TRANSFORMING PUBLIC ENTITIES:
A PATH TO GREATER EFFICIENCY

pg20

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OTR Magazine

OTR: 2024 a year of mixed achievements and tributes

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Welcome to our inaugural edition

Dear readers,

I am honored to extend a warm welcome to you as we introduce the inaugural edition of our magazine. We are excited to present a publication designed to inform, inspire, and engage the public in the management of public enterprises.

The Office of the Treasury Registrar (OTR), recognizes the importance of enhancing communication and information flow between the OTR, public entities, and the general public.

It is our responsibility to effectively convey our plans, strategies, and progress in achieving our goals to all key stakeholders, ensuring they are well-informed about our achievements and the challenges we face.

This magazine serves as a platform for public entities to connect with the public and other stakeholders, illuminating their presence, core missions, successes, challenges, and available opportunities.

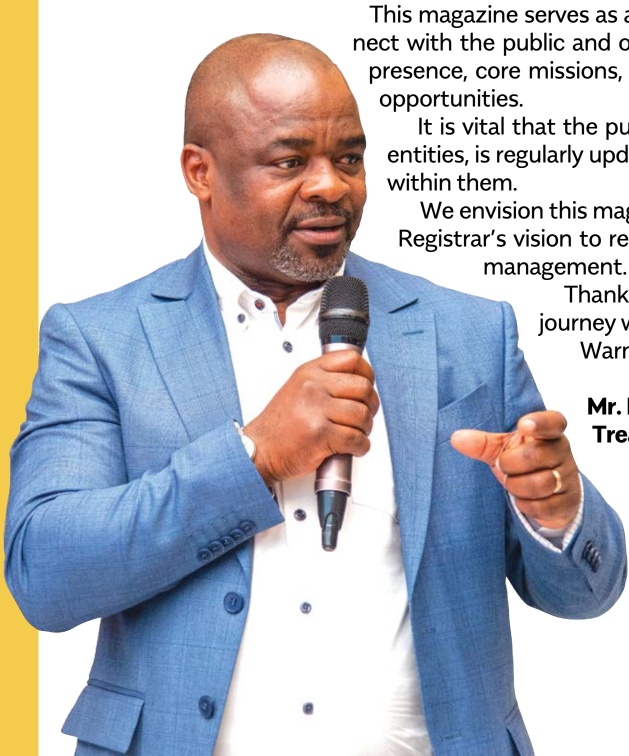
It is vital that the public, as the rightful owners of these entities, is regularly updated on activities and developments within them.

We envision this magazine as a reflection of the Treasury Registrar's vision to reform public entities' operations and management.

Thank you for embarking on this exciting journey with us.

Warm regards,

Mr. Nehemiah Mchechu
Treasury Registrar



Editor's Note

Be conversant with the OTR

The Office of the Treasury Registrar (OTR) is among the key government's bodies which hold the fate of this nation, due to the critical roles it plays.

The OTR was established as a Corporation Sole through the Treasury Registrar Ordinance Cap 418 of 1959, purposefully for holding and overseeing all government investments and properties.

These include investments comprising paid-up capital of public and statutory corporations as well as in private investments where the government owns shares or interests in trust for the President.

The birth of today's OTR, whose responsibilities have been divided into four groups, namely, supervisory role, custodianship, advisory role and privatisation, came after the revision of the Cap in 2002, with a view to improving the Office's performance and eventually shaping the performance of public entities.

However, it is a plain reality that the amendments which were made in 2002 in relation to OTR, were not sufficient to improve its role in moulding the performance of the public parastatals as per the government's wishes.

This assertion could be attested to the 2010 revisions that were meant to strengthen the role of the Office, which currently has 308 public entities under its watchdog, with a total investment capital of a whopping 86.3tri/-, according to the Treasury Registrar (TR), Mr Nehemiah Mchechu (pictured).

In order to pave the way for return in investments, the 2010 revisions strengthened the role of the OTR by vesting the Treasury Registrar with more powers and responsibilities, enabling the TR to perform his/ her objectives efficiently and accountably.

Mr Mchechu reaffirmed his office's commitment to safeguarding and effectively overseeing the government's investments in both Public and Statutory Corporations (PSCs), stressing the importance of collective responsibility among all key stakeholders.

"We are determined to be the most effective and efficient oversight body for public and statutory corporations," Mr Mchechu asserted confidently.

In 2014, the OTR assumed all roles and functions of the defunct Consolidated Holding Corporation (CHC), a statutory corporation established by the National Bank of Commerce (Reorganisation and Vesting of Assets and Liabilities) Act [Cap. 404].

The powers and functions of CHC which were inherited by the OTR in 2014 were a result of changes in laws which were made in 2007 vide National Bank of Commerce (Reorganisation and Vesting of Assets and Liabilities) Act No. 26/2007.

Cap 404 also dissolved the Presidential Parastatal Sector Reform Commission (PSRC) that had been mandated to undertake privatisation and restructuring of public enterprises and amended Cap 404 by vesting the residual powers and functions of the defunct PSRC to the CHC.

Following this, the OTR became responsible for determining how the restructured specified public corporations are to be diversified, conducting post privatisation monitoring and evaluation and administering initial public offering of the government shares in the stock markets.

It also had a responsibility to collect debts owed to public enterprises arising from sale and purchase agreements; and procure title deeds in respect of diversified public enterprises.

For the purpose of securing the proper management of the property and other investments vested in it, the OTR has a mandate to closely monitor the supervision and control of the financial affairs of all public and statutory corporations.

All investments and other property vested in the Treasury Registrar (TR), including investment in the paid-up capital of a public corporation or a statutory corporation pursuant to section 4 of the Public Corporations Act 1, are held by the Treasury Registrar.

TR plays the role of trust for the President and for the purposes of the government.

In relation to corporations the OTR has a role to render advice to the Government relating to the establishment of public or statutory corporations, and the vesting of any business or property in those organisations.

Additionally, the Office has an obligation to review the financial performance of public and statutory corporations with a view to recommending measures aimed at amalgamation, disestablishment or improvement of their performance.

For the purposes of securing the proper management of the property and other investments vested in it, the Treasury Registrar has power to closely monitor the supervision and control of the financial affairs of all public and statutory corporations.

The OTR is there to help H.E President Dr Samia Suluhu Hassan to realise her dream of seeing a country being endowed with efficient public entities which provide value for money.

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OTR: 2024 a year of mixed achievements, tributes

The year 2024 was characterized by a blend of significant achievements and heartfelt tributes for the Office of the Treasury Registrar (OTR), which oversees key government investments.

During the period under review, under the leadership of Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, the government made a 13.9 percent increase in investments in Public and Statutory Corporations (PSCs) and in companies where it holds minority stakes.

Additionally, a $320 million (over Sh800 billion) investment agreement with AMSONS Group for Mbeya Cement underscores the government's commitment to expanding production capabilities.

The government also successfully issued a landmark green bond, demonstrating a dedication to sustainability, and increased its stake in Sotta Mining Corporation from 16 percent to 20 percent, marking a strategic enhancement of its influence in the mining sector.

In the financial sector, Tanzania Commercial Bank rebounded from a loss-making entity in 2023 to report a net profit of Sh31.94 billion in 2024.

Furthermore, the OTR received recognition for excellence in financial reporting, actively reduced public entities' reliance on government funding, and enhanced its visibility through improved communication with stakeholders.

In 2024, Tanzanians also witnessed the signing of the Deed of Handover and Transfer of Assets Agreement along with the Shareholders Agreement for the Mponde Tea Factory.

However, alongside these accomplishments, the year was also marked by profound loss.

The OTR mourned the passing of two former Treasury Registrars, Mr Lawrence Mafuru and Dr Oswald Mashindano, as well as Mr Amos Nnko, the former Director of Administration and Human Resources Management.

Their invaluable contributions shaped the mission of the OTR, leaving a lasting impact on the organization and its goals.

The government's investment in PSCs and minority stakes surged from Sh75.8 trillion in 2023 to an impressive Sh86.3 trillion in 2024.

This notable increase reflects a strategic shift towards enhancing the efficiency and performance of public entities.

Recently, the Treasury Registrar, Mr Nehemiah Mchechu, attributed this growth to ongoing reforms aimed at transforming institutional operations.

"This surge in investment signifies a broader vision to foster sustainability and resilience within the public sector," he stated.

A standout achievement was the government's increased stake in Sotta Mining Corporation, which rose from 16 percent to 20 percent.

"This strategic move, achieved through negotiations with Perseus Mining Limited, highlights the government's focus on maximizing ownership in key sectors," said Mr Mchechu.

The increase not only enhances potential dividends but also strengthens the government's influence in the mining industry, indicating a proactive approach to greater control and benefits from natural resources—essential for national revenue generation.

Furthermore, the partnership between the government and AMSONS Group to invest $320 million in expanding Mbeya Cement's production capacity illustrates a commitment to industrial development.

By increasing clinker production from 1,000 to 10,000 tonnes per day, this initiative promises to create jobs and bolster the construction sector, which is vital for economic growth.

Another significant achievement in 2024 was the turnaround of Tanzania Commercial Bank, which posted a loss of Sh37.73 billion in 2023 and rebounded to a net profit of Sh31.94 billion in 2024, according to unaudited financial statements.

This expansion highlights the importance of robust infrastructure in supporting sustainable development, demonstrating how public-private partnerships can effectively drive innovation and progress.

The OTR also excelled in financial accountability, receiving recognition as the second-place winner of the 2023 Excellence Award in the category of Financial Reporting for Ministries and Other Government Departments.

This accolade emphasizes the office's dedication to transparency and accountability.

Ms Lightness Mauki, the Director of Performance Management, Monitoring, and Evaluation – Commercial Entities at the OTR, credited this success to the collaborative efforts of the entire OTR team.

"Such recognition fosters public trust and confidence in governmental institutions, reinforcing the idea that good governance is intertwined with effective financial management," she underscored.

In addition to this milestone, the OTR made a significant shift toward self-sufficiency by enabling Tanzania Petroleum Development Corporation (TPDC) and State Mining Corporation (STAMICO) to operate solely on internal revenues, thereby reducing their dependency on government funding.

This initiative fosters a culture of financial independence within public institutions, allowing resources to be redirected towards other pressing national needs.

This approach reflects a long-term strategy to enhance the sustainability and resilience of public sector entities.

Alongside these efforts, the OTR's commitment to enhancing public engagement through a robust communication strategy yielded positive results.

Throughout the year, the OTR improved relationships with stakeholders by coordinating over 70 weekly meetings between public entities and media editors and journalists.

High-level conferences with institutional heads further clarified the OTR's mission and goals, ensuring alignment among various entities.

"This emphasis on communication is crucial in fostering transparency and encouraging informed public discourse," insisted the Treasury Registrar.

A landmark achievement in 2024 was the successful listing of a €17.8 million green bond (about Sh53 billion) by the Tanga Urban Water Supply and Sanitation Authority on the Luxembourg Stock Exchange.

This initiative marks the first green bond issued by a public institution in East Africa and reflects a growing commitment to environmental sustainability.

The bond's oversubscription by both domestic and international investors highlights increasing confidence in Tanzania's sustainable investment landscape, indicating promising opportunities for financing essential infrastructure projects.

Another significant achievement in 2024 was the turnaround of Tanzania Commercial Bank, which posted a loss of Sh37.73 billion in 2023 and rebounded to a net profit of Sh31.94 billion in 2024, according to unaudited financial statements.

In tandem with that, the year also saw the successful execution of the Deed of Handover and Transfer of Assets Agreement along with the Shareholders Agreement for the Mponde Tea Factory.

During the handover ceremony, the Treasury Registrar emphasized the importance of these agreements in revitalizing the tea industry in Tanzania.

He noted that the deed represents a pivotal moment that not only facilitates the transfer of ownership but also ensures the factory operates under a framework promoting transparency and efficiency.

This initiative is expected to enhance productivity and contribute to the national economy by increasing tea production and creating job opportunities.

While 2024 showcased significant achievements, it was also a year of sorrow for the OTR.

The organization honors the invaluable contributions of key figures, including the late Mr Mafuru, Dr Mashindano, and Mr Nnko.

Their passing has left a profound void, but their contributions to public sector reforms have left an indelible mark, and their legacies continue to inspire.

In a heartfelt tribute, Her Excellency President Dr Samia emphasized the importance of their work and the need to build upon their foundations as the OTR moves forward.

"We must honor the legacies of our beloved ones who are no longer with us to ensure a brighter future for the public sector,' underscored the Head of State."

Looking ahead, the Office of the Treasury Registrar remains committed to enhancing oversight and transformation within the public sector.

With a focus on sustainable development, financial independence, and improved communication, the OTR is positioned to navigate future challenges and seize new opportunities.

The achievements of 2024 serve as a testament to the resilience and dedication of the OTR, demonstrating a commitment to advancing the public sector for the benefit of all Tanzanians while honoring the memory of those who shaped its path.

Such recognition fosters public trust and confidence in governmental institutions, reinforcing the idea that good governance is intertwined with effective financial management... This emphasis on communication is crucial in fostering transparency and encouraging informed public discourse.

Government investments surge by 32pc

In the past five years, Tanzania has witnessed a remarkable 32.4 percent increase in government investments in Public and Statutory Corporations (PSCs), as well as in minority stakes.

Going by the data from the Office of the Treasury Registrar (OTR), total investments flew from Sh65.19 trillion in the 2019/20 financial year to Sh86.3 trillion in the 2023/24 fiscal year—a testament to the government's increasing focus on fostering a resilient economy.

Mr Nehemiah Mchechu, the Treasury Registrar recently attributed this growth to the government's ongoing efforts to transform public entities, with a view to boosting their efficiency and performance.

"This massive investment surge poses opportunities for growth in employment, innovation, and sectoral development," he stressed.

This surge reflects the government's commitment to enhancing public services and infrastructure, signaling a transformative approach to economic growth.

As the nation navigates evolving economic dynamics, this strategic investment in PSCs aims to foster resilience, drive development, and improve the quality of life for its citizens.

The OTR, under the leadership of Mr Mchechu, plays a crucial role in overseeing these investments in public and statutory corporations.

Rising Investments: A Steady climb

Over the past five years, total investments have consistently increased, reflecting a proactive approach to economic development.

In the 2019/20 financial year, the government invested Sh65.19 trillion in 287 PSCs, along with minority stakes in companies.

This figure gradually rose to Sh86.29 trillion by the 2023/24 fiscal year.

"Government's escalating investments in Public and Statutory Corporations, along with a clear strategy for minority stakes, represents a forward-thinking approach to economic development.

Breakdown of investments:

- 2019/20: Sh65.19 trillion (287 entities)
- 2020/21: Sh67.95 trillion (287 entities)
- 2021/22: Sh73.36 trillion (298 entities)
- 2022/23: Sh75.79 trillion (298 entities)
- 2023/24: Sh86.29 trillion (309 entities)

This upward trajectory signals a growing confidence in the public sector's ability to drive economic growth, particularly through infrastructural projects and service delivery enhancements.

Focus on Public and Statutory Corporations

The bulk of government investments has been directed towards PSCs, which have consistently absorbed a significant portion of the total investments.

For instance, in the 2023/24 fiscal year, Sh83.47 trillion was allocated to 253 institutions.

This reflects the government's strategic focus on enhancing public service efficiency and expanding essential services to citizens.

Interestingly, while the amount earmarked for public institutions has seen steady increases, investments in companies where the government holds minority stakes have also shown a notable rise.

From Sh2.21 trillion in 2019/20 to Sh2.82 trillion in 2023/24, this sector's growth reflects a nuanced strategy to leverage private sector partnerships and stimulate economic activity through collaborative ventures.

86.3tri/-

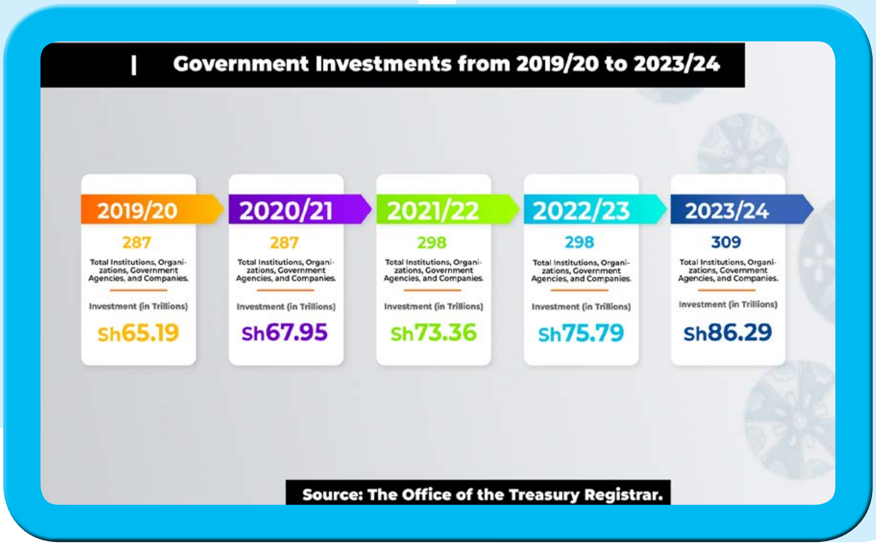
Amount of money in terms of investment marked in the 2023/24 fiscal year, reflecting a proactive approach to economic development.

Minority stake investments: A dual strategy

The allocation of funds to companies with minority stakes presents an intriguing dimension of government strategy.

This approach allows the government to maintain a degree of influence while benefiting from the innovation and efficiency often associated with private sector management.

The consistent increase in funds—rising from Sh2.21 trillion to Sh2.82 trillion—indicates a deliberate effort to foster private-public partnerships, ensuring that the government can tap into private sector expertise while also bolstering national economic objectives.



The road ahead: Opportunities and challenges

As Tanzania navigates the complexities of economic development, the government's investment strategy in PSCs, alongside minority stakes, offers a promising pathway.

However, this approach is not without its challenges.

The increasing number of entities receiving investments—from 287 in 2019/20 to 308 in 2023/24—requires robust oversight and effective management to ensure that these funds yield tangible results.

Mr Mchechu emphasizes the importance of strategic planning and accountability in these investments.

"As we move forward, it's crucial that we not only increase our investment, but also ensure that it translates into meaningful improvements in public services and economic resilience," he stated.

A blueprint for growth

The Tanzanian government's escalating investments in PSCs, along with a clear strategy for minority stakes, represents a forward-thinking approach to economic development.

By focusing on both public entities and strategic partnerships with the private sector, Tanzania is laying the groundwork for sustainable growth that can adapt to future challenges.

As the fiscal landscape continues to evolve, the government's commitment to transparency, accountability, and innovation will be vital in ensuring that these investments foster not just economic growth, but also improved living standards for all Tanzanians.

OTR Non-Tax Revenue surge by 526 percent in nine years

Non-tax cash generated by the government through the Office of Treasury Registrar (OTR) has surged by 526.1 percent over the past nine years, a trend that economists describe as an indicator of improved efficiency in public entities and increased diversity of revenue sources.

Going by the OTR data, non-tax revenue from Public and Statutory Corporations (PSCs) and minority interest corporations totaled Sh1.008 trillion in 2023, a significant increase from the Sh161 billion recorded in 2015.

With this performance, economists did not hesitate to give a big round of applause to the six-phase regime under Her Excellency President Dr Samia Suluhu Hassan for putting in place a conducive environment for public entities to operate efficiently and thus scale up their contribution to the government's coffers.

In 2023, the average contribution per entity showed that the 15 minority interest corporations contributed an average of Sh15.4 billion each, while the 108 contributing PSCs averaged Sh7.19 billion each.

"This promising performance comes amid a growing contribution from minority interest corporations into non-tax revenue, rising from 13 percent in 2015 to 23 percent in 2023," notes the OTR report.

Furthermore, contributions from public entities to the Consolidated Fund have increased significantly, from Sh58.25 billion in the 2019/20 financial year to Sh195.43 billion in the last financial year.

Dividends have been the largest source of OTR non-tax revenue, contributing an average of 47 percent over the past nine years, followed by the Contribution to the Consolidated Fund, Surplus and Other Remittances, Interest and Loan Repayment, and the Telecommunication Transfer Monitoring System Remittance.

Economists who recently shared their insights emphasized that the increase in non-tax revenue reflects improved efficiency among public entities, which is crucial for the country's development.

In this regard, the OTR office is exploring ways to enhance the efficiency of public entities to further increase non-tax revenue, which currently accounts for only three percent of the government's total domestic revenue.

Mr Nehemiah Mchechu, the Treasury Registrar stated that assessing how to grow each funding source more consistently is critical for significantly increasing contributions to the Consolidated Fund.

"We need to ensure the effective and sustainable contribution of public entities to national development by focusing on opera-

Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, poses with senior government and political leaders during the CEO Forum held in Arusha in August 2024.

tional excellence and commercial viability," he asserted, noting that 309 public entities fall under his office's oversight.

According to the United Nations Economic Commission for Africa, non-tax revenue is an essential yet often underutilized source of public revenue, particularly vital for African countries facing declining official development assistance, rising debt, and limited domestic resource mobilization capabilities.

Projections indicate that substantial financing will be necessary to achieve Africa's structural transformation and meet the goals of the 2030 Agenda for Sustainable Development and Agenda 2063.

Dr Lutengano Mwinuka, an economist from the University of Dodoma, underscored the importance of increasing non-tax revenue to complement tax revenue for financing development projects.

"We need to design non-tax revenue sources tailored to our economic context, development objectives, and target groups," Dr Mwinuka suggested.

From an economic standpoint, non-tax revenue instruments are far more diverse than tax instruments, indicating that Tanzania could collect more non-tax revenue by leveraging this reality.

Dr Mwinuka added that enhancing the autonomy of public parastatals could foster innovation and efficiency, ultimately increasing their contributions to government revenue.

This initiative has been one of the top priorities for the OTR.

The government is closely monitoring public entities prior to granting them autonomy, as part of broader efforts to enhance their efficiency.

"The efficiency of public parastatals can translate into greater contributions to the government's coffers," expressed Dr Mwinuka. It is clear that non-tax revenue holds the potential to be a significant source of revenue.

Dr. Mwinuka emphasized: "The diversity of non-tax revenue opens up opportunities to increase revenue and achieve other policy objectives."

Prof. Aurelia Kamuzora, an economist from Mzumbe University, echoed these sentiments, stating that broadening the scope of non-tax revenue will reduce reliance on tax revenue, thereby alleviating the burden on investors and stimulating investment in the country.

> "
> Improving collection efficiency in low-collecting countries could boost their average non-tax revenue to 4.5 percent of GDP, up from the current average of 2.6 percent. Countries need to adapt international standards for non-tax revenue mobilization to their unique contexts and implement good governance...

"Diversifying revenue sources will provide relief for investors, encouraging them to choose Tanzania as their preferred investment destination," insisted Prof. Kamuzora.

Effectively managing non-tax revenue programming is a crucial element of sound public financial management (PFM), which can significantly contribute to fiscal credibility and economic growth.

According to the International Monetary Fund (IMF), well-governed countries anchor their revenue collection activities in transparency by clarifying the reasons for collecting each type of revenue.

The Tanzanian government embodies this approach by closely monitoring revenue reporting and allocation to ensure that every cent collected is utilized efficiently.

This progress is attributed to Her Excellency President Dr. Samia Suluhu Hassan's strong political will to develop expertise in core departments and fiscal units.

The IMF states that consistent institutional development over time lays the foundation for more efficient and effective collection and allocation of non-tax revenue.

A tangible example of an outcome of the conducive business environment in Tanzania is the recent Sh3 billion dividend provided by Mbeya Cement Company Limited after reporting a profit of Sh161.3 billion, last year.

This is a remarkable achievement, particularly as the company had not issued dividends to the government for the past ten years.

Owned jointly by the Switzerland-based Amsons Group (65 percent), government, through the Office of Treasury Registrar (25 percent), and National Social Security Fund (10 percent), the company has struggled financially since 2014.

A bigger picture

Non-tax revenue significantly contributes to government revenue in Africa, averaging 4.5 percent of Gross Domestic Product (GDP). However, many countries are still collecting below their potential, according to the United Nations Economic Commission for Africa.

Improving collection efficiency in low-collecting countries could boost their average non-tax revenue to 4.5 percent of GDP, up from the current average of 2.6 percent.

Countries need to adapt international standards for non-tax revenue mobilization to their unique contexts and implement good governance practices to improve institutions, policies, and regulatory and administrative processes.

The composition of non-tax revenue varies across countries, largely depending on each country's efforts to innovate and diversify revenue sources.

This is how OTR's Non-Tax Revenue can reach 10pc

In August 2024, Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, expressed her ambition to see Non-Tax Revenue (NTR) from Public and Statutory Corporations (PSCs) and minority interest corporations account for 10 percent of domestic revenue within the next five years.

Currently, the contribution of NTR collected by the Office of the Treasury Registrar (OTR) stands at only three percent.

At this juncture, economists have shared their insights on how the contribution can be scaled up.

Experts agree that no miracles will occur to achieve a higher NTR target unless the revenue base is broadened.

For the past nine years, dividends have been the largest contributor to NTR, averaging over 47 percent.

Other contributors include Contributions to the Consolidated Fund, Surplus and Other Remittances, Interest and Loan Repayment, and Telecommunication Transfer Monitoring System (TTMS) remittances.

Prof Abel Kinyondo, an economist from the University of Dar es Salaam, recently emphasized that expanding the revenue base is essential to achieving fair and sustainable growth.

"We can broaden the NTR base by expanding the formal economy," said Prof Kinyondo.

He further explained, "Our formal economy is still very small. The government must continue fostering a business-friendly environment to incentivize those in the informal sector to transition into the formal economy."

Indeed, this is what the sixth phase regime under Her Excellency President, Dr Samia Suluhu Hassan has been doing since she took power on March 31, 2021.

This pro-business approach is conveying a positive message to investors, and has started yielding positive results.

This could be attested to the latest data, which show a 53 percent increase in a value of registered projects.

According to the 2023 National Investment Report, released in mid-September of last year, projects registered in 2023 were valued at $8.66 billion (about Sh21.5 trillion), up from $5.66 billion (about Sh14.1 trillion) in 2022.

Additionally, the number of registered projects increased by 15.2 percent to 9,678 across various sectors.

Dr Daudi Ndaki, an economist from Mzumbe University, urged the government to sustain efforts to improve the business environment to attract more participants in the formal sector.

He recommended that the government leverage expert knowledge to optimize existing revenue sources without overburdening any individual or group.

"Experts should also help the government explore innovative NTR sources to increase revenue without placing unnecessary pressure on a few contributors," added Dr Ndaki.

This aligns with Her Excellency President, Dr Samia's vision.

The Head of State has consistently emphasized the need for friendly tax administration to attract both local and foreign investors.

"We need businesses to flourish so that people can fully reap the rewards of their efforts," she publicly stated several times.

Dr Ndaki said President Samia also highlighted the need to reinvest a significant portion of State-Owned Enterprises' (SOEs) earnings into their core activities to enhance efficiency and generate more revenue.

"When SOEs operate efficiently, they

> "We can broaden the Non-Tax Revenue base by expanding the formal economy... We need businesses to flourish so that people can fully reap the rewards of their efforts.

Board chairpersons and CEOs of Public and Statutory Corporations, as well as companies in which the government is a minority shareholder, closely follow the dividend issuance event at State House in Dar es Salaam in July 2024.

will naturally contribute more to the OTR's NTR," he explained.

Globally, a country's economy is the cornerstone of its development, and NTR plays a crucial but often underappreciated role in economic growth.

"It is essential to study NTR management systems to understand their impact on economic development fully," noted Dr Ndaki.

Treasury Registrar, Mr Nehemiah Mchechu, has pledged to improve the performance of public entities to increase their revenue contributions.

"We are committed to enhancing the efficiency of SOEs through better oversight," said Mr Mchechu. He added, "This will be the catalyst to elevate the performance of public entities to a higher level."

Speaking recently at a workshop on a 25-year strategic plan, Mr Mchechu stressed the need to generate NTR from productive activities rather than relying on penalties and fines.

"We aim to ensure that public entities contribute effectively and sustainably to national development by focusing on operational excellence and commercial viability," he emphasized.

"Penalties and fines are not a sustainable solution for our economy. We must develop strategies that broaden the base of healthy NTR," he added.

Dr Tobias Swai, Head of the Finance Department at the University of Dar es Salaam Business School, advised that public entities should invest in sectors that cater to a broad segment of Tanzanians.

He identified key areas for investment, including financial services, insurance, real estate, tourism, transportation, and agriculture.

However, Dr Swai cautioned that investment should go hand in hand with efficient service delivery.

"The government must strengthen SOEs to enable them to capitalize on available opportunities," he said.

He concluded, "We need robust leadership and transparent hiring processes, particularly in commercial-oriented entities, to drive sustainable growth."

Govt's shares in Sotta Mining climb to 20pc

The government's free carried interest shares in the SOTTA Mining Corporation has climbed from 16 percent to 20 percent, according to the Treasury Registrar, Mr. Nehemiah Mchechu.

This is the first mining company in which the government, through the Office of Treasury Registrar (OTR), has increased its ownership from 16 percent to 20 percent, thanks to the government's pro-business approach under Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania.

In accordance with the Mining Act 2010 (as amended in 2017), 16 percent is a minimum share that the government is entitled to acquire in the capital of any mining company, which is subjected to mineral type and the level of investment.

The Treasury Registrar, Mr. Nehemiah Mchechu, said recently that the increase in its free-carried interests to above a threshold of 16 percent follows a positive discussion between the government through his office, and the joint investor, the parent company Perseus Mining Limited of Australia.

> "The increase in shares will result in a higher dividend for the government as a shareholder. Additionally, the government will benefit from other economic advantages generated by the project.

"Investors are impressed by the friendly business environment fostered by the Sixth Phase regime under Her Excellency, President Dr. Samia Suluhu Hassan, which is why they did not hesitate to increase our free carried interest shares," emphasized Mr. Mchechu.

"The increase in shares will result in a higher dividend for the government as a shareholder. Additionally, the government will benefit from other economic advantages generated by the project."

For his part, SOTTA Mining Corporation Chief Financial Officer, Mr. Isaac Lupokela, attributed an increase of free carried interests to the effective efforts of the OTR and the Ministry of Minerals.

He said this as he was recently briefing Her Excellence President Samia over the weekend during a climax of a two week Seventh Mining Technology Exhibition that was held in Geita.

Mr. Lupokela reaffirmed the SOTTA Mining Corporation's commitment to delivering the first major gold mine (Nyanzaga) at a value of an eye-watering $500 million (about Sh1.4 trillion).

The icing on the cake, the project to be delivered in over 15 years, is set to offer 1,500 jobs to Tanzanians.

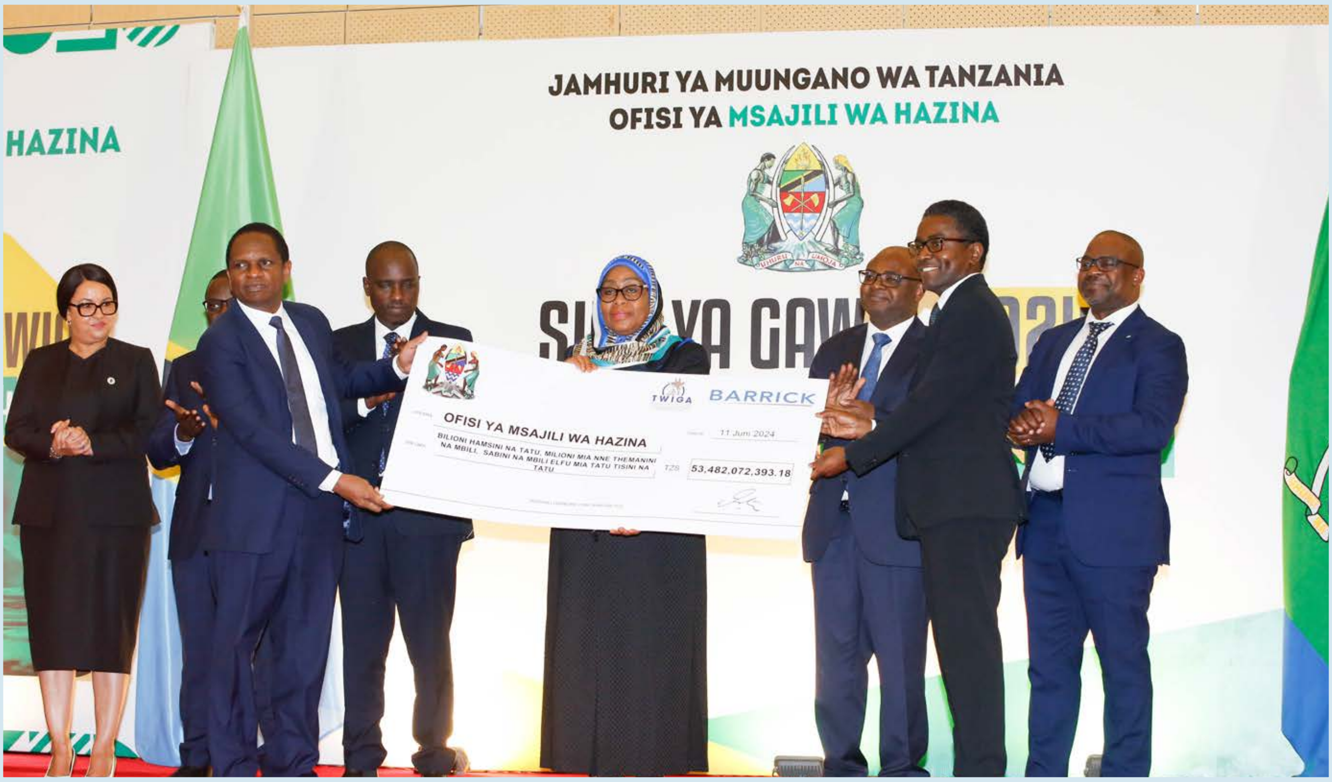
"Our investment is an outcome of good policies in this country under Her Excellence President, Dr. Samia Suluhu Hassan," he uttered.

He stated that the company has already paid over 94 percent of the compensation to facilitate the project's initiation.

He added that the remaining six percent will not be disbursed until the land conflict faced by the owners is resolved.

The government has already started benefiting from the project.

In April and May last year, the company paid the government a total of $16 million (about Sh43.6 billion at an exchange rate of Sh2,724) in capital gain tax.



Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, receives a dummy check of Sh53.5 billion as a dividend from the Barrick and Twiga Country Manager, Dr Melkiory Ngido (right), and Mr. Andrew Mwangakala, a member of the board of directors for Twiga Minerals Bulyanhulu Gold Mine and North Mara Gold Mine Ltd. The event took place on July 11, 2024.

OTR aims to operate like a holding company

What would happen if the Office of the Treasury Registrar (OTR) operated more like a holding company? This is the question that is driving a significant shift in how the OTR plans to manage state-owned entities.

With a focus on enhancing efficiency and maximizing returns from the staggering Sh86.3 trillion invested in Public and Statutory Corporations (PSCs) and minority interest corporations, the OTR is determined to redefine its role and impact.

This investment encompasses a total of 309 entities under the oversight of the OTR, with 253 being purely public entities and 56 representing minority stakes.

Under the guidance of the Treasury Registrar, Mr Nehemiah Mchechu, the OTR aims to fine-tune operations of these entities by adopting a holding company model.

This approach prioritizes oversight over direct management, enabling the OTR to concentrate on strategic guidance while public entities, as subsidiaries, manage their day-to-day operations.

The motivation behind this transition stems from concerns about inefficiency and the low contribution of public institutions to the country's Gross Domestic Product (GDP).

Currently, the contribution from Non-Tax Revenue collected by the OTR from Public and Statutory Corporations (PSCs) and minority stakes is just three percent of domestic revenue.

The ambitious goal is to increase this figure to ten percent within the next five years, in accordance with directives issued by Her Excellency President Dr Samia Suluhu Hassan in August of last year.

To further support this transformation, the government, through the OTR, recognizes the importance of granting greater independence to strategic and commercially driven entities.

By allowing these organizations to operate with increased autonomy in certain areas, OTR aims to enhance their ability to achieve their goals effectively.

This shift is not just about numbers; it's about instilling a culture of accountability and productivity within state-owned entities.

To ensure that this newfound independence translates into tangible results, OTR will implement criteria to identify eligible institutions and measure the outcomes of this autonomy.

These criteria are already established and will be clearly defined, allowing for accountability while empowering PSCs to innovate and respond to market demands more effectively.

Through this initiative, OTR is committed to fostering an environment where these entities can thrive and contribute more significantly to the national economy.

Mr Mchechu has consistently emphasized that the OTR should not view itself merely as a regulator, but rather as a collaborative partner in the governance of these institutions.

"My office needs to operate like a holding company," he asserted recently, highlighting the need for engagement while maintaining the authority.

This model promises to foster a collaborative environment where creativity and innovation can thrive, ultimately benefiting the government and the public.

State-owned entities play a vital role in the economy, contributing to 20 percent of employment in the country.

Mr Mchechu encouraged these organizations to be proactive in enhancing productivity.

"Commercial-oriented entities should work round the clock to ensure they increase their contribution to the government coffers," he advised, calling for a mindset shift that embraces efficiency and creativity.

In this context, Mr Mchechu commended the Tanga Urban Water Supply and Sanitation Authority (Tanga-UWASA) for their innovative use of bonds to raise Sh54.72 billion for infrastructure development.

Such initiatives not only improve access to clean water but also illustrate the potential for state-owned entities to seek alternative financing avenues.

Furthermore, non-commercial institutions are urged to enhance their efficiency and reduce dependency on government funding.

Mr Mchechu's call to action is clear: state-owned entities must be creative and resourceful in finding new financial solutions, whether through loans or other arrangements.

Ultimately, the success of this transformation rests on the shoulders of leadership.

Mr Mchechu called on the board chairmen of public entities to uphold strict governance standards as a demonstration of support for President Samia's commitment to fostering a conducive business environment.

This political will is crucial in attracting both local and foreign investors, and it is the responsibility of state-owned entities to complement these efforts by providing excellent services.

As the OTR prepares to embark on this new journey, the potential benefits of operating like a holding company are immense.

It presents an opportunity to enhance the effectiveness of state-owned entities, ensuring they contribute more significantly to the nation's economy and ultimately improving the lives of citizens.

The time for change is now, and with a focused strategy, the OTR is poised to lead the way.

Reforming TZ's public enterprises for a pro-business future

Across Tanzania, a sweeping reform effort is underway, fostering a pro-business environment and targeting the country's public sector and its state-owned enterprises (SOEs).

These commercial public entities, which have traditionally struggled to balance service delivery with financial sustainability, are now being restructured to operate more efficiently and profitably.

At the forefront of this transformation is the Office of the Treasury Registrar (OTR), under the leadership of Mr Nehemiah Mchechu.

"Our intention is to make commercial public institutions adopt a corporate mindset, so they can offer better services, attract more customers, and eventually become profitable," Mr Mchechu explained recently.

His office is guiding the transformation process, focusing on improved governance, enhanced operations, and long-term sustainability for these entities.

Redefining the role of public enterprises

Historically, majority of Tanzania's public institutions with commercial faces have been reliant on government subsidies, often perceived as a burden on the national budget.

However, the reforms aim to reduce this dependency by transforming these institutions into profit-driven entities that still serve the public good.

The government does not intend to compete with the private sector but seeks to build the capacity of these entities to operate effectively, sustainably, and profitably.

To achieve this, leadership within public institutions will be strengthened.

Mr Mchechu emphasized that going forward, directors, board members, and chairpersons of state-owned enterprises must possess relevant sector-specific expertise.

These leaders will be tasked with driving the institutions towards higher performance, embracing efficiency, and meeting profitability goals while adhering to the core principle of public service.

"The government's goal is not to do business but to help state-owned enterprises become more efficient and self-reliant, contributing to the economy," said Mr Mchechu.

The OTR has plan on cards to oversee these institutions by acting as a holding company, which would ensure they meet performance targets while allowing them the autonomy to manage their daily operations effectively.

Economists back the vision

Economists are largely supportive of the

reforms, seeing them as crucial for the country's economic growth.

Dr Lutengano Mwinuka, an economist from Dodoma University, recently stressed the importance of adopting private-sector management practices to increase efficiency and competitiveness in public institutions.

"There is a misconception that the government should not engage in business," said Dr Mwinuka.

"However, the reality is that public institutions need to incorporate business practices in order to be efficient and effective."

For these institutions to reach their full potential, Dr Mwinuka advocated for collaboration with the private sector.

"Public institutions cannot do it alone. They need the expertise, resources, and global best practices that the private sector can provide," he said.

This emphasis on collaboration highlights a broader perspective shared by Dr Donath Olomi, a business expert and an economist, who argued that public enterprises have the potential to make a significant economic impact.

"Even though the main goal of public institutions is to deliver services, they must operate with efficiency, quality, and innovation to have a positive impact on the economy," Dr Olomi explained.

Shifting to a results-oriented approach

The reforms also emphasize a shift in how public institutions are managed and evaluated.

Dr Olomi pointed out the need for a results-oriented approach to governance, where the focus is on outcomes rather than just inputs.

Public entities should be held accountable for the quality of their services and the impact they have on citizens.

Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, poses for a photo with Mr. Martin Kilimba, Chairperson of the Tanzania Commercial Bank Board of Directors (left), and Mr. Adam Mihayo, the bank's CEO (right). This was on July 11, 2024, at State House in Dar es Salaam, after the bank received a trophy for being the first runner-up in the category of Most Revamped Contribution to the Government Consolidated Fund 2024.

"To achieve the desired outcomes, the leadership of public institutions must be competitive and focused on results," Dr Olomi stated.

"There should be robust performance indicators and greater autonomy in decision-making to ensure that these entities operate efficiently and effectively."

Prof Abel Kinyondo, an economist from the University of Dar es Salaam, also supports this shift but adds a crucial caveat.

While public institutions should adopt businesslike practices, he emphasized that their primary objective should remain 'the maximization of service delivery', not profit generation.

"Public institutions should not be driven by profit maximization at the expense of citizens," Prof Kinyondo warned. "The focus should always be on delivering efficient, quality services."

A path toward financial independence and national growth

With 308 entities in operation---comprising 252 institutions, corporations, and government agents, Tanzania is investing heavily in these enterprises, which collectively contribute to 20 percent of employment in the country.

The government has invested Sh86.3 trillion to these entities, and the new reforms aim to ensure that this investment yields significant returns.

The transformation of public institutions is not just about improving profitability—it is also about reducing the financial burden on taxpayers.

By becoming more efficient, these institutions will require fewer government subsidies and will be able to contribute to the national budget, potentially paying dividends to the government.

These reforms are designed to help state-owned enterprises thrive without relying on state funding, creating a more sustainable and efficient public sector.

As Prof Kinyondo pointed out, public institutions can serve as a model of efficiency, providing high-quality services while still making a positive impact on the economy.

A vision for the future

The ongoing transformation of Tanzania's public sector has the potential to redefine the role of state-owned enterprises in the economy.

With their contributions to employment, public service delivery, and national development, these entities are a critical part of the country's growth story. However, their ability to generate real economic impact depends on how effectively they can adopt a businesslike approach, improve service quality, and maximize efficiency.

By implementing these reforms, Tanzania is positioning its public enterprises to become not only self-sustaining but also key drivers of economic growth.

As state-owned enterprises become more businesslike, focusing on outcomes and results, they will better serve the public and contribute to the national economy.

In this new era, public institutions can achieve both profitability and public value, ensuring a brighter future for all Tanzanians.

Is 'Earned Autonomy' the key to improving Public Sector Entities?

The government, through the Office of the Treasury Registrar (OTR), has set in motion a significant reform to transform how the public sector operates.

Central to this transformation is the idea of earned autonomy—where Public Sector Entities will gain increased operational independence based on their performance and ability to meet specific criteria.

This strategic shift is designed to reduce reliance on the central government, enhance public sector efficiency, and encourage greater contributions to the national economy.

As Mr Nehemiah Mchechu, the Treasury Registrar, recently pointed out, the government is closely monitoring State-Owned Entities (SOEs) before granting them greater autonomy.

"We want the public entities we oversee to operate efficiently so that they can reduce their reliance on the central government and increase their contributions to the government's consolidated fund," he stated.

With the OTR overseeing 309 government institutions, corporations, agencies, and companies in which it holds minority stakes, the move toward earned autonomy represents a critical step in reforming the management of public entities in Tanzania.

What Does "Earned Autonomy" mean for Public Sector Entities?

Earned autonomy for public sector entities is not granted automatically—it is earned over time based on an institution's ability to meet a set of rigorous criteria.

These criteria are designed to ensure that entities are truly ready to operate independently and contribute to national development.

As part of the government's strategy to grant earned autonomy, several key benchmarks must first be met to ensure public institutions are capable of operating independently while contributing effectively to the national economy.

Public entities must demonstrate strategic alignment with Tanzania's national objectives.

They are expected to contribute to broader national goals, such as economic growth, social welfare, and national security, while ensuring their operations support the country's long-term development agenda.

In addition, these institutions must prove their ability to generate non-tax revenue.

This would significantly reduce their reliance on state funding and allow them to contribute meaningfully to the government coffers.

Some services, especially those related to national security and public safety, are considered highly sensitive and require close oversight.

Only institutions capable of managing such critical services independently will be granted greater autonomy.

Public institutions must also show they can operate commercially, competing in both domestic and international markets, without relying on government subsidies or handouts.

The ability to function in a competitive market environment is essential for ensuring long-term financial sustainability.

Moreover, the services provided by these entities must have a multiplier effect, benefiting multiple sectors of the economy and contributing to broader economic growth.

The positive impact of their operations should extend beyond their immediate functions.

"Through these benchmarks, the government aims to ensure that only the most capable and efficient public sector entities are granted operational independence," underscored Mr Mchechu.

This, in turn, he explained, will lead to improved efficiency, innovation, and financial sustainability—ultimately contributing to Tanzania's long-term prosperity.

The overarching goal of granting earned autonomy is to empower public sector institutions to take greater control over their decision-making and operations, with the expectation that this increased flexibility will lead to better performance and enhanced contributions to national development.

Balancing autonomy with accountability

Mr Mchechu asserted that while earned autonomy allows public institutions more operational freedom, it does not come without oversight.

In fact, the challenge lies in balancing autonomy with accountability.

"The government will not simply grant autonomy to any institution—it will

> "
> **We want the public entities** we oversee to operate efficiently so that they can reduce their reliance on the central government and increase their contributions to the government's consolidated fund...
> **Through these benchmarks,** the government aims to ensure that only the most capable and efficient public sector entities are granted operational independence.

monitor performance closely," insisted Mr Mchechu.

To ensure that these entities remain on track and aligned with national goals, result-based management tools will be introduced.

These tools will track outcomes and ensure that the entities are contributing positively to the economy and society.

This balance between autonomy and oversight is often referred to as the paradox of autonomization—the idea that institutions can become more efficient with more freedom, but only if they are held accountable for their results.

Learning from high-performing organizations

The concept of earned autonomy isn't entirely new. It aligns with practices observed globally, where high-performing organizations are given greater operational freedom after proving their competence. A study by the UK-based think tank Demos, in the article System failure: Why governments must learn to think differently, suggests that successful organizations should be rewarded with fewer regulations and less oversight.

Conversely, entities that underperform are given enhanced support to improve their operations.

If these efforts fail, more aggressive interventions—including leadership changes or funding cuts—are implemented.

This performance-driven model offers a way forward for Tanzania's public sector. By rewarding high-performing institutions with greater autonomy, the government can foster an environment where efficiency and innovation thrive.

The future of Tanzania's Public Sector

As Tanzania moves forward with this reform, the concept of earned autonomy holds great promise for improving the public sector.

However, the success of this approach will depend on the careful implementation of the criteria and the ongoing monitoring of institutions as they work toward greater independence.

Public entities that demonstrate their ability to meet the criteria will be granted more operational freedom, which could lead to more efficient and self-sustaining organizations.

These institutions will not only reduce their dependence on the government but also contribute more significantly to national development, creating a healthier, more competitive economy.

If the government can strike the right balance between granting autonomy and maintaining accountability, earned autonomy could indeed prove to be the key to a more efficient, independent, and prosperous public sector in Tanzania.

Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, shares a moment with Mr. Martin Kilimba, Chairperson of the Tanzania Commercial Bank Board of Directors (left). Looking on from right is Mr Adam Mihayo, the bank's CEO (right). This was on July 11, 2024, at State House in Dar es Salaam, after the bank received a trophy for being the first runner-up in the category of Most Revamped Contribution to the Government Consolidated Fund 2024.

CEOs of various institutions closely follow the dividend issuance event at the State House, Dar es Salaam, on July 11, 2024.

Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, examines a framed picture featuring her photo and the 4R philosophy, presented to her by the Minister of State, President's Office (Planning and Investment), Hon. Prof. Kitila Mkumbo, and the Treasury Registrar, Mr Nehemiah Mchechu. The event took place in August 2024 during the CEO Forum.

Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, along with CEOs of various institutions and other senior government officials, follow the dividend issuance event at State House, Dar es Salaam, on July 11, 2024.

Transforming Public Entities: A path to greater efficiency

Mr. Nehemiah Mchechu, the Treasury Registrar

In an era marked by rapid technological advancements and evolving societal expectations, public entities are under increasing pressure to transform.

This transformation is not merely a trend; it is a necessity for improving services, enhancing citizen engagement, and fostering a more efficient government.

In this transformative journey, the Office of the Treasury Registrar (OTR) has emerged as a beacon of progress, spearheading a series of initiatives designed to enhance the performance of Public and Statutory Corporations (PSCs).

A key element of these initiatives is the strategic granting of autonomy to public entities, fostering an environment ripe for creativity and enables swift decision-making.

The government's overarching goal is to empower these entities to adopt a pro-business stance, reducing their reliance on the Central Government, and scaling up their contribution to the consolidated fund.

The government believes that it is by allowing these enterprises to operate with greater independence and minimal interference, that they can better meet market demands and improve overall efficiency.

Recently, Mr Nehemiah Mchechu, the Treasury Registrar, announced that his office was closely monitoring PSCs for potential autonomy.

He aims for all 308 PSCs, with an investment capital of Sh86.3 trillion as of June 2024, to operate efficiently and deliver value for money.

Currently, only 91 of these entities are operating commercially.

This raises concerns as non-commercially viable PSCs place a financial burden on the state, necessitating subsidies that could be better allocated to public services or infrastructure.

This scenario underscores the need for reform, possibly through restructuring or the adoption of market-oriented practices to enhance performance.

However, any changes must carefully balance public interests with economic sustainability to ensure that the objectives of the PSCs align with the broader goals of the state.

On the other side, of the 91 enterprises which are commercially viable, those which are 100 percent owned by the government, are only 35.

On the other side, the majority of commercially viable firms, 56, have the government as a minority shareholder and only 35 as 100 percent shareholder.

If the majority of commercially viable firms, have the government as a minority shareholder, it suggests that the private sector plays a dominant role in the economy.

This situation can be both a blessing and curse.

With private firms leading, market forces may drive innovation and efficiency, this is a blessing.

These firms are likely to be more responsive to consumer demands and competitive pressures.

However, on the other side of the coin, the government, as a minority shareholder, may have limited influence over the strategic decisions of these firms. This can mean that public interests are not fully represented in corporate governance.

It is on those grounds that the TR said in the ever-evolving landscape of governance, embracing transformational change within public entities is not merely a choice; it is an imperative.

"Transformation is not a walk in the park. However, we have no choice, but to embrace it," underscored Mr. Mchechu.

Barack Obama, the former US President once said: "Change will not come if we wait for some other person or some other time. We are the ones we have been waiting for. We are the change that we seek."

This is a call to action for individuals within public entities to innovate and drive transformation. The government's commitment to transformation not only invigorates public organizations, but also ensures they remain responsive to the aspirations of the communities they serve.

Citizens expect their government to not only provide services, but to do so in a way that is efficient, user-friendly, and innovative.

As populations grow and become more diverse, public entities must adapt to meet the varying needs of their constituents.

This requires a shift from traditional methods to more agile, technology-driven approaches.

Mr Thobias Makoba, the former government chief spokesperson, recently stated that effective communication is essential for the successful transformation of Public and Statutory Corporations (PSCs).

He emphasized that clear communication fosters a shared understanding of the vision and objectives behind the transformation process.

"When leaders articulate the reasons for change and the expected benefits, employees are more likely to embrace new initiatives," insisted Mr Makoba, who was recently appointed as Ambassador by Her Excellency Dr Samia Suluhu Hassan. President of the United Republic of Tanzania.

As Simon Sinek, an English-born American author and inspirational speaker on business leadership, aptly puts it: "People don't buy what you do; they buy why you do it."

.... The same principle applies to employee engagement – when employees understand and connect with the "why" behind their work, they are more likely to be engaged and committed to the organization's success.

Sahara Ventures Chief Executive Officer Jumanne Mtambalike said in the recent past that in public organizations, transformational change typically involves adopting new ways of thinking and operating to improve service delivery, increase efficiency, and meet the evolving needs of citizens.

"This change is systemic, often affecting the entire organization, and aims to shift mindsets, improve capabilities, and enable long-term positive impacts," he asserted.

Transformational change, he emphasized, is different from incremental change, which focuses on small improvements. It requires, he went further to say, reimagining the organization's mission, governance, structure, and interaction with stakeholders.

The key drivers of transformational change in public institutions include strong leadership with a clear vision and technological advancements that enhance efficiency and service delivery.

They also include policy and regulatory shifts that align institutions with new mandates and reforms, and growing citizen and stakeholder demands for transparency, accountability, and better services.

"Together, these drivers push institutions to innovate, adapt, and improve their operations to meet evolving societal needs," concluded Mr Mtambalike.

> "Transformation is not a walk in the park. However, we have no choice, but to embrace it.

91

The number of entities which currently are operating commercially.

Winston Churchill, the former Prime Minister of the United Kingdom once said: "To improve is to change; to be perfect is to change often."

This highlights the necessity of adapting for sustainable progress.

Dr Lufunyo Hussein, the Principal of Bandari College, recently emphasized the importance of adaptation for public entities to improve their efficiency and effectiveness.

He stressed that successful transformation requires a commitment to employee training.

Best practices suggest that organizations should invest up to 10 percent of their wage bill in training during transformative periods to ensure that employees are equipped with the necessary skills and knowledge.

Peter Drucker, Austrian-American consultant and educator, once said: "The best way to predict the future is to create it."

This emphasizes the proactive role that training plays in shaping the future of organizations.

Across the globe, several public entities are leading the way in transformation:

Estonia: Often cited as a digital government pioneer, Estonia has integrated e-governance into nearly every aspect of public service.

Citizens can access a wide range of services online, from voting to healthcare, making government interaction seamless and efficient.

Singapore: The Smart Nation initiative aims to harness technology to improve the quality of life for citizens.

With extensive data collection and analysis, Singapore's government can respond quickly to citizen needs and optimize urban planning.

Barcelona, Spain: By implementing a participatory budgeting process, Barcelona has empowered citizens to have a direct say in how public funds are allocated.

This initiative has not only increased engagement, but has also led to more relevant and impactful projects.

The transformation of public entities is not just a response to external pressures; it is a proactive approach to creating a more effective, responsive, and inclusive government.

By embracing technology, prioritizing citizen engagement, and fostering a culture of innovation, public entities can navigate the complexities of the modern world and emerge as leaders in public service.

The future is bright for transformed public entities, where efficiency meets engagement, and citizens are at the heart of governance.

OTR shines in financial reporting award

The Office of the Treasury Registrar (OTR) has garnered significant recognition by securing second place in the 2023 Excellence Award for Financial Reporting in the Ministries and Other Government Departments category.

This prestigious event, organized by the National Board of Accountants and Auditors (NBAA), took place on the evening of November 29, 2024, at the APC Conference Hall in Mbweni-Bunju, Dar es Salaam.

This achievement is noteworthy not only for its immediate recognition but also for what it signifies about the OTR's commitment to financial transparency and accountability.

Ms Lightness Mauki, the Director of Performance Management, Monitoring, and Evaluation – Commercial Entities, attributed this success to the strong leadership of Treasury Registrar Mr Nehemiah Mchechu.

She emphasized that effective leadership is a critical factor in cultivating a culture of excellence in financial reporting.

"This achievement would not have been possible without the invaluable guidance of the Treasury Registrar," Ms Mauki stated after the awards ceremony.

This acknowledgment highlights the importance of leadership in fostering an environment conducive to high performance.

Ms Mauki further articulated that the win was the result of collective effort within the OTR, citing the unity among the Treasury Registrar, Audit Committee members, management, and all staff.

This underscores the role of teamwork in enhancing operational efficiency and effectiveness.

> “Good financial management practices encourage institutions to maintain accurate financial records. Our goal as the Office of the Treasury Registrar is to continue improving and achieving even more.

In a sector where collaboration is crucial, the OTR's success serves as a case study for other public institutions striving for similar achievements.

"Good financial management practices encourage institutions to maintain accurate financial records. Our goal as the Office of the Treasury Registrar is to continue improving and achieving even more," she added.

This statement reflects a forward-looking approach, emphasizing continuous improvement—a vital aspect in an era where accountability and transparency are under increasing scrutiny.

The recognition not only cements the OTR's reputation as a model of financial discipline and excellence but also serves as an impetus for other government entities to elevate their own financial reporting standards.

By setting a benchmark, the OTR demonstrates that a commitment to excellence in financial practices is not merely a goal but a fundamental requirement for effective governance.

As the OTR moves forward, it faces the challenge of sustaining this momentum while further enhancing its practices to meet evolving standards of transparency and accountability.

The success in the financial reporting award can be seen as both a recognition of past achievements and a stepping stone toward future advancements in public financial management.

Ms Lightness Mauki, Director of Performance Management, Monitoring, and Evaluation – Commercial Entities at the Office of the Treasury Registrar (OTR), receives an award after the office was named the second winner of the 2023 Excellence Award for Financial Reporting in the Ministries and Other Government Departments category. The awards were presented on November 29, 2024, by the National Board of Accountants and Auditors (NBAA) in Dar es Salaam.

The Office of Treasury Registrar's Revolution in Board Evaluations

In the ever-evolving world of institutional management, the Office of the Treasury Registrar (OTR) has taken a significant step forward in transforming how evaluations of the boards of Public and Statutory Corporations (PSCs) are conducted.

Once reliant on manual processes, which were often slow and inefficient, the OTR has embraced a modern solution that promises to revolutionize the way it oversees institutions.

This major shift came in response to the challenges faced by the office in completing board evaluations for all institutions in a timely manner.

The traditional method of conducting evaluations manually resulted in missed deadlines and incomplete assessments, leaving some institutions under-evaluated and lacking proper oversight.

The need for change was undeniable, and the solution was clear: digitize the evaluation process.

As Mr Satya Nadella, the CEO of Microsoft, aptly put it: "Our industry does not respect tradition---it only respects innovation."

Mr. Nadella's focus on innovation highlights the importance of automating and modernizing traditional systems, such as board evaluations, to stay competitive and efficient.

The Online Board Evaluation Tool

The Treasury Registrar, Mr Nehemiah Mchechu, said recently that in line with directives to strengthen institutional management, his office has introduced a groundbreaking online board evaluation tool.

This new system, he explained, marks a pivotal moment in the office's ongoing efforts to improve efficiency and accountability in government institutions.

"By moving away from paper-based processes, we have harnessed the power of technology to streamline board evaluations, reducing the time required for completion and making the process more transparent," asserted Mr Mchechu.

The online tool allows for faster, more accurate assessments, ensuring that all institutions are evaluated without delay.

The system, according to Mr Mchechu, eliminates the bottlenecks previously caused by manual handling, allowing for smoother operations and better results.

The evaluation process is conducted in accordance with Section 10(2)(e) and 10(5) of the Treasury Registrar (Powers and Functions) Act CAP 370. This legal mandate underscores the importance of governance oversight within PSCs.

Through this initiative, the OTR ensures that PSCs' boards operate efficiently, adhere to regulations, and effectively utilize resources.

"The transition to an online board evaluation system is a game-changer for our office. We have long recognized the challenges posed by the manual system, and this innovation has allowed us to overcome those barriers," said Mr Mchechu.

He went on to say: "It not only ensures that institutions are evaluated on time, but it also guarantees the quality and consistency of our assessments.

"The success we have seen in just one year, surpassing our target by 102 percent, is a clear testament to the effectiveness of this system," said Mr Mchechu.

In the 2023/24 financial year, he elaborated, 72 PSCs were evaluated, exceeding the initial target of 70 PSCs.

This achievement demonstrates not only the system's efficiency but also its scalability and effectiveness in meeting the OTR's goals.

Mr Mchechu emphasized that the success of this initiative aligns with the broader goals of enhancing transparency, accountability, and efficiency in government processes.

"This digital tool is just the beginning. We are committed to continuous improvement," he further said.

Adding: "As we refine the system, we will not only increase the number of evaluations, but also improve the quality and speed of our assessments."

The impact of this change, he expounded, will be felt for years to come, as we continue to strengthen institutional management across the country.

Achievements of PSCs' Boards

The board performance evaluation, which covered 72 PSCs during the 2023/24 financial year, revealed remarkable achievements among the PSCs.

According to the PSCs' Board Performance Evaluation Report for the 2023/24 Financial Year, during the period, boards demonstrated strong governance through effective supervision, improved stakeholder engagement, and the implementation of performance improvement strategies.

"Boards of directors in evaluated PSCs ensured the timely and accurate implementation of government directives," reads a part of the report.

Adding: "By providing oversight and guidance, these boards helped align PSCs operations with national development goals."

The evaluation also revealed how boards effectively supervised government projects within PSCs.

They ensured adherence to project timelines, budgets, and quality standards.

Their rigorous monitoring and evaluation have contributed to better project delivery, supporting the government's development agenda.

In addition, boards established strategies to improve PSCs' performance, set clear goals, and implemented key performance indicators.

These efforts have driven a culture of excellence and innovation, resulting in enhanced organizational effectiveness.

Active boards in the evaluated PSCs also fostered open communication, transparency, and accountability with stakeholders, strengthening relationships and ensuring alignment with their interests.

This proactive engagement has played a vital role in enhancing the PSCs' reputation and sustainability.

Overcoming Challenges

Despite the success, the OTR's Directorate of Management Services (DMS) faced several challenges in facilitating the evaluation exercise.

Resource constraints, logistical hurdles, and coordination difficulties initially hindered the process.

However, innovative approaches, including the shift to online evaluations, were adopted to ensure the exercise's continuity.

"The challenges we faced only reinforced the need for this digital transformation," said Mr Mchechu.

Adding: "By embracing online evaluations, we not only overcame these obstacles, but also enhanced the efficiency and accuracy of the process. This solution has set the foundation for even more impactful evaluations in the future."

Looking to the Future

The introduction of the online board evaluation tool is just the beginning.

The OTR is committed to continuing its digital transformation, with plans to refine and expand the system in the coming years.

Ms. Neema Musomba, the Director of Management Services at the Office of the Treasury Registrar, speaks during the CEO induction program held recently at Mwalimu Julius Nyerere Leadership School. Her directorate is responsible for board evaluations.

Tech-driven efficiency: OTR initiatives

In an era where digital transformation is pivotal for organizational efficiency, the Office of the Treasury Registrar (OTR), under the leadership of Mr Nehemiah Mchechu, is at the forefront of integrating technology into its operations.

As former UK Prime Minister David Cameron once stated, "Technology is changing the way we do everything, and public services need to change too. We must harness the power of technology to make our services more efficient and responsive."

This sentiment underpins the OTR's approach to enhancing public service delivery.

The emphasis on technology-enhanced management systems is not merely a trend, but a strategic initiative aimed at improving accountability, streamlining processes, and fostering greater productivity across public institutions.

A commitment to efficiency

As articulated by Mr Mchechu, who is the Treasury Registrar, the office is dedicated to embedding Information and Communication Technology (ICT) into its core functions.

This commitment extends to urging public institutions and government agencies to fully leverage these systems to realize the anticipated productivity gains.

By prioritizing technology, the OTR is setting a standard for operational excellence, ensuring that every resource is utilized to its fullest potential.

Innovative improvements on the horizon

The OTR is currently engaged in significant enhancements to its technological framework.

A noteworthy development is the upcoming dashboard that will facilitate more efficient execution of tasks.

This tool promises to offer a consolidated view of performance metrics, enabling stakeholders to make informed decisions swiftly.

By simplifying access to critical data, the OTR aims to enhance transparency and accountability within public service.

Investment in technology

To sustain and amplify these improvements, public organizations are encouraged to allocate budgetary resources for technology investments.

This strategic financial planning is essential for ensuring that systems can communicate effectively, leading to a cohesive operational environment.

Mr Mchechu emphasizes that the integration of these systems is not just an operational necessity, but a pathway to achieving greater efficiency.

Leveraging technological infrastructure

To support its initiatives, the OTR is already utilizing a suite of specialized systems designed to address various operational needs.

For planning, budgeting, and reporting, the PlanRep system enables efficient tracking of financial resources.

Complementing this, the OTRMIS captures essential information about board members and financial reports, ensuring compliance and accuracy.

When it comes to financial transactions, the MUSE system streamlines payment processing, making it easier to manage obligations promptly.

Meanwhile, the NeST system enhances the procurement process, ensuring that all acquisitions are handled effectively and transparently.

Finally, the GAMIS maintains a comprehensive register of public assets, reinforcing accountability and stewardship of resources.

A future-focused vision

The initiatives led by Mr Mchechu represent a forward-thinking approach to governance.

By harnessing the power of technology, the OTR is not only improving its internal processes but also setting a benchmark for other public institutions.

The call to action for agencies to prioritize technology investments highlights a collective responsibility to modernize and enhance public service delivery.

"The OTR's focus on ICT reflects a broader commitment to operational excellence and public accountability," says Mr Mchechu.

Adding: "As the office continues to innovate and improve its systems, the benefits of these initiatives will be felt throughout the public sector, ultimately leading to more effective governance and enhanced service delivery for citizens."

Talent attraction, retention: Key to public entities' prosperity

As the global work environment continues to evolve, the success of public entities increasingly hinges on one critical factor: talent.

Managing human resources with innovation, strategic foresight, and agility has shifted from being optional to being essential for the long-term sustainability of public institutions.

Without the right people in place, policies, programs, and services aimed at improving society are at risk of faltering or failing.

In this context, the Office of the Treasury Registrar (OTR) has consistently advocated for the critical need of State-Owned Enterprises (SOEs) to attract, retain, and develop top-tier talent.

The Treasury Registrar, Mr Nehemiah Mchechu, recently underscored the importance of skilled and engaged employees, particularly in a public sector where resources are often limited.

"Employees who feel connected to a larger purpose are more likely to remain engaged and committed, especially when they see their contributions making a tangible difference in their communities," he noted.

This connection to purpose is a powerful driver of both retention and high performance.

Mr Mchechu identified several key factors that contribute to employee engagement: professional development, meaningful work, work-life balance, and strong leadership.

These elements create an environment where employees feel valued and motivated to stay aligned with the organization's mission.

"If public entities are to remain resilient, innovative, and effective in an uncertain future, they need to cultivate a workplace culture that motivates employees to stay," he emphasized.

He also cautioned that without the right talent, even the most well-intentioned programs could fall short of their potential.

"Talent matters more than ever, if we are to elevate public entities to the next level," Mr Mchechu said, stressing that talent acquisition and retention should not be viewed as one-time efforts but as long-term, continuous investments.

This idea of talent as a long-term investment is echoed by Virgin Group founder, Richard Branson, who famously said: "Train people well enough so they can leave, treat them well enough so they don't want to."

Mr Branson's statement highlights that retention is not about short-term perks, but about fostering an environment that emphasizes continuous learning, respect, and personal growth.

With the rapid pace of technological advancement and the increasing complexity of public sector work, upskilling has moved beyond being a mere luxury—it has become a necessity.

Public entities must create learning environments that enable employees to adapt and thrive in an ever-changing landscape.

Dr Lufunyo Hussein, Principal of Dar es Salaam Bandari College, recently stressed the need for public entities to recognize that effective talent management goes beyond simply filling positions.

Public entities, he suggested, must focus on cultivating a culture that empowers employees to innovate, grow, and remain engaged.

Dr Hussein also advised that CEOs view employees not just as the organization's largest investment, but as the key drivers of strategic success.

"CEOs must place talent at the core of their business strategy, if they want to maximize return on investment," he opined.

He went on to add: "We need to nurture and not kill talents."

This sentiment underscores the idea that leadership and talent retention are inextricably linked to long-term organizational growth and success.

Leadership in the context of talent management is about making others better and ensuring that the positive impact of this leadership lasts beyond one's tenure.

As Sheryl Sandberg, former Chief Operating Officer of Facebook, briefly put it: "Leadership is about making others better as a result of your presence and ensuring that impact lasts in your absence."

This perspective emphasizes the enduring influence of great leadership---one that not only drives immediate results, but also cultivates lasting growth in individuals and teams.

Again, this highlights that true leadership---and by extension, talent retention---is not about short-term fixes, but about fostering sustained growth and ensuring the long-term success of the organization.

To make this vision a reality, public entities must ensure that the right people are placed in the right roles---roles that align with the organization's strategic goals and long-term vision.

This alignment helps to cultivate a workforce that is both motivated and capable of driving success.

According to the Organisation for Economic Co-operation and Development (OECD), effective retention strategies are critical not only for keeping existing employees, but also for attracting new talent.

The OECD report notes: "People's first experience of a place plays a significant role in determining longer-term stays and their willingness to spread the word to others."

This insight suggests that public entities must invest in creating a positive and inclusive workplace culture that leaves a lasting impression on employees and potential recruits alike.

A proactive approach to talent retention involves offering ongoing training and development opportunities.

This allows employees to continuously refine their skills and remain adaptable in the face of new challenges.

By investing in human capital, public entities not only retain talent, but also build a workforce that is well-equipped to tackle future challenges.

As a management consultant and author, Peter Drucker, once said: "The best way to predict the future is to create it."

This philosophy highlights the importance of investing in employee growth today to shape a more resilient and forward-thinking organization tomorrow.

Mr Nehemiah Mchechu, The Treasury Registrar, delivers insights at a stakeholders event in Dar es Salaam recently.

It's not what you say, It's how you say it

> The duty to communicate, and the imperative for government to project itself to its citizens and to the world, must be a core function of every government institution...Proper communication ensures that stakeholders – ranging from employees to government entities and the public...are kept informed throughout the transformation journey.

You've probably heard the saying, "It's not what you say, but how you say it."

This timeless adage captures the essence of strategic communication---a vital tool for public entities seeking to engage, influence, and inform their audiences.

In today's fast-paced world, the way messages are crafted, delivered, and received is critical, again, this is where strategic communication in public entities comes into play.

In this regard, the success or failure of public relations efforts hinges on effective communication.

With this in mind, the Office of Treasury Registrar (OTR) is dedicated to enhancing the Public Relations and Communication Units of all entities under its oversight.

By building stronger communication capabilities, the OTR is determined to ensure that these entities are well-equipped to engage with the public, stakeholders, and media, fostering transparency, trust, and accountability.

As part of its strategic communication efforts, the OTR launched a weekly program last year, where a designated public entity meets with journalists and editors to provide updates on government activities.

This initiative aims to enhance transparency, foster a more informed media landscape, and ensure the public is kept up to date with the government's latest actions, policies, and initiatives.

In addition, the OTR has directed public entities to prioritize the publication of annual financial statements as part of its broader transparency agenda.

This move is intended to ensure that the government spending and financial management are accessible to the public, fostering trust and encouraging a culture of openness across all levels of government.

The Treasury Registrar, Mr Nehemiah Mchechu, said recently that whether it's shaping public opinion, managing crises, or building community trust, strategic communication is the key that unlocks the power of effective interaction between organizations and the public.

"This timeless truth is especially powerful in the world of strategic communication, where the art of messaging goes far beyond words," underscored Mr Mchechu.

He said in the realm of public entities, how information is conveyed can shape perceptions, influence decisions, and even determine the success of policies.

Mr Barack Obama, the US President once said: "Good communication is about the ability to get people to listen to you and to understand what you're saying.

"When you're in public office, it's not just about having a good idea---it's about making sure that the public knows why it's a good idea and how it will benefit them."

The former Chief Government Spokesperson, Mr Thobias Makoba, said recently that the duty to communicate properly is not optional, if public entities want to move to the next higher level.

He explained that official statistics reveal communication drives 70 percent of an organization's success, while technical skills contribute the remaining 30 percent.

Conversely, Mr Makoba, who was recently appointed by Her Excellency President Dr Samia Suluhu Hassan as Ambassador, noted that poor communication leads to a loss of 7.47 hours per employee each week.

Taken together, these insights underscore the critical role of effective communication in enhancing organizational efficiency and success, while poor communication can significantly undermine

The Treasury Registrar, Mr. Nehemiah Mchechu, shares a happy moment with the ITV Head of News Department, Mr. Steven Chuwa, after a recent meeting with editors in Dar es Salaam. Also present are the Editor-in-Chief at EFM Radio, Ms. Scholastica Mazula, and Mr. Neville Meena, a member of Tanzania Editors Forum.

productivity.

"...the duty to communicate, and the imperative for government to project itself to its citizens and to the world, must be a core function of every government institution," emphasized Mr Makoba.

Proper communication ensures that stakeholders---ranging from employees to government entities and the public---are kept informed throughout the transformation journey.

Mr Makoba said regular updates and open channels for feedback create a sense of transparency, which is vital in building trust.

It is a flat reality that when stakeholders feel informed and heard, they are more likely to support the changes, reducing uncertainty and anxiety that often accompany organizational transformations.

This ongoing dialogue can also highlight areas where additional support or resources may be needed, allowing for timely adjustments to the strategy.

As George Bernard Shaw, the renowned Irish playwright, once wisely noted: "The single biggest problem in communication is the illusion that it has taken place."

His words remind the globe that effective communication goes far beyond merely transmitting a message--- It requires that the message be received, understood, and acted upon in a way that aligns with the broader goals of the organization.

The Tanzania Tourist Board (TTB) Director General, Mr Ephraim Mafuru, recently emphasized the need for a more streamlined and efficient reporting structure to improve accountability and performance in public entities.

He advocated for the avoidance of multiple reporting relationships within State-Owned Enterprises (SOEs).

He cautioned that reporting to multiple superiors, it becomes challenging to determine who is ultimately responsible for decision-making, leading to ambiguity in authority.

Contrariwise, Mr Mafuru said that effective communication would play a crucial role in the transformation of SOEs.

Effective communication, he elaborated, is essential for reinforcing new behaviors and practices that emerge from the transformation.

"Clear communication will create space for performing core functions and fostering innovation, ultimately driving productivity within public entities," he said.

Going by the McKinsey Global Institute study about the future of remote work, employees who feel included in more detailed workplace communication are almost 5 times more likely to report increased productivity.

As SOEs shift towards more innovative and efficient practices, consistent messaging about the expected changes helps to embed new cultural norms.

Ms Blenda Msangi, Chief Executive Officer of Comprehensive Community-Based Rehabilitation Tanzania (CCBRT), recently emphasized the importance of CEOs of SOEs regularly communicating the broader vision and strategic direction of the organizations they lead.

She explained that when leaders articulate the reasons for change and the expected benefits, employees are more likely to embrace new initiatives.

"This alignment helps to mitigate resistance, as employees can see how their roles contribute to the overall goals of the organization, promoting a culture of collaboration and shared purpose," insisted Ms Msangi.

By cultivating an environment where continuous communication is valued, SOEs can sustain momentum, ensuring that transformation efforts lead to long-term success and improved public service outcomes.

Strengthening public trust for effective governance

Trust is the foundation upon which any successful government is built.

Without trust, the relationship between public institutions and the citizens they serve begins to fray, undermining the very core of governance.

The government has long recognized that building and maintaining trust requires more than just providing information—it demands transparency, credibility, and alignment between internal and external stakeholders to ensure a shared vision and common objectives.

In response to this need, the Office of the Treasury Registrar (OTR) has taken proactive steps to strengthen the framework of governance, focusing on transparency and clearer communication.

These efforts are designed to enhance trust within government institutions and between the public and the government itself—starting with an overhaul of OTR's internal communication systems.

> "By aligning leadership, ensuring transparency, and fostering collaboration, OTR is creating a government framework that is not only more efficient, but also more responsive and accountable to the public.

OTR's communication transformation began by strengthening its internal communication framework.

Recognizing that trust must begin within the organization, OTR had strengthened its communication unit to ensure that the messages coming from the government were not only clear and consistent, but also trustworthy.

This overhaul empowered staff to communicate more effectively both internally and externally, fostering improved institutional collaboration and building public confidence in government actions.

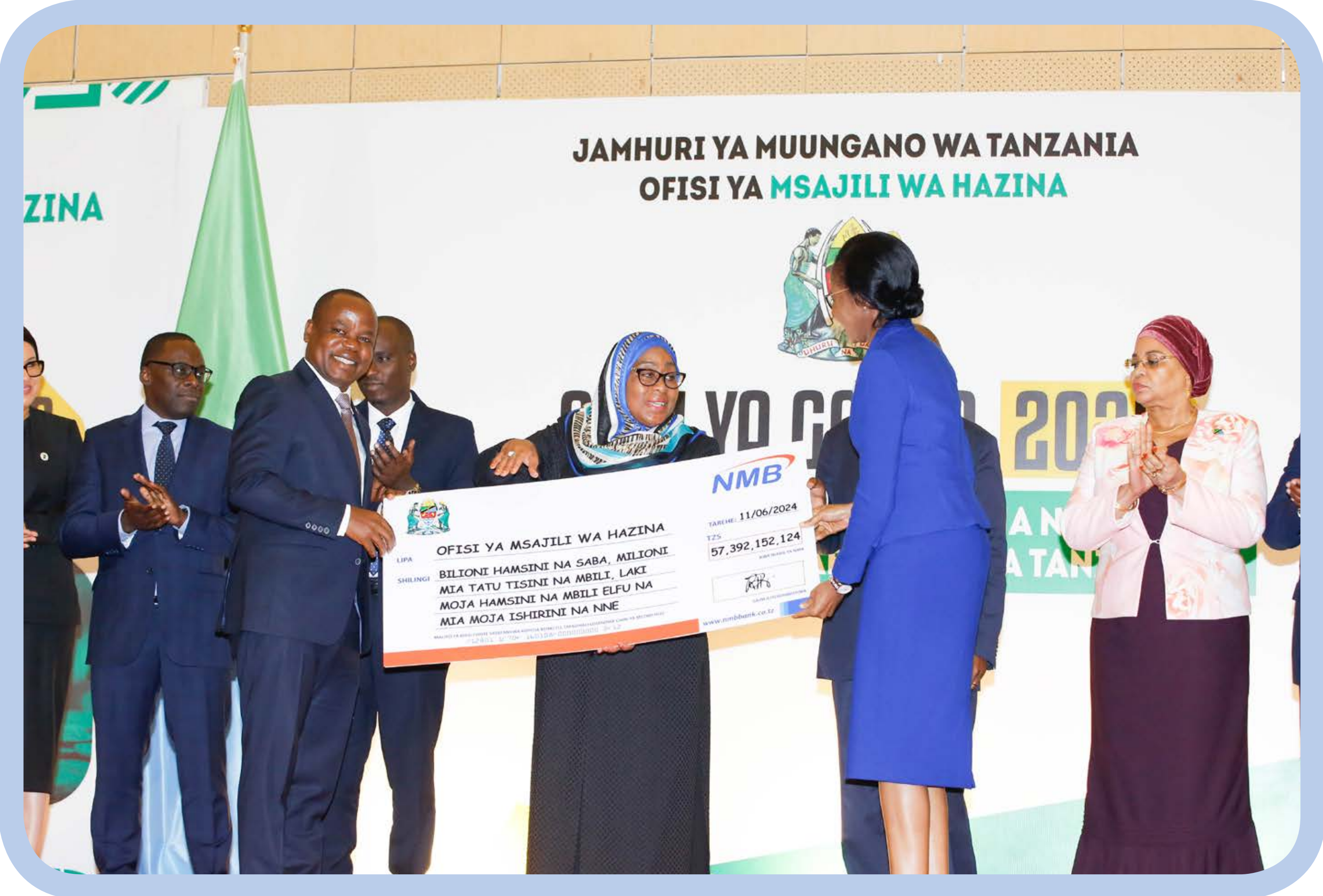
"We understand that for government institutions to truly serve the people, they must first earn the trust of both their internal teams and the public," said Mr Nehemia Mchechu, the Treasury Registrar.

Adding: "Through clear, consistent, and transparent communication, we are laying the groundwork for a more unified and effective government that the people can rely on."

A critical moment in this process was the summit held in Arusha in August 2023, where OTR brought together heads of institutions and board chairs from across the government.

This gathering was more than just a meeting—it was a platform designed to align leadership with the government's broader vision.

By directly engaging with key leaders and ensuring they understood their roles and the expectations placed upon them, OTR fos-



Her Excellency Dr Samia Suluhu Hassan, President of the United Republic of Tanzania, receives a dummy check of Sh53.5 billion as a dividend from the Barrick and Twiga Country Manager, Dr Melkiory Ngido (right), and Mr Andrew Mwangakala, a member of the board of directors for Twiga Minerals Bulyanhulu Gold Mine and North Mara Gold Mine Ltd. The event took place on July 11, 2024.

tered a sense of shared responsibility and commitment.

This alignment has been instrumental in creating a unified leadership front, allowing the government to move forward with a clearer, more coordinated approach.

OTR also recognized the importance of clarifying expectations with external partners, particularly with government-affiliated companies where the state holds minority shares.

In March 2024, OTR facilitated a key meeting with board of directors from these companies to outline the government's vision and strategic goals.

This meeting helped establish a transparent framework for collaboration, ensuring that these companies were aligned with the government's priorities.

By fostering clear communication with these partners, OTR is building the trust necessary for long-term, successful partnerships.

Another crucial element of OTR's communication strategy has been its engagement with the media.

To ensure accurate, timely, and transparent information flows to the public, OTR introduced weekly meetings with journalists and editors.

2024

The year OTR facilitated a key meeting with board directors from these companies to outline the government's vision and strategic goals.

These sessions provide an opportunity for the media to engage directly with government representatives, ask questions, and clarify information.

This direct interaction has played a pivotal role in fostering a transparent relationship with the media, enabling the press to report more accurately and promoting a well-informed public.

These efforts go beyond improving communication systems—they represent a broader strategy of cultivating a culture of trust throughout the government.

By aligning leadership, ensuring transparency, and fostering collaboration, OTR is creating a government framework that is not only more efficient, but also more responsive and accountable to the public.

As a result of these reforms, the government is already seeing the positive impact of a more unified approach to governance.

Clear communication and trust between internal leaders and external stakeholders have streamlined operations and improved the effectiveness of public service delivery.

Moreover, by engaging with the public through the media and maintaining transparency, OTR is fostering an environment where citizens feel more connected to the government and confident in its actions.

In this new era of governance, trust is no longer just a passive byproduct of good practices—it's an active driver of success.

OTR's communication efforts are paving the way for a more open, collaborative, and responsive government, one that builds strong relationships with its citizens and works to fulfill its promises with integrity.

The Power of Training in SOEs

In an increasingly competitive global economy, the role of State-Owned Enterprises (SOEs) in fostering sustainable development and economic growth cannot be understated.

However, for SOEs to thrive, build resilience, and meet both national and international standards, continuous capacity building through training becomes essential.

Training is more than just a skill-enhancement exercise; it serves as a powerful catalyst that transforms individuals, improves organizational performance, and contributes to better service delivery.

The government of Tanzania, like in many other countries, have embraced this principle, recognizing that an investment in human capital is a step toward achieving long-term goals.

This could be attested to a recent Induction Program for Chief Executive Officers (CEOs) developed by the Office of Treasury Registrar (OTR) in collaboration with the Uongozi Institute.

A three-day CEOs Induction Program meant to equip 111 newly appointed heads of SOEs with essential knowledge and networks required to foster productivity in public entities.

In a world driven by knowledge, continuous learning is no longer an option, but a necessity.

It is on those grounds that, when closing the program, Mr Xavier Mrope Daudi, the Deputy Permanent Secretary in the President's Office – Public Service Management and Good Governance, directed SOEs to put onboard training on a list of their top priorities with a view to equipping their employees with excellent skills and competency.

"We need continuous training for skills and career growth of our employees. This is an essential ingredient for taking public entities to the next higher level," underscored Mr Daudi.

He went further to stress: "Training should be our priority agenda. Human capital development is inevitable, if we are to shape the performance of public entities."

On a global scale, several countries---such as Singapore, China, Norway and Japan--- have embraced training programs to improve the performance of SOEs, and their efforts have yielded positive results.

These initiatives typically focus on governance, financial management, leadership development, and operational efficiency.

Recognizing the value of such practices, the government of the United Republic of Tanzania, through the Office of Treasury Registrar, will be conducting CEOs induction programs after every six months.

Mr Nehemiah Mchechu, the Treasury Registrar, recently said that for Tanzania's public entities to remain relevant, competitive, and sustainable, deliberate efforts to invest in training are paramount.

"Whether it is upskilling the workforce, equipping leaders with better governance tools, or fostering a culture of innovation, training remains a cornerstone of transformation," he asserted.

Ultimately, a well-trained workforce not only strengthens the performance of SOEs, but also accelerates the realization of Tanzania's broader economic and social development goals.

"Investing in people is, therefore, investing in the future," concluded Mr Mchechu.

The Late Queen Elizabeth II once said: "It's all to do with the training: you can do a lot if you're properly trained."

This quote reinforces the idea that well-trained employees are crucial for institutional success and service excellence, which is essential for SOEs working towards national objectives.

Mr Jumanne Mtambalike, Sahara Ventures CEO and co-founder, said in a recent past that with rapid advancements in technology, SOEs face the challenge of staying up to date with the latest industry trends.

As a matter of fact, he said, training programs would enable employees and management teams to bridge knowledge gaps.

This will ensure they remain equipped with relevant tools and competencies to align with national and global demands.

"We need to develop a system that delivers value to customers," emphasized Mr Mtambalike.

In today's fast-changing business environment, innovation is essential, and achieving this requires consistent and continuous training.

In that regard, Dr Lufunyo Hussein, Dar es Salaam Bandari College Principal, recently

The Permanent Secretary, President's Office – Planning and Investment, Dr Tausi Kida, in a photo with the Treasury Registrar, Mr Nehemiah Mchechu (left), and the Chief Executive Officer of Uongozi Institute, Mr Kadari Singo, during the launch of a training program manual for Chief Executive Officers from Public and Statutory Corporations. The launch took place on October 7, 2025, in Kibaha, Pwani Region.

expressed the need for SOEs' CEOs to embrace onboarding.

He said integrating new employees into the organization to ensure they are well-equipped to succeed in their roles is of paramount importance, if SOEs are to move to the next higher level.

Training, he said, will ensure that new employees integrate smoothly into the organization by learning about its culture, policies, processes and goals.

"Training plays a crucial role in talent management by helping organizations attract, retain, develop, and optimize skills and potential of their workforce," said Dr Hussein.

He went further to point out that organizations that actively engage in talent management are better positioned to nurture skills that align with their strategic goals.

"This being the case, the Heads of public entities need to put talent management at the center of their business strategy," he opined.

According to best practices in training investment, it is widely recommended to allocate 2-5 percent of the wage bill for employee training.

Furthermore, increasing the allocation to around 10 percent is advisable during periods of transformation or significant organizational change.

Dr Hussein said: "We need to nurture talents and not kill them. "We need to inspire employees for them to work efficiently."

Mr Robert Kiyosaki, an American businessman and renowned author, once said: "Confidence comes from discipline and training."

This highlights the importance of structured training programs to foster competence and self-assurance within organizations.

With self-assurance within the organization, employees are encouraged to think creatively, adopt new technologies, and implement more efficient processes that reduce operational costs.

It is a plain reality that employee morale and retention play critical roles in determining the success of any organization.

Through structured training programs, employees gain a sense of belonging, motivation, and professional growth---they feel valued and are more likely to remain loyal to their employers, reducing the high costs associated with staff turnover.

Furthermore, when employees see clear career development pathways, they are inspired to perform better, knowing that their growth is tied to the overall success of the enterprise.

As SOEs enhance their performance through training, the benefits extend beyond the organization itself.

These entities not only provide essential services, but also drive economic growth by creating jobs, fostering innovation, and attracting foreign investment.

Looking at a bigger picture

Here are examples of countries that have embraced training programs to improve the performance of SOEs, yielding promising outcomes:

Singapore

Training Initiatives: Temasek Holdings, which manages Singapore's SOEs, provides leadership development programs and governance training for SOE executives.

Impact: Singapore's SOEs, such as Singapore Airlines and DBS Bank, are globally competitive, demonstrating how effective governance and management training contribute to success.

China

Training Focus: Through programs such as the State-Owned Assets Supervision and Administration

Commission (SASAC), China trains executives on governance, market orientation, and financial management.

Impact: These efforts have helped Chinese SOEs like Sinopec and China Mobile become competitive in international markets while transitioning to more market-driven business models.

Norway

Approach: Norway emphasizes training in corporate governance for SOEs through the Ministry of Trade and Industry.

Executives receive education in sustainability, transparency, and operational excellence.

Impact: Norway's SOEs, such as Equinor (formerly Statoil), are recognized for their efficiency, transparency, and contributions to national development.

Japan

JICA's role: Through Japan International Cooperation Agency (JICA) programs, training on KAIZEN (continuous improvement) and governance is offered to SOEs domestically and abroad.

Impact: Japanese SOEs, such as Japan Post and NTT, have benefited from continuous learning, improving productivity and service delivery. JICA has also transferred similar training models to other countries.

> "
> Whether it is upskilling the workforce, equipping leaders with better governance tools, or fostering a culture of innovation, training remains a cornerstone of transformation... Investing in people is, therefore, investing in the future... The Late Queen Elizabeth II once said - It's all to do with the training: you can do a lot if you're properly trained.

Strengthening Public Governance: The role of the Treasury Registrar's Office

In the world of public administration, ensuring that Public and Statutory Corporations (PSCs) are effectively managed and accountable is a critical component of national development.

One office that plays a central role in this process is the Office of the Treasury Registrar (OTR), which is tasked with the advisory, custodianship, and oversight responsibilities of these entities.

At the helm of this office is Mr Nehemiah Mchechu, the Treasury Registrar, who leads efforts to enhance the performance and operational efficiency of public corporations across the country.

As John Fitzgerald Kennedy, the former U.S. President, aptly put it: "Public service is the most noble of all professions. It is the duty of every public servant to be a servant of the people."

His words are a reminder of the profound responsibility that leaders in public office, such as Mr Mchechu, bear in serving the nation's interests.

Advisory: Guiding the establishment and restructuring of Public Corporations

The Treasury Registrar's role in advising the government on the establishment of PSCs cannot be overstated.

These corporations are often tasked with handling essential services and managing state resources, making it crucial that they are set up for success from the start.

According to Mr Mchechu, the advisory role of his office begins long before a new PSC is created.

"Before the government establishes any new corporation, our office provides crucial guidance on several fronts," Mr Mchechu said recently.

He added: "We help assess the objectives of the corporation, its potential benefits, and the risks involved. We also evaluate the financial feasibility, including the availability of funds and the authorized share capital required for the corporation's establishment."

> "Before the government establishes any new corporation, our office provides crucial guidance on several fronts... Leadership is not about being in charge. It's about taking care of those in your charge.

Her Excellency, Dr Samia Suluhu Hassan, President of the United Republic of Tanzania (middle), pose with the Deputy Prime Minister, Dr Doto Biteko (right) and the Treasury Registrar, Mr Nehemiah Mchechu. From left are the Minister of State in the President's Office (Planning and Investment), Hon. Prof Kitila Mkumbo, and the Chief Secretary, Hon. Ambassador. Dr. Moses Kusiluka.

The advisory process also ensures that the government has a clear understanding of the ownership structure and the allotment of shares in the new corporation.

Mr Mchechu emphasized that the role of his office is not just to help establish new entities, but to ensure that they are built to thrive. Beyond establishing new entities, the Treasury Registrar also plays a vital role in advising on the reorganization or restructuring of underperforming public corporations.

"If an existing PSC is no longer serving its intended purpose or failing to meet its objectives, it is our responsibility to advise the President on the best course of action," Mr Mchechu recounted.

He added: "This may involve recommending dissolution, restructuring, or the transfer of assets and liabilities."

This aligns with a thought shared by Simon Sinek, an English-American author and motivational speaker, who once said: "Leadership is not about being in charge. It's about taking care of those in your charge."

Sinek's words resonate with Mr Mchechu's role in advising the President, ensuring that decisions are made for the greater good and in the best interests of the nation.

Custodianship: Safeguarding public investments

As a custodian, the OTR is responsible for holding all investments comprised of the paid up capital of public and statutory corporations as well as private investments in which the Government owns shares or interests, in trust for the President and for the purposes of the Government

In other words, the Office has a responsibility to oversee all investments and other assets entrusted to the Registrar of the Treasury, on behalf of the President, and for the purposes of the government of the United Republic of Tanzania.

Oversight: Ensuring accountability and transparency

In addition to its custodianship role, the Office of the Treasury Registrar carries out continuous oversight of PSCs.

This includes monitoring the corporations' operational and financial performance, ensuring they remain accountable to the public.

"We evaluate the management performance of each corporation to make sure they are executing their strategies effectively," Mr Mchechu explained.

"If we identify weaknesses or inefficiencies, we engage with the leadership of these corporations to correct course.

"By analyzing these reports, the office can identify potential issues early and intervene where necessary.

"We are committed to ensuring that public resources are not squandered, and that every corporation is managed effectively to achieve its intended purpose."

The Treasury Registrar's oversight function also extends to approving key financial decisions, including annual budgets, and ensuring that strategic plans are in line with the goals of the government.

According to Mr Mchechu, transparency and accountability are core values in this process.

"It's our duty to ensure that public corporations are not only operating efficiently, but are also held accountable for their actions and use of public funds," he asserted.

A commitment to national development

The work of the OTR is critical in shaping the future of public enterprises and ensuring that they contribute meaningfully to national development.

Through a combination of strategic advice, financial oversight, and rigorous custodianship, the OTR plays an essential role in ensuring that public corporations meet their objectives and operate with integrity.

"The ultimate goal of our office is to ensure that public corporations operate effectively, that they are financially sustainable, and that they serve the public good," said Mr Mchechu.

Adding: "By supporting the government in making informed decisions about the establishment and management of these entities, we help create a more efficient and transparent public sector."

With a focus on governance, performance, and accountability, the OTR, remains a cornerstone of sound public sector management.

As the nation continues to evolve and the demands on public corporations grow, the OTR will undoubtedly play an increasingly important role in shaping the future of public service delivery and economic development.

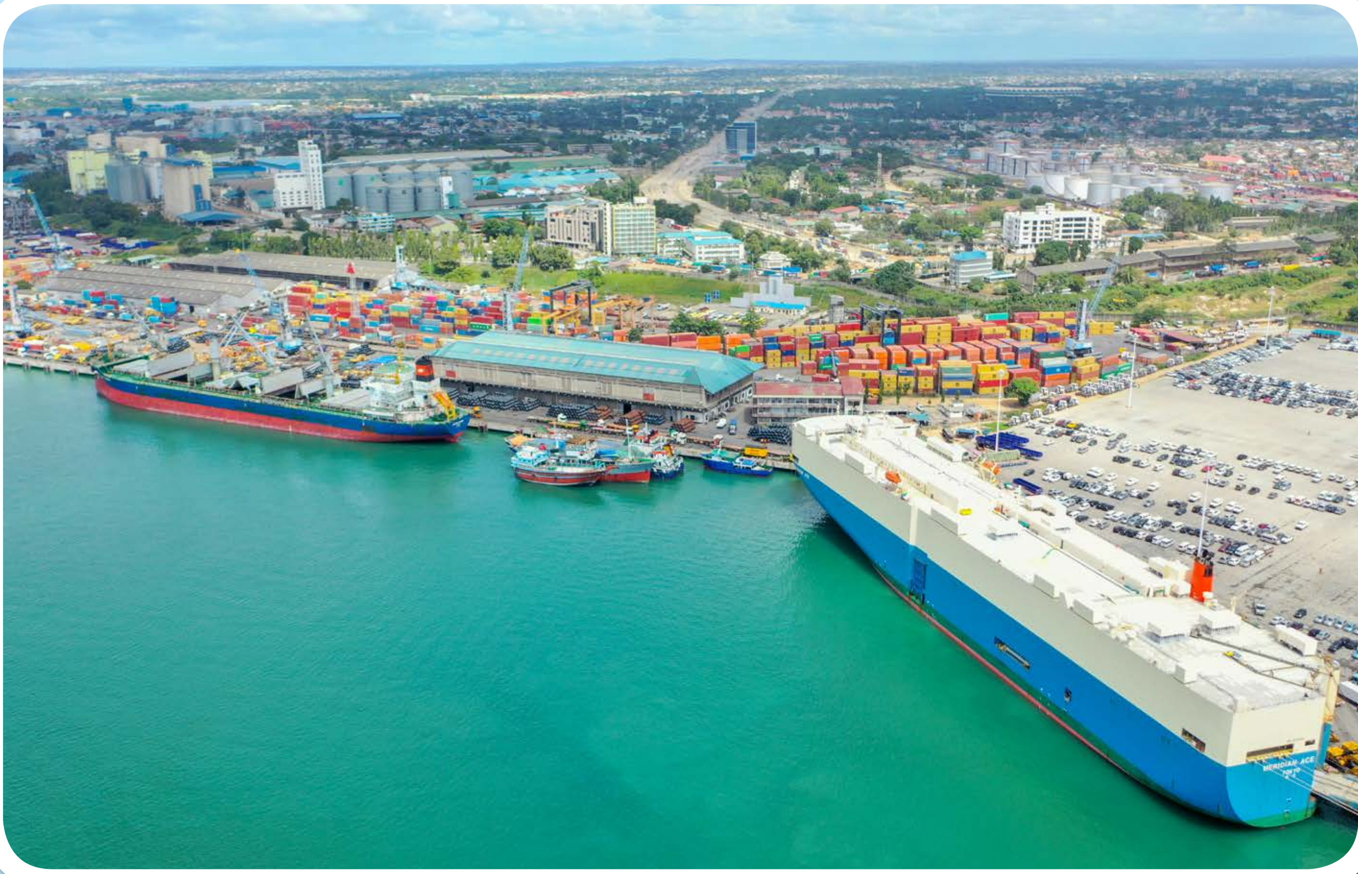
A pillar of effective public administration

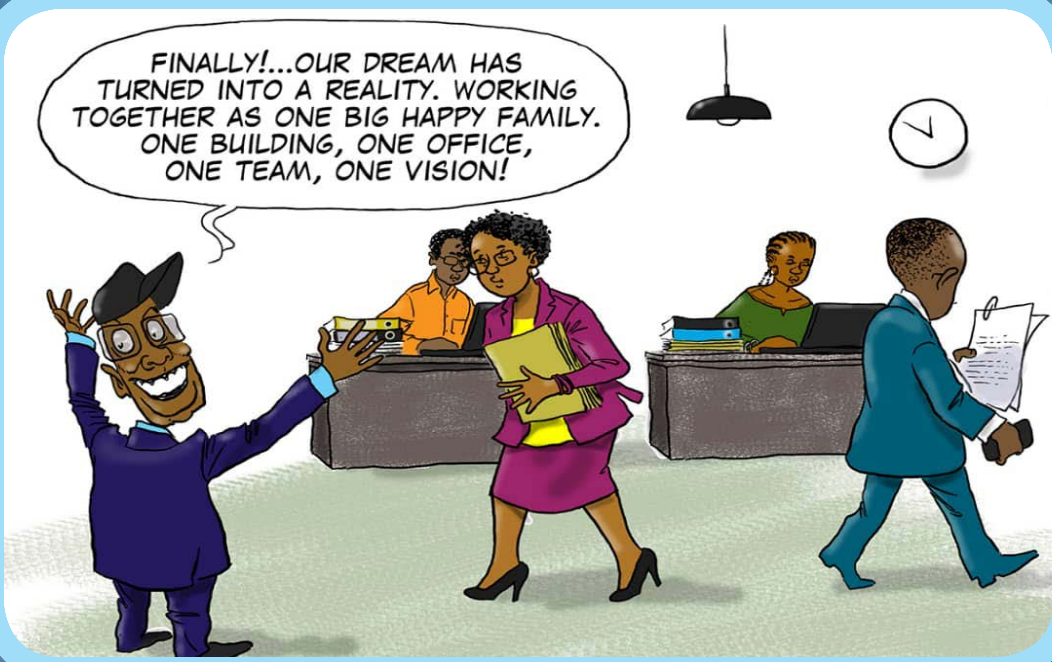
The role of the OTR is multifaceted and crucial to the proper functioning of public corporations.

By providing advisory services, overseeing financial performance, and ensuring that corporations remain accountable, the OTR helps to safeguard public investments and ensure that public resources are used effectively.

Through the leadership of Mr Mchechu, The OTR has reinforced its role as a pillar of effective public administration, driving transparency, accountability, and long-term sustainability in the public sector.

As the office continues to adapt to new challenges, its work will remain essential in fostering a more efficient and responsive government that works for the people.





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