

ROADS FUND BOARD



THE UNITED REPUBLIC OF TANZANIA

FINAL DRAFT STRATEGIC PLAN

2016/17 – 2020/21

MAY, 2017

LIST OF ABBREVIATIONS

AGO	Automotive Gas Oil (Diesel)
AIDS	Acquired Immune Deficiency Syndrome
CAG	Controller and Auditor General
DFID	Department for International Development
DMFA	Deputy Manager Finance and Administration
DMRM	Deputy Manager Resources Mobilisation
DMTS	Deputy Manager Technical Service
EAC	East African Community
EWURA	Energy and Water Utilities Regulatory Authority
FY	Financial Year
HDM-	Highway Development and Maintenance System
HICT	Head of Information Communication Technology
HIV	Human Immunodeficiency Virus
HPMU	Head of Procurement Management Unit
IA	Internal Auditor
IAs	Implementing Agencies
ICT	Information Communication Technology
IK	Illuminating Kerosene
IT	Information Technology
LGAs	Local Government Authorities
MDA	Ministry, Department and Agency
MIS	Management Information Systems
MoFP	Ministry of Finance and Planning
MoWTC	Ministry of Works, Transport and Communication
MoU	Memorandum of Understanding
MSP	Motor Spirit Premium (Petrol)
NAOT	National Audit Office of Tanzania
PFA	Public Finance Act

PBPA	Petroleum Bulk Procurement Agency
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PORALG	President's Office, Regional Administration and Local Government
POPSM	President's Office, Public Service Management
PPA	Public Procurement Act
PPRA	Public Procurement Regulatory Authority
PPP	Public Private Partnership
RF	Roads Fund
RFB	Roads Fund Board
RONET	Roads Network Evaluation Tools
SP	Strategic Plan
SWOC	Strength, Weakness, Opportunities and Challenges
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Agency
TPA	Tanzania Ports Authority
TRA	Tanzania Revenue Authority
VAT	Value Added Tax
VfM	Value for Money
VfMI	Value for Money Instrument
URT	United Republic of Tanzania

PREFACE

The Roads Fund Board (RFB) Strategic Plan, for the year 2016/17 to 2020/21 presents priorities of the Board for the next five years. It is aligned to the Second Five Year Development Plan and the aspirations of the Tanzania Development Vision (Vision 2025) and the Ruling Party Election Manifesto, 2015-2020.

The focus of the Plan is to have in place a reliable road network for sustainable economic growth and poverty reduction in Tanzania by improving revenue collection and at the same time reducing costs of road maintenance. Currently, the Roads Fund is able to cover about 49 percent of road maintenance financial requirements. In realisation of this shortcoming, the Board has engaged a consultant to identify new sources of revenue for the Fund to reduce this financing gap. The proposal will be presented to the Government for consideration and approval. If the proposal is approved, the Fund is expected to meet 75 percent of the roads maintenance financial requirements at the end of FY 2020/21.

The preparation of this strategic plan for the RFB for FY 2016/17- 2020/21, has been made possible by the concerted efforts of Board members, employees of the Board and stake holding institutions. The Board highly appreciates the mutual cooperation that has been extended by our stakeholders, especially the Ministry of Works, Transport and Communication (MoWTC), Presidents Office – Regional Administration and Local Governments (PORALG), and the Tanzania National Roads Agency (TANROADS). The Board also extends appreciation to the staff of President’s Office, Public Service Department, for their professional guidance.

I am confident that this cooperation will continue during the implementation of this Strategic Plan to enable the Board to provide quality service to its stakeholders. Let us uphold our motto, ***"Together we maintain our roads for sustainable development"***

Mr. Joseph O. Haule
CHAIRMAN OF THE BOARD

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EXECUTIVE SUMMARY

The Roads Fund and its Board were established by the Roads and Fuels Tolls Act, CAP 220. Among other mandates, the Board collects, disburses and monitors utilisation of funds used on road maintenance. The roads fund is earmarked for roads maintenance and related administrative costs.

This Strategic Plan for the next five years period from 2016/17 – 2020/21, has been developed in the course of a mid-term review of the previous Plan 2014/15 – 2018/19 and has drawn reference from the following documents:

- (i) The Tanzania Development Vision (Vision 2025);
- (ii) Five Years Development Plan (FYDPII) 2016/17 – 2020/21;
- (iii) CCM Election Manifesto 2015 - 2020;
- (iv) The Roads Act No. 13 of 2007;
- (v) The Roads and Fuel Tolls Act, CAP 220;
- (vi) Various National Policies and Strategies; and
- (vii) Review of the RFB Strategic Plan 2014/15 – 2018/19 as well as consideration of the MoWTC, PORALG and TANROADS Strategic Plans.

In developing this Plan, a situation analysis was conducted, and that led to the emergence of the **new Vision** and the identification of critical issues. The identified critical issues as detailed in Chapter Two include: reducing road maintenance financing gap, establishing equitable funds allocation formula, and enhancing proper utilisation of funds by implementing agencies.

Chapter Three presents the plan and its **vision** whereby, the Roads Fund Board envisages to realise ***"Excellence in road fund management for a well-maintained public road network"***. The vision is expected to be achieved through the **mission** of ***"providing adequate and stable flow of funds for sustainable road maintenance and monitoring its utilisation by implementing agencies"***. In order to attain the

intended goals, the RFB will be guided by its core values of Integrity, transparency, teamwork, competence, professionalism and innovation.

Six (6) objectives are identified in this 2016/17 - 2020/21 Strategic Plan, as listed hereunder:

- (i) HIV/AIDs infections reduced and support services improved;
- (ii) National anti-corruption strategy enhanced, sustained and implemented effectively;
- (iii) Funding adequacy for road maintenance enhanced;
- (iv) Allocation and disbursement of funds to Implementing Agencies improved;
- (v) Monitoring and Evaluation of revenue collection and funds utilization enhanced;
and
- (vi) Capacity of RFB to undertake its mandated functions improved.

The first two objectives are cross-cutting in line with the national strategies on HIV/AIDS and Anti-Corruption. The other four objectives focus on achievement of the core functions of the Board as stipulated in the Act. These four objectives intend to drive RFB to a new level in terms of collecting sufficient Roads Fund revenues, disbursement of the same to implementing agencies, and monitoring the utilisation of the funds. The realisation of these objectives will be monitored and evaluated using Key Performance Indicators that are detailed in Chapter four of this Plan.

CHAPTER ONE: INTRODUCTION

The RFB Strategic Plan covers a period of five years, from 2016/17 to 2020/21. It is developed at the time when the transformation from implementation by LGAs to TARURA is taking place; hence references to the two Agencies are made concurrently depending on the emerging circumstances. The Plan describes Roads Fund Board Mission, Vision, Core Values, Mandate, Objectives, Targets, Key Performance Indicators and the process used to derive them. It also describes who we are, what we wish to achieve, and how we can achieve the set goals.

1.1 APPROACH

This Strategic Plan 2016/17- 2020/21 has been developed out of the midterm review of the previous five (5) years Plan 2014/15 -2018/19; with a view to aligning it with the National Five Year Development Plan 2016/17- 2020/21. The Plan was prepared in a participatory approach involving staff from MoWTC, PORALG, TANROADS and RFB while POPSM staff provided guidance. Throughout this exercise, the Board maintained its oversight role through its Board Members. A thorough institutional situation analysis was conducted. This analysis covered the Stakeholders Analysis, PESTEL and SWOC analyses as well as the midterm performance review of implementation of the RFB Five Year Strategic Plan 2014/15 -2018/19. The Vision and Mission statements were also reviewed.

References were made on various guiding documents, laws and policies including the Roads and Fuel Tolls Act, CAP 220, Tanzania Development Vision (Vision 2025), National Five Year Development Plan 2016/17-2020/21, Ruling Party Election Manifesto 2015-2020, the National Transport Policy 2003, Road Safety Policy 2009 and The Road Act No. 13 of 2007. Also references were made to, EAC Axle Load Control Act 2013, Transport Sector Investment Programme-TSIP, Regional Infrastructure Development Master Plan, National Leaders Promises¹, Implementing Agencies Strategic Plans 2016/17-2020/21, and East Africa Roads Framework (Transport Development Protocol 4th EAC Development Strategy 2011-2016)

¹ This includes "Ahadi za Rais"

1.2 PURPOSE OF THE PLAN

The purpose of this plan is to provide guidance to RFB in executing its mandated duties as stipulated in the Act which established the Fund and Board. Likewise, the RFB strategy is aligned to the Tanzanian FYDPII and the Tanzania Development Vision 2025. It is also meant to inform stakeholders what RFB plans to perform for the coming five years, and provide a basis for accountability to measure the performance.

1.3 LAYOUT OF THE PLAN

This plan is divided into four chapters. Chapter One contains introduction covering the purpose of the plan; while Chapter Two discusses the Situation Analysis covering Performance Review, Stakeholder Analysis and SWOC Analysis. Chapter Three is the Plan itself, covering Mission, Vision, Core Values, Objectives, Strategies, Targets and Key Performance Indicators. Finally Chapter Four is the Results Framework. The Plan has three annexes, annex I illustrates the Organisational structure, annex II shows the Strategic Plan Implementation Matrix and annex III shows the basis for the SWOC analysis.

CHAPTER TWO: SITUATION ANALYSIS

2.1 HISTORICAL BACKGROUND

Reforms in the Roads Sector initiated by the Tanzania Government during 1990s led to the establishment of the Roads Fund, to cater for financing of road maintenance. At the end of the 1990s the country experienced a high degree of deterioration of roads caused by underfunding to road maintenance activities. The source of financing road maintenance by then, was from Consolidated Fund Services under the Treasury, which also catered for other Government operations. This could not provide sufficient funds to meet road maintenance needs. In order to address the problem of road maintenance underfunding, the Government enacted the Road Tolls Act 1985.

The Road Tolls Act, 1985, enacted by the Parliament of the United Republic of Tanzania on 26 July 1985 provided for the imposition and collection of tolls on the vehicular use of public roads and for other matters related to roads tolls. A number of toll gates were built along trunk roads to facilitate the tolls collection. Some of the collection stations were located at Chalinze, Segera, Himo, Mikumi, Iringa and Makambako. Dar Es Salaam was treated differently whereby at each fuel filling station, a litre of petrol or diesel was charged TZS 15 as road toll.

The tolls collection through toll gates was inefficient as it required permanent structures to be built (i.e. offices and residential houses) along the road network which were extremely expensive. The collection system caused inconveniences in the form of congestion and delays to road users. The tolls were treated as normal Government revenues, whereby normal budget allocation was made for road maintenance. The approach did not provide sufficient budget for sustainable road maintenance, and therefore, the Government decided to establish a **Roads Fund** with dedicated sources of revenues for road maintenance.

Two Roads Funds were established under two separate declarations made by the Minister for Finance, at different times. The first was the "DECLARATION TO ESTABLISH A SPECIAL ROADS FUND" or "THE ROADS FUND" made in August 1991, and the second, the "DECLARATION TO ESTABLISH THE LOCAL GOVERNMENT ROADS FUND" was made

in August 1992. The Roads Fund was to be used to meet maintenance costs for regional core roads, and to fund the rehabilitation and maintenance of urban and district roads. Funds were to be derived from the road tolls levied on petrol, diesel and various sources including Transit Charges, Overloading Fees, and Goods Vehicle License Fees.

The Funds were established in accordance with Section 17(i) of the "Exchequer and Audit Ordinance" (CAP 439), which empowers the Government to establish a special fund, and being only an administrative procedure, the declarations had no legal powers. Therefore, the Fund lacked legal enforcement instruments to address failure to comply with the declarations.

Thus, in order to give the Fund legal powers, and secure more stable financing for road maintenance and the management of the funds, the Parliament of the United Republic of Tanzania enacted the Roads Tolls Act, 1998 which established the Roads Fund and the Roads Fund Board. The Act has been revised and is currently known as the "Roads and Fuels Tolls Act, CAP 220".

2.2 MANDATE

The Roads Fund Board was established under Roads and Fuel Tolls Act CAP 220. The Board is mandated to manage the Roads Fund by ensuring full collection and disbursement of the funds to Implementing Agencies; including TANROADS, the PORALG, TARURA and MoWTC. The Board is also mandated to monitor the utilisation of these funds to ensure that value for money is achieved.

2.3 ROLE AND FUNCTIONS

The functions of the Board with respect to the Fund shall be:

- (i) To advise the roads Minister on new sources of road and fuel tolls, adjustment of rates of existing roads and fuel tolls and on regulations for collection of road and fuel tolls for the purpose of ensuring adequate and stable flow of funds to road operations;

- (ii) To apply the money deposited into the Fund for the purposes approved by the Parliament;
- (iii) To set out procedures for agents with respect to the collection of roads and fuel tolls for the purpose of the Fund;
- (iv) To ensure full collection and transfer of collected roads and fuel tolls to the Fund's account;
- (v) To develop and review periodically the formula for allocation and disbursement from the Fund to TANROADS, local authorities and other agencies and advise the roads Minister accordingly;
- (vi) To recommend to the roads Minister an allocation of funds for TANROADS, TARURA and other road agencies, to undertake road management at a level that is suitable and affordable;
- (vii) To disburse funds from the Fund to TANROADS, TARURA and other agencies;
- (viii) To ensure that the operations of TANROADS, TARURA, other road agencies and the Fund, are technically and financially sound;
- (ix) To monitor the use of the funds disbursed to TANROADS, TARURA or other agencies for the purpose of the objects of the Fund;
- (x) To appoint the Roads Fund Manager and the Roads Fund Accountant;
- (xi) To appoint, subject to approval by the Controller and Auditor General, an auditor or auditors to carry out the audit of the Fund; and
- (xii) To make any other recommendations to the roads Minister as it considers necessary to enable the Board to achieve its objectives.

2.4 ANALYSIS OF CURRENT VISION AND MISSION

2.4.1 Vision

'To be among the best internationally recognized institutions in roads fund management'

Analysis: The vision was considered to be a wishful statement of recognition and it focuses on fund management rather than state of road network which is the desired outcome. A review of the vision statement was necessary to address the identified weaknesses.

2.4.2 Mission

'To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilization for socio-economic wellbeing of the public'

Analysis: The mission statement is still valid as it covers the mandate of the Board hence improvement is not required.

2.5 POLICY CONTEXT ANALYSIS

2.5.1 Vision 2025

One of the objectives of Vision 2025, is to awaken, coordinate and direct people's efforts, minds and national resources, towards the core sectors that will enable them attain development goals and withstand the expected intensive economic competition.

One of the strategies for realisation of the vision in economic competence and competitiveness is infrastructure development, in particular, road network for promoting rural development. Development of the road network will automatically attract a need for new financial resources to maintain the newly developed road network.

2.5.2 National Five Year Development Plan 2016/17- 2020/21

The Plan focuses on industrialization, citing roads among the factors of an enabling environment:

Among the important interventions for industrialization, is the creation of conducive Environment by ensuring the availability of basic infrastructure and quality services (Energy and transport).

The Plan sets the target by 2020, for Tanzania roads to rank 106 in 2020/21, and 102 in 2025/26 out of 186 countries. In the 2014/15 Tanzania ranked the 112th.

It sets the financing strategy for strengthening collections that includes the Roads Fund; by avoiding human negative intervention in toll collections through the use of mobile money payment and other electronic payment.

2.5.3 Transport Sector Investment Programme Phase 2

TSIP is intended to provide a critical contribution to FYDP II_[PC1] and Vision 2025. TSIP has eight strategic goals, of which three are most relevant to RFB. They are:

- (i) All trunk roads are paved by 2018;
- (ii) All regional centres are linked with paved roads and all district headquarters with all-weather roads of at least gravel standard, by 2018;
- (iii) Urban mobility and accessibility, as well as rural transport and travel, are improved; and
- (iv) Transport Safety and Security are enhanced.

There are eight expected outputs from TSIP 2, of which one is most relevant to RFB:

Maintenance financing gap for all modes, narrowed down; especially, national roads from 25% to 17% in 2017, and local Government roads from 48% in 2012 to 35% in 2017.

In terms of priority, TSIP 2 has set three priorities. The most relevant priority to RFB is the first priority: To ensure all rehabilitated or upgraded infrastructure receives full maintenance.

2.5.4 Construction Industry Policy 2003

The goal of the construction industry development is to develop an internationally competitive industry, that will be able to undertake most of the construction projects in Tanzania, and export its services and products, and ensure value for money to industry clients as well as environmental responsibility in the implementation of Construction projects.

The Policy aims at creating an enabling environment for the development of a vibrant, efficient and sustainable local industry for sustainable economic and social development objectives. The policy recognises the establishment of Roads Fund and Roads Fund Board in 1998 and 1999 respectively, as one of the Government led initiatives geared towards fostering local construction industry.

2.5.5 National Transport Policy 2003

Section 2.1.1 of the National Transport Policy (2003) states that, "The medium and long term objective is to bituminise all trunk roads, at the same time ensuring that all regional roads as well as district roads, are sufficiently rehabilitated and maintained to ensure smooth flow of traffic". Therefore, the Policy calls for the need to have sustainable funds for roads maintenance financing to carry out expected maintenance needs.

2.5.6 Road Safety Policy 2009

A National Road Safety Policy is a critical initiative in the effort to elevate road safety issues to a position of high priority on the national agenda. It provides the basis for working towards attaining the vision of a safe traffic environment. The Government intends to set up a dedicated Road Safety Fund which will be administered by the Roads Fund Board to finance road safety activities.

2.5.7 The Road and Fuel Tolls Act Cap 220

The Roads Fund and its Board were established by the Road and Fuel Tolls Act CAP 220. While the purpose of the Fund is to mobilize roads maintenance funds; the Board manages the Fund by performing the functions stipulated in Section 5(4) of the Act.

2.5.8 The Roads Act No. 13 of 2007

Section 4 of the Roads Act highlights the responsibilities of the Ministry responsible for roads with regards to development and maintenance of roads network in Tanzania. The Act provides for promotion and fostering capacity building, in the road sector, promote involvement of the private sector in development, maintenance and management of roads; and to oversee and monitor road safety and environmental issues.

2.5.9 Ministry of Works, Transport and Communication (Works) Strategic Plan 2016/17 – 2020/2021

The Ministry of Works, Transport and Communication (Works) Plans to:

- (i) Review the Road and Fuels Toll Act (2006) and it's Regulations by June, 2019;
- (ii) Upgrade 8,800 km of trunk and regional roads;
- (iii) Facilitate the rehabilitation of 1,583km of trunk roads and 8,407 km of regional roads;
- (iv) Facilitate the maintenance of 33,460 km and 3,070 bridges of Trunk Roads;
- (v) Facilitate the carrying out of feasibility study and Detailed Design of three (3) Bridges;
- (vi) Identify, upgrade and maintain Urban roads countrywide; and
- (vii) Accomplish feasibility study and detailed design of 6,550 km for trunk and regional roads.

2.5.9.1 Ruling Party Election Manifesto 2015-2020 and President's Promises

The election manifesto stipulates the projects to be implemented within the five years. According to para 38 (iii) of the Manifesto, various road projects will be implemented implying a need for financial resources to fulfil the promises. Para 39 of the Manifesto promises to strengthen the Roads Fund, monitoring of the disbursed Funds, and to institutionalise a new Road Agency which will cater for the maintenance of districts roads.

Furthermore, during the General Election Campaign, the then CCM Presidential candidate and thereafter as President of the United Republic of Tanzania, pronounced the way to

solve the prevalent socio-economic challenges. Some of the pledges and pronouncements revolve around roads development activities. These automatically call for a need of additional financial resources to maintain the newly developed network.

2.5.10 TANROADS Strategic Plan

TANROADS is mandated to manage roads development projects and road maintenance works. Development projects are funded from the Consolidated Fund while roads maintenance programmes, including administration and supervision are funded by RFB.

2.5.11 PORALG Strategic Plan

RFB has to provide funds in a manner that will enable PORALG to achieve its objective of increasing the length of LGAs roads in fair and good condition from 34,402 km to 55,000 km. The objectives of improving financial management system and enhancing financial mechanisms, are of significant relevance to RFB. Achievement of these objectives will improve road funds utilisation at the LGAs and lead to better quality of works. RFB can also take advantage of the improved financial information and management at LGA and PORALG for its monitoring activities.

2.5.12 The East African Community Vehicle Load Control Act 2013

The Act provides for the control of vehicle loads, harmonized enforcement, and institutional arrangements for the Regional Trunk Road Network within the Community and to provide for other related matters. Controlled Axle load leads to less destruction of roads and hence less spending of maintenance funds from the Roads Fund. It is, therefore, important to provide for financing of Weighbridges activities.

2.5.13 SADC Infrastructure Development Master Plan

The master plan strikes consensus on priority projects, which would constitute the basis for not only our cooperation as Member States, but also cooperation of a region with International Cooperation and Development Partners. This calls for the three Tanzania corridors of Dar Es Salaam, Mtwara and Central to be developed and maintained for improved road network.

2.5.14 Africa Union Infrastructure Framework - Program for Infrastructure Development in Africa (PIDA)

The programme intends to finance some road projects in Tanzania which ultimately will need funds for maintenance upon completion.

2.5.15 Best Practice from Other Countries/ Similar Organizations

In the case of Kenya, there are other sources of road works financing other than the traditional sources as is the case in Tanzania. These other sources include: Public roads insurance levy, Bond issuance, Private motor vehicle inspection, Mass (weight) distance charges and Outdoor advertising. In Uganda the Road Fund collects roads funds from sources such as Road license, Traffic and road safety fines and Road tolls. In Ethiopia the Roads Fund Agency uses Universities to conduct technical audits for the purpose of reducing costs.

2.6 PERFORMANCE REVIEW

The RFB Strategic Plan (2014/15 – 2018/19), has been operational since July 2014 and was to end in June 2019. Between December 2016 and April 2017, midterm review took place taking into account the Government directive to align RFB Strategic Plan to the National Five Year Development Plan aspirations for the period up to 2020/21. The RFB Strategic Plan had five objectives. This section reviews the performance of the Strategic Plan (2014/15 -2018/19) whereby, achievements, constraints and way forward are analysed:

2.6.1 Objective A: HIV/AIDS infections reduced and support services improved

This objective intended to ensure that the health status of staff is sound for sustainability of the operations of RFB through increased HIV/AIDS campaign and provide support to staff living with HIV/ AIDS.

Achievements

- (i) One sensitization seminar on HIV/AIDS was conducted;
- (ii) Three boxes of condom were provided every month; and
- (iii) A budget for Supportive services has been provided annually.

Constraints:

- (i) Inadequate time to conduct training; and
- (ii) High demand of gears due to sharing of facilities with the rest of users.

Way forward:

- (i) Sensitize staff on HIV/AIDS annually; and
- (ii) Allocate budget for Supportive services annually.

2.6.2 Objective B: National anti-corruption strategy enhanced, sustained and effectively implemented

Corruption is a hindrance to good governance and in view of the severity of the problem, the Government directed all its institutions to execute a strategy which addresses corruption in line with the National Anticorruption Strategy. Since RFB is not an exception, it planned to address the same through strengthen the implementation of public service code of conduct.

Achievements:

- (i) Increased awareness of staff on ethical conduct;
- (ii) The Code of ethics and conduct put into practice after training in March 2016; and
- (iii) No case of corruption has so far been reported.

Constraint:

Absence of straight forward means to detect corruption practices.

Way forward:

Sensitise staff on anti-corruption.

2.6.3 Objective C: Collection and disbursement of road maintenance fund enhanced

The RFB in accordance with Road and Fuel Tolls Act CAP 220 is mandated to collect and disburse funds that are earmarked for road maintenance works executed by implementing agencies. The size of the Fund was inadequate as it serviced only 61 percent of roads maintenance needs in 2014/15 and had only three revenue sources which contributed to more than 98 percent of all revenues. This objective intended to improve and enhance collection and disbursements.

Achievements:

- (i) One Concept paper for new sources of revenue and review rates of existing sources was prepared and submitted to MOFP for consideration;
- (ii) Five (5) members of staff were trained on the use of HDM4 and RNET systems;
- (iii) One study on the trend of import and usage of IK and Jet A1 was conducted in November, 2016; and
- (iv) The size of the funds has increased from TZS 642 billion in FY 2014/2015 to TZS 722 billion in FY 2015/2016.

Table 2.1: Trend of Roads Toll Collections for Five Years (2011/12-2015/16)

FY	Fuel levy		Transit Charges		Overloading fees		Total
	TZS (bil.)	% share	TZS (bil.)	% share	TZS (bil.)	% share	
2011/12	390.81	96.3%	5.77	1.4%	9.42	2.3%	406.00
2012/13	434.47	97.0%	5.41	1.2%	7.94	1.8%	447.82
2013/14	626.00	97.6%	6.52	1.0%	8.62	1.3%	641.14
2014/15	623.18	97.1%	7.90	1.2%	10.87	1.7%	641.95
2015/16	705.09	97.6%	9.43	1.3%	8.05	1.1%	722.57

Source: RFB

Constraints

- (i) Lack of feedback mechanism on proposals for new sources submitted for consideration; and
- (ii) Inconsistent fuel data from various sources that may mislead users during planning and verification of revenues.

Table 2.2: Comparison of Source Data for Local Fuel Import July-2016 to March 2017

MONTH	TRA				EWURA			DIFFERENCE		
	PRODUCT		Localized	TOTAL	PRODUCT		TOTAL	PRODUCT		TOTAL
	MSP	AGO			MSP	AGO		MSP	AGO	
Jul-16	69,903,595	96,428,524	65,190,100	231,522,219	83,317,363.00	185,815,604.00	269,132,967.00	(13,413,768.00)	(89,387,080.00)	(37,610,748.00)
Aug-16	122,747,330	140,247,451	36,742,625	299,737,406	73,134,020.00	142,609,987.00	215,744,007.00	49,613,310.00	(2,362,536.00)	83,993,399.00
Sep-16	84,952,153	142,769,009	31,068,926	258,790,088	99,953,048.00	151,177,275.00	251,130,323.00	(15,000,895.00)	(8,408,266.00)	7,659,765.00
Oct-16	69,367,346	155,127,196	70,978,982	295,473,524	82,201,814.00	133,581,636.00	215,783,450.00	(12,834,468.00)	21,545,560.00	79,690,074.48
Nov-16	56,236,611	63,392,723	76,756,359	196,385,693	66,975,955.00	53,659,436.00	120,635,391.00	(10,739,344.00)	9,733,287.00	75,750,301.68
Dec-16	70,180,187	99,529,034	76,065,783	245,775,004	48,916,169.00	109,485,481.00	158,401,650.00	21,264,018.00	(9,956,447.00)	87,373,353.74
Jan-17	102,428,997	85,778,706	59,521,709	247,729,412	39,192,399.00	123,866,676.00	163,059,075.00	63,236,598.00	(38,087,970.00)	84,670,336.89
Feb-17	65,173,334	98,995,390	82,299,328	246,468,052	75,344,036.00	112,648,188.00	187,992,224.00	(10,170,702.00)	(13,652,798.00)	58,475,828.32
Mar-17	74,866,517	97,933,012	141,821,037	314,620,566	82,451,785.00	93,370,625.00	175,822,410.00	(7,585,268.00)	4,562,387.00	138,798,156.21
TOTAL	715,856,070	980,201,045	640,444,849	2,336,501,964	651,486,589	1,106,214,908	1,757,701,497	64,369,481	- 126,013,863	578,800,467

Source: TRA, EWURA & RFB

- (i) Involvement of many institutions in institutionalizing collection of motor vehicle inspection fees; and
- (ii) Insufficient monitoring to check the compliance.

Way forward

- (i) Consolidate current sources, explore new sources of revenue and adjust existing rates;
- (ii) Integrate/extend MIS with other systems of stakeholders; and
- (iii) Increase monitoring visits (frequency and quality).

2.6.4 Objective D: Monitoring and evaluation of revenue collection and funds utilisation enhanced

The objective intended to ensure full collection of revenue and value for money in utilisation of the same, RFB plans to strengthen monitoring and evaluation through improving monitoring evaluation and reporting framework, and strengthen monitoring and evaluation operations.

Achievements:

- (i) Technical and Financial Monitoring Manual prepared;
- (ii) Four (4) monitoring visits on all revenue sources were conducted in four (4) regions;
- (iii) The Guidelines for utilisation of emergency funds has been developed and disseminated; and
- (iv) Forty (40) regional technical audits and twelve (12) follow up monitoring visits conducted that led to stabilize road condition and improved financial accountability as per **Table 2.3** and **Table 2.4** respectively.

Table 2.3: Percentage of Roads in Good and Fair Condition

S/N	TYPE OF ROADS	2012/13	2013/14	2014/15	2015/16
1	Trunk & Regional roads	86	88	86	85
2	District, Feeder & Urban Roads	60	57.1	56.7	56.72

Source: TANROADS, PORALG and RFB

Table 2.4: LGAs' Status of Audit Opinion

	2012/2013		2013/14		2014/15	
	Number of LGAs	% of LGAs	Number of LGAs	% of LGAs	Number of LGAs	% of LGAs
Unqualified	16	12%	148	91	153	94
Unqualified with emphasis on other matters	95	73%				
Qualified	15	12%	13	8	9	5
Adverse	3	2%	1	1		
Disclaimer	1	1%			1	1

Source: CAG and RFB**Constraints**

- (i) Inadequate staff to conduct revenue monitoring;
- (ii) Low compliance on the guidelines for utilization of emergency funds by some implementing Agencies;
- (iii) Inadequate mechanism to verify integrity of technical audit reports; and
- (iv) Slow implementation of recommendations from monitoring and audit reports resulting in declining performance as shown in **Table 2.5** below.

Table 2.5: Implementing Agencies Overall Performance Trend

S/N	Stages	2013/14	2014/15	Average	Trend
1	Project, Design and Tender Documentation	61	60.8	61	Decrease
2	Procurement Stage	79.8	75.8	78	Decrease
3	Construction Stage	57.2	53.8	55.5	Decrease
4	Project Completion and Closure Stage	38.9	21	29.9	Decrease
5	Executed Works	55.6	41.3	48.4	Decrease
A	Overall Performances	58.5	50.5	54.5	Decrease
B	Rate of Change in %	13.7			Decline

Source: RFB

Way forward

- (i) Develop the Impact Assessment Manual;
- (ii) Recruit staff for strengthening revenue monitoring;
- (iii) Establish mechanism for follow up of Auditor's performance; and
- (iv) Follow up of implementation audit and monitoring recommendations.

2.6.5 Objective E: Institutional capacity to deliver services improved

The objective intended to enable Roads Fund Board to meet stakeholders' expectations which is in line with the objectives of its establishment, through delivering efficient and effective services. Delivery of better service among others depends on capacity and institutional set up of Roads Fund Board.

The objective intended also to build RFB capacity in terms of human resource and systems in order to implement its mandate. RFB was also lagging behind in terms of Information Technological development to improve operational efficiency and ensuring quality and timely service delivery.

Achievements:

- (i) Board members and RFB Staff attended various types of training as of December, 2016;
- (ii) Twenty percent of vacancies have been filled;
- (iii) Business Processes mapping completed;
- (iv) Management Information System is operational;
- (v) Organization Structure has been reviewed and operationalized as of June 2015;
- (vi) Disaster Recovery Plan has been prepared and operationalized; and
- (vii) Construction of RFB Office building in Dodoma has been completed and offices have been re-located to Dodoma from October, 2016.

Constraints

- (i) Long and cumbersome recruitment process;
- (ii) Lack of Human Resource Development Plan;
- (iii) Inadequate complaint handling mechanism;
- (iv) Lack of integration between RFB MIS with stakeholders' systems;
- (v) Inadequate staff to undertake internal audit functions; and
- (vi) Lack of reliable water supply in RFB Building.

Way forward:

- (i) Finalize Human Resources Development Plan;
- (ii) Integrate RFB MIS with stakeholders' systems;
- (iii) Prepare Business Continuity Plan;
- (iv) Establish formal complaints handling mechanism;
- (v) Follow up with relevant authorities on water connection to reliable sources; and
- (vi) Prepare Research and Development Guideline.

2.7 STAKEHOLDERS' ANALYSIS

The Roads Fund Board's stakeholders are individuals or institutions with direct or indirect interest on roads; they are road users, financiers, fund collectors, information source or implementers of roads maintenance works. The stakeholders are listed below

- (i) Ministry of Works, Transport and Communication;
- (ii) Ministry of Finance and Planning;
- (iii) President's Office, Regional Administration and Local Government;
- (iv) Tanzania Revenue Authority;
- (v) TANROADS and TARURA;
- (vi) Transport Operators and Road Users' Groups;

- (vii) Tanzania Port Authority;
- (viii) Controller and Auditor General (CAG)/(Auditors);
- (ix) Contractors / Consultants/Suppliers;
- (x) Regulatory Authorities such as EWURA and SUMATRA;
- (xi) Development Partners;
- (xii) Media;
- (xiii) Civil Society;
- (xiv) Virtual stakeholders (Academia);
- (xv) International Roads organisations;
- (xvi) Petroleum Bulk Procurement Agency/ Tanzania Ports Authority; and
- (xvii) General Public.

Table 2.6: Stakeholder's Analysis Matrix

No	Stakeholder	What we Offer them	Stakeholders' Expectations
1	Ministry of Works, Transport and Communication	<ul style="list-style-type: none"> • Advice on new sources of revenue and adjustment of rates on existing sources • Recommendations on fund allocation formulae to implementing agencies • Mechanisms for collection and reporting of abnormal load permit fees • Annual, mid-year and quarterly performance and special reports • Funds for road development projects and road related activities • Technical advice on road related issues • Guidelines on utilization of funds 	<ul style="list-style-type: none"> • Sound advice on new sources • Recommendations on equitable funds allocation criteria • User friendly mechanisms for collecting and reporting abnormal load permit fees • Quality and timely reports • Timely disbursement according to operational plans • Sound technical advice on road related issues • Easily understood and implementable guidelines
2	Ministry of Finance and Planning	<ul style="list-style-type: none"> • Proposals on sources and use of roads fund • Proposals for amendment of Roads and Fuel Tolls CAP 220 	<ul style="list-style-type: none"> • Realistic proposals on new sources and rates of Roads Fund • Sound proposals for amendment of Roads and Fuel Tolls CAP 220
3	President's Office, Regional Administration and Local Government	<ul style="list-style-type: none"> • Funds for road development and maintenance • Technical advice on road related issues 	<ul style="list-style-type: none"> • Timely disbursement according to operational plan

No	Stakeholder	What we Offer them	Stakeholders' Expectations
		<ul style="list-style-type: none"> Guidelines on utilization of funds Performance feedback Technical audit 	<ul style="list-style-type: none"> Timely and sound technical advice User friendly guidelines on utilization of funds Timely and sound feedback
4	Tanzania Revenue Authority	<ul style="list-style-type: none"> Revenue study reports Facilitation of data flow (system connectivity) Revenue monitoring reports 	<ul style="list-style-type: none"> Clear, sound and credible reports Automated and secured system Good cooperation in joint tasks
5	TANROADS	<ul style="list-style-type: none"> Mechanism for collection and reporting of overload , abnormal load permit fee and road reserve user charges Funds for road maintenance Technical advice on road related issues Guidelines on utilization of funds Performance feedback Technical audit 	<ul style="list-style-type: none"> User friendly mechanism for reporting of overload, abnormal load permit fees and road reserve user charges Timely disbursement of funds as per operational plan Timely and sound advice User friendly guidelines on utilization of funds Timely and sound feedback
6	TARURA	<ul style="list-style-type: none"> Mechanism for collection and reporting of Road reserve user charges Funds for road maintenance Technical advice on road related issues Guidelines on utilization of funds Performance feedback 	<ul style="list-style-type: none"> User friendly mechanism for reporting of road reserve user charges Timely disbursement of funds as per operational plan Timely and sound advice User friendly guidelines on utilization of funds

No	Stakeholder	What we Offer them	Stakeholders' Expectations
		<ul style="list-style-type: none"> • Technical audit 	<ul style="list-style-type: none"> • Timely and sound feedback
7	Transport Operators and Road Users' Groups	<ul style="list-style-type: none"> • Information on Road Fund operations • Platform for consultation and participation in fixing road user charges and reviewing laws and regulations 	<ul style="list-style-type: none"> • Timely and reliable information on road fund operations • Well maintained roads • Business friendly roads legislation • Affordable road user charges • Better management of funds
8	Contractors / Consultants/ Suppliers	<ul style="list-style-type: none"> • Consultancy and non-consultancy works contracts • Supplies contracts • Payments for the services/goods/works 	<ul style="list-style-type: none"> • Adherence to public procurement procedures • Timely payments
9	Controller and Auditor General (CAG)/ (Auditors)	<ul style="list-style-type: none"> • Financial statements within 90 days of closure of financial year • Facilitation of external auditing services • Response to audit queries 	<ul style="list-style-type: none"> • Timely submission of quality financial statements • Adherence to national financial laws and regulations
10	EWURA	<ul style="list-style-type: none"> • Collaboration during joint tasks • Fuel (diesel, petrol, IK and JET A-I) study reports • Facilitation of data flow (system connectivity) 	<ul style="list-style-type: none"> • Effective participation in matters related to fuel importation, handling etc. • Good cooperation in joint tasks • Clear, sound and credible reports • Automated and secured system • Good cooperation in joint tasks

No	Stakeholder	What we Offer them	Stakeholders' Expectations
11	Development Partners	<ul style="list-style-type: none"> • Management of funds • Performance reports and statistics 	<ul style="list-style-type: none"> • Effective and efficient Management of received funds • Reliable statistics on roads • Good governance • Quality and timely reports
12	General Public	<ul style="list-style-type: none"> • Information on funds collection and disbursement • Annual Report 	<ul style="list-style-type: none"> • Timely, accurate and reliable information

2.8 SWOC ANALYSIS

The Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis of RFB operations as shown in **ANNEX III** reveals the following sets of strengths, weaknesses, opportunities and challenges:

2.8.1 Strengths

- (i) RFB is governed by a Board, which composed of multi skilled members drawn from Public and Private sectors and provide high quality strategic decisions aimed at achieving RFB organisational goals;
- (ii) The RFB organisational structure, constituted according to core functions of the institution, is in place, with competent, ethical and highly committed RFB staff, with diverse skills, who work as a team to implement the organisational strategic plans;
- (iii) Sources of revenues for the Fund are provided in the Road and Fuel Tolls Act CAP 220;
- (iv) Existence of computerised systems (EPICOR and RFB MIS) and Financial Regulations, facilitate sound financial management of the Fund;
- (v) Various internal controls are in place to ensure effective and efficient operations of the RFB, to achieve organizational goals;
- (vi) Funds to Implementing Agencies are disbursed timely, on a pre-determined formula with reference to Annual Performance Agreement, which results in higher level of satisfaction to Implementing Agencies and Development partners; and
- (vii) Regular interactions with key stakeholders build a strong relationship with them which results to smooth implementations of various strategies.

2.8.2 Weaknesses

- (i) Absence of Human Resources Development Plan that results into untimely filling of vacant posts;
- (ii) Non utilisation of some modules in RFB MIS and EPICOR system, which affects efficiency of RFB operations;
- (iii) Low pro-activeness in utilisation of modern technologies in service delivery and change in mind set in utilisation of technology which results in inadequate use of available technologies;

- (iv) Some of provisions of the Road and Fuel Tolls Act are outdated and need to be amended to reflect the contemporary needs; and
- (v) Inadequate M&E System which results into absence of proper complaints handling mechanism and inadequate implementation of communication strategy that affects public awareness on RFB.

2.8.3 Opportunities

- (i) Roads Fund and Roads Fund Board are established by Road and Fuel Tolls Act CAP 220, which accords powers and mandate to achieve the objectives of their establishment;
- (ii) Existence of potential labour market and training institutions that can enable RFB to recruit and train competent and skilled staff to strengthen RFB manpower;
- (iii) Existence of Road and Fuel Tolls Act CAP 220, and the Constitution of URT (Article 135(2)) and various supporting legislations such as Road Act No. 13 of 2007, Public Procurement Act, Public Finance Act, CAP 348, Employment and Labour Relations Act of 2004, that facilitate smooth operations of RFB;
- (iv) The Act provides for potential sources of revenue due to advancement in technology such as biofuel, gas, and electricity in cars which will increase the size of the Fund;
- (v) Existence of fora on road maintenance works, which makes it possible for experience sharing visits for knowledge sharing;
- (vi) Existence of unmanned aerial vehicles (drones) and satellite imagery, which could assist the Board to monitor the road works without having to send someone to site;
- (vii) Existence of Tripartite Agreement between COMESA, SADC and EAC, which will further enlarge markets arising from the removal of trade barriers and allowing of free mobility goods, capital and labour across member countries;
- (viii) Existence of political will that advocates for strengthening of RFB, political stability of neighbouring countries, and favourable economic growth for the last two (2) years, create an avenue for improvement of RFB; and
- (ix) Improved performance of the port of Dar Es Salaam which attract transit cargo carried by local and foreign registered vehicles can directly and indirectly affects the Roads Fund Board performance in terms of revenue collection from Fuel Levy and Transit Charges.

2.8.4 Challenges

- (i) The vetting process on recruited staff, takes a long time leading to Human resource gap;
- (ii) Increasing financing gap due to limited sources of funds has had negative effects on road network conditions;
- (iii) Delays in developing Implementing Agencies' MIS led to delay of integration, and that has a negative impact to RFB operations;
- (iv) Low compliance with Road and Fuel Tolls Act CAP 220 by some stakeholders, which affects negatively the operations of the RFB;
- (v) Provisions within the Road and Fuel Tolls Act CAP 220 does not allow the Board to borrow money from the financial institutions which can ensure funds are available when needed and smoothen the flow of funds to implementing agencies;
- (vi) Rapid changes in technology and high cost of procuring technologies lead to difficulties to cope with change;
- (vii) Increase in road network and the impact of established Government administrative borders, increase road maintenance financing needs, compared to capacity of RFB;
- (viii) Expected climatic changes which can have a direct impact on roads infrastructure in several ways, such as flood which allows new roads to easily develop pot holes while existing pot holes deepen fast and indirect impact on economic activities;
- (ix) Imposition of VAT on road maintenance works constrains the dedicated funding, i.e. reduces number of kilometres to be maintained/covered;
- (x) Encroachment on road reserve, high cost of land acquisition, damages to paved road caused by oil spill, vandalism/damage of road furniture, and vehicle overloading, and increase in volume of heavy vehicles lead to road damages which require more funding;
- (xi) Reliance on fuel levy as a major source of revenue by 98 percent which is risky due to the fact that any high negative change in supply or demand of fuel can cause high impact in revenue collections;
- (xii) Possible unavailability of road construction material (gravels) in the near future and non-renewable of gravel used in road construction pose threat on implementation of future road works;

- (xiii) Lack of standard unit rates for road maintenance and development projects which affects planning of resources required for Road projects intervention;
- (xiv) Misuse of Funds, compromised quality of road works and Low absorption capacity of some implementing Agencies which affects value for money to be obtained;
- (xv) Political instability in the neighbouring countries is likely to pose a challenge in terms of economic growth and trade flows in the region; and
- (xvi) Expected increase for the level of damage imposed on road pavement due to traffic level increase as a result of increased trade volumes and investment resulting from enhanced regional integration.

2.9 CRITICAL ISSUES

- (i) Reducing road maintenance financing gap;
- (ii) Establishing equitable funds allocation formula;
- (iii) Enhancing proper utilisation of funds by implementing agencies;
- (iv) Establishing knowledge base on road subsector;
- (v) Integrating RFB MIS with key stakeholders MIS;
- (vi) Strengthening monitoring and evaluation of RFB activities; and
- (vii) Improving legislation governing RFB functions.

CHAPTER THREE: THE PLAN

This chapter presents the Plan to be executed in the next five years from 2016/17-2020/21. The chapter outlines the Objectives to be achieved, strategies, targets and performance indicators.

3.1 VISION AND MISSION

3.1.1 VISION

Excellence in road fund management for a well-maintained public road network.

3.1.2 MISSION

To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilisation for socio-economic wellbeing of the public

3.2 CORE VALUES

Integrity: We observe and maintain high standards of ethical behaviour and the rule of law.

Transparency: We are open, accountable and responsible to stakeholders.

Teamwork: We work as a team to achieve our objectives.

Competence: We depend on skills, knowledge, and experience in all fields of our operations.

Innovation: We believe in creativity, technologies, and practices to enhance quality, effectiveness and efficiency in road maintenance financing.

Professionalism: We execute our duties with respect to professional skills, ethics, standards and guidelines.

3.3 OBJECTIVES

3.3.1 Objective A: HIV/AIDS infections reduced and support services improved

Rationale:

HIV/AIDS epidemic has an adverse effects on human resources and future operations of the nation. Prevalence of HIV/AIDS in Tanzania is a challenge that negatively affects the most productive age group, leaving behind misery, suffering and poverty. In view of this, there is a need to ensure that the health status of staff is sound for sustainability of the operations. To address the threat of HIV/AIDS, RFB has set the following strategy:

Strategy

Undertake preventive measures and provide support to staff living with HIV/ AIDS.

Targets

- (i) Workplace interventions on HIV/AIDS implemented by June, 2021.
- (ii) Supportive services for staff living with HIV/AIDS provided annually by June, 2021.

Key Performance Indicators

- (i) Percentage of reported HIV/AIDS cases.
- (ii) Level of satisfaction on HIV/AIDS supportive services.

3.3.2 Objective B: National anti-corruption strategy enhanced, sustained and effectively implemented

Rationale:

Good governance is a critical element in building up the country's economic growth and social development. Corruption is a hindrance to good governance. It causes unethical behaviour which results in incidences of misuse of public office, misuse of funds and irresponsiveness to the needs of the public. In order to combat the problem, the

Government has directed all MDAs to have a strategy which addresses corruption in line with the National Anticorruption Strategy. Since RFB is not an exception, it has set strategies to address the same.

Strategies

- (i) Strengthen implementation of public service code of conduct.
- (ii) Institutionalize National Anti-corruption strategy.

Targets

- (i) Code of Ethics and Conduct monitored by June, 2021.
- (ii) Code of Ethics and Conduct reviewed by December, 2019.
- (iii) Workplace interventions on anti-corruption practices implemented by June, 2021.

Key Performance Indicators

Percentage change in corruption incidences

3.3.3 Objective C: Funding adequacy for road maintenance enhanced

Rationale:

Among the challenges faced by RFB with respect to road maintenance financing is an increasing maintenance needs. The financing capacity has been decreasing from an average of 62% in 2013/2014 to 49% in 2016/17.

This deficiency is attributable to dependence on only three revenue sources, namely fuel levy, (which contributes more than 98 percent of all revenues), transit charges and overloading fees, which in total are inadequate to finance road maintenance. Similarly, the current collection procedures allow leakages in revenues e.g. transit fuel dumping and abuse of fuel levy exemptions.

In order to improve funding adequacy for road maintenance, the following are the strategies set out by the Board:

Strategies

- (i) Increase revenue collection.
- (ii) Reduce roads maintenance costs.

Targets

- (i) Two sources of revenue secured by June, 2019.
- (ii) Mechanism for collecting funds from motor vehicle inspection established and implemented by June, 2019.
- (iii) Collection of revenue from Road Reserve enforced by June, 2018.
- (iv) Innovation and application of new technology on road maintenance facilitated by June, 2021.

Key Performance Indicators

Percentage coverage of road maintenance funding requirements.

3.3.4 Objective D: Allocation and disbursement of funds to implementing agencies improved

Rationale:

The core functions of the RFB according to Road and Fuel Tolls Act CAP 220 include collection and disbursement of funds that are earmarked for road maintenance works executed by implementing agencies. Due to change in road network length managed by Agencies, there is a need to establish allocation criteria that ensures equitable distribution of resources to meet road maintenance needs.

In order to improve and enhance allocation and disbursement of funds to implementing agencies, the RFB has set the following strategy:

Strategies

- (i) Improve disbursement mechanism.
- (ii) Improve funds allocation formula.

Targets

- (i) Funding allocation formula for roads fund reviewed and implemented by June, 2020.
- (ii) Funds disbursement time reduced from five (5) days to two (2) days by June 2018.
- (iii) IT based data sharing system established and implemented by June, 2019.

Key Performance Indicator

- (i) Fund disbursement time.
- (ii) New allocation formula in place.

3.3.5 Objective E: Monitoring and evaluation of revenue collection and funds utilization enhanced

Rationale:

Monitoring and evaluation are critical aspects in ensuring that the implementation of any policy or activity is done in accordance with plan and the desired outcome is realized.

TRA, TANROADS, TARURA, MoWTC and LGAs collect revenue on behalf of RFB, hence there is a need to ensure that what is collected is fully remitted to the Fund. The main challenge of the current monitoring system for revenue collection is inadequate data flows from key stakeholders.

Follow up of the utilisation of funds has revealed that disbursed funds are not properly utilised by the implementing agencies mainly due to inadequacies in planning, design, procurement, contract management, project closure and quality of works.

In order to ensure full collection of revenue and proper utilisation of the funds, RFB plans to strengthen monitoring and evaluation through the following strategies:

Strategies

- (i) Strengthen monitoring and Evaluation operations.
- (ii) Improve utilization of funds by Implementing Agencies.

Targets

- (i) All sources of revenue monitored quarterly by June, 2021.
- (ii) Socio-economic impact assessment of road maintenance works conducted by June, 2019.
- (iii) Value for money technical audit to implementing agencies in 10 regions conducted annually.
- (iv) Eight (8) monitoring visits to implementing agencies conducted annually.
- (v) Capacity building/development of local contractors and consultants involved in road works facilitated by June, 2021.

Key Performance Indicators

- (i) Road condition (TANROADS).
- (ii) Road condition (TARURA).
- (iii) Percentage change in revenue collection.
- (iv) Value for money (TANROADS).
- (v) Value for money (TARURA).

3.3.6 Objective F: Capacity of RFB to undertake its mandated functions improved

Rationale:

In discharging its duties, the Roads Fund Board is obliged to meet stakeholders' expectations according to the objectives of its establishment through delivering efficient and effective services. Delivery of better service among other things, depends on capacity and institutional set up of Roads Fund Board.

Currently, the RFB capacity is not adequate in terms of manpower and systems as compared to its mandate. The size of the Fund has increased from TZS316 billion in 2011/12 to TZS 832 billion in 2016/17. The Road Network has expanded from 28,892km in 2007 to 35,000km for trunk and Regional roads while those managed by TARURA have increased from 58,037km to 108,881km. The Board needs to cope with changing

technology to improve operational efficiency and ensure quality and timely service delivery. In view of the above,RFB plans to improve its capacity through the following strategies:

Strategies

- (i) Strengthen human resources management.
- (ii) Strengthen application of modern technologies.
- (iii) Improve working environment.
- (iv) Facilitate RFB administrative activities.
- (v) Strengthen performance management systems.
- (vi) Establish knowledge base on the roads sub sector.

Targets

- (i) Human Resource Plan developed and implemented by June, 2021.
- (ii) Organizational structure and scheme of services of RFB reviewed by June, 2018.
- (iii) Capacity building programme for staff and Board Members developed and implemented by June, 2021.
- (iv) ICT strategic plan developed by June 2017.
- (v) Complaint handling mechanism developed and operationalized by June, 2018.
- (vi) Business Continuity Plan prepared and operationalized by June, 2021.
- (vii) Cafeteria building constructed by June, 2018.
- (viii) Staff houses constructed by June, 2021
- (ix) Operational costs of RFB met annually by June, 2021.
- (x) Research funding guidelines prepared by June, 2018.
- (xi) Five (5) researches facilitated by June, 2021.

Key Performance Indicators

- (i) Audit Opinion.
- (ii) Level of stakeholders' satisfaction (%).
- (iii) Level of staff satisfaction (%).

CHAPTER FOUR: RESULT FRAMEWORK

4.1 PURPOSE AND STRUCTURE

This chapter shows how the results envisaged in the Roads Fund Board Strategic Plan will be measured. The Results Framework contains the overall Development Objective; the beneficiaries of Roads Fund Board services; outlines how objectives are linked to various relevant documents/information like National Five Years Development Plan 2016/17 – 2020/21, National Policies and Strategies, legal provisions, stake holders' strategic plans and international best practices. It also contains Results Chain; the Results Framework Matrix; the Monitoring Plan; the Planned Reviews; the Evaluation Plan and the Reporting Plan.

4.2 DEVELOPMENT OBJECTIVE

The overriding objective of Roads Fund Board is "**Reliable road network for sustainable economic growth and poverty reduction**" that represents the highest level of results envisioned by Roads Fund Board. However, other key players also significantly contribute towards the achievement of this Objective. Apart from other key players' contribution, the achievement of this Development Objective will be influenced by the level of financial resources available.

4.3 BENEFICIARIES OF RFB SERVICES

Beneficiaries of RFB services are classified into two categories: the primary group and the secondary. The Primary group comprises of those beneficiaries who get direct service from RFB i.e. RFB staff and implementing agencies. The Secondary group includes the general public, those who benefit from RFB services as a result of various measures taken in order to have good and passable roads.

4.4 LINKAGE WITH NATIONAL PLANNING FRAMEWORKS

In developing this Strategic Plan which has six objectives, guidance has been taken from Vision 2025; National Five Year Development Plan II (2016/17- 2020/21); Ruling Party Election Manifesto 2015-2020; Various National Policies; The Road and Fuel Tolls Act CAP 220; The Roads Act No. 13 Of 2007; Ministry of Works, Transport and

Communication (Works) Strategic Plan 2016/17 – 2020/2021 and Implementing Agencies' Strategic Plans.

4.5 RESULTS CHAIN

The Roads Fund Board Results Chain consists of outcomes, outputs, activities and inputs which broadly contribute to achievement of the goals of the National Five Year Development Plan II (2016/17- 2020/21) and ultimately of Tanzania Development Vision 2025. The basic assumption is that, there is causal linkage between various elements of Roads Fund Board Results Chain. The inputs, i.e. utilisation of resources will lead to implementation of activities and hence achievement of outputs which leads to realization of objectives. The objectives and targets are found in the Strategic Plan, while activities and respective inputs, are found in the Business Plan and Medium Term Expenditure Framework (MTEF). This chain of results justifies the Roads Fund Board use of the road users' charges into various interventions and thus contributes to the development of the country through improved road networks.

4.6 THE RESULT FRAMEWORK MATRIX

This matrix contains Roads Fund Board overall Development Objective, Objective Codes, Medium Term Objectives, Intermediate Outcomes and Outcome Indicators. It envisions how the Development Objective, will be achieved and how the results will be measured. The indicators in the matrix will be used to track progress towards the achievement of the intermediate outcomes and objectives. It should be noted that achievement of Roads Fund Board Development Objective will be contributed to by several other players, and may not be completely attributed to interventions under this Strategic Plan. The Results Framework Matrix is detailed below:

Table 4.1: Result Framework Matrix

Development Objective	Objective Code	Objective	Intermediate Outcomes	Outcome Indicator
Reliable road network for sustainable economic growth and poverty reduction	A	HIV/AIDS infections reduced and support services improved	<ul style="list-style-type: none"> • Increased HIV/AIDS awareness among all RFB Staff; • Increased number of staff who have undergone voluntary testing; • Increased number of staff declaring they HIV/AIDS status; and • Reduced HIV/AIDS stigma among staff. 	<ul style="list-style-type: none"> • % of reported HIV/AIDS cases • Level of satisfaction on HIV/AIDS supportive services
	B	National anti-corruption strategy enhanced, sustained and implemented effectively	<ul style="list-style-type: none"> • No reported case of corruption • Improved staff ethical behaviour 	% change in corruption incidences
	C	Funding adequacy for road maintenance enhanced	<ul style="list-style-type: none"> • Increased sources of Revenue; • Increased revenue collection; and • Reduced road maintenance costs. 	% coverage of road maintenance funding requirements

Development Objective	Objective Code	Objective	Intermediate Outcomes	Outcome Indicator
	D	Allocation and disbursement of funds to IA improved.	<ul style="list-style-type: none"> • Reduced disbursement time; • Improved implementation of IA Operational Plans; and • Improved distribution of maintenance funds. 	Fund disbursement time
	E	Monitoring and Evaluation of revenue collection and funds utilization enhanced	<ul style="list-style-type: none"> • Increased revenue collection; • Increased Value for Money on Projects implemented; and • Improved road condition. 	<ul style="list-style-type: none"> • Road condition (TANROADS) • Road Condition (PORALG) • % change in revenue collection • Value for money (TANROADS) • Value for money (PORALG)
	F	Capacity of RFB to undertake its mandated functions improved	<ul style="list-style-type: none"> • Increased customer's satisfaction; • Reduced stationery costs (paperless operations); and • Improved working environment. 	<ul style="list-style-type: none"> • Audit Opinion • Level of stakeholders' satisfaction (%) • Level of staff satisfaction (%)

4.7 MONITORING, REVIEWS AND EVALUATION PLAN

This section details the Monitoring Plan, Planned Reviews and Evaluation Plan for the period covering the five years of the strategic planning cycle, from 2016/2017 to 2020/2021.

4.7.1 MONITORING PLAN

The monitoring plan consists of indicators and their description, baseline for each indicator; indicator target values, data collection and methods of analysis, indicator reporting frequency and the officers who will be responsible for data collection, analysis and reporting. Though the 13 outcome indicators will be reported on annual basis, tracking of the indicators will be made on a quarterly basis. The monitoring and evaluation plan is detailed below:

Table 4.2: Monitoring Plan

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
1.	% of reported HIV/AIDS cases	The indicator intends to express staff responsiveness to HIV/AIDS workplace interventions. It is calculated as: $(x/y) * 100$ whereas x =number of staff who have declared their HIV/AIDS status and y = number of staff voluntary tested staff	2015/2016	0	0	0	0	0	0	RFB	Review of Administrative Records	Quarterly	Medical report	Annually	DMFA

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
2.	Level of satisfaction on HIV/AIDS supportive services	This indicator intends to measure to what extent staff are satisfied with provision of supportive services to infected persons. This will be calculated by $\frac{X}{Y} * 100$ whereas, X = Number of Satisfied staff who rated High and Y = Number of staff interviewed	n.a	n.a	50	60	70	80	90	RFB	Survey	Annually	Primary data	Annually	DMFA

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
3.	% change in corruption incidences	The indicator intends to measure response to anti-corruption campaigns. It is calculated as: $(x-y/y) * 100$ whereas x =Total number of reported incidences in the preceding year, and y = Total number of reported incidences in current year	2015/2016	0	0	0	0	0	0	RFB	Document Review	Semi annually	Integrity register	Annually	DMFA
4.	% coverage of road maintenance funding	This indicator intends to measure the capacity of fund road to meet road maintenance	2015/2016	59%	49%	64%	70%	74%	75%	TANROA DS, PORALG& RFB	Document Review	Annually	4 th quarter progress report	Annually	DMTS

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
	requirements	requirements. This is calculated as $(X/Y)*100$, whereas X = Available Funds, Y= Annual Maintenance requirement.													
5.	Road condition-TANROADS	The indicator intends to measure impact of financing road maintenance. It is calculated as: $X/Y *100$ whereas X= Length of road in good and fair condition and Y = Total road network length	2015/16	85%	88%	89%	90%	90%	TANROA DS	Document Review	Annually	4 th quarter progress reports	Annually	DMTS	

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
6.	Road condition-TARURA	The indicator intends to measure impact of financing road maintenance. It is calculated as: $X/Y * 100$ whereas X= Length of road in good and fair condition and Y = Total road network length	2015/16	57%	88%	89%	89%	90%	90%	TARURA	Document Review	Annually	4 th quarter progress reports	Annually	DMTS
7.	% change in revenue collection	This indicator intends to measure growth of the fund. This will be calculated as follows: $(X-Y)/Y*100$ whereas X=Revenue	2015/16	10%	10%	10%	15%	10%	10%	RFB	Document Review	Monthly	Quarterly reports from TRA, MoWTC, TANROADS, TPA, PBPA	Annually	DMRM

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
		for current year; Y=Revenue for preceding year.													
8.	Fund disbursement time	The indicator intends to measure promptness of funds transfer. This is determined by taking the time range between date of disbursement and date of receipt of funds from MoFP	2015/16	5	3	3	2	2	2	RFB	Document Review	Monthly	Bank statement, bank advice	Annually	DMFA
9.	Value for money	This indicator intends to measure	2014/15	72%	76%	80%	82%	88%	90%	RFB	Technical Audit	Annually	Primary data from	Annually	DMTS

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
	(TANROADS)	efficiency and effectiveness of funds utilisation. This will be calculated as follows: $(X/Y)*100$ whereas X= Number of projects assessed with adequate results; Y= Total number of projects assessed.											VfM instrument		
10.	Value for money (TARURA)	This indicator intends to measure efficiency and effectiveness of funds utilization. This will be calculated as follows: $(X/Y)*100$	2014/15	44%	55%	60%	65%	70%	75%	RFB	Technical Audit	Annually	Primary data from VfM instrument	Annually	DMTS

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
		whereas X= Number of projects assessed with adequate results; Y= Total number of projects assessed.													
11.	Audit Opinion	The indicator intends to establish assurance on management of RFB operations and financial soundness. It is measured by obtaining Unqualified opinion issued by CAG	2014/15	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	NAOT	Document Review	Annually	CAG report	Annually	DMFA

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
12	Level of stakeholders' satisfaction (%)	This indicator intends to measure efficiency of RFB in providing services. This will be calculated by a $\frac{X}{Y} * 100$ whereas, X = Number of stakeholders who are satisfied and Y = Total Number of stakeholders interviewed	2014/15	n.a	90	90	90	90	95	RFB	Survey/questionnaire	Annually	Primary data from survey	Annually	DMFA
13	Level of staff satisfaction (%)	This indicator intends to measure extent of staff motivation. This will be calculated by a	2015/16	n.a	80	85	90	90	90	RFB	Survey/questionnaire	Annually	Primary data from survey	Annually	DMFA

S/N	Indicator	Indicator Description	Baseline		Indicator Target Value					Data Collection and Methods of Analysis			Means of Verification	Frequency of Reporting	Responsibility of Data Collection
			Date	Value	yr 1	yr 2	yr 3	yr 4	yr 5	Data Source	Data Collection Instruments and Methods	Frequency of Data Collection			
		X/Y *100 whereas, X = Number of staff who are satisfied and Y =Total Number of staff interviewed													

4.8 PLANNED REVIEWS

There will be reviews that aim to obtain progress status on the implementation of strategic plan. The planned reviews will consist of review meetings, milestones and rapid appraisals.

4.8.1 Review Meetings

Various meetings will be conducted to track progress on the milestones, activities and targets/outputs critical for achievement of organizational objectives. Review meetings are as follows:

Table 4.3: Review Meetings

S/N	Type of Meeting	Frequency	Designation of the Chairperson	Participants
1.	Ordinary Board Meeting	Quarterly	Board Chairperson	Board Members
2.	Special Budget Board Meeting	Annually	Board Chairperson	Board Members
3.	Special Audit Board Meeting	Annually	Board Chairperson	Board Members
4.	Management Meeting	Weekly	Roads Fund Manager	Head of Departments/Units
5.	Departmental/Unit Meeting	Weekly	Deputy Managers	Departmental/Unit Staff
6.	Staff Meeting	Quarterly	Road Fund Manager	All RFB Staff
7.	Ethics & Integrity Committee	Quarterly	Committee Chairperson	Committee Members

S/N	Type of Meeting	Frequency	Designation of the Chairperson	Participants
8.	Audit Committee Meeting	Quarterly	Committee Chairperson	Committee Members
9.	Tender Board Meeting	Quarterly	Committee Chairperson	Committee Members
10.	Stakeholders' Meeting	Annually	Permanent Secretary (PO-RALG)	Stakeholders Representatives

4.8.2 Planned Milestones Reviews

These are reviews that countercheck if identified milestones are achieved within the set time frames. For each target RFB has set a milestone which will be monitored and reported on. The planned milestones reviews will provide the necessary information to the Board to act upon, in case of untimely implementation of the milestone. The milestone review will be conducted quarterly in each year from FY2016/17 to 2020/21. The strategic plan has 26 milestones; FY2016/17 has five (5) milestones, FY 2017/18 has seven (7) milestones, FY 2018/19 has eight (8) milestones, FY 2019/20 has three (3) milestones and FY 2020/21 has three (3) milestones.

Table 4.4 below illustrates the planned milestones reviews showing the financial year, planned review, milestones, timeframe and responsible person to report on the milestone.

Table 4.4: Planned Milestones Reviews

Years	Planned Reviews	Milestones	Timeframe	Responsible Person
2016/17	Four reviews (quarterly)	ICT Strategic Plan developed	June, 2017	HICT
		Sensitization seminar on HIV and AIDS conducted	June, 2017	DMFA
		Proposed amendment for Road and Fuel Tolls Act CAP 220 submitted for approval	June, 2017	DMRM
		Comprehensive study on road user charges conducted	June, 2017	DMRM
		RFB office building established	June, 2017	DMFA
2017/18	Four reviews (quarterly)	Complaints handling mechanism in place	June, 2018	DMFA
		R&D Guideline developed	June, 2018	DMTS
		Organisation structure reviewed	June, 2018,	DMFA
		Human Resource Plan developed	June, 2018	DMFA
		Consultative meeting on collection of revenue from road reserve conducted	Dec, 2017	DMRM

Years	Planned Reviews	Milestones	Timeframe	Responsible Person
		Impact Assessment Manual developed	June, 2018	DMRM
		Sensitization seminar on anti-corruption conducted	June, 2018	DMFA
2018/19	Four reviews (quarterly)	Strategic Plan reviewed	Dec, 2018	DMTS
		Business Continuity Plan prepared	June, 2019	DMFA
		Code of Ethics and Conduct reviewed	June, 2019	DMFA
		Study on possible fuel leakages conducted	June, 2019	DMRM
		Module for capturing data on Fuel Importation & consumption developed	June, 2019	HICT
		Revenue from vehicle inspection fee collected	June, 2019	DMRM
		MIS Integration with key stakeholders completed	June, 2019	HICT
		Proposal for new sources of revenue submitted for approval	June, 2019	DMRM
2019/20		Road Inventory and Condition survey conducted	June, 2020	DMTS

Years	Planned Reviews	Milestones	Timeframe	Responsible Person
	Four reviews (quarterly)	52 regional Value for Money Technical Audits to implementing agencies conducted	June, 2020	DMTS
		26 technical monitoring visits to implementing agencies conducted	June, 2020	DMTS
2020/21	Four reviews (quarterly)	16 revenue monitoring visits conducted	June, 2021	DMRM
		Risk Management Register reviewed	June, 2021	DMFA
		5 Annual Audit Plans implemented	June, 2021	IA

4.8.3 Rapid Appraisals

Rapid appraisals intend to gather information for facilitating implementation of planned interventions. RFB will undertake three (3) Rapid appraisals over the Strategic planning cycle. **Table 4.5** below shows the planned Rapid Appraisals.

Table 4.5: Planned Rapid Appraisals

S/N	Rapid Appraisal	Description of the Rapid Appraisal	Appraisal Questions	Methodology	Frequency	Responsible Person
1.	HIV/AIDS Supportive Services staff Satisfaction study	This appraisal intends to establish baseline data on level of staff satisfaction in regard to provision of supportive services to infected persons	<ul style="list-style-type: none"> • What is the level of staff awareness on HIV/AIDS supportive services • How comprehensive are the supportive service? • Recommendation? 	Survey	Annually	DMFA
2.	Stakeholder satisfaction study	This appraisal intends to establish areas for improvement with regard to provision of services	<ul style="list-style-type: none"> • What is the level of stakeholders' awareness on RFB operations? • To what extent are the stakeholders satisfied with the services provided by RFB? • To what extent has RFB met service standards as 	Survey	Annually	DMFA

S/N	Rapid Appraisal	Description of the Rapid Appraisal	Appraisal Questions	Methodology	Frequency	Responsible Person
			<p>stipulated in the Client Service Charter?</p> <ul style="list-style-type: none"> • What are the areas for improvement? 			
3.	RFB staff Satisfaction study.	This appraisal intends to establish areas for improvement with regard to staff working environment	<ul style="list-style-type: none"> • To what extent has RFB met working conditions in line with staff circular and other Government circulars as well as labour law? • To what extent are staff satisfied with the working condition at the RFB? • What are the areas for improvement 	Survey	Annually	DMFA

4.8.4 Evaluation Plan

Evaluations intend to obtain evidence as to whether the interventions and outputs achieved have led to the achievement of the outcomes as envisioned in the Strategic Plan. Three (3) evaluations will be conducted over the period of the strategic plan cycle as depicted in **Table 4.6** below:-

Table 4.6: Evaluation Plan Matrix

SN	Evaluations	Description	Evaluation Questions	Methodology	Timeframe	Responsible Person
1.	Socio-Economic Impact Study of the Roads Fund	This evaluation intends to assess the socio-economic changes before and after the road maintenance intervention.	<ul style="list-style-type: none"> • To what extent has the road maintenance interventions changed the economy of the society? • To what extent has the Vehicle Operating cost been reduced? • To what extent has the travel time and costs been reduced? • To what extent has the Tanzania road network become competitive as compared to that of neighbouring countries? 	Survey and library research	June, 2019	DMRM
2.	Outcome Evaluation of the Strategic Plan	This evaluation intends to measure realization of intermediate and long	<ul style="list-style-type: none"> • To what extent have the objectives of the Strategic Plan been met? 	Observation	June, 2021	DMRM

SN	Evaluations	Description	Evaluation Questions	Methodology	Timeframe	Responsible Person
		term outcomes of the Strategic Plan.	<ul style="list-style-type: none"> What are the areas to be considered for improvement in future Strategic Plans? 			
3.	Impact of Technical and Financial Audits	This study intends to assess the improvement on quality of road works as a result of audit recommendations	<ul style="list-style-type: none"> Is the number of audit queries in road works reducing? Has the road condition improved? 	Documentary Review	June, 2021	DMTS

4.9 REPORTING PLAN

This is a plan that shows all reports that will be used in the execution of the strategic plan. The report plan contains both Internal and external reports.

4.9.1 Internal Reporting Plan

Internal Reporting Plan is plan that contains reports that are used within Road Fund Board for the Board, Management and Staff. The reporting plan is in accordance with statutory requirements or as may be required from time to time.

Table 4.7: Internal Reporting Plan

S/N	Type of Report	Recipient	Frequency	Responsible Person
1.	Implementation Progress Report	Board	Quarterly	Road Fund Manager
2.	Internal Audit Report	Board	Quarterly	Chief internal Auditor
3.	Technical Audit Report	Board	Annually	Road Fund Manager
4.	Progress Report on Collections of Roads Fund.	Road Fund Manager	Quarterly	DMRM
5.	Progress Report on Disbursement of Roads Fund.	Road Fund Manager	Quarterly	DMFA
6.	Quarterly Financial Statements	Road Fund Manager	Quarterly	DMFA

S/N	Type of Report	Recipient	Frequency	Responsible Person
7.	Report on Implementation of Strategic Plan	Road Manager Fund	Quarterly	DMRM
8.	Procurement Plan Report	Road Manager Fund	Quarterly	HPMU
9.	Fund Utilisation Monitoring Report	Road Manager Fund	Quarterly	DMTS
10.	Revenue Monitoring Visits Report	Road Manager Fund	Quarterly	DMRM
11.	Technical Monitoring Visits Report	Road Manager Fund	Per Visit	DMTS
12.	Staff Performance Appraisal Report	Road Manager Fund	Annually	DMFA
13.	Annual Report	Roads Manager Fund	Annually	DMRM

4.9.2 External Reporting Plan

External reporting plan contains reports that are used by external entities. The reports are prepared on quarterly and annually basis.

Table 4.8: External Reporting Plan

S/N	Type of Report	Recipient	Frequency	Responsible Person
1.	Annual Report	MoWTC, Stakeholders	Annually	Roads Fund Manager
2.	Report for JTSR	MoWTC	Annually	Roads Fund Manager

S/N	Type of Report	Recipient	Frequency	Responsible Person
3.	Financial Statements	CAG	Annually	Roads Fund Manager
4.	RFB Performance Report	MoWTC	Annually	Roads Fund Manager
5.	RFB Audit Committee Report	MoFP	Annually	Roads Fund Manager
6.	Annual Procurement Report	PPRA	Annually	Roads Fund Manager

4.9.3 Relationship between Results Framework, Results Chain, M&E and Reporting Arrangements

Level 1 – Inputs

The first level of the Results Framework tracks the allocation and use of resources on various activities. Resources availability will be reviewed on weekly, fortnightly or monthly basis and will be reported on respective implementation reports. At this level, indicators will focus on the number and quality of human resources available for various tasks, amount of time dedicated to tasks by staff, information flow between various levels, time spent on resolving problems, quality and timeliness of decisions and staff as well as predictability of resource flows, the alignment of resource flow to the activities and outputs.

Level 2 – Activities

The second level of the Results Framework focuses on realization of activities and linkage between activities and outputs. At this level indicators will focus on processes, activities programming and timeliness of implementation. Activities will be reviewed on weekly, fortnightly, or monthly basis, and will be reported on respective implementation reports. The reports will focus on quality and timeliness of the activities implemented and will inform corrective measures if the activities are not being delivered on time, to the expected quality and if are not contributing to outputs.

Level 3 – Outputs

The third level of the Results Framework tracks the realization of the outputs that RFB produces and which are attributed solely to RFB. The outputs at this level will be measured by Output Indicators and Milestones; data collection and analysis will be done quarterly. Outputs or Milestones which have significant impact on achievement of the objectives will be reviewed quarterly and will be reported on quarterly basis, or as may be required. The reports will focus on how the outputs produced are delivering the

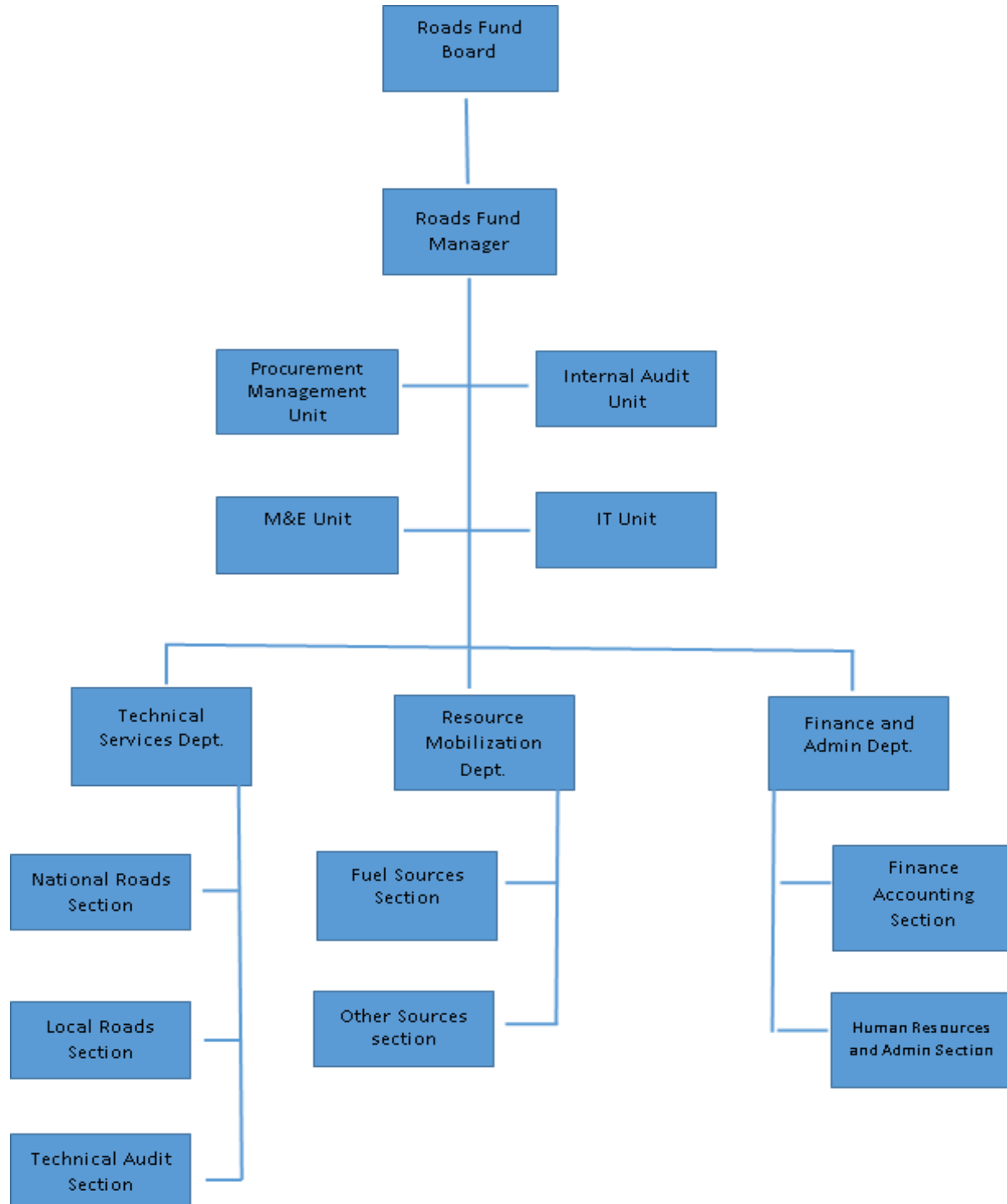
outcomes and will inform corrective measures if the outputs are not being delivered effectively or are not contributing to outcomes.

Level 4-Outcomes

The fourth level of the Results Framework tracks the realization of the intermediate outcomes specified for each objective, though achievement of these outcomes may not be attributed to RFB alone as there will be several players contributing to these outcomes. These Intermediate Strategic Plan Outcomes will be measured through outcome indicators whose data collection and analysis could be done annually. Indicators at this level are reported through the annual report or the five year outcome report. The annual reports and the five-year Outcome Reports will be based on either sector or specific evidence based studies, using national statistics. The reports focus on benefits delivered to RFB clients and other stakeholders.

ANNEXES

5.1 ANNEX I: ORGANIZATION STRUCTURE CHART



5.2 ANNEX II: STRATEGIC PLAN IMPLEMENTATION MATRIX

S/N	OBJECTIVE	STRATEGY	TARGETS	RESPONSIBLE	KEY PERFORMANCE INDICATORS
A.	HIV/AIDS infections reduced and support services improved	Undertake preventive measures and provide support to staff living with HIV/ AIDS.	Workplace interventions on HIV/AIDS implemented by June, 2021	DMFA	i. % of reported HIV/AIDS cases ii. Level of satisfaction on HIV/AIDS supportive services
			Supportive services for staff living with HIV/AIDS provided annually by June, 2021	DMFA	
B.	National anti-corruption strategy enhanced, sustained and effectively implemented	Strengthen implementation of public service code of conduct	Code of Ethics and Conduct monitored by June, 2021	DMFA	% change in corruption incidences
			Code of Ethics and Conduct reviewed by December ,2019	DMFA	
		Institutionalize National Anti corruption strategy	Workplace interventions on anti-corruption practices implemented by June, 2021	DMFA	
C.	Funding adequacy for	Increase revenue collection	Two new sources of revenue secured by June, 2019	DMRM	% coverage of road maintenance funding requirements

S/N	OBJECTIVE	STRATEGY	TARGETS	RESPONSIBLE	KEY PERFORMANCE INDICATORS
	road maintenance enhanced		Mechanism for collecting funds from motor vehicle inspection established and implemented by June, 2019	DMRM	
			Collection of revenue from Road Reserve enforced by June, 2018	DMRM	
		Reduce roads maintenance cost	Innovation and application of new technology on road works facilitated by June, 2021.	DMTS	
D.	Allocation and disbursement of funds to IA improved	Improve disbursement mechanism	Funding allocation formula for roads fund reviewed and implemented by June, 2020	DMTS	Fund disbursement time
			Funds disbursement time reduced from 5 days to 2 days by June 2018	DMFA	

S/N	OBJECTIVE	STRATEGY	TARGETS	RESPONSIBLE	KEY PERFORMANCE INDICATORS
			IT based data sharing system established and implemented by June, 2019	HICT	
E.	Monitoring and evaluation of collections and utilization of funds enhanced	Strengthen monitoring and Evaluation operations	All sources of revenue monitored quarterly by June, 2021	DMRM	<ul style="list-style-type: none"> i. Road condition - TANROADS ii. Road condition - PORALG iii. % change in revenue collection iv. Value for money (TANROADS) v. Value for money (PORALG)
			Socio-economic impact assessment of road maintenance works conducted by June, 2019.	DMTS	
		Improve utilisation of funds by Implementing Agencies	Value for money technical audit to implementing agencies in 10 regions conducted annually	DMTS	
			Eight (8) monitoring visits to implementing agencies conducted annually	DMTS	
			Capacity building/development of local contractors and consultants involved in road works facilitated by June, 2021	DMTS	

S/N	OBJECTIVE	STRATEGY	TARGETS	RESPONSIBLE	KEY PERFORMANCE INDICATORS
F.	Capacity of RFB to undertake its mandated functions improved	Strengthen human resources management	Human Resource Plan developed and implemented by June, 2021	DMFA	i. Audit Opinion ii. Level of stakeholders' satisfaction (%) iii. Level of staff satisfaction (%)
			Capacity building program for staff and Board Members developed and implemented by June, 2021	DMFA	
		Strengthen application of modern technologies	Improved MIS operationalized by June, 2021	HICT	
			ICT strategic plan developed by June 2017	HICT	
		Strengthen performance management systems	Complaint handling mechanism developed and operationalized by June,2018	DMFA	
			Business Continuity Plan prepared and operationalized by June, 2021	DMFA	
		Improve working environment	Cafeteria building constructed by June, 2018	DMFA	

S/N	OBJECTIVE	STRATEGY	TARGETS	RESPONSIBLE	KEY PERFORMANCE INDICATORS
			Staff houses constructed by June, 2021	DMFA	
		Facilitate RFB administrative activities	Operational costs of RFB met annually by June, 2021	DMFA	
		Establish knowledge base on road sub sector	Research funding guidelines prepared by June, 2018	DMTS	
			Five (5) Researches facilitated by June, 2021	DMTS	

5.3 ANNEX III: PESTEL ANALYSIS

Political Situation

1. Tanzania has maintained political stability and tranquility since independence. The country's geographical location gives it an economic advantage to play an important role in terms of facilitation of trade development in the region. The port of Dar es salaam serves about seven landlocked countries as main gateway for their imports and exports trade. These countries include: Malawi, Zambia, DR Congo, Burundi, Rwanda, and Uganda. The vehicles which carry export and import goods, pay fuel levy and they buy and use fuel in the local market when plying our roads. Likewise, foreign registered vehicles pay transit charges. Both fuel levy and transit charges are revenues for the Roads Fund.

2. The performance of the Port of Dar es Salaam and its ability to attract neighbouring countries to use it as its main gateway, directly and indirectly; affects the Roads Fund Board performance, in terms of revenue collection. The efficiency of the Port of Dar es Salaam has continued to improve overtime, but it continues to lag behind its main competitor, the port of Mombasa, in Kenya. Other competitor ports include; Beira in Mozambique, Durban in South Africa, and recently the Port of Lubango in Angola. The World Bank² estimated that if the Port of Dar es Salaam was to manage to increase its efficiency to the same level as that prevailing in the Port of Mombasa, the economy would gain an additional US\$1.8 billion per year. Apart from efficiency of the Port of Dar es Salaam, the political instability in DR Congo and Burundi is likely to pose a challenge in terms of trade flows in the region. DR Congo is well endowed with minerals as well as other natural resources which account for significant share of export goods through the Port of Dar es Salaam. The instability would reduce volume of trade as well as the

² World Bank (2014), Tanzania Economic Update: Opening the Gates-How the Port of Dar es Salaam can Transform Tanzania. Washington, DC.

number of vehicles carrying transit goods, thus, reducing revenue from fuel levy and transit charges.

3. To complement the efficiency of the Port, reliable and good roads infrastructure is a critical aspect to sustain the competitiveness of the Port of Dar es Salaam. Except for Zambia which has an option to use TAZARA as means of transportation, the rest of the countries are connected with the Port of Dar es Salaam through roads. In this way, the availability of sufficient funds to facilitate for regular maintenance of roads is crucial to keep them in good condition and passage all the time.

4. Tanzania has been a member of Southern Africa Development Cooperation (SADC) and East Africa Community (EAC). SADC is at the stage of Free Trade Area in the integration process, and studies are underway for the establishment of SADC Customs Union. EAC on the other hand, is already at a Common Market stage.

5. Tanzania³ exports to EAC and SADC member States have remained at between 7%-16% and 19%-24% of the total exports respectively since 2011 to 2016. In the same period, Imports from EAC and SADC member States have remained between 3% - 6% and 6%-11% respectively. The country is a signatory and committed to the various protocols relating to infrastructure development within the trading blocs. The level of damage imposed on road pavement is expected to increase as traffic level increases due to increased trade volumes and investments resulting from enhanced regional integration.

6. The latest initiative to deepen regional integration is the signing of Tripartite Agreement on enhanced trade between COMESA, SADC and EAC. This will further enlarge markets arising from the removal of trade barriers and allow free mobility of

³ Economic Survey, 2016. Ministry of Finance and Planning

goods, capital and labour across member countries. The enlarged market will attract investments from within the region and from other foreign countries which in turn will foster economic growth and trade. The demand for travel and transportation services will increase as economic activities increase. The expected increase in trade will translate into more traffic on roads which results into more damage to the roads and the need for more funds for road maintenance. The Roads Fund Board Strategic Plan (2016/17 - 20120/21) should address these expected challenges.

7. The increased number of heavy duty vehicles on Tanzania's roads, carrying goods for imports and exports is an opportunity as well as a challenge to the Roads Fund Board and Government at large. As volume of trade through the Port of Dar es Salaam increases, fuel consumption in the local market will also increase and consequently, the revenue from fuel levy and transit charges will also increase. The increased revenue collected for the Roads Fund, will come with a price, the intensity of usage of the road network and the damage imposed on road pavement will increase which will require more resources for road maintenance. Currently, the Roads Fund Board financing gap annually, range between 30% -40% of total financial requirements for road maintenance. The Roads Fund Board has to generate sufficient funds to meet road maintenance requirements.

ECONOMIC SITUATION

8. Political stability remains the cornerstone of Tanzania's strong economic performance. The economy has demonstrated resilience in the face of weakening global economy. The economy has been growing at an annual average rate of 7% while the global economy has been growing at an average rate of 3.3% and in recent years 2015 and 2016, it grew at 3.2% and 3.1% respectively. The country's economic growth⁴ is expected to be 10% in FY 2020/21 and 10.3% in FY 2024/25.

⁴ National Five Year Development Plan 2016/17 -2020/21, Ministry of Finance and Planning

9. Inflation has been contained within a single figure at an annual average of 9.6 per cent per year between 2010 and 2016. More recently, inflation declined to 6.1% and 5.2% in year 2015 and 2016 respectively. The factors driving this low inflation rates include a strong harvest of season crops, the low global price of oil and prudent monetary policy. It is projected that for the period of I 2016/17 – 2020/21, inflation is expected to stabilize at 5%.

10. Exchange rates movement may jeopardise efforts to combat inflation. There is a risk that inflationary pressures may build in the light of the depreciation of the Tanzanian shilling against the United States dollar (USD). Overtime the exchange rate⁵ has deteriorated by 56% from TZS 1,395.5/USD in year 2010 to TZS 2,177.1/USD in year 2016.

11. The road sub sector played a crucial role to foster economic growth and reduce food inflation by opening up new economic opportunities and linking the production hub with the markets. Road subsector intervention in the last five years, have facilitated all regional headquarters to be connected by tarmac roads with the exception of Katavi to Tabora, Mtwara to Ruvuma, Lindi to Morogoro, and Manyara to Tanga regional headquarters.

12. The length of the road network (trunk, regional and district roads) is estimated to be at 143,279 km, comprising 9,781 km (paved) and 133,499km (unpaved). With deterioration of railway operations, most of transporters have increasingly switched from railway to road transportation, causing frequent damages to the road network and ultimately, raising maintenance costs. The rising costs of road maintenance have overstretched the ability of the Roads Fund Board to provide sufficient funds to meet maintenance financial requirements. This has resulted into a deficit road maintenance

⁵ Economic Survey 2016, Ministry of Finance and Planning

budget of between 30% - 40% annually in terms of. The introduction of 18% of VAT on roads works reduced the volume of work that could be achieved given the same amount of money available. The Government is urged to remove VAT on road works financed by the Roads Fund.

SOCIAL SITUATION

13. The country's population was estimated to be 48.7 million people in the year 2016 with annual growth of 2.8%⁶ which is more than twice the global average of 1.2% and above average in Africa (2.5%) per annum. As in many countries in the region, youth make up the largest share of the population, with 79% of the population less than 35 years old⁷. While it has the potential to create a demographic dividend, in the sense of reducing the dependency ratio, it also presents challenges, including the need to constantly create new jobs.

14. Despite the fact that Tanzania has sustained higher growth in the last ten years⁸, 12 million people are still living on less than \$0.60 per day and 700,000 - 800,000 young people enter the labour market every year. To address this problems, Tanzania needs to do three things: maintain macroeconomic stability; have effective public investments; and introduce structural reforms, including supportive policies for promoting private sector investment and growth. This is expected to generate employment and increase the middle income population which on one hand could be a potential market for fuel, and therefore, pay fuel levy; and on the other hand become users of road infrastructure services.

⁶ Economic Survey 2016, Ministry of Finance and Planning, Dar es Salaam

⁷ National Bureau of Statistics (2013), 2012 Population and Housing Census-Variou publications of findings. Dar es Salaam

⁸ World Bank (April 2017). Tanzania Economic Update

15. Demographic trends are also affected by urbanization, which is expected to continue at a rapid pace. Dar es Salaam, the commercial capital, is growing at 5.6%⁹ and will become a mega-city of over 10 million people by 2027. The urban population is growing at a rate of 5.2% per year, which puts more pressure on social and economic infrastructure including roads. More funding for construction and frequent roads maintenance will be inevitable.

16. Although there has been a discrepancy between economic growth and performance of the labour market, there is light at the end of tunnel. During 2015¹⁰, a total of 2,334,969 persons were employed in formal sector establishments in Tanzania Mainland as compared to 2,141,351 observed in 2014, which is an increase of 9.0 percent over a period of one year. Out of those persons, 766,803 were employed in public sector and 1,568,165 were employed in the private sector which absorbed almost twice as much as the public sector. The share of males was 63.0 percent and that of females was 37.0 percent. The number of regular employees was 2,060,013 while that of casual workers was 274,956. The total annual wage bill increased from TZS 13,934 Million in 2014 to TZS 17,601 Million in 2015.

17. The Government through the National Five Year Development Plan 2016/17 - 2020/21, is expected to make large investments in many projects including; oil pipeline, standard gauge railway, roads and flyover, gas extraction, 2,100-MW Stieglers Gorge hydropower project, and others. Together with the industrialization strategy pursued by the fifth Phase Government, it is expected to generate more employment to the people. The demand and usage of road infrastructure will increase which will call for more maintenance resources. The Roads Fund Board Strategic Plan should take into account those expected economic and social developments.

⁹ National Five Year Development Plan 2016/17 -2020/21 (2016).Ministry of Finance and Planning

¹⁰ Labour Market Survey, (2015). National Bureau of Statistics

TECHNOLOGICAL ASPECTS

18. The Roads Fund Board has embraced the application of technology to carry out its operational and strategic functions. The Board has automated almost all of its operations putting into place a Management Information System (MIS). Most of its operations are being carried out within the MIS. Some of the activities being incorporated into MIS include Appraisal Management, Payroll Management, Employee Management, Leave Management, Imprest Management and Attendance Management which are the core administrative functions within the Board. The Board has financial applications which facilitate its financial management and the system has also been integrated with the RFB MIS.

19. In order to strengthen revenue monitoring, the Board envisages to integrate its MIS with the following stakeholders' Management Information Systems, such as TPA, TRA, EWURA and PBPA. The integration of MIS is expected to create an opportunity for RFB to interface/integrate its MIS with theirs. The interface will enable the Board to collect, analyse and reconcile the revenue data from different stakeholders so as to ensure full collection of revenue which is the mandate of the Board.

20. However, The Board has managed to integrate RFB MIS with MoWTC ePermit systems (system for applying the abnormal load permits) and awaiting the TANROADS ePayment system (solution for charging, collecting and transferring the weighbridge overloading fees and related charges from weighbridge stations) to be completed, which will also be interfaced with RFB MIS.

21. Automobile industry has evolved a lot with the likes of hybrid cars which use two or more distinct types of power (electricity, hydrogen, solar power), aiming at reducing the fuel consumption and at the same time protecting the environment. Similarly, there are other types of vehicles which are fuel efficient with a mechanism to reduce fuel

consumption by travelling long distance per litre of fuel. The automobile evolution poses a daunting challenge as far as fuel levy revenue and collection are concerned, thus requiring the Board to find alternative means of sourcing the revenue for road maintenance.

22. Technological developments in the automobile industry, trigger an alarm that in the near future the Board will need to propose different means of generating and collecting revenue. Instead of charging levy on per fuel consumption (unit per litre) then the charge could be imposed on the distance covered by the vehicle on the road. The Board may explore the use of Global Positioning Systems (GPS) and a manual Distance Registering System for the law enforcing agencies.

23. In terms of monitoring the utilisation of funds to ensure value for money, the Board can take advantage of the evolved unmanned aerial vehicles (drones) and satellite imagery, which could assist the Board to monitor the road works without having to send someone to site. However the mentioned technologies are expensive, but proper analysis of the captured images could also save as a means to save time and its related costs of site visits.

24. Likewise to ensure timely disbursement of funds to implementing agencies, there is an initiative of adopting the automated payment system. This will reduce the disbursement period whereby, at a click of a button, the respective accounts will be debited in the relevant accounts accordingly. This will also ease the fund transfer from the Board's account to the Implementing Agencies accounts instead of sending letters or cheques to the Bank. Through this method, only the instructions will be electronically forwarded to the Bank for further action, thus reducing disbursement and other related payment delays.

25. Furthermore, the automated payment system will be integrated with both RFB MIS and financial application (Epicor ERP) so as to facilitate the automation from within the application itself thus limiting the dual efforts when authorizing the payments to either internal or external customers.

ENVIRONMENTAL ASPECTS

26. The analysis of recent climate trends, reveals that climate change poses significant risks for Tanzania. There is high likelihood of temperature increases as well as sea level rise. Irregular climatic conditions have been observed in Tanzania such as erratic rainfall, occasional floods and rise in temperature. The potential sectors impacted with by climatic change include: agriculture, forests, water resources and transport infrastructures. Temperature¹¹ is projected to increase by 1.3°C to 2.2°C by the year 2050 and 2100. A study by the World Bank¹² indicates that average global temperatures will increase by 1.4 to 5.8 °C over the next 100 years if no action is taken globally to control it.

27. Climatic changes have directly affected road infrastructure in several ways. High temperatures cause roads to easily develop cracks within a short period after their construction. Higher temperatures combined with increased solar radiation may reduce the life span of asphalt road surfaces. Additionally, high precipitation allows new roads to easily develop pot holes while existing pot holes deepen fast. Rising sea levels can also flood graveled and unpaved roads adjacent to the sea shore.

28. The direct impact of climate change on roads and its indirect impact on other economic systems are equally enormous. Poor roads resulting from huge pot holes can lead to road accidents and delay in the transportation of foodstuffs and other goods

¹¹ OECD (2003). Development and Climate Change in Tanzania: Focus on Mount Kilimanjaro.

¹² World Bank. *Towards Environmentally Sustainable Development in Sub Saharan Africa: A World Bank Agenda; the World Bank Washington DC, USA, 1996.*

across the country while vehicles traffic jams can lead to more fuel consumption in addition to huge time loss.

29. Already, Tanzania is suffering from the impacts of climate change in the transport sector. Information from the TANROADS and TARURA indicates that in FY 2012/13 total expenditure on emergency road works was TZS 9,171.15 Million while in FY 2015/16 it was to TZS 26,435 Million.

30. The Roads Fund Board has not attempted to undertake an economical assessment of the impact of climate change on road infrastructure that could inform policy makers on the need to adapt to the impact of climate change on roads, as well as assessing the costs and benefits of various adaptation options. In this regard, the Board in consultation with MoWTC, PORALG, TANROADS and TARURA need to consider to undertake a study to quantify socio-economic costs related to climate change. The study may come up with adaptation proposals including construction technology and standards.

LEGAL ASPECTS

31. The establishment of the Roads Fund is articulated in Article 135(2) of the Constitution of the United Republic of Tanzania which states that “***The revenue which shall not be paid into the Consolidated Fund of the Government of the United Republic is that which has been specified by law to be used for a specified purpose or to be paid into another fund for special use.*** Moreover, Section 11 of the Public Finance Act states that, “Subject to the provisions of Article 135 of the Constitution, all revenues or other moneys raised or received for the purposes of the Government (***not being revenues or other moneys that are payable by or under any law into some other fund established for any specific purpose or that may, by or under any law, be retained by the authority that received them for the purpose of defraying the expenses of that authority***) shall be paid, into and form

a Consolidated Fund. It is clear that the Roads Fund has been established on a strong legal foundation.

32. The RFB Strategic Plan for 2016/17 – 2020/10 should be prepared to guide and enable the Board to implement its mandate systematically as stipulated in the Roads and Fuel Tolls Act CAP 220 and its Regulations of 2016. The major functions of the Board is to ensure fully collection of revenue from all sources, timely disbursement of funds to implementing agencies and monitoring the utilisation of funds to ensure that they are used judiciously.

33. The legal framework provides and creates a conducive environment for the Board to achieve its mandate. However, providing sufficient funds for road maintenance works has been a daunting challenge. The Board has been running a deficit budget since its establishment, the magnitude of deficit varying from one year to another. Between FY 2011/12 and FY 2014/15, the Board experienced delays or non-disbursement of funds from the MoFP to RFB Account.

34. The Government needs to consider to allow TRA to deposit funds directly to RFB Account and inform MoFP accordingly. Most of Roads Funds in countries; including Kenya, Mozambique, Zambia and Namibia, their revenue collecting agents deposit funds directly to the Roads Fund Account and inform the ministry responsible for finance on the same. The proposed approach is expected to address the problem of delay and non-disbursement.

35. The Roads and Fuel Tolls Act CAP 220, in future should make a provision to allow the Board to borrow from the financial markets. This will ensure funds are available when needed and smoothen the flow of funds to implementing agencies. This could be in form of short term loans or infrastructure bond. The loans will be services from

monthly fuel collection. This has been a practice in Ghana and Kenya is pursuing the same.