



LEGAL AND HUMAN RIGHTS CENTRE

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PRESS STATEMENT

IMPACT OF THE 2026/2027 GOVERNMENT BUDGET THROUGH THE FINANCE BILL ON HUMAN RIGHTS AND PUBLIC FINANCIAL ACCOUNTABILITY

1. Introduction

Legal and Human Rights Centre (LHRC), in fulfilling its mandate to promote, protect and defend human rights, has conducted an in-depth analysis of the 2026/2027 Government Budget from the perspective of economic, social and political rights.

This analysis focuses on how proposed tax measures, levies and legal amendments affect the livelihoods of citizens, particularly vulnerable groups.

While LHRC recognizes the Government's efforts to increase revenue and promote economic growth, our analysis reveals a persistent gap between macroeconomic growth and the actual well-being of ordinary citizens, underscoring the need for a more people-centred policy approach.

2. Concerns Over Limited time and Public Participation in the 2026 Finance Bill Process

Legal and Human Rights Centre (LHRC) expresses concern over the inadequate opportunity afforded to the public to participate in the scrutiny of the Finance Bill, 2026. The public notice inviting stakeholders to appear before the Parliamentary Budget Committee was released on 19 June 2026, requiring submissions and attendance at public hearings on 20 and 21 June 2026. This extremely short notice period significantly limited the ability of citizens, civil society organizations, professional bodies, and other stakeholders to review the Bill, prepare informed submissions, and effectively participate in the legislative process.

LHRC considers that such limited consultation undermines the principles of transparency, inclusiveness, and public participation enshrined in the Constitution and good governance standards and calls for future legislative processes to provide adequate time for public scrutiny and engagement.

3. Impact of the Finance Bill, 2026 on Citizens and Human Rights

The Finance Bill 2026 signals a policy direction focused on increasing government revenue through broader taxation and higher levies on goods and services. However, these measures present serious concerns regarding the rising cost of living, as increased taxes are expected to translate into higher prices of essential goods and services.

This burden will disproportionately affect low-income households, particularly women and those operating in the informal sector.

Furthermore, the introduction or expansion of taxes within the agriculture, livestock and fisheries sectors raises significant concerns for smallholder producers who are already facing challenges such as climate change, poor infrastructure and unstable markets.

LHRC also notes a structural imbalance in tax policy, where large investors especially in the extractive sector continue to benefit from tax exemptions, while ordinary citizens face increased taxation, raising serious concerns about tax justice and equity.

4. Sensitive Area

4.1 Bank of Tanzania and Risks of Emergency Borrowing

One of the most critical reforms in the Finance Bill 2026, relates to the Bank of Tanzania, which introduces provisions governing short-term government borrowing under emergency conditions.

LHRC considers this area highly sensitive due to the risks associated with insufficient transparency and accountability. The definition of “emergency” remains broad and can be subject to abuse, creating room for discretionary interpretation.

In contexts where fiscal transparency is weak, emergency borrowing mechanisms may be used to bypass established budgetary controls and parliamentary oversight. This poses a significant risk of misuse of public funds.

Moreover, such borrowing can increase money supply without corresponding economic output, leading to inflation, currency depreciation and rising cost of living, thereby undermining citizens' socio-economic rights.

Additionally, unchecked emergency borrowing can contribute to unsustainable public debt levels and weaken central bank independence by exposing it to political pressure, ultimately threatening macroeconomic stability.

4.2 Inclusion and Equity in Economic Reforms

The expansion of digital systems in tax administration risks widening the digital divide, particularly affecting individuals without access to technology, including rural populations and women.

5. Call for Action

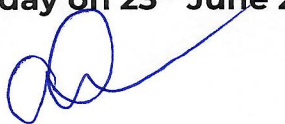
LHRC calls upon the;

- **Government of Tanzania** to ensure that tax and fiscal policies prioritize citizens' welfare and uphold human rights.
- **Bank of Tanzania (BOT)** to prevent abuse of public resources.
- **Also, Parliament, civil society and citizens** must actively play their oversight role in ensuring fiscal accountability.

6. Conclusion

LHRC reiterates that a Finance Bill is not merely a fiscal instrument but a tool for advancing human rights and inclusive development. Without equity, transparency and accountability, economic growth will remain disconnected from the lived realities of citizens.

Issued today on 23rd June 2026 by:



Dr. Anna Henga (Advocate)
Executive Director-Legal and Human Rights Centre (LHRC)



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