

TANZANIA YOUTH VISION ASSOCIATION
SUMMARY BRIEF ON ALLOCATION AND AVAILABILITY OF YOUTH FUND ON
(WIKI YA AZAKI 2018, DODOMA)

Abstract

The Government of the United Republic of Tanzania regulates Youth Development through the National Youth Development Policy, (2008) where Youth are referred to as persons aged between 15 up to 35 years. Youth between the age of 15 and 35 years constitutes 35% of the entire population of Tanzania (Census, 2012).

Out of the total youth population aged 15-35 years (14.8 million persons) 12.5 million (84.5 percent) are economically active and 2.3 million (15.5 percent) are economically inactive. Out of the economically active youth population, 11.0 million (88.3 percent) persons are employed and 1.5 million (11.7 percent) are unemployed. (Integrated and Labour Force Survey, 2014)

The National Youth Development Policy (2008) asserts that the Government would establish the National Youth Council. The 10th Parliament enacted the Act No. 12 of National Youth Council of 2015, with its regulation formulated in 2016. Youth believe national budget is one of the most critical governance tools to reflect government decisions and commitments on financing youth development needs and demands

During the 2017/18 fiscal year, the number of youths who benefited from the National Youth Development Fund increased to 840, but with a substantial decrease in the amount of loans. While the National Youth Development Fund is striving to broaden its outreach and serve more youth, the actual trends suggest the need to allocate enough budgets with the aim of empowering youth to make the ongoing small industries development initiative youth-led.

Local government authorities are mandatorily required to allocate funds for youth (and women) development for each fiscal year. During the 2016/17 fiscal year, the threshold was five percent of their internal budgets. During the 2017/18 fiscal year, the threshold was raised to ten percent of the LGAs' internal budgets while the required contribution for the 2018/19 fiscal year remains ten percent of the total budget. Based on the previous trends, we foresee a limited possibility that LGAs will be able to allocate sufficient funds during the implementation mainly since LGAs' own sources of revenues have become narrower compared to the previous fiscal years.

The increase of budgets for the strategic sectors which have a potential of contributing to youth development may address the key youth challenges including employment. However, the increase of the budget for the Ministry of Industry, Trade, and Investment reflected a decline of the development budget which may affect the expansion of the sector to create more employment for youth.

Recommendations for Financing for Youth Employment and Economic Empowerment

Access to finance. Access to finance has been reported to be the major challenge for start-up youth businesses as most youth have no information and access to formal financing mechanisms. As it has been found by Restless Development report on Youth situation in Tanzania, 2018 that 30% of youth says they lack information on loans with low interests.

The YEID baseline survey report of 2017, access to finance was reported as the number one priority recommended by most stakeholders and youth as it relates to all components of employability. Nearly 87% of the youth in the study have never accessed formal financial institutions.

We request the Government to create more jobs for Youth by reducing tax burden and tax exemption for new startups with high potential of job creation.

Efficient management of youth fund. According to Restless Development report on Youth situation in Tanzania, July 2018 3 out of 10 youth agree that the National Youth Fund economically empower them. Efficient management of funds by the councils where transparent and accountability is emphasized will improve the situation.

We advise the President's Office – Regional Administration and Local Government to supervise Local Government statutory commitment to disburse 10% of its revenues for women, youth and people living with disabilities as instructed by the finance act of 2018 revolving fund in 181 district councils across Tanzania mainland.

Funding guideline. There has been observed that, the provision of youth fund to youth by the District councils in Tanzania has no uniform guideline and procedures. Therefore, we recommend developing funding cycle and funding guideline which will enable ease access to youth fund.