for each indicator

For each indicator qualified for SMART criteria should have a baseline value. Baseline value means most recent historical value of an indicator. In case of an indicator that has no baseline value, then conduct the survey or study to establish the value.

05. Data collection of an indicator

Assessing performance is supported by available data compared to indicators. For quality data and usefulness in assessing performance, then it is important to ensure data sources are authentic and explain how the data will be collected (outlining the method of collected data either through [1] an administrative system [2] an analytical study or survey or [3] secondary data information). Further, outline the means of verification to determine if the data is valid or otherwise; and

06. Computing the indicator's target value

The target value of an indicator is a des in the future. Primarily describing the acl and progress on attaining the strategic Deriving the target values involves:

- Review the historical trend of the indicator to determine rate of change.
- Apply the rate of change in relation to the interventions to determine the
- Target value at a specified time; and
- Consult with stakeholders to agree on the target value.

- *Example of Indicators:* ***Number of National Development Plans prepared and implemented (UNIT MEASURE + SUBJECT + Action in Past tense)***

b. Key Performance Indicators (KPIs)

When assessing the performance of an entity in terms of outcomes and impact, Key Performance Indicators (KPIs) will be developed. The process of developing KPIs from performance indicators involves a structured approach to ensure KPIs are meaningful, measurable, and aligned with organisational goals. This process will involve the following steps:

i. Clarify the big picture by expanding the view of an entity at the outcome or impact level rather than output or process.

ii. Identify all relevant performance indicators (established at step 7.1 Box 10) which are currently tracked and used to monitor performance.

iii. Establish a cluster for categories of indicators based on similarity to the vision of an organisation.

iv. Define SMART KPIs at outcome or impact level; and

v. Set targets and thresholds and sometimes a range or colour code.

Step 8: Strategic Plan Documentation

The documentation of the strategic plan will involve creating a clear, concise and actionable document by following all steps outlined above (1-7). The document will consist of a preface, an executive summary, chapters and annexes ***(see the detailed content of the Strategic Plan Document – Annex 7).***

4.2.1.1 Newly Established Entity, Off-Years and Adjustments

a. For a newly established entity, a developed strategic plan will comply with the previous detailed procedures (steps 1-8) and align its duration with FDYP's.

b. After 2.5 years of SP implementation, a mid-term evaluation should be undertaken in accordance with the Comprehensive Monitoring and Evaluation Guideline 2024 issued by the PMO-PPC. Any changes and updates should be informed by evaluation or any rapid assessment during off years, i.e., *years during implementation.*

c. In off years, Mission and Vision statements should not be revised, even if potential improvements are identified. Revisions should only take place during the base year. Any notable aspects that may warrant adjustments include:

i. **The need to improve objectives due to:**

- Changed circumstances, where the objectives (or parts thereof) are no longer appropriate due to minor changes in policies or instruments.

- Objectives that were inadequately defined, incomplete, or unclear.

- Objectives that did not adequately reflect stakeholders' needs (e.g., where stakeholders were dissatisfied with the original objectives).

- Inadequate scope of the objectives; for example,where objectives were overly ambitious given the realised resources.

ii. **Improving existing targets or developing new ones as a result of:**

- Changed circumstances, where the targets are no longer appropriate due to minor changes in institutional objectives, national planning frameworks, policies, or instruments.

- Targets that were inadequately defined, incomplete, or unclear.

- Targets that did not adequately reflect stakeholders' needs.

- Inadequate scope of the targets; for example, where target indicators were overestimated relative to realised resources.

4.3 Investment Planning

Investment planning is the process of allocating resources to assets to maximise financial returns for the institution and its stakeholders. Primarily, the process aims to establish investment strategies to meet long- and short-term goals. Operationally, the process involves resource identification, appraisal, selection, budget allocation, financing and monitoring of investment projects. Thus, the process should focus on building an investment portfolio that supports sector and national development.

Investment planning in the context of Tanzania is attributed to various entities established under the Public Companies Act, CAP 212, Public Corporation Act CAP 257 and the Treasury Registrar (Powers and Functions) Act CAP 370, as well as any other entities mandated to undertake investments forspecific purposes. In this regard, such entities are required to carefully balance commercial viability with public service obligations.

This dual role requires that investment projects not only yield profits but also contribute to sectoral and national development, inclusive growth, and long-term sustainability of the entity.

As part of this process, each entity develops an Investment Plan that reflects these priorities and aligns with the qualities outlines in **Box 11.**

Box 11: Qualities of a Good Investment Plan

01 Clear objective aligned with the entity's mission
Clearly defines investment objectives that are consistent with the entity's purpose.

02 Risk management and diversification
Incorporates strategies to manage risk, recognising the responsibility of managing large pools of capital with both short- and long-term obligations.

03 Focus on quality investment
Prioritises high-quality investments that deliver sustainable returns.

04 Strong governance and oversight
Establishes a clear governance structure, with defined roles, accountability mechanisms, and decision-making processes.

05 Adaptability to market and regulatory changes
Remains flexible to adjust to evolving market dynamics, regulatory environment, and institutional needs, while maintaining core principles; and

06 Long-Term Focus
Avoids short–term, market-driven decisions.

Regardless of the National Planning Guideline, investment planning applies to commercially operating entities under the Office of the Treasury Registrar (OTR), as well as *companies owned by other public entities through Special Purpose Vehicles (SPVs)*. Technically, investment planning will involve the following steps:

Step 1: Determine Policy and Mandate of an Entity

This step involves aligning the entity's legal mandate and functions with prevailing national development aspirations. It ensures compliance with existing policies, laws, regulations, and guidelines without compromising the entity's jurisdiction. In practive, this step will involve the following procedures:

a. Developing a ***linkage matrix*** to establish the entity's role within the national development vision, as well as relevant policies, laws, regulations and institutions.

b. Identifying areas of alignment and conflicting positions based on the linkage matrix; and

c. Outlining investment assets that can be actualised within the exsiting policy, legal and regulatory linkages..

Step 2: Setting Investment Policy Statement

This step focuses on developing a clear investment policy statement. This statement should specify the investment plan period, eligible types of investments, the definition of what constitutes an investment project, financing mechanisms, borrowing limits, criteria for prioritising projects, and the methods and timing of public participation. Further details on each sub-step are provided **Box 12.**

Box 12: Attributes of Investment Policy Statement

i. **Defined investment plan period** - Specifies the duration of the investment plan, typically a long-term plan aligned with the timeframe of the national development vision).;

ii. **Eligible types of investment** – Clearly outlines the categories of investments to be included in the plan.

iii. **Financing methods for investment projects** – Identifies the specific funding sources available and those theentity intends to utilise; and

iv. **Criteria for prioritising investment projects** – Establishes the criteria for ranking investment projects, including how they will be applied and the weighting assigned to each criterion.

Step 3: Establishing Investment Project Selection Criteria

This step involves creating a clear, measurable and prioritised set of standards to evaluate potential projects for funding. These criteria ensure that investments align with organisational goals, deliver value and effectively manages risks. The framework for establishing project selection criteria includes:

a. **Financial viability** – This assesses the expected financial performance of a project using key metrics such as: *Return on Investment (ROI), which measures the expected financial returns relative to the investment and is typically compared to the* entity's Weighted Average Cost of Capital (WACC). An ROI greater than WACC indicates value creation, while an ROI lower than WACC indicates value erosion; *Net Present Value* (NPV), where a positive NPV indicates the project's profitability over time; *Payback Period (PP)*, which measure the time required to recover the initial investment; and Cost-Benefit (CB), where the benefits outweigh costs by a defined threshold. For detailed information on formulas and computation procedures, refer to the Public Investment Management Guideline (PIMG), 2025.

b. **Strategic alignment** – Determines how the investment aligns with the entity's business objectives, competitive advantage, and customer needs.

c. **Risk assessment** – Evaluates the risk level (low, medium or high), the feasibility of mitigating identified risks, and the overall probability of success.

d. **Resource requirement** – Assesses the budget availability, human resources, and time constraints.

e. **Market and external factors** – Evaluates market demand for the products or services that will be generated by the investment project; and

f. **Scalability** – Assesses the project's potential growth, expansion, and sustainability.

Box 13: Weighting the Criteria

i. **Assignment of weights** - Assign weights to each criterion based on its importance and the type or category of the investment project.

ii. **Investment acceptance threshold** - Accepts investment projects where Net Present Value is greater than zero; and

iii. **Decision-making approach** - Applies a combination of criteria to develop a robust decision-making model

Step 4: Feasibility and Appraisal

This step involves applying the set criteria (from step 3) to determine the overall feasibility of the investment project. The appraisal focuses on the following areas:

a. **Technical Feasibility:** Assesses infrastructure requirements, technology readiness, and staff capacity;

b. **Financial Feasibility:** Evaluates key financial indicators such as NPV, IRR, payback period, cost-benefit ratios, and break-even analysis;

c. **Legal Feasibility:** Ensures compliance with procurement laws, investment regulations, PPP laws, and environmental statutes;

d. **Social and Environmental Feasibility**: Considers ESIA, stakeholder consultations, and resettlement frameworks; and

e. **Economic Feasibility:** Incorporates non-monetary benefits and expenses into the feasibility and appraisal.

Step 5: Prioritisation and Selection of Investment Projects

Once Steps 3 and 4 are clearly completed, prioritising investment projects becomes more straightforward. Projects should be prioritised based on higher scores against the established criteria and confirmed feasibility relative to other projects. Key considerations in this step include:

a. **Ranking projects based on objective criteria:** Consider factors such as strategic alignment, financial returns, social impact, urgency, and risk.

b. **Application of analytical tools:** Use tools such as **multi-criteria decision analysis (MCDA)**, scoring models, or cost-effectiveness ratios to support decision-making.

c. **Portfolio development:** Develop an **investment portfolio** that balances short- and long-term, high- and low-risk, and financial and social projects.

Step 6: Develop the Financing Strategy

Once investment projects are identified, financial resources are allocated across the cumulative project portfolio. This process comprises three sub-steps:

a. Identifying funding sources - Determine sources such as *government budget allocations, internal reserves, Public-Private Partnerships (PPPs), development finance institutions (DFIs), sovereign wealth funds, bonds, or concessional loans).*

b. Designing capital structure – Balance debt, equity, and to support the financing needsgrants

c. Assessing affordability and repayment capacity – Incorporate assessment of affordability and the entity's capacity to meet repayment obligations.

Step 7: Documenting the Plan

The final investment plan should comprehensively capture all aspects of the planning process. It typically includes chapters detailing the introduction, the entity's investment architecture, investment project categories, the financing strategy, and the process for actualising the plan. A suggested ***layout of the Investment Plan is attached*** **(Annex 8).**

4.4 Business Planning

Business planning is the systematic process of setting objectives for a business, defining strategies to achieve them, and outlining the necessary resources, timelines, and actions. It provides a roadmap for informed decision-making, resource allocation, risk management, and performance measurement. The purpose of a business plan is to provide clarity of direction, assess the feasibility of the entity's product or service, enhance financial sustainability, guide resource allocation, and ensure adaptability to changes and noted dynamics within and outside the market.

Under the National Planning Guideline, business planning covers all entities that are commercially operating under the Office of the Treasury Registrar (OTR). The business planning entity develops a business plan based on the qualities outlined **(in Box 14)**.

Box 14: Qualities of a Good Business Plan

Clear and logical

written in simple, straightforward language, with a logical flow of ideas. Every section must connect coherently, making it easy for readers, including policymakers, investors, and regulators, to follow and understand.

Policy compliant

fully aligned with existing laws, government policies, regulations, and national development strategies. This ensures institutional relevance, legitimacy, and support from oversight authorities.

Realistic

Targets, assumptions, and projections should be evidence-based and supported by reliable data.

Commercial – Social Balanced

striking a balance between commercial viability and social responsibility. Public commercial entities are expected to generate financial returns while also contributing to public welfare, equity, and sustainable development.

Flexibility

It must anticipate uncertainties in markets, technology, or government policy and provide room for adjustments without losing its strategic direction;

Measurability

Objectives should be supported by Key Performance Indicators (KPIs) and clear timelines. This allows for effective monitoring, evaluation, and accountability to both the government and the public; and

Stakeholder-focused

Recognises the expectations of all key stakeholders, including government, citizens, employees, development partners, and investors. It should demonstrate how the institution will create value and maintain stakeholder confidence.

Business planning technically covers four main steps, detailed as follows:

Step 1: Situation Analysis

This involves reviewing the institution's current internal and external environments. The analysis involves applying various tools, such as SWOC, PESTEL, stakeholder analysis, and Porter's Five Forces, to examine an entity's internal and external capacity and potential to undertake its respective business. Specifically, the analysis may focus on;

i. Conducting an internal assessment *(strengths, weaknesses, resources, and capabilities).*

ii. Conducting an external *(market demand, competition, regulatory framework),* and

iii. Identifying alignment with national plans and priorities, e.g. *DIRA-2050* and sectoral policies.

Step 2: Feasibility Assessments (Mandatory Pre-Condition)

This is a detailed analysis to determine whether a proposed initiative for a specific project or investment in a particular product or service is practical, viable, and sustainable. It examines specific aspects of a proposed plan, such as market demand, technical requirements, financial viability, and economic/social returns. The following should be observed under this step **(Box 15).**

Box 15:

Market Feasibility

identify demand for the product or service, define targeted customers and their needs, assess competition and market share and confirm growth potentials.

Technical Feasibility

assess the technology capacity of an entity, skills and infrastructure required for a product or service, review production, logistics and supply chain and identify technical gaps and required upgrades.

Economic Feasibility

evaluate the contribution to the economy *(employment creation and social welfare)* and align with national development aspirations.

Financial Feasibility

estimate project costs and operational expenses, forecast revenues, profitability, and sustainability, conduct break-even and cash flow analysis, and identify funding sources (government equity, debt, PPPs), and

Financial Modelling

project on how the product will behave in the next medium term (3-5 years), undertake sensitivity and scenario analysis, and make decisions for undertaking the business based on cost and benefits ratios.

Step 3: Business Development

This step involves articulating the vision and mission, normally drawn from SP, and setting business objectives and strategies, along with actions to achieve the intended targets. Specifically, business development details ensuring:

i. Developed objectives and strategies that focus on *growth, modernisation, diversification, and service delivery.*

ii. Set targets are SMART, with KPIS, responsible departments, timelines, and resources.

iii. Risk assessment and mitigation measures, and

iv. Financial estimates – revenue and expenses, and related ratios.

Step 4: Documentation of the Business Plan

The developed business plan will include various chapters detailing the introduction, business state of the product and services, business objectives and strategy, the process of actualising the plan, and risks and mitigation measures. ***The layout of the Business Plan is attached as Annex 9.***

Institutional planning is the responsibility of all public entities (MDAs, Public and Statutory Corporations, RSs, and LGAs), as they are legally required to develop strategic plans to guide their operations and undertakings in the medium term.

Resource Planning

National Planning Guideline

CHAPTER

05

This chapter presents the planning process for resources and materials required to realise institutional and development plans. It details on planning for human, financial, and technological resources to support public entities and the nation at large in achieving their planned and intended objectives.

5.1 Resource Planning

Resource planning involves identifying, allocating, and managing resources, such as human capital, materials, budgets, and time, to ensure the successful execution of predefined plans. It bridges the gap between plans and actual implementation by ensuring all necessary elements are available, optimised, and adaptable. Without effective resource planning, even the best-laid plans can falter due to shortages, inefficiencies, and misallocations, leading to delays, cost overruns, or failure to meet objectives.

Based on the deliverables of the Guideline to support the preparation of plans at different scales and levels, effective resource planning supports implementation by; [1] ensuring availability, and optimisation, [2] boosting efficiency and productivity, [3] enhancing financial and risk management, and [4] promoting collaboration and adaptability. Resource planning for the implementation of guided plans is detailed as follows:

5.1.1 Resource Planning for Implementation of Institutional Plans

Referring to *Chapter Two of the Guideline,* institutional plans include a strategic plan, an investment plan, and a business plan. The execution of these plans to achieve institutional objectives is channelled through budgets, projects, and activities, whereby their feasibility is determined by the status of:

a. **Human resources** – the number of employees, their roles, skills, and expertise needed to execute the plan, hence justifying hiring new staff, training existing employees, or outsourcing specific tasks. Within public service, human resource planning is guided by various circulars, laws, and regulations issued by the President's Office - Public Service Management and Good Governance (PO-PSMGG). With respect to the NPG, human resource planning should consider:

   i. Aligning human resource requirements to the institutional plans.

   ii. Determining staffing needs, succession planning, and workforce flexibility.

   iii. The timing on recruitment and selection.

iv. Training and development by focusing on upskilling and reskilling, continuous learning, and capacity building; and

v. Performance management through established systems such as PEPMIS.

b. **Financial resources** – budget allocation by estimating costs for strategic priorities and operational expenses, funding sources from either internal or external sources, and, where deemed necessary, contingency funds. At the operational level, this includes the approval of budgets, re-allocations, and private financing of the entity's plans and activities. Generally, it is guided by the Budget Act, CAP 439, the Finance Acts, and the Public Finance Act, CAP 348. Respectively, NPG financial planning should consider:

i. Assessing the current financial status of the entity.

ii. Forecasting the financial needs of an entity.

iii. Developing a budget by referring to the Plan and Budget Guideline.

iv. Identifying funding sources, particularly for business and investment plans; and

v. Leveraging on the use of systems such as the Planning and Reporting System (PlanREP), the National e-Procurement System of Tanzania (NeST) and the Centralised Budget Management System (CBMS).

c. **Technological resources** – ffocuses on software and systems, data and information, and cybersecurity. Basically, meant to increase efficiency and integrate operations at the institutional level. Primarily, the execution and usefulness of these resources will be guided by circulars, frameworks, and guidelines issued by the e-Government Authority. With respect to the NPG, technological resources planning should focus on:

i. Identifying technology needs for digitisation and digitalisation when implementing institutional plans.

ii. Assessing current technological capabilities to determine gaps in demand analysis, scalability and flexibility, as well as in emerging technologies.

iii. Integrating budget and human resources for technology optimisation.

iv. Implementing technology governance based on eGA procedures; and

v. Fostering innovation and adaptability.

Though each resource has a unique contribution to the implementation of the institutional plan, concentration points, "*specific area of an organisation where resources are deliberately focused to maximise efficiency*", differ for each plan, as shown in **Box 19.**

Box 19: Resource Concentration Points for Institutional Plans

Planning Category	Types of Institutional Plan	Types of Resources		
		Human	*Finance*	*Technology*
Institutional Planning	Strategic Plan			
	Investment Plan			
	Business Plan			

5.1.2 Resource Planning for Implementation of Development Plans

With reference to Chapters Three and Four of the NPG, development plans are classified, with examples of long-term, medium-term and short-term plans, as well as regional development plans and council development plans. The implementation of such plans to achieve intended objectives is determined by the status of natural resource endowment, human capital, technological advancement, and finance, particularly the development budget. Details on each resource are provided below:

a. **Natural resource endowment:** Given that development plans aim to transform the country's economic structure and improve the socio-economic welfare of its citizens, natural resource endowment plays a key role. Primarily, these resources should be used to improve people's lives by realising development objectives through projects and programmes. According to the NPG, resource endowment planning for development plans should consider:

i. Conducting a resource endowment assessment by evaluating quality and quantity.

ii. Determining domestic resource needs for economic transformation.

iii. Identifying unavailable resources for economic optimisation from a development perspective.

iv. Identifying excessive resources and trade-off points to complement domestic consumption; and

v. Estimating revenue streams and conversion for sustainable consumption in the domestic economy.

b. **Human capital:** Development plans extend beyond public institutions to encompass the national aspect; hence, human capital refers to the skills, knowledge and experience of the workforce to ensure its participation in the implementation of the development plan. Focusing on this resource ensures that citizens do not miss opportunities arising from the implementation of projects and programmes. In national planning, human capital planning should consider:

   i. Undertaking a human capital assessment by examining the national workforce inventory, skills gap analysis, education and training capabilities, and demographic analysis.

   ii. Forecasting human capital requirements based on the medium-term development objectives.

   iii. Developing interventions to link available human capital to implemented development programmes, as well as strategies for outsourcing and succession to support skills transfer and knowledge sharing; and

   iv. Leveraging technology for workforce development

c. **Technological resources:** In addition to labour and capital, technology is intended to increase efficiency and innovation in the implementation of plans and in delivering outcomes and impacts. These resources include machines, systems, advanced tools, digital and information infrastructure, and software. Generally, these resources are termed assets and are often tied to economic resilience. Relative to the NPG, technological resource planning should consider:

   i. Fostering cross-sector alignment by identifying technological needs across all sectors.

   ii. Identifying the switching and swapping between the public and private sectors in technology transfer at national and international levels.

   iii. Leveraging data-driven tools to prioritise high-impact technologies while managing budget constraints.

   iv. Building inclusive and evidence-based processes and systems.

   v. Adopting agile methodologies enabling the use of technology across different environments.

d. **Financial resources:** For development plans, financial resources highlight budget allocations for projects and programmes, thereby informing public investment. Financial resources can be mobilised from public sources, private sources, or both. Relative to the NPG on development plans, financial resource planning should consider:

   i. Existing development financing options, alternative and innovative sources.

   ii. Trends in global financing architecture and landscape to realise medium- and long-term development objectives.

   iii. Projections on domestic revenue, shocks and risks on mobilisation and expenditure.

   iv. Externalising unpredictable sources of revenue for an optimal financing position and as an alternative during challenges.

Generally, each resource category makes a unique contribution to the achievement of the development objective; however, concentration points differ for each plan, as shown in **Box 20.**

Box 20: Resource Concentration Points for Development Plans

Planning Category	Types of Development Plan	Types of Resources			
		Human Capital	*Finance*	*Technology*	*Natural Resource Endowment*
Development Planning	Long-term Plan				
	Medium-term Plan (e.g. RDP and STP)				
	Short-term Plan (e.g. ADP and Action Plans)				

Institutional Framework for the NPG

National Planning Guideline

CHAPTER

06

This chapter highlights the roles and responsibilities of respective entities in executing the Guideline. It articulates the functions of various stakeholders regarding the use, application, adherence to, approval of, and compliance with the directives provided by the Guideline. Structurally, the chapter draws on the various legal and regulatory frameworks that guide entities on effective planning processes.

6.1 Oversight of the NPG – National Level

The National Planning Commission Act, CAP 127, mandates the NPC to provide oversight of the NPG at the national level and to be responsible for:

i. Quality control, adherence to, and approval of all procedures and plans developed by all public entities.

ii. Capacity building and development for all public entities regarding planning tools and other related requirements.

iii. Collaborating with sectoral ministries and other stakeholders to define sectoral linkages; and

iv. Coordinating the establishment of convergence points for STPs and RDPs/CDPs.

6.2 Sector Ministries

Chief Executive Officers of all public entities are tasked with providing guidance and details on the application and use of the Guideline. Specifically, the following roles are required to be followed:

i. Preparing all required plans in a timely manner, as required by the guideline.

ii. Guiding the preparation of plans at the ministerial level by providing technical assistance with the planning process in the respective areas of interest.

iii. Collaborating with OTR and NPC to establish operational linkages and convergence points in STPs.

iv. Quantifying the contribution of relevant entities within respective ministries based on ISIC.

v. Ensuring the effective use of the guideline in the preparation of the plans.

6.3 Independent Departments, Agencies and PSCs

Independent Departments, Agencies and PSCs are tasked with undertaking the following tasks in relation to the NPG:

i. Preparing institutional plans in accordance with the NPG.

ii. Ensuring the effective application of the Guideline in the planning procedures at independent department and agency levels.

iii. Providing the required data and statistical backstopping for the preparation of STPs.

iv. Undertaking sub-sector analysis to inform relevant ministries about the preparation of medium-term and long-term plans.

6.4 RS and LGA

RS and LGAs are advised to undertake the following tasks:

i. Coordinating the preparation of RDPs and CDPs in line with outlined steps and procedures.

ii. Providing inputs from RDPs and CDPs to STPs regarding identified convergence points.

iii. Establishing customised inputs to inform the formulation of medium- and long-term development plans through line ministries.

6.5 Roles and Responsibilities for Coordinating Entities

Within the institutional framework for implementing the Guideline, coordinating entities include the Ministry responsible for RSs and LGAs, OTR and NBS. Specifically, each entity's tasks are as follows:

6.5.1 Ministry Responsible for RSs and LGAs

The ministry responsible for RSs and LGAs undertakes the following roles:

i. Ensuring the effective use of the Guideline at the regional and council levels.

ii. Scrutinising all plans developed at the regional level before submitting them to the entity responsible for planning for approval.

iii. Accepting and approving all plans developed at Council level after they have been scrutinised and endorsed by the RS.

iv. Identifying link points of regions established in RDPs before being incorporated into STPs and approved by the entity responsible for planning.

v. Leading RSs and LGAs in programming interventions.

6.5.2 Office Responsible for Oversight of Public Parastatals

The Office responsible for the oversight of public parastatals will undertake the following roles in relation to the implementation of the Guideline:

i. Collaborating with the NPC to ensure the effective application of the Guideline in the planning procedures for public entities under OTR's jurisdiction.

ii. Capacity building and guiding relevant entities on technical procedures for investment and business planning.

iii. Providing technical input to the preparation of STPs through scrutiny of relevant entities in the respective sector.

iv. Using the Guideline to provide initial approval of plans developed by relevant entities before submission to the NPC for final approval.

6.5.3 Ministry Responsible for Finance

The Ministry responsible for Finance undertakes the following tasks in relation to the implementation of the Guideline:

i. Ensuring that all submitted plans and interventions related to those plans are approved by the NPC before providing finance to the respective entity.

ii. Ensuring that financial requirements are aligned with planning objectives across all budgeting systems; and

iii. Quantifying and monetising human and technological resources for the developed plans.

6.5.4 National Bureau of Statistics

For the effective implementation of the Guideline, the NBS undertakes the following tasks:

i. Providing statistical backstopping to all entities throughout the planning process.

ii. Analysing data and statistics to inform all planning processes at national, regional and institutional levels.

iii. Supporting the formulation and construction of models for projects and forecasting.

6.5.5 National Audit Office of Tanzania

For effective implementation of the Guidelines (Naot), the task is to:

i. Ensure public institutions adhere to the Guideline; and

ii. Provide the NPC with feedback on the Guideline's application.

Relevance of the NPG to Economic Management

National Planning Guideline

CHAPTER

07

This chapter details the deliverables resulting from the application of the NPG in the planning process for economic management. It highlights the linkages between national development objectives and council levels, thereby positioning an effective planning process as a critical step in defining the country's structure. This will be evidenced by institutional plans linked to delivering development aspirations, efficient resource allocation and utilisation, strengthened coordination for sectoral performance, and streamlined regional planning for national and local development.

7.1 Usefulness of the Planning Process in Economic Management

The NPG is intended to ensure that the preparation of institutional, sectoral, regional, and national plans adheres to standardised procedures. This entails that outcomes will be evidenced by the prepared plans delivering on intended objectives and ultimately achieving excellent performance at the institutional and national levels. Specifically, results will be noted in having institutional performance to achieve national development aspirations; efficient allocation of resources; strengthened coordination across sectors and synergised implementation from national to regional and council levels. Details on each delivery point are provided as follows:

7.1.1 Linking Institutional Plans with the Delivery of Development Aspiration

Since public entities are guided by their strategic plans to deliver on institutional objectives, applying the NPG will systematically link these plans and make them consistent with the national development objectives stipulated in FYDPs. Such an approach creates a clear pathway for realising national outcomes.

Furthermore, the application of the NPG to entities that are commercially and investment-oriented makes a significant contribution to the long-term and medium-term development objectives through LTPP and FYDPs, respectively. In that regard, aligning institutional goals with national priorities results in executing activities not only for institutional advantages but also in delivering on national development objectives such as economic growth and social welfare.

7.1.2 Efficient Allocation and Utilisation of Resources

The NPG introduces guidance on developing and implementing Sectoral Transformation Plans (STPs) and Regional Development Plans (RDPs). These plans establish a basis for efficient resource allocation and utilisation by directing stakeholders from a ministerial to a sectoral approach and implementing interventions through programmes rather than isolated projects.

Specifically, the sectoral approach invites private sector participation on a large scale to contribute not only financial resources but also technology transfer, skills, and knowledge sharing. Furthermore, with RDPs in place, councils will utilise their locally available resources to implement regional development plans while contributing to FYDP. This establishes a coordinated mechanism for actualising sectoral aspiration through a regional development spectrum for national development goals, hence ensuring forward and backward linkages.

7.1.3 Strengthened Coordination for Sectoral Performance

Effective economic management depends significantly on strengthened coordination across sectoral stakeholders. This is associated with re-planning from institutional to sectoral perspectives, thereby aligning stakeholders' efforts towards a common goal through a programme rather than individual projects. At this point, the application of the Guideline aims to establish forward and backward linkages across industries, government entities, and stakeholders, leading to more efficient resource allocation, reduced redundancies, and resilient implementation.

With STPs and RDPs, it will be possible to proactively identify and mitigate vulnerabilities such as economic shocks or disruptions. Further, it will leverage PPP, hence diversifying economies and reducing inequalities without replacing market economies. Thus, application of the Guideline encourages efforts for synergies across sectors, better use of public resources, and more impactful programmes that address both national priorities and local needs.

7.1.4 Streamlining Regional Planning for National and Local Development

The Guideline provides a structured framework for translating high-level national development targets into actionable programmes and projects at the council levels. In line with the Guideline, RDPs are developed in accordance with FYDP and STPs, thereby addressing national development challenges at the sectoral and council levels. The importance of streamlining regional plans to the local development context is because council development initiatives actualise national development targets in real terms.

The NPG is intended to ensure that the preparation of institutional, sectoral, regional, and national plans adheres to standardised procedures.

NATIONAL PLANNING COMMISSION

NPC

For Inclusive Growth

Annexes

National Planning Guideline

Annex 1

Elements for a Long-Term Plan at the National Level

Chapter One: Introduction

- Background and Context
- Purpose and Rationale of the Plan
- Scope and Methodology
- Critical Development Challenges and Opportunities
- Structure of the Plan

Chapter Two: Conceptual and Analytical Framework

- Introduction
- Review of Previous National Plans and Policy Initiatives
- Situational Analysis
  - » Institutional Landscape Review
  - » Policy Environment Assessment
  - » Capacity Assessment (Human, Institutional, Technical)
  - » Identification of Policy Shocks and Disruptions
  - » External Trends and Global Dynamics
  - » Achievements and Outstanding Challenges
  - » Lessons Learned
- Key Development Enablers
- Theory of Change and Strategic Logic
  - » Core Development Challenges
  - » National Endowments and Opportunities
  - » Proposed Interventions
  - » Expected Results: Growth Drivers and Success Factors
  - » Results Chain: Outputs, Outcomes, Impact, and Long-Term Vision

Chapter Three: Strategic Framework of the Plan

- Guiding Principles and Values
- Assumptions Underpinning the Plan
- Vision Statement and Strategic Goals: National Development Priorities

- Strategic Interventions and Policy Actions
- Sequencing and Critical Path Analysis
- Alignment of Priorities with Resources
- Objectives, Strategies, Targets, and KPIs
- Performance Projections and Milestones

Chapter Four: Financing Framework

- Introduction and Overview of Resource Needs
  - » Human Resources (Skills, Capacity, Expertise)
  - » Financial Resources (Cost Estimates, Budget Needs)
  - » Technological Resources (Systems, Infrastructure, Innovation)
- Review of Past and Current Financing Strategies
- Financing Requirements and Resource Mobilisation Strategy
- Public, Private, and External Financing Sources
- Innovative and Alternative Financing Mechanisms
- Public Expenditure Management and Efficiency
- Stakeholder Engagement for Financing Partnerships

Chapter Five: Monitoring, Evaluation, and Learning (MEL) Framework

- Results-Based Monitoring and Evaluation Framework
- Performance Management and Accountability Systems
- Reporting and Feedback Mechanisms
- Mid-Term Reviews and End-Term Evaluation of the Plan
- Lesson Learned and Adaptive Learning

Chapter Six: Institutional and Governance Framework

- Overview of Institutional Arrangements
- Lead Institution and Coordinating Body
- Roles and Responsibilities of Key Actors
- Inter-Institutional Coordination Mechanisms
- Supporting Legal and Policy Frameworks

Chapter Seven: Risk Management and Mitigation Measures

- Overview of Risk Management
- Strategic Risks to the Long-Term Plan Goals
- Risk Mapping and Prioritisation (Risk Heat Map)
- Mitigation and Contingency Measures

Attachments

- Action Plan with a Matrix of Sequenced Projects
- Financing Strategy
- Monitoring and Evaluation Strategy
- Communication Strategy

Annex 2

Element for Medium -Term Plan

Chapter One: Introduction

- Background and Context
- Mandate and Functions of an Organisation
- Vision, Mission and Core Values
- Purpose and Rationale of the Plan
- Scope and Methodology
- Critical Development Challenges and Opportunities
- Structure of the Plan

Chapter Two: Conceptual and Analytical Framework

- Introduction
- Intersectoral consultation summary
- Review sector performance in line with FYDP
- Ensure consistency of policy toward the identified sector
- Establish challenges and map areas for improvement
- Cross-check the level and convergence of stakeholders for implementation
- Theory of Change and Strategic Logic
    - » Core Development Challenges
    - » Sector Endowments and Opportunities
    - » Proposed Interventions
    - » Expected Results: Growth Drivers and Success Factors
    - » Results Chain: Outputs, Outcomes, Impact, and Long-Term Vision.

Chapter Three: Strategic Framework of the Plan

- Guiding Principles and Values
- Assumptions Underpinning the Plan
- Vision Statement and Strategic Goals; Sector Development Priorities
- Strategic Interventions and Policy Actions
- Sequencing and Critical Path Analysis for Sector Convergence
- Alignment of Priorities with Resources
- Objectives, Strategies, Targets, and KPIs
- Performance Projections and Milestones

Chapter Four: Financing Framework

- Introduction and Overview of Resource Needs
  - Human Resources (Skills, Capacity, Expertise)
  - Financial Resources (Cost Estimates, Budget Needs)
  - Technological Resources (Systems, Infrastructure, Innovation)
- Review of Past and Current Financing Strategies
- Financing Requirements and Resource Mobilisation Strategy
- Public, Private, and External Financing Sources
- Innovative and Alternative Financing Mechanisms
- Public Expenditure Management and Efficiency
- Stakeholder Engagement for Financing Partnerships

Chapter Five: Monitoring, Evaluation, and Learning (MEL) Framework

- Results-Based Monitoring and Evaluation Framework
- Performance Management and Accountability Systems
- Reporting and Feedback Mechanisms
- Mid-Term and End-Term Reviews of the Plan
- Adaptive Learning and Knowledge Management

Chapter Six: Institutional and Governance Framework

- Overview of Institutional Arrangements
- Lead Institution and Coordinating Body
- Roles and Responsibilities of Key Actors
- Inter-Institutional Coordination Mechanisms
- Supporting Legal and Policy Frameworks

Chapter Seven: Risk Management and Mitigation Measures

- Overview of Risk Management
- Strategic Risks to the Long-Term Plan Goals
- Risk Mapping and Prioritisation (Risk Heatmap)
- Mitigation and Contingency Measures

Annex 3

Element for the Sector Transformation Plan

Chapter One: Introduction

- Background and Rationale for sector transformation.
- Key actors of the sector.
- Scope of the Plan.
- Infusion of ISIC classification and focus on one.
  - » Agriculture, Forestry and Fishing
  - » Industry and Construction
  - » Services
- Layout of the Plan.

Chapter Two: Conceptual and Analytical Framework

- Structure of the sector (overview of the sector's contribution to the economy);
- Sector performance trends.
- Analysis of opportunities and potentials of the sector.
- Provide evidence and a future window on identified potentials.
- Strengths, Weaknesses, Opportunities and Challenges (SWOC)
- Review of Relevant Information; and
- Establishment of Key Issues.

Chapter Three: Strategic Priorities and Transformation Pathways

- Linkage with the National Frameworks (FYDP IV).
- Development of Objectives.
- Provide Sectoral dynamics and linkages.
- Key areas for transformation (formulation of programmes/interventions).
- Cross-cutting issues (gender, environment, innovations and governance).
- Grading of proper technologies to increase productivity and service delivery, depending on the chosen sector.

Chapter Four: Financing Framework

- Identification of Lead Institution.
- Roles and Responsibilities of stakeholders; and
- Governance and Coordination Mechanisms.

Chapter Five: Risk Management and Mitigation Measures

- Overview of Risk Management
- Strategic Risks to the Long-Term Plan Goals
- Risk Mapping and Prioritisation (Risk Heatmap)
- Mitigation and Contingency Measures

Chapter Six: Tracking Progress

- Monitoring Plan.
- Evaluation Plan; and
- Reporting Plan (internal and external).

Annex 4

Element for the Short-Term Plan

Chapter One: Introduction

- Background
- Scope of the plan
- Objective/goals
- Global and regional trends
- Comparative analysis
- Provide Policy directives
- Preparation Process of the Plan and Layout
- **Alignment with National Plans**
  - » Medium-Term Plan
  - » Sectoral and Regional Plans
  - » Involvement of stakeholders

Chapter Two: Economic Performance/Survey

- Introduction
- **Review of Global and Regional Economic Developments:** Global Economy, Economic Growth Trends in the East African Community and the Southern African Development Community, Global Inflation Trends, Inflation Trends in SADC Member States and Inflation Trends in EAC Member States
- **Review of the National Economic Performance:** Overall National Economy; Domestic Inflation; External Sector; financial Sector; Government Debt; and
- **Private Sector Development:** Capital Formation; and Foreign Capital Inflows
- **Outlook of the National Economy for a particular FY:** Overall Economic Growth Objectives and Targets and Key Assumptions of the Plan

Chapter Three: Implementation Status of the previous Plan

- Feedback from previous year interventions
- Areas for improvements

Chapter Four: Priorities and Interventions

- Set Priorities
  - » Priorities in line with the Medium-Term Plan/national objectives
  - » Clear short-term activities
- Set Interventions
  - » Develop programmes/projects
  - » Identify the critical path towards implementation/activities
- Targets and Indicators
  - » Activities must be accompanied by targets and indicators
  - » Annual Targets and Indicators must complement the MTP
  - » Means of verification (source)
- Resource Envelop
  - » Annual Budget allocation
  - » Include sources of funding

Chapter Five: Monitoring and Evaluation Framework

- Track progress
- Review the implementation plan
- Provide feedback for improvement

Chapter Six: Risk Management and Mitigation Measures

- Overview of Risk Management
- Strategic Risks to the Long-Term Plan Goals
- Risk Mapping and Prioritisation (Risk Heatmap)
- Mitigation and Contingency Measures

Annex 5

Regional Development Plan Outline

Chapter One: Introduction

- Background
- Rationale for Developing RDP
- Position of the RDP and CDP to FYDP
- Objective of the RDP
- Scope of RDP

Chapter Two: Regional Resource Assessment

- Regional Profile and Analysis
- Population and Demographic Dynamics
- Productive Sectors' Performance
- Social Sectors' Performance
- Implication of Performance to TDV 2025
- Resources of the Region
- Natural Resource Endowment
- Physical Resource
- Financial Resource
- Government Subvention
- Own-Source Revenue
- Private Investment (Private Financing)
- Intra-Extra Resources Demand – Regional Level
- SAM and Input-Output Tables (Regional Extracts)
- Interpretation of Input-Output Tables
- Interventional Gaps for Regional Development

Chapter Three: Positioning the RDP to FYDP

- FYPD link points for RDP
- Sectoral Interventions for RDP Requirements
- Regions Endowment to Deliver RDP
- Programming for the Regions Projects
- Council Planning for Programmed Projects
- Interventions at Council level (CDP)

Chapter Four: Financing of the RDP

- Government Subventions – STPs Financing
- Own Source Financing – Complementing STP for RDP Implementation
- Identified Private Sector Financing – Specific Intervention for RDP and STP
- Financing Structure and Alternatives

Chapter Five: Monitoring and Evaluation Framework

- Regional Key Result Areas
- Monitoring Systems
- Evaluation Systems
- Rewarding Performance

Chapter Six: Risk Management and Mitigation Measures

- Overview of Risk Management
- Strategic Risks to the Long-Term Plan Goals
- Risk Mapping and Prioritisation (Risk Heatmap)
- Mitigation and Contingency Measures

Annex 6

Element for the Council Development Plan

Chapter One: Introduction

- Background
- Scope of the plan
- Objective/goals
- Global and regional trends
- Comparative analysis
- Provide Policy directives
- Preparation Process of the Plan and Layout
- Alignment with National Plans
  - » Medium-Term Plan
  - » Sectoral and Regional Plans
  - » Involvement of stakeholders

Chapter Two: Economic Performance/Survey

- Introduction
- **Review of Global and Regional Economic Developments:** Global Economy, Economic Growth Trends in the East African Community and the Southern African Development Community, Global Inflation Trends, Inflation Trends in SADC Member States and Inflation Trends in EAC Member States
- **Review of the National Economic Performance:** Overall National Economy; Domestic Inflation; External Sector; Financial Sector; Government Debt; and
- **Private Sector Development:** Capital Formation; and Foreign Capital Inflows
- **Outlook of the National Economy for a particular FY:** Overall Economic Growth Objectives and Targets and Key Assumptions of the Plan

Chapter Three: Implementation Status of the previous Plan

- Feedback from previous year interventions
- Areas for improvements

Chapter Four: Priorities and Interventions

- **Set priorities**
  - » Priorities in line with the Medium-Term Plan/national objectives
  - » Clear short-term activities

- **Set Interventions**
  - » Develop programmes/projects
  - » Identify the critical path towards implementation/activities
- **Targets and Indicators**
  - » Activities must be accompanied by targets and indicators
  - » Annual Targets and Indicators must complement the MTP
  - » Means of verification (source)
- **Resource Envelop**
  - » Annual Budget allocation
  - » Include sources of funding

Chapter Five: Monitoring and Evaluation Framework

- Track progress
- Review the implementation plan
- Provide feedback for improvement

Chapter Six: Risk Management and Mitigation Measures

- Overview of Risk Management
- Strategic Risks to the Long-Term Plan Goals
- Risk Mapping and Prioritisation (Risk Heatmap)
- Mitigation and Contingency Measures

Annex 7

Elements for the Strategic Plan

Chapter One: Introduction

- Background Information.
- Mandate and Functions of an organisation.
- Rationale of the Plan.
- Approach and Methodology; and
- Layout of the Plan.

Chapter Two: Situational/Environmental Analysis

- Assessment of endogenous and exogenous factors affecting the performance of an organisation
- Analysis of current Vision, Mission and Core Values.
- Performance Review of the existing Strategic Plan.
- Analysis of Strengths, Weaknesses, Opportunities and Challenges (SWOC).
- PESTEL Analysis (Political, Economic, Social, Technological, Environmental and Legal).
- Stakeholders Analysis.
- Recent Initiatives for improving performance.
- Review of relevant Information.
- Key challenges and opportunities identified; and
- Propose Critical Issues.

Chapter Three: The Plan

- Introduction.
- Vision.
- Mission.
- Core Values.
- Objectives, Strategies, targets and Key Performance Indicators.

Chapter Four: Resources for the Plan

- Introduction.
- Human Resource (number, skills and expertise).
- Financial Resource (source, expenditure and budget estimates);
- Technological Resource (focuses on software and systems).

- **Human Resource Plan**

S/N	Department/Unit	Position Description	Employees' Current status			Employee targets (2026/2027 – 2030/31)				
			Baseline Year	Baseline value	Gaps	Y1	Y2	Y3	Y4	Y5
1.										
2.										
3.										
•										
SN										
Total										

- **Training and Capacity Building Plan**

S/N	Department/Unit	Employees' Training and Skills gaps		Training and Capacity building Plan (2026/2027 – 2030/31)				
		Year	Training and Skills gaps	Y1	Y2	Y3	Y4	Y5
1.								
2.								
3.								
•								
•								
SN								
Total								

- **Financial Resource Plan**

S/N	Strategies	Targets		Financial Requirement (TZS)					
				Y1	Y2	Y3	Y4	Y5	Total
A. Objective Code: Description									
1.									
2.									
•									
Total Objective A									
B. Objective Code: Description									
1.									
2.									
•									
Total Objective B									
X. Objective Code: Description									
1.									
2.									
•									
Total Objective X									
Z. Objective Code: Description									
1.									
2.									
•									
Total Objective Z									
GRAND TOTAL OBJECTIVE (A+B + ...X +Z)									

- **Technological Plan**

S/N	Department/Unit	Hardware, Software and Systems		Hardware, Software and Systems Plan (2026/2027 – 2030/31)				
		Current Status	Gaps	Y1	Y2	Y3	Y4	Y5
Hardware								
1.								
2.								
3.								
•								
•								
SN								
Software and Systems								
1.								
2.								
3.								
•								
•								
SN								
Total								

Chapter Five: Results Framework

- Introduction.
- The development Objectives.
- Beneficiaries of the organisation's services.
- Linkage with the National Frameworks (FYDP IV).
- Result Chain.

- **Results Framework Matrix**

Code	Objective	Outcome Indicators (KPIs)	Initiatives	Responsible Department/Unit
A.				
B.				
•				
•				
X.				
Z.				

- **Outcome Indicator (KPIs) Tracking Matrix**

Code	Objective	Outcome Indicators (KPIs)	Baseline	Indicator Target Value					Data Source	Responsible Department/Unit
			Year	Y1	Y2	Y3	Y4	Y5		
A.										
B.										
•										
•										
Z.										

- **Monitoring Plan**

S/N	Target	Indicator and Description	Baseline		Indicator Target Values					Data Source	Data Collection Instrument (Means)	Frequency of Data Collection (Numeric)	Means of Verification	Frequency of Reporting	Responsible Department/ Unit
			Year	Value	Y1	Y2	Y3	Y4	Y5						
Objectives															
1.															
2.															
•															
•															
SN															

- **Evaluation Plan**

S/N	Evaluation studies	Description	Milestones	Approach and Methodology	Time frame	Responsible Department/ Unit
1.						
2.						
•						
•						

- **Review Plan**

S/N	Year	Planned Review	Timeframe	Responsible Department/ Unit
1.				
2.				

- **Reporting Plan (Internal and External)**

S/N	Type of Report	Recipient	Frequency	Responsible Department/ Unit
1.				
2.				

NB: Develop two tables for Internal and external needs.

Annex 8

Elements for the Investment Planning

Chapter One: Introduction

- Context on Investment
- Mandate Relative to Investment
- Institutional Investment Policy Statement
- Investment Objectives

Chapter Two: Situational/Environmental Analysis

- Performance - Investment Portfolios
- Analysis by Investment Category
- Profitability and Cost Recovery Analysis
- Delivery to Institutional Objectives (SP)
- Contribution to National Development Aspirations
- Missed Investment Targets

Chapter Three: Proposed Investment Projects and Assets

- Investment Direction
- Intended Investment Targets
- Revenue
- Expenditure
- Cost Recovery
- Investment Projects
- Cumulative Expenditure
- Decision Criteria Analysis – Absolute Assessment
- Investment Prioritisation and Sequencing

Chapter Four: Investment Financing

- Business Positioning of Investment Portfolios
- Funding Sources and Instruments
- Investment Projects Management
- Business Management of Successful Assets

Chapter Five: Monitoring and Evaluation

- Governance Structure
- Performance System
- Key Performance Indicators
- Strategy for Re-investment

Chapter Six: Risk Management and Mitigation Measures

- Overview of Risk Management
- Strategic Risks to the Long-Term Plan Goals
- Risk Mapping and Prioritisation (Risk Heatmap)
- Mitigation and Contingency Measures

Annex 9

Element for the Business Plan

Chapter One: Background of the organisation

Provide an overview of the organisation, including information like

- History, background, and mandate
- Mission, vision, and core value proposition
- Legal status, ownership, and governance
- Core functions, services and products
- Regulatory and policy environment

Chapter Two: Situation or Environmental Analysis

- Internal environment: SWOC (strengths, weaknesses, opportunities, challenges)
- External environment: PESTEL (Political, Economic, Social, Technological, Environmental, Legal)
- Industry or competitive analysis (e.g., Porter's Five Forces)
- Stakeholder mapping and analysis
- Alignment with national and sector strategies, and development plans
- Problem statement
- Justification

Chapter Three: Description of the Proposed Project

- Background of the project
- Project objective and scope
- Project location and target beneficiaries
- Key activities and deliverables
- Implementation timeline and milestones
- Project outcome or impact

Chapter Four: Feasibility/Viability Assessment

- **Market Feasibility:** Target markets, demand drivers, competition, market size, and trends
- **Technical Feasibility:** Infrastructure, technology, human capacity, supply chain, gaps, and needs
- **Legal Feasibility:** Legal and institutional framework to support the implementation

- **Social and Environmental Feasibility:** Environmental and social factors, summary of Environmental and Social Impact Assessment (ESIA) reports
- **Economic Feasibility:** Socio-economic benefits, employment, and contribution to national goals
- **Financial Feasibility:** Capital or investment cost, operating and maintenance cost, projected revenue, breakeven point, cash flow, and financial projections.
- **Financial Modelling: Underlying assumptions;** projected statements: income or profit and loss, cash flow, balance sheet, key financial ratios or metrics (NPV, IRR, payback, ROI), DSCR (for loan financing), funding requirement, and plan (sources, timing, use of funds), sensitivity, and scenario outcomes.

Chapter Five: Implementation Plan

- Strategy or approach for each objective
- Detailed action plans: tasks, timeline (Gantt chart or roadmap), responsible units, required resources
- Capital expenditure (Capex) and investment plan
- Human resources or capacity building plan
- Organisational structure (chart, roles, and responsibilities)

Chapter Six: Risk Management

- Identification of major risks (strategic, operational, financial, regulatory, environmental, etc.)
- Risk assessment (likelihood, impact)
- Mitigation

Chapter Seven: Monitoring, Evaluation and Reporting

- Prepare a monitoring plan
- Prepare an evaluation plan
- Data management plan
- Reporting arrangements:
- KPI framework: indicators, baseline, target, frequency, and responsible units
- Reporting schedule and formats (monthly, quarterly, midterm, annual)
- Evaluation methodology, review cycle, feedback, and learning process

Chapter Eight: Management and Institutional Arrangements

- Implementing institutions and partners
- Roles and responsibilities
- Governance bodies (oversight)
- Management team, with roles and profiles

Chapter Nine: Sustainability

- Plan for long-term financial viability
- Transition or handover (if applicable)
- Exit or scaling strategy
- Operations and Maintenance Plan

- Organisational Sustainability (Identify the organisation in charge of the operation and maintenance of the project outputs, once completed)
- Financial Sustainability (Identify the expected budget sources and the annual cost incurred in the operation and maintenance of the project after its completion)

Appendices/ Annexes

- Supporting data, charts, and tables
- Market studies and surveys
- Technical designs, maps, and diagrams
- Legal documents, licenses, and MOUs
- Glossary and additional materials

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