BANK OF TANZANIA STRATEGIC PLAN

2026/2027 - 2030/2031

60TH ANNIVERSARY

1966 - 2026

June 2026

60TH ANNIVERSARY 1966 – 2026

TABLE OF CONTENTS

MISSION

"Maintain price stability and integrity of the financial system for inclusive economic growth"

VISION

"To be a Central Bank that effectively fosters macro-economic stability and modernized financial system in the sustenance of country's middle-income status and beyond".

VALUES

01. Integrity

We exhibit high ethical and moral standards reflected by honesty, sincerity, truthfulness, reliability and confidentiality in executing our mandate.

02. Excellence

We execute our duties professionally while being proactive, creative and innovative to improve organizational performance.

03. Accountability

We are collectively and individually accountable for discharging our responsibilities.

04. Transparency

We execute with clarity and openness while timely sharing relevant information with stakeholders

5. Inclusiveness

We value broad participation, teamwork, equity and harnessing multiple skills and experiences in discharging our duties.

Foreword

We are committed to:

Empowering the financial sector to become more vibrant through effective supervision and regulation.

The Bank of Tanzania Strategic Plan 2026/27–2030/31 sets a clear roadmap for strengthening the Bank's effectiveness in maintaining price stability, safeguarding financial sector stability, and advancing payment system efficiency. It also sheds light on our steadfast intent to bolster the int-internal capacity to deliver and attain the Bank's mission and vision. Developed in the context of rising global geopolitical challenges, the Plan focusses on mitigating external and internally identified risks that may in one way, or another constrain attainment of the strategic goals. To enhance the Bank's contribution to the country's development agenda, the Plan aligns with various national development strategies, including the digital economy and climate change.

During the past span of five years (2021/22 - 2025/2026), the Bank successfully achieved all set strategic objectives, surpassing the expectations. Price stability was preserved with core and headline inflation averaging 2.9 percent and 3.1 percent, respectively, while the shilling exchange rate was effectively managed amid external pressures. Adequate foreign currency reserves were maintained, strengthened through domestic gold purchases. Further, the financial sector and payment systems remained sound, stable and safe. These developments contributed to economic development, with real GDP growing at 5.5 percent.

Over the next five years, the Bank will continue to focus on effective optimization of its resources, fostering a values-driven workforce anchored on integrity, excellence, accountability, diversity, and teamwork.

We also intend to enhance stakeholders' engagement, while offering quality services, and oversight of the financial sector. Further, the Bank will ensure effective implementation of its new Artificial Intelligence and Data Management strategy in a bid to improve efficiency in pursuit of its mandate.

Acknowledging the increasing risks posed by climate change, the Plan incorporates strategies to build climate resilience, including strengthening climate risk management, enhancing financial system resilience, and embedding Environmental, Social and Governance principles into the Bank’s operations as well as the monetary and supervisory frameworks.

I urge every employee to support the execution of this Plan in a responsible manner. The Board of Directors remains committed to continue providing oversight and guidance to ensure the Bank of Tanzania always thrives and fully attains its strategic agenda.

Emmanuel Mpawe Tutuba

GOVERNOR AND CHAIRMAN OF THE BOARD

60TH ANNIVERSARY 1966 - 2026

BOT CORPORATE 5-YEAR PLAN 2030/31 - 2029/30 ALIGNMENT WITH NATIONAL AND SECTOR INITIATIVES

BOT CORPORATE 5-YEAR PLAN 2026/27 – 2030/31 ALIGNMENT WITH NATIONAL AND SECTOR INITIATIVES

National Development Frameworks

National Visions	**Dira 2050** Strong, inclusive, and competitive economy Human capabilities and social development Environmental Integrity and Climate Change Resilience	**Zanzibar Development Vision 2050** Upper Middle-Income status through sustainable and inclusive human development
National Plans	**Fourth Five-Year Development Plan (FYDP IV) 2026/27 – 2030/31** Rearising competitiveness and industrialization for human development	**Zanzibar Development Plan (ZADEP)** Blue economy for inclusive growth and sustainable development
Financia Sector Frameworks	**Financial Sector Development Master Plan 2020/21 – 2029/30** Strengthen capacity in science, technology, and innovation to enhance competitiveness and productivity across sectors (production, manufacturing, and services)	**National Financial Inclusive Framework 2023-2028** Broaden access to affordable, quality financial services for all, improving financial wellbeing
Other National Goals and Frameworks	**Nationally Determined Contribution(NDC), the National Environmental Policy, and National Climate Change Response Strategy** Enhance climate change resilience and sustainability in the financial sector Upholding Environmental, Social, and Governance (ESG) principles in supervisory functions and its operations. Promote sustainable and climate-resilient financing mechanisms	

BOT Strategic Elements

- Core Value
- Vision
- Mission

BOT Strategic Plan 2026/27 - 2030/31

Themes	Objectives	Intended Results
Macroeconomic Stability	Enhance Effectiveness and Transmission of Monetary Policy	Low and stable inflation. Steady growth of the economy Efficient transmission of policy signals to money market and bank interest rates Adequate credit to the private sector
	Enhance Foreign Reserve	Adequate level of foreign reserve Improved risk-adjusted return
	Deepen Domestic Financial Markets	Market segmentation in the IBCM and IFEM addressed Diversified portfolio of government debt instruments
Stability of Financial Sector	Enhance Safety, Efficiency, Resilience, Soundness, and Inclusiveness of the Financial Sector.	Increased safety, soundness, stability, integrity and inclusiveness of the financial sector. Enhanced efficiency of Systemically Important Payment Systems and continuity of critical functions Enhanced inclusiveness and deepening of the financial sector.
	Enhance Banking and Currency Services	Improved timeliness, safety, convenience and reliability of services Maintain quality and adequacy of clean currency in circulation.
	Enhance climate change resilience and sustainability in the financial sector	Sustainable and climate-conscious financial system.
Organizational Capacity	Improved organization performance	Improved organization performance. Improved Information technology and cybersecurity. Improved work environment Improved staff knowledge and skills Improved management of data as a strategic asset.
	Enhance Organizational Effectiveness and Sustainability	Improved risk and crisis management. Improved Bank's compliance to standards and legislations. Improved stakeholders' understanding of the Bank's undertakings. ESG principles embedded into Bank's operations Reduced environmental impacts from the Bank's operations

BANK OF TANZANIA STRATEGIC PLAN – AT A GLANCE

	OBJECTIVES	INTENDED RESULT	KPIs	BASELINE	TARGET 2029/30	STRATEGIC INITIATIVES
THEME 1: MACROECONOMIC STABILITY	**1.1 Enhance Effectiveness and Transmission of Monetary Policy**	• Low and stable inflation • Steady growth of the economy • Efficient transmission of policy signals to money market and bank interest rates • Adequate credit to the private sector	• Core inflation rate • Headline inflation rate • GDP growth rate • Stability of 7-day interbank cash market interest rate (IBCM rate) • Credit to the private sector as a percentage of GDP	• 2.2% • 3.4% • 6.2% • ±200 bps • 22.8%	• 3% -5% • 3% - 5% • ≥7.2% • ±150 bps of CBR. • ≥30%	1. Formulate and implement monetary policy. 2. Implement regional integration and International Cooperation Initiatives. 3. Provide timely and evidence based economic policy advice to the Governments. 4. Enhance transparency and forward guidance through strengthened monetary policy communication. 5. Strengthen research, innovation to support data-driven policy formulation. 6. Strengthen the monetary policy transmission mechanism.
	1.2 Enhance Foreign Reserve	• Adequate level of foreign reserve • Improved risk-adjusted return	• Months of import cover • Foreign Investment income	• 4.7 • 39 bps above SAA Target	• ≥4.0 • ≥20 bps above SAA Target	1. Broaden avenues for the accumulation of foreign reserves. 2. Develop and Implement strategies on management of foreign reserves. 3. Implement strategies to support the increase in gold production in the country. 4. Establish Strategic Investment Subsidiary for Balance Sheet Diversification and Investment in Strategic Projects.
	1.3 Deepen Domestic Financial Markets	• Market segmentation in the IBCM and IFEM addressed • Diversified portfolio of government debt instruments	• Spread in the 7 –day IBCM interest rate • Spread in the IFEM • Share of non-traditional issuance to total issuance	• 1.6% • TZS 57 • 0%	• ≤2% • ≤TZS 20 • ≥ 10%	1. Adopt Financial Market Master agreements. 2. Facilitate issuance of new categories of government debt instruments. 3. Modernize Government Securities Infrastructure and market operations. 4. Adopt a full capital account liberalization.
THEME 2	**2.1 Enhance Safety, Efficiency, Resilience, Soundness, and Inclusiveness of the Financial Sector.**	• Enhance safety, soundness, stability, integrity and inclusiveness of the financial sector • Enhanced efficiency of Systemically Important Payment Systems and continuity of critical functions • Enhanced inclusiveness and deepening of the financial sector	• Capital adequacy ratio • Assets Quality ratio (NPL Ratio) • Liquidity ratio • Financial System Stability Index (FSSI)	• 21.32% • 2.96% • 26.88% • 0.3	• ≥14.5% • ≤5% • ≥20% • Within ±3	1. Safeguard financial system stability and resilience. 2. Develop and implement cyber resilience strategies in the financial sector. 3. Enforce compliance with applicable supervisory and regulatory standards in the financial sector. 4. Develop and maintain robust payment systems and financial infrastructure. 5. Implement National Financial Inclusion framework. 6. Develop and implement strategies to promote cash-lite economy.

BANK OF TANZANIA STRATEGIC PLAN – AT A GLANCE

	OBJECTIVES	INTENDED RESULT	KPIs	BASELINE	TARGET 2029/30	STRATEGIC INITIATIVES
THEME 2: STABILITY OF FINANCIAL SECTOR	**2.1 Enhance Safety, Efficiency, Resilience, Soundness, and Inclusiveness of the Financial Sector**		• Availability of Systematically Important Payment Systems • Tanzania Financial Inclusion Index (TanFiX) • Percentage of adults with accounts which can transact with FSPs	• 99.97% • 0.83 • 78.3%	• 99.9% • ≥0.75 • 87%	7. Create an enabling environment for growth of fintech regulatory sandbox to foster innovations in the financial sector 8. Enhance cross-border collaboration in supervision, crisis preparedness and payment systems oversight. 9. Facilitate establishment of an International Financial Centre. 10. Facilitate operationalization of Independent Credit Guarantee Co-operation of Tanzania 11. Strengthen Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Supervision and compliance in the financial sector.
	2.2 Enhance Banking and Currency Services	• Improved timeliness, safety, convenience and reliability of services • Maintain quality and adequacy of clean currency in circulation.	• Customers Satisfaction Level • Currency durability • Currency stock level	• 96.2% • 2 years higher Denomination • 11 months Lower Denomination • 31 months	• 98% • 2.4 years Higher Denomination • 1.2 years Lower Denomination • ≥ 24 months Unissued stock	1. Enhance banking and currency management strategies 2. 3. Leverage the use of technology and innovation in banking and currency services
	2.3 Enhance climate change resilience and sustainability in the financial sector	• A sustainable and climate-conscious financial system.	• Compliance level (%) with BOT guidelines on management of climate and sustainability related financial risks and opportunities	• 40%	• 75%	1. Enhance climate data repository and analytical tools. 2. Implement a Sustainable Finance Taxonomy 3. Promote sustainable financing in the financial sector 4. Enhance resilience and transparency in sustainability and climate-related financial risks within the financial sector. 5. Develop emissions reduction strategies
THEME 3	**3.1 Strengthen Institutional Efficiency**	• Improved organization performance.	• Expenditure coverage ratio. • Strategic Management Maturity Level (SMML) • % of achievement of Strategic Result. • AI Maturity Index	• 1.9 • Level 3 • 81.5% • 1.5	• 1 • Level 4 • 98% • ≥3	1. Develop and implement effective resource management strategies. 2. Modernize business processes. 3. Strengthen management and oversight of strategic projects. 4. Institutionalize an adaptive, innovative and performance-driven corporate culture. 5. Modernize and optimize ICT systems and infrastructure. 6. Enhance IT security and resilience.

THEME	OBJECTIVES	INTENDED RESULT	KPIs	BASELINE	TARGET 2029/30	STRATEGIC INITIATIVES
THEME 3:ORGANIZATIONAL CAPACITY		• Improved Information technology and cybersecurity • Improved work environment	• IT Maturity Level. • % System Availability • % of Employees' satisfaction with work environment	• LEVEL 3 • 98.1% • 78%	• Level 4 • 99.9% • 90%	7. Leverage Artificial Intelligence, digital innovation and other emerging technologies to continuously transform bank services. 8. Acquire, develop, and modernize facilities and infrastructure. 9. Strengthen Data Management to promote informed decision making.
		• Improved staff knowledge and skills • Improved management of data as a strategic asset	• Capacity building effectiveness index • Data management maturity level	• 74.5 • Level 2	• 100 • Level 3	
	3.2 Enhance Organizational Effectiveness and Sustainability	• Improved risk and crisis management • Improved Bank's compliance with standards and legislations • Improved stakeholders' understanding of the Bank's undertakings • ESG principles embedded into Bank's operations • Reduced environmental impacts from the Bank's operations	• Risk Maturity Level • Net Risk Levels • % of Compliance with legal and regulatory requirements • % of stakeholder satisfaction • % of ESG integration • % reduction of Bank's emissions level (tCO_2e)	• Level 3 • Yellow • 85% • 82.7% • 15% • 7,594.13 tCO_2e (p) (100%)	• Level 5 • Green • 95% • 95% • ≥ 50% • 4,936.18 tCO_2e (65%)	1. Implement corporate-wide risk management strategies. 2. Develop and implement strategies to foster gender equality. 3. Modernise the internal audit process. 4. Provide security and safety of the Bank's assets. 5. Broaden public education on Bank undertakings. 6. Integrate ESG principles into the Bank's operations. 7. Develop emission reduction strategies.

1.0 INTRODUCTION

1.1 Background

The Bank of Tanzania is entrusted with the mandate of formulating, defining and implementing monetary policy, regulating and supervising financial institutions, and maintaining financial stability in the country. Since its establishment, the Bank has remained committed to preserving the value of the national currency, promoting a sound financial system, and fostering conditions conducive to economic growth. Over time, its role has expanded in response to increasing complexity in financial markets, technological advancements, and globalization.

In recent years, Tanzania's financial sector has undergone a notable transformation, characterized by the expansion of banking services, rapid growth in mobile money usage, and increased participation of non-bank financial institutions. These developments have improved access to financial services while also introducing new regulatory and supervisory challenges. At the same time, consideration has all along been given to external shocks, including global economic uncertainties, commodity price volatility, shifting capital flows, and climate change, all of which have implications for macroeconomic and financial stability.

Within this context, the Strategic Plan 2026/27 – 2030/31 is designed to consolidate all gains made in previous periods while positioning the Bank to respond effectively to existing and emerging risks and opportunities. It recognizes the importance of maintaining a proactive and adaptive approach to policy formulation, regulation, and institutional development. Also, it reaffirms the Bank's commitment to excellence, innovation, and accountability in pursuing its mandate. By strengthening macroeconomic and financial stability, enhancing institutional capacity, and promoting inclusive growth, the Bank trusts that it will contribute meaningfully to Tanzania's economic development and prosperity over the next five years and beyond

1.2 Purpose of the Strategic Plan

This Strategic plan serves as a critical tool for guiding the Bank's operations and decision-making processes over the medium term. It provides a clear vision and direction, ensuring that all institutional efforts align with the overarching mandate to maintain price stability and soundness of the financial system. Also, by setting out strategic priorities and measurable objectives, the Plan establishes a results-oriented framework that facilitates assessment of execution progress and its impact on the national economy.

Further, the Plan enhances accountability by defining clear roles, responsibilities, and expected

outcomes across different levels of the organization. Likewise, it harnesses cohesiveness, effective budgeting, distribution of tasks at functional and individual levels, thereby promoting fairness and transparency in determining performance-related awards and designing the Bank's learning and staff development plans. On the other hand, this Plan not only guides internal operations but also communicates the Bank's priorities and commitments to external stakeholders.

In implementing this Plan, the Bank will enhance policy coherence, institutional coordination, and regulatory certainty to support private sector–led growth while safeguarding overall financial and economic stability. This includes promoting predictable and transparent macro and microeconomic policies, underpinned by strong legal, regulatory, monetary, and fiscal frameworks to attract sustainable domestic and foreign investment. To ensure effective execution of the plan, the Bank has strengthened its monitoring and evaluation systems and improved its communication strategy to deepen public engagement and financial literacy via expanded education programs. Overall, the Plan positions the Bank as a key driver of Tanzania's inclusive, resilient, and sustainable development trajectory.

1.3 Planning Methodology

The development of this Strategic Plan has been predominantly based on the Management by Objectives (MBO) methodology and partly based on the Balanced Scorecard (BSC) techniques. Also, to drive the execution of this Plan, a result-based approach guided by the Performance Measurement Process (PuMP®) is partially deployed.

Further, the formulation of this Plan was underpinned by a comprehensive and participatory process, encompassing extensive stakeholder consultations that brought together government institutions, financial sector participants, development partners and the public alongside a rigorous review of the preceding Plan's implementation. The insights and lessons drawn from both processes ensured that the Strategic Plan 2026/27–2030/31 is evidence-based, forward-looking and reflective of the diverse needs and expectations of all stakeholders.

In addition, a comprehensive economic analysis was conducted to assess internal and external environments with a particular focus on macroeconomic trends, financial sector developments, and potential risks. The analysis provided an evidence-based foundation for defining the Bank's strategic priorities. Further, the Bank undertook benchmarking exercises against leading global central banks to identify the best international practices in key areas, including monetary policy implementation, financial regulation, ICT infrastructure, digital transformation, and the application of Artificial Intelligence (AI).
Furthermore, a comprehensive review of the results from the previous five-years plan was undertaken to understand key achievements, challenges encountered, and lessons learned. The findings helped to identify areas requiring improvement and informed the formulation of more effective strategies and initiatives

1.4 Structure of the Plan

The Plan document presents a performance review of the preceding Plan covering the 2021/22–2025/26 period, highlighting key achievements and challenges encountered during implementation. It also includes a Situation Analysis that assesses the external and internal environments within which the Plan will be implemented.

Further, this Plan provides a well-documented alignment of the Bank's Plan with Tanzania National Development Vision 2050 (Vision 2050) and Zanzibar National Development Vision 2050. This chapter provides a comprehensive description of how the Bank's strategies are integrated with broader national development priorities. Furthermore, the Plan outlines the financing framework, specifying how resources will be mobilized to support implementation and the associated Monitoring and Evaluation framework for tracking implementation progress.

2.0 SITUATION ANALYSIS

2.1 Macro Economic Performance Outlook

During the period under review, the global economy faced significant challenges arising from geopolitical tensions, inflationary pressures, and monetary policy tightening. Following a fragile recovery from the COVID-19 pandemic, the Russia and Ukraine conflict triggered sharp increases in food, fuel, and fertilizer prices, resulting in high global inflation and prompting major central banks to raise interest rates aggressively. These developments increased borrowing costs, reduced capital flows to emerging markets, and exerted pressure on exchange rates and foreign reserves in many developing countries, including Tanzania. Although global inflation moderated by 2025 and economic growth improved to 3.4 percent, renewed conflict in the Middle East in early 2026 disrupted energy and fertilizer supply chains, causing oil prices to rise above US$100 per barrel and creating new inflationary pressures. Consequently, global growth is projected to slow to 3.1 percent in 2026 before recovering modestly in 2027, while inflation is expected to remain elevated due to higher commodity prices.

Despite the challenging global environment, Tanzania's economy demonstrated resilience and sustained growth throughout the 2021/22–2025/26 period. Real GDP growth averaged around 5 percent annually, increasing from 4.5 percent in 2020 to 5.9 percent in 2025, driven by agriculture, construction, mining, financial services, and digital commerce. Inflation remained well contained, averaging 3.7 percent and staying within the national target range of 3–5 percent, supported by prudent fiscal and monetary policies and adequate domestic food supplies. A major institutional reform was the Bank of Tanzania's adoption of an interest rate-based monetary policy framework in January 2024, which improved policy transparency, effectiveness, and market confidence.

The financial sector remained stable and strong. Banking sector capitalization exceeded regulatory requirements, non-performing loans declined significantly from 9.3 percent to about 3 percent, and total banking assets nearly doubled. Financial inclusion also improved substantially, reaching 92.6 percent of adults by September 2025, surpassing national targets through the expansion of digital financial services and agent banking networks.

Looking ahead, Tanzania's economic outlook remains positive, with GDP growth projected at 6.3 percent in 2026 and 6.6 percent in 2027. Growth is expected to be supported by infrastructure investment, private sector expansion, tourism, and gold exports. However, risks remain from global geopolitical tensions, supply chain disruptions, and rising energy prices. Tanzania's long-term development agenda, anchored by Vision 2050 and the Fourth Five-Year Development Plan, reflects a strong commitment to achieving inclusive and sustainable economic transformation.

2.2. Corporate Performance Review 2021/22 – 2025/26

OBJECTIVES	BASELINE (2021/22)	TARGET 2025/26	ACTUAL 2025/26 (Q3)
Enhance Effectiveness of Monetary Policy	Core Inflation **2.1%** Headline inflation **3.6%** 7-day Inter bank Cash Market rate **None** Credit to private sectors per GDP **13.2%** GDP Growth **4.5%**	Core Inflation **3% - 5%** Headline inflation **3% - 5%** 7-day Inter bank Cash Market rate **±200bps of CBR** Credit to private sectors per GDP **≥22%** GDP Growth **≥6%**	Core Inflation **3.4%** Headline inflation **4.2%** 7-day Inter bank Cash Market rate **±200** Credit to private sectors per GDP **22.8%** GDP Growth **6.2%**
Enhance Foreign Reserves	Months of Import cover **6.1**	Months of Import cover **≥4.0**	Months of Import cover **4.7**
Enhance safety, soundness and inclusiveness of theFinancial System	Capital adequacy ratio **17.20%** Asset Quality **9.68%** Liquidity Ratio **32.90%** Financial Sector Stability Index **-0.4** Payment system Reliability **98%** (2023/24) Financial Inclusion Index **0.69** (2024/25) % of adults with accounts **60%** (2023)	Capital Adequacy Ratio **≥14.5%** Liquidity Ratio **≥20%** Payment system Reliability **98%** % of adults with accounts **80%** Financial Inclusion Index **≥0.74** Financial Sector Stability Index **±3** Asset Quality Ratio **≤5%**	Liquidity Ratio **26.88%** Payment system Reliability **99.97%** Capital Adequacy Ratio **≥21.32%** % of adults with accounts **73.80%** Financial Inclusion Index **0.83** Asset Quality Ratio **2.96%** Financial Sector Stability Index **0.3**

2.2. Corporate Performance Review 2021/22 – 2025/26

OBJECTIVES	BASELINE (2021/22)	TARGET 2025/26	ACTUAL 2025/26 (Q3)
Enhance banking and currency services	Cheque Settlement period: T+1 EFT Settlement period: T+1 SWIFT Settlement period: T+1 % customer satisfaction on banking and currency services: 76%	Cheque Settlement period: T+1 EFT Settlement period: T+0 SWIFT Settlement period: T+1 % customer satisfaction on banking and currency services: 80%	Cheque Settlement period: T+1 EFT Settlement period: T+1 SWIFT Settlement period: T+1 % customer satisfaction on banking and currency services: 96.90%
Enhance climate change resilience in the financial sector	% Compliance level with BOT guidelines on climate and sustainability related financial risk: 31% Bank' GHG emission level: None	% Compliance level with BOT guidelines on climate and sustainability related financial risk: 40% Bank' GHG emission level: <15%	40%
Strengthen Institutional Efficiency	1.1 Expenditure coverage ratio None Strategic management maturity level 2.8 % Achievement of strategic results 2 IT maturity level 90% % of system availability 70% % of employee satisfaction with work environment 71% % implementation of corporate training plan.	1.1 3 85% 4 95% 81% 95%	2.04 None 85% 2.8 2 90% 70% 71%
Enhance Organization Effectiveness	Risk maturity level: 3 Net risks levels: Yellow % compliance to legal and regulatory: 76.0% % of stakeholder satisfaction: 82.70%	% of stakeholder satisfaction: 85% Net risks levels: Yellow % compliance to legal and regulatory: 100% Risk maturity level: 4	% of stakeholder satisfaction: 87% Net risks levels: Yellow % compliance to legal and regulatory: 82% Risk maturity level: 4

2.3 SWOC Analysis

Strengths

1. The institution benefits from a strong working environment that supports staff productivity and retention.
2. It has competent, experienced, and committed personnel backed by solid governance practices.
3. Reliable ICT systems and interoperable payment infrastructure enhance operational efficiency and secure transactions.
4. Strategically located branches and robust operational frameworks support effective execution of its mandate.
5. A proactive monetary policy framework and capacity to diversify foreign reserves strengthen financial stability.

Weaknesses

1. Inadequate risk management culture and inadequate handling of strategic projects and sustainability risks.
2. ICT infrastructure is insufficient and not robust enough to fully support operations.
3. Slow adoption of global standards and technological innovation limits competitiveness.
4. Aging infrastructure, limited office space, and security concerns affect service delivery.
5. Inefficient processes and generational diversity challenges create delays and operational inefficiencies.

Opportunities

1. A stable political and economic environment supports effective policy implementation and growth.
2. Technological innovation and expanding financial service networks create opportunities for improved service delivery.
3. Strong government support and stakeholder collaboration enhance institutional effectiveness.
4. Access to international training and global best practices strengthens capacity building.
5. Availability of gold reserves, diversified investments, and increased investor participation boost financial resilience.

Challenges

1. Rising cyber threats and fraud pose risks to financial stability.
2. Global financial market volatility and external shocks complicate monetary policy implementation.
3. Data unreliability and rapid technological changes create operational uncertainty.
4. Structural issues such as dollarization, market segmentation, and high borrowing costs persist.
5. Climate change risks and limited financial inclusion remain significant long-term challenges.

3.0 BOT STRATEGIC PLAN 2026/27 - 2030/31

The Strategic Plan 2026/27 – 2030/31 outlines the Bank's strategic intent, medium-term objectives, and the approaches to achieving its desired outcomes. The plan primarily focuses on supporting the Governments in sustaining macroeconomic stability and advancing towards a competitive economy that fosters human development.

Key Strategic Focus Areas

1. Enhancing Monetary Policy and Price Stability
2. Deepening Domestic Financial Markets and Foreign Reserve Opportunities
3. Strengthening Financial Stability, Inclusion, Payment System and Regulation
4. Enhancing Digital Transformation, Data Governance and Operational Resilience
5. Promoting Climate Change Resilience and Sustainability
6. Enhancing Institutional Excellence
7. Improving Gender Equality and Diversity

STRATEGIC THEMATIC AREAS AND OBJECTIVES

The Plan is built on three thematic areas namely Macroeconomic Stability, Financial Stability, and Organizational Capacity. Each thematic area is supported by clearly defined strategic objectives, intended results, key performance indicators and strategic initiatives designed to guide the Bank's operations over the next five years.

THEMATIC AREA I Macroeconomic Stability

Over the past five years, the Bank of Tanzania played a pivotal role in sustaining Tanzania's macroeconomic stability consistent with the country's lower-middle-income status. Through effective implementation of monetary policy, the Bank maintained inflation within the target, modernized its policy framework toward an interest-based approach and strengthened evidence-based policy making to support the Government's development agenda.

Notwithstanding, key challenges, including the growing complexity of monetary transmission driven by digital financial innovation, elevated currency in circulation, rising dollarization tendencies and the persistent threat of imported inflation from global geopolitical and trade disruptions continue to prevail. Looking ahead, the Bank will continue to learn from both domestic and external environments, seizing opportunities to enhance its agility and strengthen its policy formulation and implementation techniques.

Strategic Objective 1.1: Enhance Effectiveness and Transmission of Monetary Policy.

Intended Results

1. Low and stable inflation.
2. Steady growth of the economy
3. Efficient transmission of policy signals to money market and bank interest rates
4. Adequate credit to the private sector

Strategic Initiatives

1. Adopt Financial Market Master agreements.
2. Facilitate issuance of new categories of government debt instruments.
3. Modernize Government Securities Infrastructure and market operations
4. Adopt a full capital account liberalization

Strategic Objective1.2: Enhance Foreign Reserves

Intended Results

1. Adequate level of foreign reserves.
2. Improved risk-adjusted return

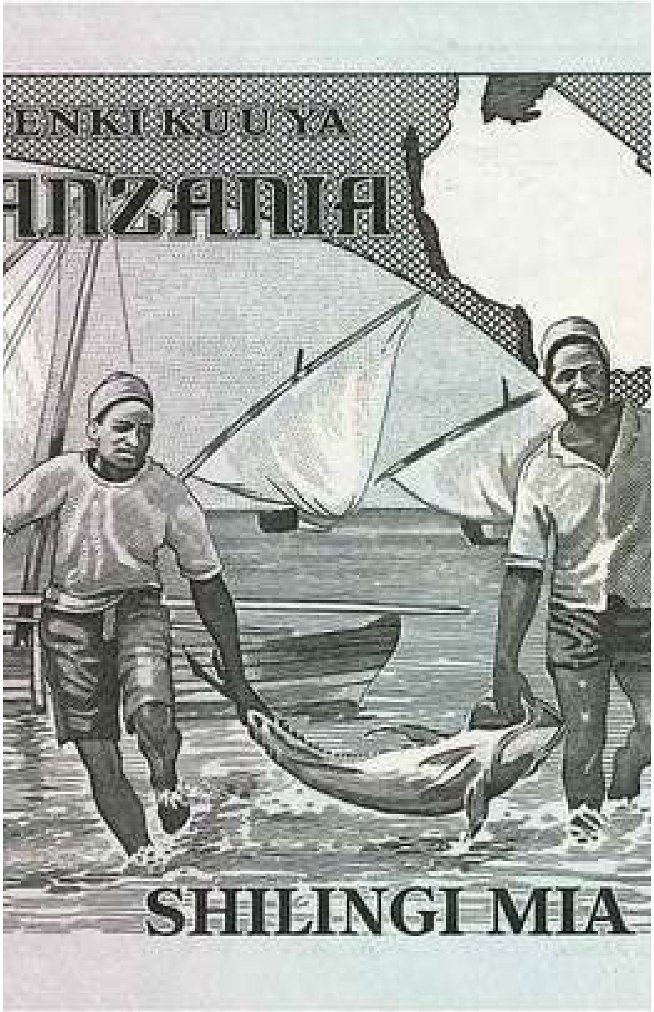
Strategic Initiatives

1. Broaden avenues for the accumulation of foreign reserves.
2. Develop and implement strategies on management of foreign reserves.
3. Establish strategic investment subsidiary for balance sheet diversification and investment in strategic projects.

Strategic Objective1.3: Deepen Domestic Financial Markets

Intended Results

1. Market segmentation in the IBCM and IFEM addressed.
2. Diversified portfolio of government debt instruments.



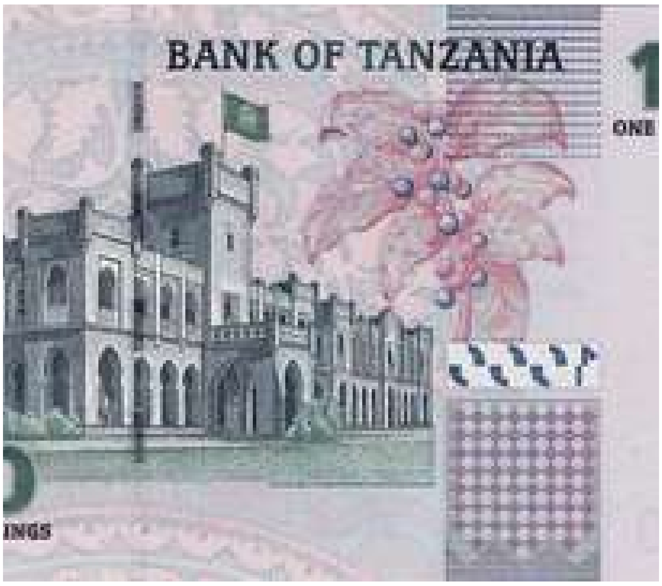
Strategic Initiatives

1. Adopt Financial Market Master agreements.
2. Facilitate issuance of new categories of government debt instruments.
3. Modernize Government Securities Infrastructure and market operations.
4. Adoption a full capital account liberalization.

THEMATIC AREA II

Stability of the Financial Sector

The financial system in Tanzania remained resilient despite heightened uncertainty. This was supported by its strong fundamentals, sound regulatory framework, and commitment to safety and integrity. As a result, the financial system continues to support sustainable economic growth while maintaining reliability and robustness in the face of evolving risks.



Amid increasing interconnectedness, evolving climate-related financial risks, and rapid technological advancement, there is a growing need to further strengthen financial stability through enhanced oversight and supervision of financial institutions. The Bank will also prioritize the development of robust payment systems and financial infrastructure, alongside the implementation of the National Financial Inclusion Framework to expand access to financial services. In parallel, initiatives to promote a cash-lite economy will be accelerated, supported by an enabling regulatory environment for fintech innovation, including the growth of a regulatory sandbox. Efforts will also be intensified to strengthen Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) supervision and compliance across the financial sector.

Strategic Objective 2.1: Enhance Safety, Efficiency, Resilience, Soundness, and Inclusiveness of the Financial Sector.

Intended Results

1. Increased safety, soundness, stability, integrity and inclusiveness of the financial sector.
2. Enhance efficiency of Systemically Important Payment Systems and continuity of critical functions.
3. Enhanced inclusiveness and deepening of the financial sector.

Strategic Initiatives

1. Develop and Implement strategies to safeguard financial system stability
2. Develop and implement cyber resilience strategies in the financial sector.
3. Enforce compliance to international standards in the financial sector
4. Develop and maintain robust payment systems and financial infrastructure
5. Implement National Financial Inclusion Framework.
6. Develop and implement strategies to promote cash-lite economy.
7. Create an enabling environment for growth of fintech regulatory sandbox to foster innovations in the financial sector.
8. Enhance cross border collaboration in supervision, crises preparedness and payment system oversight.
9. Facilitate establishment of an International Financial Centre.
10. Facilitate operationalization of Independent Credit Guarantee Co-operation of Tanzania
11. Strengthen Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Supervision and compliance across the financial sector.

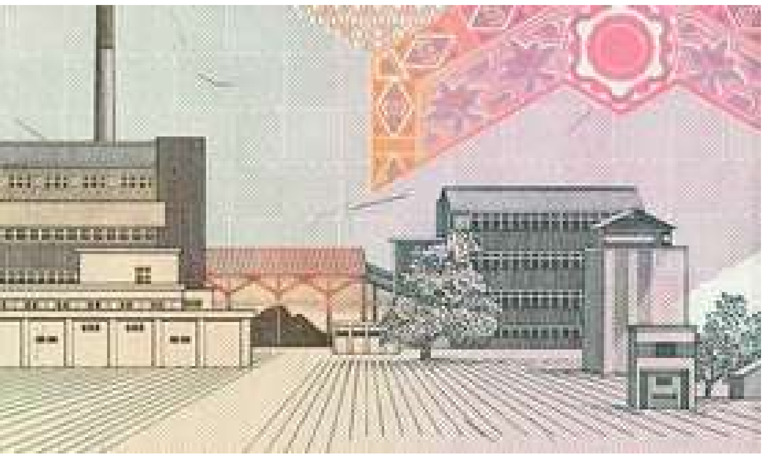
Strategic Objective 2.2: Enhance Banking and Currency Services

Intended Results

1. Improved timeliness, safety, convenience and reliability of services.
2. Mantain quality and adequacy of clean currency in circulation.

Strategic Initiatives

- Enhance banking and currency management strategies.



Strategic Objective 2.3: Enhance climate change resilience and sustainability in the financial sector

Intended Results

- Sustainable and climate-conscious financial system.

Strategic Initiatives

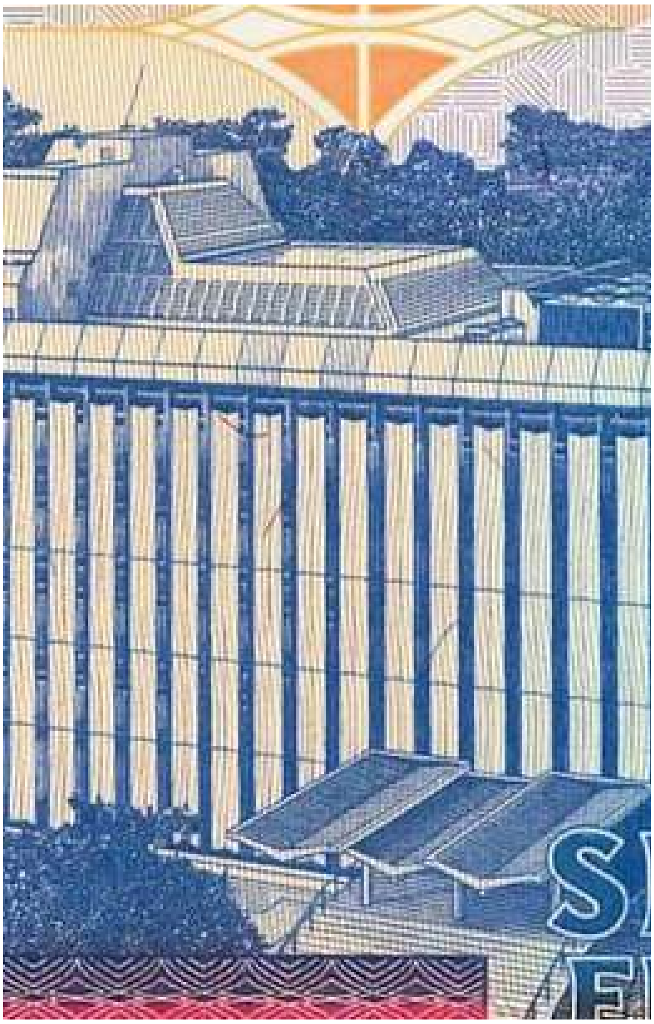
1. Enhance climate data repository and analytical tools.
2. Implement a Sustainable Finance Taxonomy.
3. Promote sustainable financing across the financial sector.
4. Enhance resilience, transparency, and disclosure of sustainability and climate-related financial risks and opportunities within the financial sector.
5. Develop emissions reduction mechanisms.

THEMATIC AREA III

Organizational Capacity

The successful delivery of the Bank's mandate is fundamentally dependent on strong organizational capacity, which provides the institutional foundation for effective policy implementation, operational excellence and long-term sustainability. This Thematic Area focuses on installation of proper organizational culture in terms of how the Bank manages its critical resources including human, finance, technology, governance systems, infrastructure and institutional processes.

In an increasingly complex and dynamic financial and regulatory environment, the Bank intends to enhance its institutional efficiency and effectiveness to remain resilient and forward-looking. Understandably, to achieve that, it is imperative to ensure effective investment in people, streamlined processes and systems, and leadership that promotes accountability, innovation and performance excellence.



Strategic Objective 3.1: Strengthen Institutional Efficiency

Intended Results

1. Improved organization performance.
2. Improved Information Technology (IT) and cybersecurity.
3. Improved work environment.
4. Improved staff knowledge and skills.
5. Improved management of data as a strategic asset.

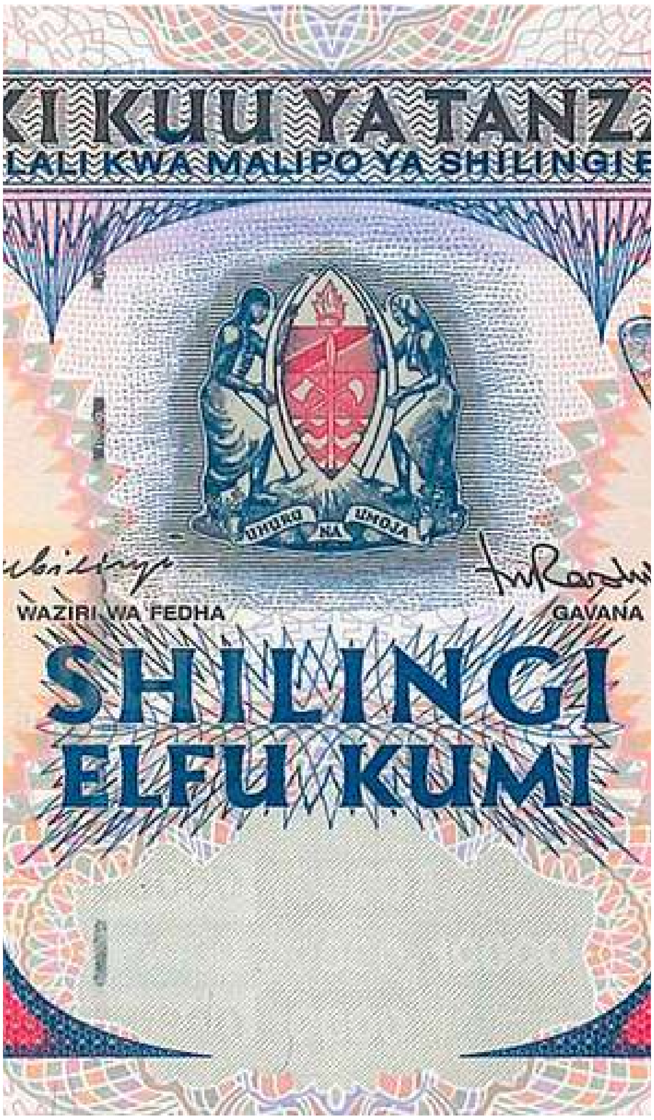
Strategic Initiatives

1. Develop and implement effective resource management strategies.
2. Modernize business processes to drive structural alignment, enhance cross functional performance and efficiency.
3. Strengthen management and oversight of strategic projects.

Strategic Initiatives

4. Institutionalize an adaptive, innovative and performance-driven corporate culture.
5. Strengthen Data Management to promote informed decision making.
6. Modernize and optimize ICT systems and infrastructures.
7. Enhance IT security and resilience.
8. Acquire, develop, and modernize facilities and infrastructure.
9. Leverage Artificial Intelligence (AI), digital innovation and other emerging technologies to continuously transform bank services.

Strategic Objective 3.2: Enhance Organizational Effectiveness and Sustainability



Intended Results

1. Improved risk and crisis management.
2. Improved Bank's compliance to standards and legislations.
3. Improved stakeholders' understanding of the Bank's undertakings.
4. Embedded ESG principles across the Bank's operations.
5. Reduced environmental impacts of the Bank's operations.

Strategic Initiatives

1. Develop and implement corporate-wide risk management strategies.
2. Enhance internal audit process.
3. Strengthening security and safety of the Bank's assets.
4. Broaden public education efforts to foster greater understanding of the Bank's operations.
5. Integrate ESG principles into the Bank's operations.

New Projects

Considering the dynamic needs of the Bank, prevailing economic conditions and emerging risks, requirements by other regulatory authorities including e-GA, the Bank is compelled to assess and determine strategic projects and include them in its annual and medium-term strategic plans.

Accordingly, for the 2026/27 financial year, two new construction projects have been incorporated in this Plan, while a total of 16 out of which eight each are for construction and ICT related respectively.

New Projects

2022/23 - 2026/27

Proposed construction of Bank Officers' Apartments in Kigoma – Design and Build approach

2023/24 - 2027/28

Proposed construction of Senior Staff Housing Apartments in Kigoma Design and Build approach.

4. BANK'S KEY PERFOMANCE INDICATORS AND TARGETS BY 2030/31

Over the past five years, the Bank of Tanzania has made significant progress across all three thematic areas of its Strategic Plan. Overall implementation has been highly successful, resulting in notable improvements in the conduct of monetary policy and the stability of the financial system. These achievements have strengthened the Bank's capacity to effectively address monetary and financial challenges, while also enhancing transparency and engagement with stakeholders. A summary of the key achievements is presented below.

Enhance Effectiveness of Monetary Policy

- Core Inflation: **3% - 5%**
- Headline Inflation: **3% - 5%**
- 7 day ICBM rate: **±150 bps of CBR**
- GDP Growth Rate: **6.0%**
- Credit to private sector per GDP: **30.0%**

Enhance Foreign Reserves

- Month of import Cover: **4.0**
- Foreign Investment income: **10 bps above SAA Target**

Deepen Domestic Financial Markets

- Spread in the 7 –day IBCM interest rate: **≤2%**
- Spread in the IFEM: **≤TZS 20**
- Share of non-traditional issuance to total issuance: **≥ 10%**

Enhance Safety, Soundness and Inclusiveness of Financial Sector

- Capital Adequacy Ratio: **≥14.5%**
- Liquidity Ratio: **≥20%**
- Payment system Reliability: **99.9%**
- Financial Inclusion Index: **≥0.75**
- Asset Quality Ratio: **≤5%**
- % of adults with accounts: **87%**
- Financial Sector Stability Index: **±3**

Enhance Banking and Currency Services

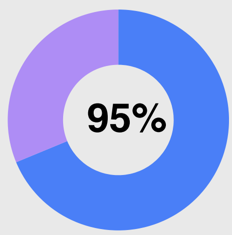
- Check settlement: **T + 1**
- Currency Stock Level (months): **≥ 24**
- Customer Satisfaction: **98%**

Enhance Climate Change Resilience and Sustainability in the Financial Sector

- Compliance level (%) with BOT guidelines on management of climate and sustainability related financial risks: **75%**

Enhance Institutional Efficiency

- Expenditure Coverage Ratio: **1**
- Strategic Management Maturity Level: **Level 4**
- % of achievement of Strategic result: **98%**
- % implementation of corporate Training Plan.: **95%**
- AI Maturity Index: **≥3**
- % employees' satisfaction with work environment.: **90%**
- IT Maturity: **Level 4**
- Data management maturity level: **3.1**
- IT System Availability: **95%**



IT System Availability

Enhance Organisation Effectiveness

- Risk Maturity Level: **Level 5**
- Net Risk levels: **Green**
- Legal Compliance PPRA: **100%**
- % of Stakeholder's satisfaction.: **95%**
- Percentage of ESG integration: **≥ 50%**
- Bank's emissions levels (tCO_2): **≤35%**

Legend

- Macroeconomic Stability
- Stability of the Financial Sector
- Organizational Capacity

5. PLAN MONITORING, EVALUATION, AND ACCOUNTABILITY

To ensure effective implementation, the Strategic Plan incorporates a strengthened Monitoring and Evaluation (M&E) framework. This includes establishing of robust institutional mechanisms for tracking progress, supported by clearly defined Key Performance Indicators (KPIs) to measure outcomes and performance. The framework facilitates continuous assessment, learning and timely adjustments in response to emerging challenges and opportunities, thereby ensuring sustained alignment with strategic objectives.

5.1 Monitoring Tools

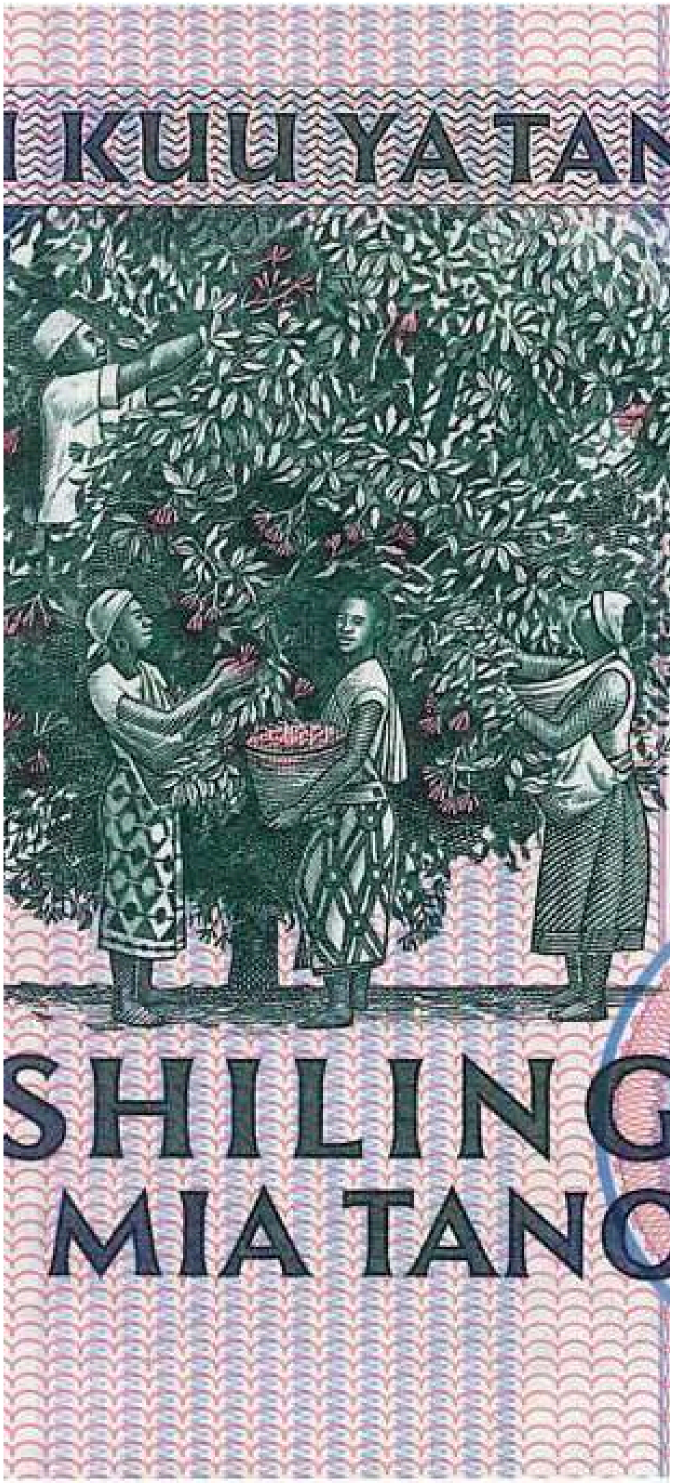
The monitoring plan is aligned with each strategic objective including corresponding intended results, KPIs, baseline values, and annual targets. It also specifies the reporting frequency and designates an indicator champion responsible for data collection, validation, and reporting to ensure consistency, accuracy and ownership of performance information. The design and detailed descriptions of the KPIs guided by the PuMP methodology are comprehensively documented in the Bank's Measure Definition Dictionary. During the period 2026/27–2030/31, the Bank will monitor and track its contribution to the National Key Results Areas stipulated in FYDP IV through relevant KPIs under its mandate, as well as the key performance indicators.

5.2 Priority Strategic Initiatives

The Strategic Plan sets out a portfolio of priority strategic initiatives aligned with three thematic areas: Macroeconomic Stability, Financial Sector Stability and Organizational Capacity. Each initiative is assigned a designated champion to ensure clear accountability and effective coordination and is scheduled for implementation throughout the Strategic Plan period,

5.3 Periodic Reviews

Implementation of this plan will be reviewed quarterly, semi-annually, and at the end of each financial year to track progress towards attainment of targets which are critical to the achievement of the Bank Strategic Objectives.



Priority Strategic Initiatives

OBJECTIVES	Strategic Initiatives	Implementation Period					Champion
Enhance Effectiveness and Transmission of Monetary Policy.	Formulate and implement of monetary policy	☐	☐	☐	☐	☐	
	Implement regional integration and International Cooperation Initiatives.	☐	☐	☐	☐	☐	**DERP/DFM/DNPS/DFSS/DFDI/MFS**
	Provide timely and evidence based economic policy advice to the Governments.	☐	☐	☐	☐	☐	**DERP/DFM**
	Enhance transparency and forward guidance through strengthened monetary policy communication.	☐	☐	☐	☐	☐	**DERP/MCN**
	Strengthen research, innovation to support data-driven policy formulation.	☐	☐	☐	☐	☐	**DERP/DFDI/MPD**
	Strengthen the monetary policy transmission mechanism.	☐	☐	☐	☐	☐	**DERP/DFM**
Enhance Foreign Reserve	Broaden avenues for the accumulation of foreign reserves.	☐	☐	☐	☐	☐	**DFM**
	Develop and Implement strategies for the management of foreign reserves.	☐	☐	☐	☐	☐	**DFM**
	Implement Strategies to support the increase of gold production in the country.	☐	☐	☐	☐	☐	**DFM/DLS**
	Establish strategic investment subsidiary for balance sheet diversification and investment in strategic projects	☐	☐	☐	☐	☐	
Deepen Domestic Financial Markets	Adopt Financial Market Master agreements	☐	☐	☐	☐	☐	**DFM/DLS**
	Facilitate issuance of new categories of government debt instruments	☐	☐	☐	☐	☐	**DFM/DERP**
	Modernize Government Securities Infrastructure and market operations.	☐	☐	☐	☐	☐	**DFM/DMIS**
	Adopt a full capital account liberalization.	☐	☐	☐	☐	☐	**DERP/DFM**
	Safeguard financial system stability and resilience	☐	☐	☐	☐	☐	**DFSS/MFS**
	Develop and implement cyber resilience strategies in the financial sector	☐	☐	☐	☐	☐	**DMIS/MFS/DFSS**

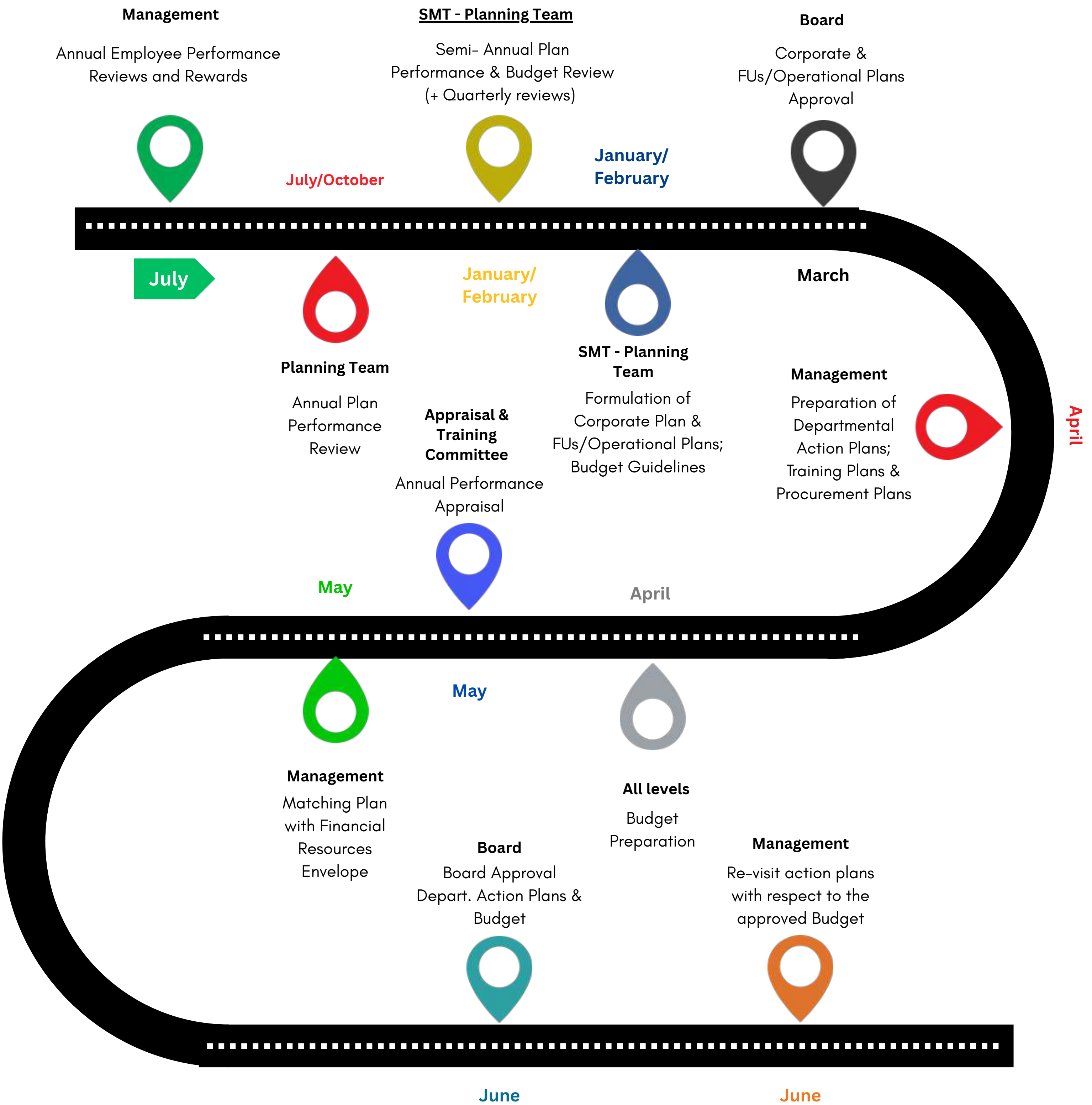
OBJECTIVES	Strategic Initiatives	Implementation Period					Champion
Enhance Safety, Efficiency, Resilience, Soundness, and Inclusiveness of the Financial Sector.	Enforce compliance with applicable supervisory and regulatory standards in the financial sector	☐	☐	☐	☐	☐	DFSS/DNPS
	Develop and maintain robust payment systems and financial infrastructure	☐	☐	☐	☐	☐	DNPS
	Implement National Financial Inclusion framework	☐	☐	☐	☐	☐	DFDI
	Implement strategies to promote cash-lite economy	☐	☐	☐	☐	☐	DNPS/DERP
	Create an enabling environment for the growth of the fintech regulatory sandbox to foster innovations in the financial sector	☐	☐	☐	☐	☐	DFDI
	Enhance cross border collaboration in supervision, crisis preparedness and payment system oversight	☐	☐	☐	☐	☐	
	Facilitate the establishment of an International Financial Centre	☐	☐	☐	☐	☐	DFDI/DFSS
	Facilitate operationalization of the Independent Credit Guarantee Co-operation of Tanzania	☐	☐	☐	☐	☐	DFDI
	Strengthen Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) Supervision and compliance in the financial sector	☐	☐	☐	☐	☐	DLS/DFSS/DNPS
Enhance Banking and Currency Services.	Develop and Implement banking and currency management strategies	☐	☐	☐	☐	☐	DCM/DB
	Leverage the use of technology and innovation in banking and currency services	☐	☐	☐	☐	☐	DCM/DB/MPD
Enhance climate change resilience in the financial sector	Enhance the climate data repository and analytical tools	☐	☐	☐	☐	☐	MFS/DFSS
	Implement a Sustainable Finance Taxonomy	☐	☐	☐	☐	☐	DFSS/DFDI/DF
	Promote sustainable financing in the financial sector	☐	☐	☐	☐	☐	MFS/DFSS
	Enhance resilience and transparency in sustainability and climate-related financial risks within the financial sector	☐	☐	☐	☐	☐	DFSS/MFS

Priority Strategic Initiatives

OBJECTIVES	Strategic Initiatives	Implementation Period					Champion
Strengthen Institutional Efficiency.	Develop and implement effective resource management strategies	☐	☐	☐	☐	☐	**DFDI**
	Modernize business processes	☐	☐	☐	☐	☐	**DHRMA/DMIS**
	Strengthen management and oversight of strategic projects	☐	☐	☐	☐	☐	**DEFM/DMIS**
	Institutionalize an adaptive, innovative and performance-driven corporate culture	☐	☐	☐	☐	☐	**DHRMA/MPD**
	Modernize and optimize ICT systems and infrastructure	☐	☐	☐	☐	☐	**DMIS**
	Enhance IT security and resilience	☐	☐	☐	☐	☐	**DMIS**
	Leverage Artificial Intelligence, digital innovation and other emerging technologies	☐	☐	☐	☐	☐	**MPD/DMIS/DNPS/DFDI**
	Strengthen Data Management	☐	☐	☐	☐	☐	**MPD/DMIS**
	Acquire, develop, and modernize facilities and infrastructure	☐	☐	☐	☐	☐	**DEFM**
Enhance Organizational Effectiveness with a focus on Sustainability	Implement corporate-wide risk management strategies	☐	☐	☐	☐	☐	**MRM**
	Develop and implement strategies to foster gender equality	☐	☐	☐	☐	☐	**DHRMA**
	Modernise Internal Audit process	☐	☐	☐	☐	☐	**DIA**
	Provide security and safety of the Bank's assets	☐	☐	☐	☐	☐	**MIS/DMIS**
	Broaden public education on Bank undertakings	☐	☐	☐	☐	☐	**MCN**
	Develop emission reduction strategies	☐	☐	☐	☐	☐	**MRM**

MONITORING AND EVALUATION OF THE PLAN

The Planning Cycle provides a sequence of events across the key stages of the planning process from the formulation, implementation, and performance review. It integrates key activities, timelines, responsible parties, and decision-making points to ensure effective execution of the Plan, accountability, and coordination.



Plan Companion Document

To enhance implementation and ensure a clearer understanding among stakeholders, this Strategic Plan is complemented by a Companion Document that provides more detailed information beyond the high-level overview presented here. The Companion Document sets out specific strategic initiatives, implementation approaches, comprehensive Key Performance Indicators (KPIs), and resource requirements linked to each objective. It serves as a practical reference for internal teams and offers partners and stakeholders deeper insight into the Bank's strategic priorities for the 2026/27–2030/31 period.

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