

**TANZANIA PRIVATE SECTOR FOUNDATION**



**PRIVATE SECTOR COMPETITIVENESS PROJECT-PSCP  
(IDA Credit No. 4136TA, Project ID P085009)**

**COMPONENT 2: ENTERPRISE DEVELOPMENT**

**Progress Report for the Mid-Term Implementation  
Support Mission  
(April 29 – May 15, 2009)**



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## 1.0 BACKGROUND

The PSCP is funded through IDA's Credit Agreement No 4136-TA: The Project is being implemented in compliance with the requirements of the Development Credit Agreement (DCA) signed between the Government of the United Republic of Tanzania and the World Bank (IDA) on 9<sup>th</sup> March 2006. Part B of the project is implemented by the Tanzania Private Sector Foundation in compliance with the requirements of the Project Agreement (PA) signed between the International Development Association and the Tanzania Private Sector Foundation on 9<sup>th</sup> March 2006 and the requirements of the Subsidiary Grant Agreement (SGA) signed between the government of the United Republic of Tanzania and the Tanzania Private Sector Foundation on 28<sup>th</sup> June 2006.

### 1.1 The Objectives of Component 2

The objectives of component 2 of the PSCP are to improve the capacity of the private sector in Tanzania to respond favorably to viable opportunities in domestic, regional and international markets. To achieve this objective, the Tanzania Private Sector Foundation leads the implementation of four major subcomponents, namely: -

- (i) **Cluster Competitiveness Programme** that will identify clusters, craft cluster development strategies and finally implement those strategies
- (ii) **Matching Grants Schemes**, namely, Tanzania Business Development Scheme (TBDS) for enterprises and Technical Innovation Applied Research (TIAS) for technical and research institutions.
- (iii) **Tanzania Business Development Gateway (BDG) Programme** is aimed at strengthening the entrepreneurial culture in Tanzania by providing entrepreneurs with business ideas through grants provided on the basis of business plan competition
- (iv) **International Business School Linkage Programme** aims at strengthening the capacity of Tanzanian management and financial school to deliver World class entrepreneurial training in Tanzania by linking them with the IFC's Global Business School Network (GBSN).

This report provides information on the Progress of component 2 of the PSCP as an input in the Mid-Term Implementation Support Mission planned for April 29<sup>th</sup> to May 15<sup>th</sup>, 2009.

## **2.0 STRENGTHENING OF THE CAPACITY OF TPSF**

### **2.1 Office Accommodation**

The extensive renovation of the office premises at Masaki area Plot 1288 Mwaya Road Msasani Peninsular, Dar Es Salaam is complete save for the rectification of the area which have been identified by the consultant which will be completed by 30<sup>th</sup> April 2009.

### **2.2 Staffing**

The recruitment of all staff was completed in March 2009 as such all positions in the approved organization have now been filled.

### **2.3 Strengthening of the Finance and Procurement Function**

There have been considerable improvements in the finance and specifically the procurement function since the last review.

The recruitment of the Record/Accounts clerk was completed to enhance internal checks and controls over the segregation of duties. The second procurement specialist was also recruited and the procurement of the digitization/filing system of the procurement documents is near completion. Ample space has been provided to the procurement department to enhance efficiency and proper lockable cupboards for safe keeping of procurement documents. All procurement documents have also been filled in respective contract files. For all contracts which have the clause of providing the Advance Guarantee Payments, no Advance payment has since ever been effected in the absence of the Advance Guarantee Payment. With the enhanced staffing the inspection committee of all incoming goods has been set up.

To enhance transparency all procurements are done through advertisements in the press with sufficient time being allowed for the bidders to prepare and submit their bids or quotations and/or proposals as per the PPRA/WB procurement guidelines. All other recommendations made by the previous review have been implemented with No exceptions.

The Tender committee comprising of the staff within TPSF replaced the Tender committee which was previously composed of Board Members. Members of the committee however require basic procurement training that will enable them to adequately supervise and strengthen the procurement function in TPSF.

## 2.4 Institutional Review and Governance

The Institutional review report was considered and approved by the 10<sup>th</sup> Annual General Meeting on 16<sup>th</sup> January 2009. The AGM directed that recommendations made should be used to amend the Constitution and the amended constitution be tabled for approval at an Extraordinary AGM to be held in June 2009. This process will commence upon engagement of the Legal Counsel on retainer-ship basis, whose procurement process will be completed by 30<sup>th</sup> April 2009.

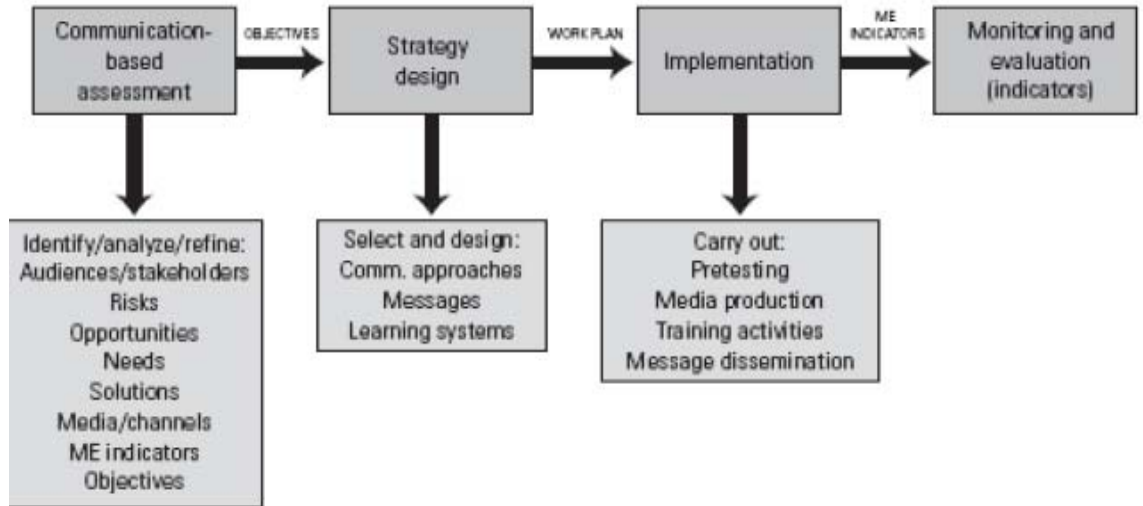
## 2.5 Financial sustainability of TPSF

This will be largely achieved in the longer term if TPSF puts in place value for money services to members which will enhance membership retention and attract new members. The membership services officer was recently recruited and one of the key assignment is to carry out member's needs assessment which will be carried out in the next quarter. The following table summarizes progress made in member's activities in terms of performance indicators:-

| <b>Performance Indicator</b>        | <b>Actual</b> | <b>Target</b>  |
|-------------------------------------|---------------|----------------|
| No. of members visited              | 26            | 30             |
| New members recruited               | 6             | 15 Per Year    |
| Potential members visited           | 12            | 10 Per Quarter |
| Increase in Current membership base | 6%            | 15% Per Year   |

## 2.6 Enhancing the Image and Visibility of TPSF

With funding from BEST AC the Communication Officer was recruited. The officer has helped the Foundation to manage media relations, to deliver the Foundations core message to its members and the public as per strategic objective No (iv) of the business strategy – Facilitation of communication, networking and flow of business information. The communication strategy has been developed based on communication assessment (CBA), strategy design, implementation, monitoring and evaluation as illustrated below.



The following progress has been made since the last review in advocacy and communications:-

| <b>Performance Indicator</b>                  | <b>Actual</b> | <b>Target</b> |
|---|---------------|---------------|
| Design Effective Communication Strategy       | 1             | 1             |
| Quarterly Newsletter – is being published     | 1             | 1 per quarter |
| Appearance in the TV Programmes               | 10            | 6             |
| Organizing well thought-out breakfast meeting | 4             | 2             |
| Participation in the TNBC                     | 2             | 2             |
| Research for advocacy activities              | 2             | 2             |
| Training in Advocacy Skills - Members         | 4             | 1             |

Despite of the above achievements, the Advocacy activity needs more push which includes exposure visits by the advocacy and communication team to learn how similar institutions like TPSF focus and structure the advocacy activity for impact.

## 2.7 Summary of Achievements by Output Indicators

Overall achievement in terms of output indicators and performance targets for the period under review is summarized in the attached **Annex 1** of this report.

## 2.8 Status on the Implementation of 5<sup>th</sup> ISM Recommendations

The Joint Development Partner Implementation support mission reviewed the implementation of PSCP Project in October-November 2008. The team proposed a number of recommendations/proposals to put the implementation process of component 2 on track: The feedback on the status of the implementation is as follows.

| <b>Sub-Component</b>      | <b>Recommendation</b>   | <b>Implementation Status</b>   |
|---------------------------|---|--|
| Matching Grants Programme | The Board and Management of TPSF should allow the Consultants to implement these programmes without political interference                                | <b>Implemented.</b> TPSF Board and Management does not interfere in the operations of the Consultants.   |
|                           | TPSF should ensure timely payment of the grants.  | <b>Implemented</b> – it takes only two days to process grant payment   |
|                           | TPSF should institute the mechanism of validating the disbursements requests with due care that this process will not result in untimely payments by TPSF | TPSF external auditor who are auditing the financial statements for year 2008 will be asked to extend scope of audit to include review of disbursement and documentation.                    |
|                           | TPSF and the Consultant should meet on a regular basis to ensure that all parties are on the same page.   | <b>Implemented,</b> meetings are held based on need.   |
| Strengthening of TPSF     | Performance monitoring system for key staff should be developed to ensure that the most qualified and productive staffs are retained.                     | Following the recruitment of the Monitoring and Evaluation and Administrative Officer, this recommendation is being implemented. The staff development has however not been approved by IDA. |

### **3.0 THE PROGRESS ON THE IMPLEMENTATION OF THE ENTERPRISE COMPETITIVENESS PROGRAMME**

#### **3.1 Cluster Competitiveness Project (CCP)**

During the period under review, on a directive from IDA, the intensive re-negotiation of the CCP contract was carried out with the winner of the contract M/S Emerging Markets Group (EMG) of the US. The renegotiations were focused on the Financial Proposals which IDA found to be on the higher side compared to the expected market cost.

The renegotiations were conducted in March 2009 and a note of No Objection on the draft Contract and negotiation minutes for the CCP was requested from IDA and received on 10<sup>th</sup> April 2009. The initialed contract (15<sup>th</sup> April 2009) has been sent to EMG for signature which will pave way to the implementation of the CCP with effect from 15<sup>th</sup> May 2009.

##### **3.1.1 Progress of the preliminary activities undertaken as part of the quick win strategy under the CCP**

Activities implemented under this strategy include the Tourism, small growers and the construction industry clusters. Below are the achievement made during the period under review:-

##### **3.1.2 Small growers Cluster in Arusha & Kilimanjaro**

TPSF provides direct short and long term funds to small growers in 2 regions in Northern Tanzania. The consulted grower groups are based in Arusha and Kilimanjaro regions covering eight (8) Horticultural Cooperative Societies initiated by Market Intermediary Management (MIM) in 2005 using a locally made “market first model”. These cooperatives are:

- Midawe-Mshikamano Horticultural Cooperative Society-Arusha
- Uwano-Ngarenanyuki Horticultural Cooperative Society-Meru-Arusha
- Enaboishu Pre- Horticultural Group-Arusha
- Kimnyaki Horticultural Cooperative Society-Arusha
- Machame One Horticultural Cooperative Society-Hai-Kilimanjaro
- Machame Two Horticultural Cooperative Society- Hai Kilimanjaro
- Siha Horticultural Cooperative Society-Siha-Kilimanjaro
- Lyamungo Horticultural Cooperative Society-Hai-Kilimanjaro

As part of the implementation of the program, TAHA recruited a consultant who has been tasked to conduct the following;

- Preparation of Agronomic training materials;
- Agronomic training;
- Developing Fertilizer regime for export of contracted crops;

- To review the approved pesticide listings and prepare pesticide application regime for the growers crops;
- Market linkage to Fresh Produce Export company;
- Preparation/Designing all paper works to be filled by cooperative managements as per EUREPGAP regulations;
- General oversight on all farming activities from planting to harvesting; and
- Supervising all farming records and ensuring the records are filled and always up to date.

### 3.1.3 Small Growers - Progress Made

- **Preparation of agronomic training materials-** The materials that were prepared includes Small scale growers manual, Small scale operations manual, Training manual for small growers and Good Agricultural Practice (GAP) booklet-Swahili version
- **Agronomic training-** Having prepared training material the consultant was able to train the growers on different Agronomic tips. Whilst the target was to train 700 farmers a total of 2,166 was trained as follows:-

|              | <b>Name of Cooperative</b>                                      | <b>Number of Growers Trained</b> |
|--------------|---|----------------------------------|
| 1            | Uwano-Ngarenanyuki  | 174                              |
| 2            | Midawe-Mshikamano   | 200                              |
| 3            | Machame One Horticultural Cooperative Society-Hai-Kilimanjaro   | 749                              |
| 4            | Lyamungo Horticultural Cooperative Society-Hai-Kilimanjaro      | 225                              |
| 5            | Enaboishu Pre- Horticultural Group-Arusha                       | 250                              |
| 6            | Siha Horticultural Cooperative Society-Siha-Kilimanjaro         | 250                              |
| 7            | Kimyaki Horticultural Cooperative Society-Arusha                | 155                              |
| 8            | Machame Two Horticultural Cooperative Society - Hai Kilimanjaro | 163                              |
| <b>Total</b> |   | <b>2,166</b>                     |

*Table 1- Number of Farmers trained per Cooperative Society*

Growers have started exporting to Europe via Wimbo Exports Ltd and the two successful cooperatives societies were ready to start farming following input financing from ADF (African Development Foundation) of Washington DC. This input and other infrastructure financing was earlier sourced by MIM for the growers before our interventions.

## ■ Market linkage to fresh produce Export Company

In the absence of storage facilities the consultant has so far managed to link only two grower groups out of eight (8) to Wimbo Exports- a fresh produce Export Company based in Arusha. The two groups linked have harvested a total of 14,950 kgs of farm weight and exported 13,376 kgs of fresh produce worth Tshs 12,590,000/= as per table below:-

|    | Name of Cooperative | Type of Produce | Farm Weight in kgs (harvested) | Export Weight in kgs | Value in TShs     |
|----|---------------------|-----------------|--------------------------------|----------------------|-------------------|
| 1. | Midawe -Mshikamano  | (i) Peas        | 2,850                          | 2,032                | 2,438,400         |
|    |                     | (ii) Fine Beans | 7,200                          | 6,921                | 4,844,700         |
| 2. | Uwano -Ngarenanyuki | (i) Peas        | 4,900                          | 4,423                | 5,307,600         |
|    | <b>Total</b>        |                 |                                | <b>13,376</b>        | <b>12,590,000</b> |

*Table 2- Kilogrammes of fresh produce exported*

The other growers are expected to enter the export market as soon as the infrastructure is made available with the funding from African Development Fund (ADF).

### 3.2 The National Construction Guarantee (NCC) Fund Scheme

The support of IDA to the construction cluster in Tanzania is restricted to funding of the set up of the administrative structure which will be managing the guarantee scheme. Funds for the guarantee scheme will be contributed by the members of the Engineering and Construction Companies.

During the period under review the international financial consultant, who was recruited in the previous period to develop the Mutual Credit Guaranteed Scheme for the construction industry in Tanzania managed to produce a comprehensive inception report. The recruitment of the Fund Director and Secretary to manage the fund has been initiated on receipt of a Note of No Objection from IDA. Also extension of the contract on the International Financial Consultant will be undertaken to allow the Financial Consultant to train the Fund Director.

Construction Industry Development Fund (CIDF) plan to Commission a market Survey of the whole Construction Industry in Tanzania, in order to establish the strengths and capacities of these companies in Tanzania, as well as getting to know clearly the exact needs and types of bid bonds, performance bonds, advance payment guarantees, working capital and bridging finance to contractors. The outcomes of this survey will give CIDF a starting ground of how to manage guarantee schemes.

### 3.3 Progress in Implementation of the Matching Grants Programme (MGP)

The MGP- Tanzania Business Development Scheme (TBDS) client base (registrations) continued to expand and grow rapidly. The number of companies requesting a service (grants / handholding) exceeds expectations through the size of the activities (i.e. the value of the grants) is well below the expected figure (50%). Technical Innovation Applied Research Scheme (TIAS) has reached its two year targets in terms of Feasibility Studies.

#### 3.3.1 Tanzania Business Development Scheme (TBDS)

TBDS had registered remarkable improvement since the last ISM as shown in the table of indicators below:-

| Output Indicator                   | Qty              |                             | Annual Target |
|------------------------------------|------------------|-----------------------------|---------------|
|                                    | As at 30.09.2008 | Cumulative as at 31.03.2009 |               |
| Number of companies registered     | 334              | 692                         |               |
| Number of Applications received    | 103              | 292                         |               |
| Number of Applications Approved*** | 35               | 137                         | 150           |
| Value of approved grants           | US\$ 342,099     | US\$ 874,000                | \$1,800,000   |
| Number of Applications Pending     | 58               | 104                         |               |
| Regrets                            | 10               | 25                          |               |

*Table 3- TBDS output indicators*

#### Note:

\*\*\* These 137 approvals represent 117 companies which currently (before MGP support) employ 2,088 persons (average 15.54), have a combined turnover of US\$ 21,84 million (average US\$ 159,000) and will undertake over 300 individual projects to a total value of US\$ 3.19 Million. The 137 approved represent cumulative matching grants of US\$ 874,000.

#### Impact

It is expected that after the support of MGP the above companies will achieve a combined impact of increased employment of 3,499 jobs or (68% increase) and will have combined turnover of US\$ 44.2 million (increase of 102 %), with a projected return on investment of over 25 to 1 (target is 15:1)

### 3.3.1.1 Analysis of Registrations and Grant Approvals

#### (a) Analysis of Registrations by Location/ Regions

TBDS is just on target in terms of approvals (150 target for end of quarter) but due to the lower level of project size has allocated significantly less than predicted to these approvals US\$ 874,000 as against a prediction of US\$ 1,800,000. However actual payment to approved projects (reimbursement) is ahead of forecast and as a percentage of approvals to date is significantly ahead - 26% of approvals already paid against an expected level at this stage of operations of just over 10%. This is due to the short time scale in most projects, the fact that many “plans” are not much more than single activity plans and early if not immediate reimbursement demand.

MGP has received just short of 700 registrations across all regions with the exception of Lindi from which no registrations had been received by mid-March. However it is expected that this situation will be rectified after the outreach marketing visit undertaken at the end of February and registrations from this province will be recorded in the next period.

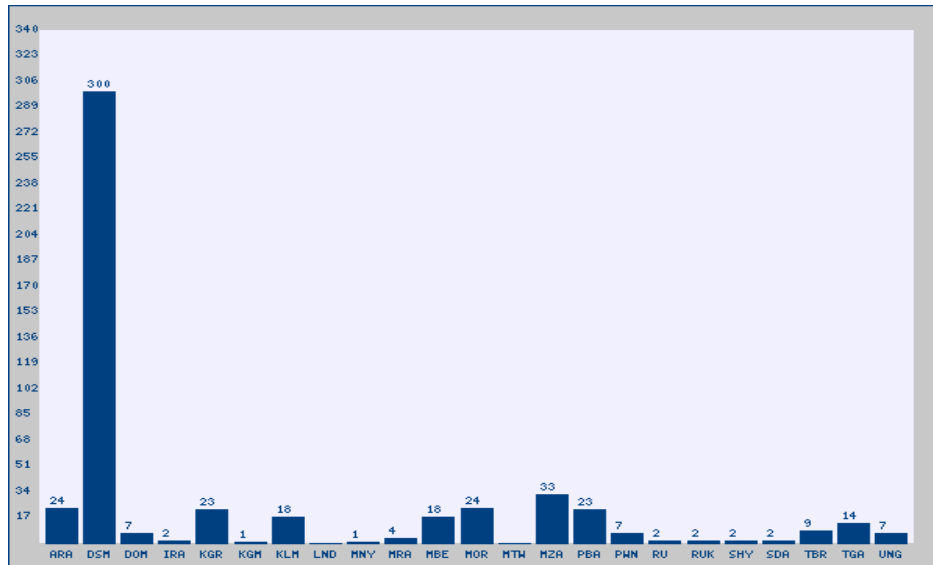
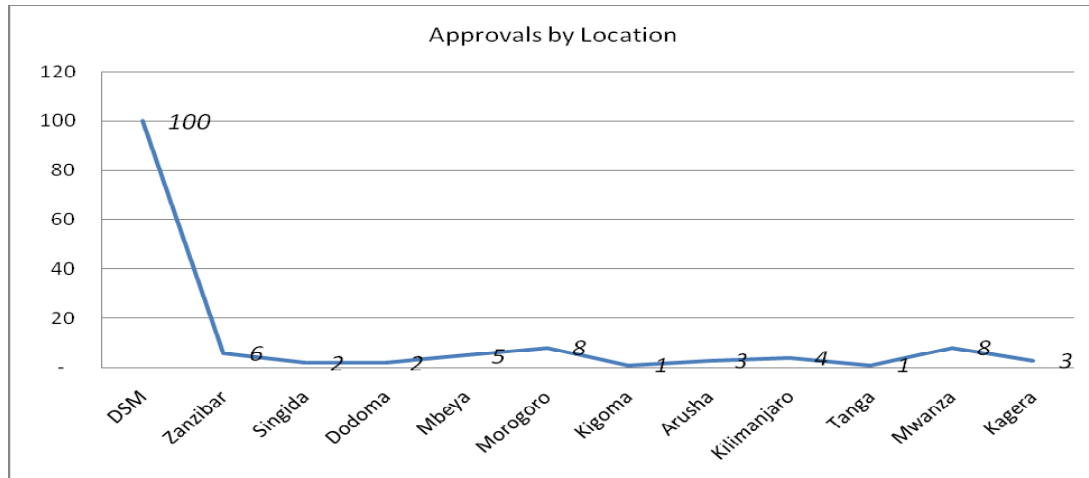


Figure 1- Analysis by Regional Registrations

#### (b) Grant Approvals – Location

Approvals continue to be dominated (70% of total) by Dar es Salaam but with reasonably strong representations also from Mwanza, Morogoro, Zanzibar and Mbeya.



**Figure 1 Approvals by Location**

The national profile of business activity is Dar es Salaam centered as 43% of all business enterprises are based in Dar es Salaam. This is clearly reflected in the demand and use of the programme. In addition the business community outside of Dar es Salaam is thinly distributed across all other regions.

**(c) TBDS Grant Approval by Size**

The Average grant per company to date is US\$ 6,188 (down from 7,292 at the end of the last quarter and from 9,424 in the previous quarter). This is well below the MGP original predictions of US\$ 12,000 per company (which were based upon usage and experience in other markets). The actual take-up is just over 50% of the projected amount.

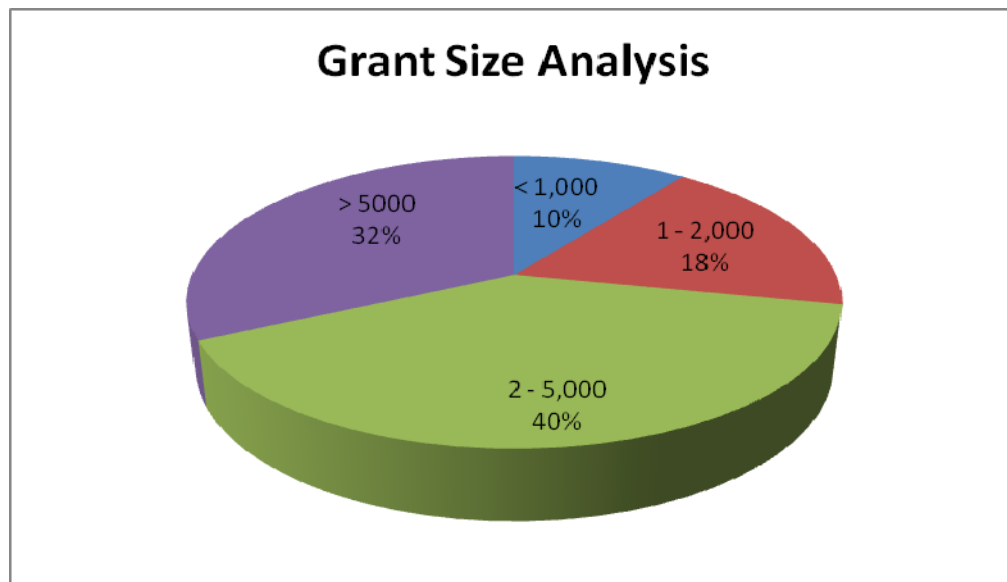
The prediction was 500 companies utilizing US\$ 12,000 in grants. This level of grants in itself requires assiduous and careful work in the areas of marketing, administration and control. However if the budget is to be met the MGP programme would now have to almost double the numbers – now 941 would be required to allocate the budget at current take-up rates. These figures are again based on the original TBDS budget of US\$ 6 million and not yet taking account of the extra Danida possible injection to the fund.

A significant 10% of all grants are less than US\$ 1,000, 30% being less than US\$ 2,000 and a further 40% being less than US\$5,000. It is not unreasonable to expect that several of the companies which have received lower end grants will return for follow-on projects (there have been a number already). However this does require a greater level of administration and management.

The purpose of the scheme is to respond to market demand and to the expressed needs of the industrial community in Tanzania, though the patterns emerging are

not exactly in line with the predictions of the programme designers. It is therefore important to retain the flexibility to respond to the requirements of Tanzanian businesses as articulated through the applications to TBDS rather than adhering to a fixed and rigid plan.

Development of longer term perspectives and a more planned approach will continue to be integrated into discussions with stakeholders and as mentioned in previous report, it is also hoped that the coming on stream of complementary programmes (BDG and CCP) will assist in accelerating this process.



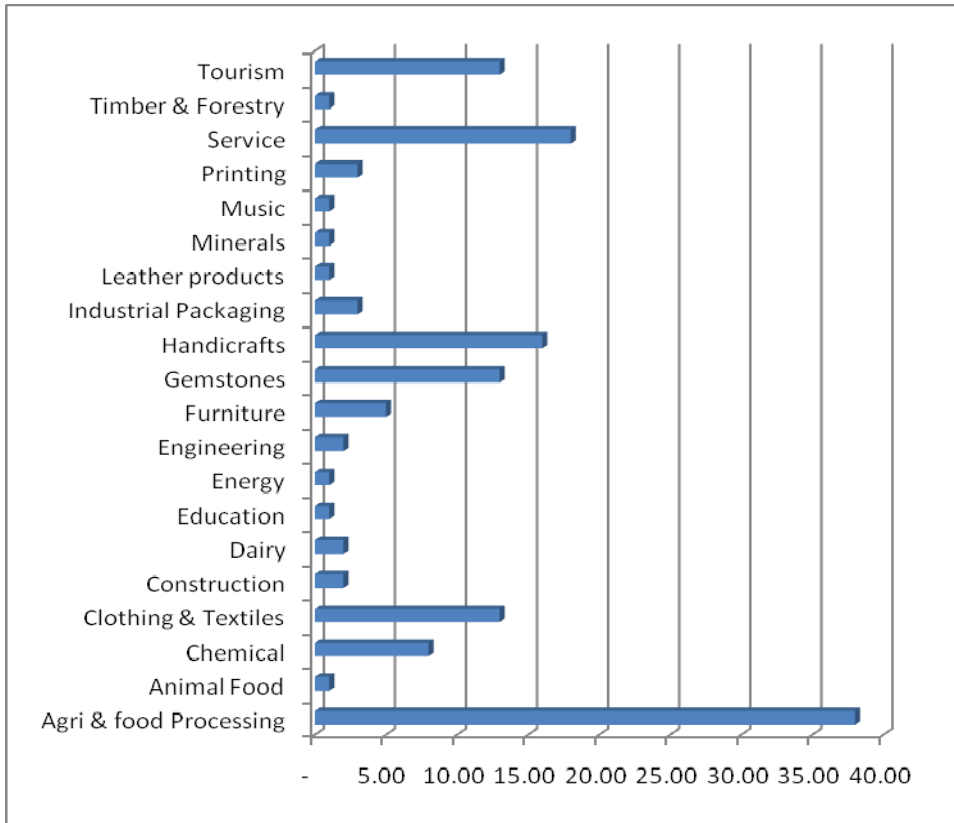
*Figure 2- Grant Size Analysis*

**(d) Approvals by size of Company**

Companies applying to TBDS are predominantly micro and small companies with 46% employing less than 5 persons and 74% employing less than 10. These figures were 37% and 62% respectively at the end of the last quarter.

**(e) Analysis of Grant Approvals by Industry**

Approvals are spread across 20 industry sectors with a dominance, as before, of applications from the food and agricultural processing sector. The other dominant sectors include handicrafts, clothing and textiles, minerals and gemstones as well as tourism.



**Figure 4- Grant approvals by Industry**

**(f) Gender Analysis**

When the analysis is done by gender it is revealed that 43% of companies approved to date are run by female entrepreneurs, several of whom have had more than one approval.

**(g) Analysis of Approvals against Targets**

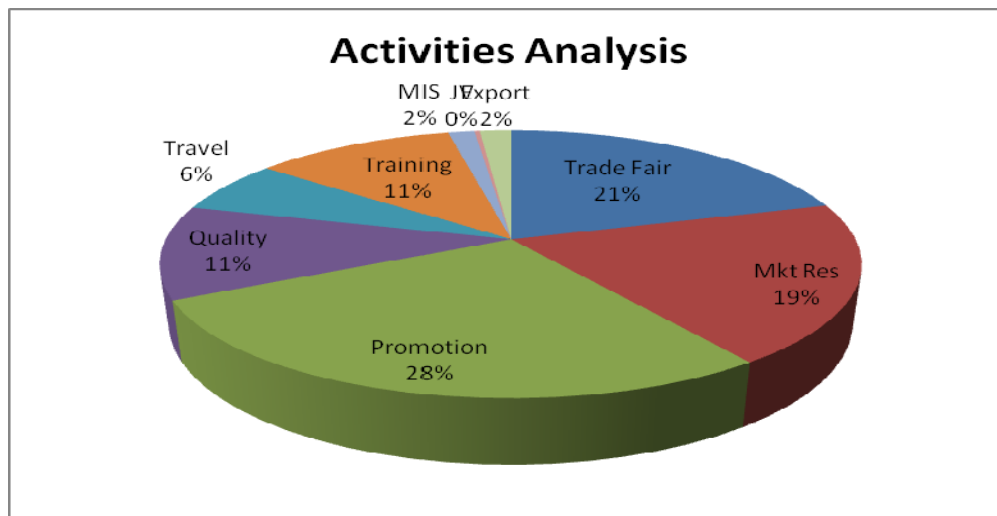
TBDS Approvals are ahead of forecast targets. A large pipeline of applications exists and there is continuing and possibly increasing demand. The results predicted are encouraging though measurement has yet to include actual results. In the table below, are the target and actual situations for TBDS clients' approvals and disbursements:

| Period | Approvals               |                 | Disbursements   | Actual |                  |              |
|--------|-------------------------|-----------------|-----------------|--------|------------------|--------------|
|        | No. of clients approved | Funds committed | Funds disbursed | No     | Approval in US\$ | Disbursement |
|        | Cumulative              | US\$ cumulative | US\$ cumulative |        |                  | In US\$      |
| Q 1    | 5                       | 60,000          |                 |        |                  |              |
| Q 2    | 25                      | 300,000         |                 | 35     | 374,566          | 0            |
| Q 3    | 75                      | 900,000         | 100,000         | 77     | 561,524          | 92,236       |
| Q 4    | 150                     | 1,800,000       | 200,000         | 137    | 873,998          | 228,560      |
| Q 5    | 290                     | 3,480,000       | 350,000         |        |                  |              |
| Q 6    | 430                     | 5,160,000       | 750,000         |        |                  |              |

**Table 4- TBDS Targets and Actual**

**(h) Analysis of Grant by Activity**

Promotion is the largest category of grants requested and approved (28%). This covers in many cases what would be described as a business starter kit – presentation materials from business cards to brochures and advertising and promotions. This reflects the youth and the size of the companies which are applying to MGP. Participation in Trade Fairs is the second largest category (21%) followed by Market Research (19%).



**Figure 5- Analysis by Activity**

**3.3.1.2 MGP / TBDS Outreach Programme**

**Presentations**

MGP should be seen to be active and available in all regions and in this respect the quarter under review saw intense activity across the country. In January 2009 MGP provided a full briefing and materials to the Business Development Gateway (BDG) for their country wide marketing campaign when they made presentations on BDG and on MGP in 26 regional centres.

Additionally in February and March 2009 TBDS representatives undertook presentations and company meetings assisted by SIDO and TCCIA in 11 regional locations. We would like to particularly thank and pay tribute to the managements of SIDO and TCCIA in all centres who cooperated willingly in the organisation of the MGP exercise and in many cases are providing follow-up facilities to enterprises in their regions. The MGP promotion exercise in this quarter directly reached 970 companies.

### **3.3.1.2 Training Exercise for TPSF**

A two day training seminar was held at the Giraffe Ocean View Hotel for all TPSF staff and stakeholders. Members of the TPSF Board and of the MGP Supervisory Committees also attended. The objective was that at the end of the two day programme, participants would have a broad understanding of the role and function of matching grant schemes and the objectives and scope of both TBDS and TIAS.

The participants were able to familiarize themselves with the management process of both TBDS and TIAS and provided with the skills and understanding to undertake checks and preliminary evaluations of grant applications to both schemes.

The programme requires additional training in Business Development Services, these are planned to be undertaken in the next quarter of operation.

### **3.3.2 Technical Innovation and Applied Research (TIAS)**

#### **3.3.2.1 TIAS - Expressions of Interest**

TIAS has generated 20 Expressions of Interest (EOI) up from 17 for feasibility studies and of these:

- 10 (up from 6) have been approved.
- 3 (increase of 1) completed at the end of the quarter
- TIAS through the Technical Evaluation and Approvals Committee (TEAC) approved the investments recommended in the three completed studies for a total TIAS investment of just under US\$3,000,000 for:-
  - Dar es Salaam Maritime Institute
  - College of Business Education (Dar)
  - Integrated Mining Technical Training Project in Moshi.

### 3.3.2.2 TIAS Feasibility Studies

The following 11 Feasibility Study proposals have been approved:

| Reference           | APPLICANT                                    | Date of Application | Date of Approval | Amount Approved     |
|---------------------|--|---------------------|------------------|---------------------|
| TIAS / 08 / 6 / 1   | University Computing Centre                  | 15-Aug-08           | 2-Sep-08         | \$ 19,650           |
| TIAS / 08 / 1 / 2   | Dar es Salaam Maritime Institute             | 31-Jul-08           | 4-Sep-08         | \$ 19,978           |
| TIAS / 08 / 2 / 3   | National Institute of Transport              | 01-Aug-08           | 11-Sep-08        | \$ 20,000           |
| TIAS / 08 / 7 / 4   | College of Business Education, Dar           | 15-Aug-08           | 11-Sep-08        | \$ 20,000           |
| TIAS / 08 / 4 / 5   | Institute of Tax Administration              | 09-Sep-08           | 31-Oct-08        | \$ 20,000           |
| TIAS / 08 / 9 / 6   | Integrated Mining Technical Training Project | 08-Sep-08           | N/a              | N/a                 |
| TIAS / 08 / 15 / 7  | Mbeya Institute of Science & Technology      | 11-Nov-08           | 17-Feb-09        | \$ 20,000           |
| TIAS / 09 / 7 / 8   | Institute for Information Technology         | 07-Aug-08           | 26-Feb-09        | \$ 19,920           |
| TIAS / 09 / 41 / 9  | College of Engineering & Technology, UDSM    | 15-Dec-08           | 26-Feb-09        | \$ 20,000           |
| TIAS / 09 / 29 / 10 | Institute of Procurement & Supply            | 8-Jan-2009          | 11-Mar-09        | \$ 17,884           |
| Tias / 09 / 05 / 11 | Dar es Salaam Institute of Technology        |                     | 23-Mar-09        | \$ 20,000           |
| <b>Total</b>        |  |                     |                  | <b>\$ 197,432</b>   |
| Balance             |  |                     |                  | <b>\$ 9,802,568</b> |

*Table 5- TIAS Feasibility Studies Approved*

### 3.3.2.3 Technical Approvals and Evaluation Committee

Three institutes have completed their Feasibility Studies and have been examined by the Technical Approvals and Evaluation Committee (TEAC). A total investment of US\$ 2,963,739 has been committed - plus the US\$ 197,432 invested in the Feasibility Studies:

| APPLICANT                                    | TEAC (Date)         | TEAC (US\$ Proposal per Study) | TEAC Approval in US\$ |
|--|---------------------|--------------------------------|-----------------------|
| Dar es Salaam Maritime Institute             | Feb 09              | 1,500,000                      | 1,480,022             |
| College of Business Education, Dar           | Feb 09              | 1,420,119                      | 865,717               |
| Integrated Mining Technical Training Project | Feb 09              | 1,109,000                      | 618,000               |
|  | <b>Total</b>        | <b>4,029,119</b>               | <b>2,963,739</b>      |
| Feasibility Studies                          |                     | 197,432                        |                       |
|  | <b>Total</b>        | 4,226,551                      | 2,963,739             |
|  | <b>Fund</b>         |                                | 10,000,000            |
|  | <b>TIAS Balance</b> |                                | <b>7,036,261</b>      |

*Table 6- TIAS Investments Approved (TEAC)*

At the first meeting of the Technical Evaluation and Advisory Committee (TEAC), specifically in relation to the Dar es Salaam Maritime Institute, the overall proposal was

approved. However, MGP management had suggested excluding the costs related to Syllabi and Curricula Development.

The TEAC directed the MGP Management was asked to review the proposal of excluding Table 13 relating to the costs of Syllabi and Curricula Development as it was felt that this was the foundation of the course being offered and could possibly threaten the viability of the project if the Institute were not in a position to complete this. Management was asked to examine the PIM and

- a) if the PIM allows this would be added back to the approval
- b) if the PIM specifically does not allow, then the programme was advised to request a specific “no objection” in this regard.

A detailed review of the PIM (Section 5.2.4.4.3 relating to “Provisions applying to 100% Investment Grants”) reveals that the **Eligible Expenditure** is stated as follows:

*“Expenditures on technical equipment, machinery, tools, and instruments required for the delivery of an eligible service offering by an eligible institution....”*

*“Expenditures on supply, installation and initial training on the equipment supplied will all be eligible.”*

There is no specific mention of expenditure on curricula and syllabi development being covered by the 100% investment grants. TPSF therefore will formally seek the No Objection from IDA on receipt of the justification from the MGP management.

### 3.3.2.4 TIAS Achievements - Targets Vs Actual

| Period | Approvals                                      |        |  |        | Disbursements       |                          |
|--------|--|--------|--|--------|---------------------|--------------------------|
|        | Cumulative No. of Feasibility Studies Approved |        | Cumulative No. Investment Projects Commenced |        | \$ cumulative Funds |                          |
|        | Target   | Actual | Target                                       | Actual | Target in US\$      | Actual approvals in US\$ |
| Q 1    | 0  |        |  |        |                     |                          |
| Q 2    | 5  |        |  |        |                     |                          |
| Q 3    | 10   | 5      |  |        | 100,000             |                          |
| Q 4    | 10   | 11     | 1  | 3      | 200,000             | 3,161,171                |
| Q 5    | 10   |        | 2  |        |                     |                          |
| Q 6    | 10   |        | 4  |        | 1,000,000           |                          |

**Table 7- TIAS Targets**

These targets were broadly set as follows:

- Preliminary institutional contacts by Month 3
- First Feasibility Study approval in Month 5

- First Feasibility Study completion in Month 10
- First Investment project approval in Month 11

It is clear that TIAS has exceeded all targets.

### 3.3.2.5 MGP General

#### (a) Training

The technical proposal Methodology states that the programme will train the relevant staff of the Tanzania Private Sector Foundation, to ensure sustainability in managing a matching grant fund. This will include members of a team that will administer TBDS in particular throughout Tanzania. Furthermore Business Development Service Providers will be trained throughout Tanzania. They will not be given detailed training in all technical aspects that will be covered by TBDS. Rather the training will cover topics in a manner that will be relevant to help them understand the challenges of the TBDS target group and both advise and hand hold appropriately.”

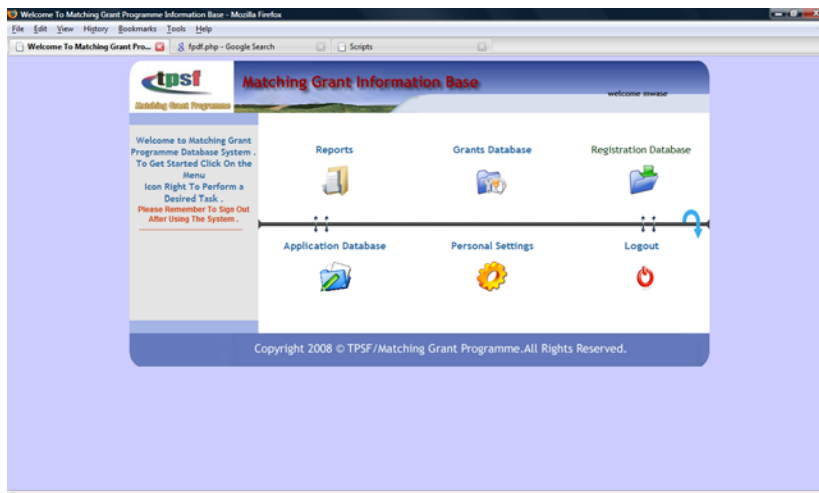
As reported in the previous sections the training will be offered in the next quarter of operation.

#### (b) Data Base

The MGP data base of all registrations, applications and approvals is in place though the task of uploading all information is proving to be a large (and increasing) task as the programme continues to amass information and deal with the demands of almost 750 companies, associations and enterprises. Access to the data base has been set up for TPSF as well as BDG and can be extended. At the moment this is only accessible through the internal network within Private sector House and external access is under consideration.

#### (c) Website

The TPSF-MGP web site was put into full operation during the quarter and can be consulted at [www.tpsf-mgp.org](http://www.tpsf-mgp.org). This provides full on-line availability of all documents relating to both TBDS and TIAS. It also provides a facility for registering on-line or by downloading the relevant forms. Feedback has been positive.



*Figure 6- Website page*

### **3.3.2.6 Translation of Documents into Kiswahili.**

All TBDS documents have been translated in to Kiswahili and they are currently being reviewed by the MGP staffs under the supervision of the TIAS manager. When this exercise is complete these will be made available as necessary in hard and soft copies and also through <http://www.tpsf-mgp.org/>

### **3.3.3.7 Success Stories of Matching Grants Programme**

The success stories compiled so far is included in this report as Annex II.

## **3.4 Implementation of the Business Development Gateway (BDG)**

BDG submitted its Inception Report in October 2008 and Quarterly Progress Report, period November 08 -January 09 in February. Both reports are describing planning and achievements in extensive manner. Quarterly Report February - April 2009 is due for submitting at 15May 2009.

The objective of this report is to provide a synopsis of the following subjects:-

- (i) Description of progress toward meeting program objectives
- (ii) Identifying and recommend resolving measures to address obstacles to program implementation.
- (iii) Suggesting adjustments in the targets and corresponding program activities to reflect progress achieved in the implementation of the project to date.

### **3.4.1 Description of progress toward meeting program objectives**

The BDG program performance exceeds planning and expectations due to good infrastructural set-up, an excellent promotion campaign, resulting in huge demand by the target groups for offered BDG services. Therefore program objectives are within reach, but as a consequence are planned activities largely surpassed.

## **SYNOPSIS OF PLANNED VS. REALIZED TARGETS**

|   | <b>Planned as per TA/<br/>Proposal</b>  | <b>Nr</b> | <b>Realized</b>   | <b>Nr</b> |
|---|---|-----------|---|-----------|
| 1 | Country wide program implemented by division in 6 Zones   | 6         | Country wide program implemented in all Regions   | 26        |
| 2 | Program implementation per 3 Zones first year and 3 Zones second year                                       |           | Program implemented in entire county at the same time   |           |
| 3 | Conference for 6 zonal representatives and partners. Nr. of estimated participants                          | 12        | Conference for Partner Organizations in 26 regions, including Training of Trainers and planning sessions. Nr. of participants:  | 65        |
| 4 | Promotional materials to be created and distributed in Zones during first year                              | 3         | Promotional materials created and distributed by UPS in the Regions for country wide promotion at once.   | 26        |
| 5 | Specific Training of Trainers   | 0         | Training of a group of 12 trainers in Zanzibar and Pemba to strengthen local capacity in the field of business development  | 12        |
| 6 | Planned promotion event Program launch  | 1         | Realized promotion events 1 Program Launch and 26 Regional launches. TPSF involved in all media events, including Launch and 26 Regional Launches, contributing to TPSF visibility and capacity building  | 27        |
| 7 | Press conferences One planned at the occasion of the launch and one at the occasion of cycle one completion | 2         | Total realized and planned nr. of Press Conferences for cycle one: <ul style="list-style-type: none"> <li>• Press conference at the occasion of ToT, December 08</li> <li>• Press conference at the occasion of program launch. January 09</li> <li>• Press conference to report success to general public. April 09</li> <li>• Planned press conferences for the first cycle in May, June, July, August 09.</li> </ul> | 7         |
| 8 | T shirts for promotional events distribution  | 0         | Due to successful promotion campaign T shirts received from sponsors and distributed by UPS to 26 regions   | 3000      |
| 9 | Expected Business Plan Competition concepts for year one.   | 500       | Received Business Plan Competition concepts for the first cycle 1374. Selected BPC concepts in first cycle through screening by 35  | 544       |

|    |   |      |  |        |
|----|---|------|--|--------|
|    |   |      | independent Judges.  |        |
| 10 | Expected nr of eligible Business Diagnosis Program participants in two years. | 800  | Realized nr of eligible Business Diagnosis Program participants in two cycles. | 2069   |
| 11 | Training materials to be created, printed and distributed for year one        | 3600 | Training materials created, printed and distributed for cycle one with UPS.    | 10,000 |
| 12 | Number of Grants to be distributed to BPC winners, first cycle (IR)           | 250  | Expected number of Grants to be distributed to BPC winners                     | 310    |
| 13 | Number of Grants to be distributed to BDP winners, first cycle (IR)           | 150  | Expected number of Grants to be distributed to BDP winners                     | 1685   |

### 3.4.2 Identifying and recommend resolving measures to address obstacles to program implementation.

Due to competent program set up and promotion performance, the demand for BDG services exceeds expectations.

#### Synopsis

| Indicators |  |
|------------|--|
| 1          | Country wide program implemented in 26 Regions has been proven to be the right approach in order to set up a sustainable system and for proper service delivery, but needs more inputs in terms of training, guidance, monitoring and evaluation, travel, etc.   |
| 2          | Program implemented in entire country at the same time. With regard to promotional, planning and implementing activities, this approach has been proven the right one, but needs more coordination capacity.   |
| 3          | Conference for Partner Organizations in 26 regions, Training of Trainers and planning sessions for 65 participants is exceeding the planned conference and quantities for 6 zones.<br><br>Ideally such a conference should be repeated after the first cycle to perfection the system further  |
| 4          | Promotional materials created and distributed by UPS in 26 Regions is more than the original plan of working with 6 zones.   |
| 5          | Training of a group of 12 trainers in Zanzibar and Pemba to strengthen local capacity in the field of business development Specific Training of Trainers   |
| 6          | Realized promotion events, 27<br>One program launch and 26 regional launches<br>TPSF involved in all media events, including 26 Regional Launches, contributing indirectly to TPSF capacity building and their visibility.<br><br>6 more promotional events are planned in Cycle 1 (see below)   |
| 7          | Total planned nr of Press Conferences for cycle one:<br><ul style="list-style-type: none"> <li>• Press conference at the occasion of ToT, December 08</li> <li>• Press conference at the occasion of program launch. January 09</li> <li>• Press conference to report success to general public. April 09</li> </ul> Planned press conferences for the first cycle in May, June, July, August 09 |

|    |  |
|----|--|
| 8  | Due to promotion campaign T shirts received from sponsors and distributed by UPS to 26 regions   |
| 9  | Received Business Plan Competition concepts for the first cycle 1374.<br>Selected BPC concepts in first cycle 544, through screening by 35 independent Judges.   |
| 10 | Realized nr of eligible Business Diagnosis Program participants in two cycles, 2069  |
| 11 | Training materials created, printed and distributed for cycle one, including Trainers materials. 10,000  |
| 12 | Expected number of Grants to be distributed to BPC winners 310   |
| 13 | Expected number of Grants to be distributed to BDP winners 1,685   |
| 14 | Extra activities and exceeding numbers of participants are involving a larger MIS database, additional registration and BDP EIFs uploading time, administration costs and more travel expenditures in the regions. |

### 3.4.3 Suggesting adjustments in the targets and corresponding program activities to reflect progress achieved in the implementation of the project to date.

As soon TPSF became aware of the big demand for BDG program by existing and the potential Tanzanian Business Community, BDG was requested to handle all registered applicants. The BDG PMU responded positively by taking in as much as possible participants as possible within the budget reimbursable budget limits. However, these extra activities were only possible by efforts of the Contractor and Partner organization SIDO who, together searched for solutions within their budget limits, and by the BDG PIU team who worked many extra hours outside office hours. However, this temporarily situation cannot be sustained if no measures are taken to cover extra work, expenditures and activities.

In the meantime TPSF made efforts to search for more funds in order to take more participants in, but at the moment the program had to continue according to planning on available funds.

### 3.4.4 BDG Summary Report

BDG submitted Quarterly Progress Report, period November 08 -January 09

- (a) **BDG-PMU, from February 1, 2009 till reporting date April 2 the following activities have been implemented:**
- Improvement of BDG web portal and MIS system
  - Preparation of Training materials in English and Kiswahili, printing and distribution to all partners in the regions
  - BDG promotional T Shirts distributed to regional partners

- Rent of Judging venue to accommodate 45 persons during 6 BPC Judging days
- Engage 35 Judges for a period of 6 days.
- Engage 6 Interns to assist with the BPC Judging process
- Program partners SIDO and ZNCCIA guided to into full action in the regions by distance management and training and orientation sessions in all regions.
- BDG promotion focused on women by provision of presentation to Tanzanian Women Chamber of Commerce and discussions with ILO WEDGE program.
- BDG Promotion by issuing the news letter BDG NEWS

**Note:**

General and specific promotion activities in the regions led to better than expected results.

- BPC, selection of 544 Business Concepts out of 1373 by a group of 35 independent judges, instead of the planned 500
- BDP, registration of 2068 eligible participants, instead of 800. Number of first cycle participants: 1096.

**(b) BPC from February 1, 2009 till reporting date April 2 the following activities have been implemented:**

- 1373 persons registered in BPC program by Judging screening process
- Instructions and Judges training to ensure adequate judging process, leading to independent Judges selection of 544 Business concepts
- Registration in data base
- Training of BDG partners in the Regions concerning BPC process and materials and quality assurance.
- Guidance by first BPC training in the regions

**(c) BDP from February 1, 2009 till reporting date April 2 the following activities have been implemented:**

- 3482 registered persons showing interest in BDP program
- Instructions and training to BDP trainers in the Regions to ensure adequate screening process, leading to selection of eligible 2068 participants
- Registration of all interested persons and eligible participants.
- Guidance with split of participants in two groups, divided over two program cycles.
- Adaptation of Bonus Point allocation system to absorption capacity of participants
- Training of BDG partners in the Regions concerning BDP process and materials and quality assurance.
- Guidance by first BDP training

### 3.5 Business School Linkage Programme (BSLP)

The representative from Global Business School Network (GBSN) the engaged consultant to provide guidance and supervision of the BSLP programme visited Tanzania to discuss the current challenges facing the implementation of the Business School Linkage Program and to identify solutions in order to move the process forward. Additionally, the visit was used to meet with 3 of the 4 partnering institutions so as to better familiarize them with GBSN. Also during the period under review proposals were received from the following consultants who expressed their interest to participate in the BSLP.

#### **Assignment 1:** Conducting Case Writing and Teaching Workshop for Business Schools in Tanzania

|                            |   |                         |
|----------------------------|---|-------------------------|
| Dr. Charles G. Inyangete   | – | Dar Es Salaam, Tanzania |
| Professor Henry H. Goldman | – | Missouri, USA           |
| Prof. Lluís Renart         | – | Barcelona, Spain        |
| Dr. Ramesh M. Shah         | – | Dar Es Salaam, Tanzania |

#### **Assignment 2:** Conducting Private Sector/Government and Business Schools Dialogue on Human Capital Development

|                                |   |                  |
|--------------------------------|---|------------------|
| Dr. E. LaBrent Chrite          | – | Arizona, USA     |
| Indian Institute of Management | – | Ahmedabad, India |

#### **Assignment 3:** Evaluation of the Existing Curriculums of the Four (4) Business Schools & Developing Comprehensive School Enhancement Plan

|                                |   |                       |
|--------------------------------|---|-----------------------|
| Professor Leif Sjöblom         | – | Lausanne, Switzerland |
| Indian Institute of Management | – | Ahmedabad, India      |
| Dr. Arif Iqbal Rana            | – | Lahore, Pakistan      |

#### **Assignment 4:** Developing/ Creating New Management Training Programs

|                                |   |                       |
|--------------------------------|---|-----------------------|
| Professor Leif Sjöblom         | – | Lausanne, Switzerland |
| Indian Institute of Management | – | Ahmedabad, India      |
| Dr. Arif Iqbal Rana            | – | Lahore, Pakistan      |

The evaluation and recruitment of the consultants to undertake the above assignment has been completed and most of the activities will be completed in the coming quarter. Also during the quarter under review, TPSF finalised the recruitment of consultants to undertake a short course in the Mining sector from Victoria University of Wellington in New Zealand who initially designed the course under the World Bank funding and the course will be conducted in May 2009.

### 3.6 CEO Scholarship Fund Trust (CSF-T)

During this period, the following activities were performed as a preparatory stage for winding-up of the EPSL –Programme Phase I Core Training Seminar:-

- A total of 61 Senior Public Servants (mostly are Permanent Secretaries and Chief Executives Officers of the Government’s agencies) have been identified following the recommendations provided by the TDP after effecting delivering the EPSL – Programme phase 1 Core Training seminars. The phase 2 Core Training Seminar which is scheduled for May, 2009 will comprise 40 participants. Out of 62 only 36 participants from the public sector will be picked for the forthcoming EPSL – Programme of May, 2009, and 4 participants of them they will come from the private sector.

#### 3.6.1 Summary of Proposed Participants for EPSL – Programme

| Permanent Secretaries and Deputy Permanent Secretaries | Directors from Ministries | CEOs – Independent Government Departments | CEOs – Government Executive Agencies | Total |
|--|---------------------------|---|--------------------------------------|-------|
| 18   | 2                         | 7   | 34                                   | 61    |

**Note:**

- (i) All these did not attend the 1<sup>st</sup> seminar (i.e. August, 2008),
  - (ii) Only thirty six (36) participants will be selected from the main list.
- The Phase 2 Core Training Executive Seminar will be extended to the Tanzanian private sector and civil society. Figure 3 shows the intended participant mix of the audience;



Figure 3- Ideal EPSL Training Participant Mix

## **4.0 AFRICAN TRADE INSURANCE PROGRAMME**

### **4.1 Background**

ATI was established by its 7 founding member African States by treaty (registered under Article 102 of the UN Charter) in 2001. The African Trade Insurance Agency was formed in 2001, with the mandate of facilitating, encouraging and developing the provision of, or the support for, “insurance, including co-insurance and reinsurance, guarantees and other financial instruments and services for the purposes of promoting trade, investment and other productive activities in Africa in supplement to those that may be offered by the private sector, or in cooperation with the private sector.

### **4.2 Planned Activity**

The planned activity entails the establishment of an ATI underwriter position in Tanzania for a period of at least two years, to be located at a secure office within the TPSF, Dar es Salaam by no later than 30 June 2009. The objective is to establish a local ATI presence in the Tanzanian market in order to enhance the Agency’s visibility in Tanzania and to support the growth of foreign direct investment, the export industry and domestic and intra-regional trade for Tanzania.

Negotiations were completed, the NO Objection obtained from IDA and agreement with ATI is awaiting its signature. This will pave way for ATI to commence its business in Tanzania in May 2009. Tanzania has contributed US\$ 15 million in underwriting capital to the Agency, which was funded out of an IDA Development Credit Agreement. Following the recently approved legal and capital restructuring of ATI, Tanzania’s underwriting capital will be converted into common equity capital in ATI in the amount of US\$ 82 million.

Since Tanzania joined ATI as a founding member in 2001, and since the Agency started commercial operations in 2003, the Agency has been successful in supporting two whole turnover policies against export credit risk on behalf of Diamond Motors Limited for its sale of mining equipment to mining companies in Tanzania and within the region and Tabora Textiles Limited for its local and foreign buyers. The former policy expired in 2006 while the latter is still running. The third transaction involves a political risk insurance policy on behalf of Fortis Bank covering Equatorial Trading Limited, Malaysia, ETL (Mauritius) Ltd., Mauritius and South Island Trading Ltd. Mauritius for financing of pre-sold stocks in tank terminals in Dar-es-Salaam, Tanzania. This policy has been renewed three times since it first inception in 2004.

Since its establishment, ATI has actively engaged in Tanzania through a number of business development missions, comprising seminars and Trade Finance Clinics focusing on Tanzania’s relevant trade and investment sectors and target groups, such as fisheries, horticulture, agribusiness, insurance brokers and financial institutions. In addition, on the back of the Annual General Meeting held in Dar-

es-Salaam, Tanzania in March 2007, ATI held a Business Forum in Dar es Salaam which focused on Tanzania's Private Sector. These initiatives have resulted in ATI receiving a total of 64 business enquiries during the past five years, 95% of which relate to the private sector.

Market feedback clearly indicates that ATI's relative lack of success in Tanzania was due to: (i) ATI's historical inability to offer the products demanded by the marketplace, such as corporate credit risk insurance and sovereign sub-sovereign non-payment insurance; and (ii) the lack of an ATI underwriter based in Tanzania, and the associated lack of name recognition and familiarity with ATI's product offering. The first constraint has been corrected through the legal and capital restructuring, which approved the expansion of ATI's product offering to include short, medium and long term commercial credit risk insurance, as well as non-payment cover for sovereign and sub-sovereign financial obligations associated with productive projects. The second constraint will be corrected with the proposed placement of an underwriter in Tanzania. Experience in investment and credit insurance schemes similar to ATI has clearly demonstrated the importance of having underwriters on the ground in supporting productive trade and investment.

ATI strongly believes that having a local presence in Tanzania will significantly improve the opportunity to generate more enquiries, close more deals, and hence fulfill ATI's objective of facilitating regional and international trade and investment in Tanzania and in reducing the cost of doing business.

## **5.0 CONCLUSION AND RECOMMENDATIONS**

Given its improved capacity and the completion of the recruitment of new staffs, TPSF will in the coming period significantly enhance the efficiency in the implementation of its activities of Component 2 the Enterprise Development. Furthermore, with the implementation of the Cluster Competitiveness Project (C.C.P) expected to commence in May 2009, it is expected that overall the PSCP project will register major progress in the next six months.

## Annex 1: Summary of Achievement of Output Indicators and Quarterly Performance Targets

|   | Quarter targets | Actual                         | Remarks  |
|---|-----------------|--------------------------------|--|
|   |                 |                                |  |
| <b>Output 1. Strengthening the Capacity of TPSF</b>   |                 |                                |  |
| Number of training programmes attended by staff and TPSF members  | 4               | 1                              | Training needs Assessment has been completed             |
| Number of new staff recruited   | 2               | 2                              |  |
| Introduction of Performance Based Management  | 1               | 0                              | Initiated  |
| No of Exposure Visits   | 1               | 0                              | Initiated  |
| Completion of the renovation of the office building   | 1               | Completed                      |  |
| Completion of the procurement of office equipment   | 1               | Completed                      |  |
| Development of the M&E framework  | 1               | 0                              | Nearly completion  |
|   |                 |                                |  |
| <b>Output 2. International Forums</b>   |                 |                                |  |
| Number of International forums/networking events organized  | 1               | 0                              | Comoro Trade Forum has been Initiated                    |
| Number of local forums/networking events organized  | 4               | 2                              |  |
| <b>Output 3. Project Implementation Progress</b>  |                 |                                |  |
| <b>Progress in Implementation of the Cluster Competitiveness Program</b>                                  |                 |                                |  |
| Commencement of the Cluster Competitiveness Programme   | 1               | Commence in the coming quarter | The delay has been as a result of contract renegotiation |
| Assist small growers of horticultural products to access specific supermarket in Europe and North America | 700             | 2166                           |  |
| Introduce Tourism e-commerce cluster  | 1               | Initiated                      |  |
| Conduct Studies on Tourism Sector Tourism Market Survey and Value Chain Analysis                          | 2               | 0                              |  |
| Establish the National Construction Guarantee Fund Scheme   | 1               | 1                              |  |
| Number of staff recruited under NCC   | 3               | 1                              | The recruitment  |

|   |            |           |   |
|---|------------|-----------|---|
|   |            |           | of the Fund Director to be done in the coming quarter |
| <b>Progress in Implementation of the Matching Grants Programme</b>                |            |           |   |
| Number of companies registered under TBDS   |            | 226       | Bigger turnout than expected                          |
| Number of Applications received   |            | 98        | Bigger turnout than expected                          |
| Number of Applications approved   | 40         | 60        | Bigger turnout than expected                          |
| Number of registrations per region - Average Dar es Salaam                        | 50%        | 70%       | DSM is the centre of Business in Tanzania             |
| others Average  | 50%        | 30%       |   |
| TBDS Disbursements and Grants approved  | \$ 200,000 | \$312,000 | Bigger turnout than expected                          |
| Number of regions that TBDS outreach programmes were conducted                    | 26         | 26        | All regions visited                                   |
| Number of clients registered under TIAS   | 10         | 20        | Bigger turnout than expected                          |
| Number of Feasibility studies proposal approved                                   | 10         | 11        |   |
| Number of Feasibility studies completed   | 1          | 4         |   |
| Number of Investment Projects Commenced   | 1          | 3         |   |
| <b>Progress in Implementation of the Business Development Gateway</b>             |            |           |   |
| Number of people registered under BPC programs                                    | 200        | 1373      | Bigger turnout than expected                          |
| Number of Business Concepts Selected under BPC                                    | 200        | 533       | Bigger turnout than expected                          |
| Number of people registered under BDP programs                                    | 400        | 3482      | Bigger turnout than expected                          |
| Number of people selected under BDP   | 400        | 2068      | Bigger turnout than expected                          |
| Number of regions that BDG outreach programmes were conducted                     | 26         | 26        | Bigger turnout than expected                          |
| <b>Progress in Implementation of the Business School Linkage Programme (BSLP)</b> |            |           |   |
| Number of schools participating in the BSLP                                       | 4          | 4         |   |

|   |    |   |  |
|---|----|---|--|
| Number of consultants recruited to implement the program            | 5  | 1 | There has been a delay in the recruitment of 4 consultants                     |
| Number of Cases developed   | 24 | 0 | To be accomplished once the consultants have been recruited                    |
| Number of Case Writing/Case Teaching Workshops held                 | 1  | 0 | To be accomplished once the consultants have been recruited                    |
| Number of Workshops held to discuss the Human Capital               | 1  | 0 | To be accomplished once the consultants have been recruited                    |
| Number of Curriculums Developed                                     | 4  | 0 | To be accomplished once the consultants have been recruited                    |
| <b>Progress in Implementation of the CEO Scholarship Fund Trust</b> |    |   |  |
| Number of Public Servants attended Programme Phase 1 Core Training  | 62 | 0 | Delay as a result of changed management only the Project Manager was recruited |
| Number of Staff recruited under the CST                             | 2  | 1 |  |

**Annex 2. Success stories Case Studies from Approved Grants**  
**APRIL 2009**

**A List of clients selected basing on favourable performance on their Approved projects:**

| <b>Ref. No</b> | <b>Approval No.</b> | <b>Company Name and Product</b>        | <b>Region</b> | <b>Amount Approved<br/>US\$</b> | <b>Project Status</b>   | <b>Key success elements</b>   |
|----------------|---------------------|--|---------------|---------------------------------|---|---|
| 305            | 35                  | Mapozi Designs<br>(Textiles)           | DSM           | 19,259.67                       | <p>Has had 2 Approvals:</p> <p>1<sup>st</sup> Approval for Tshs. 6,500 granted on 29/09/08 for: -Participating in Makutano Trade Fair and Production of promotional materials, which was completed and report submitted in Jan. 2009 They successfully implemented the activities.</p> <p>2<sup>nd</sup> Approval for US\$ 13,843 granted on 02/03/09 for establishing a web-shop and attending fashion design training in Milan Italy, to be completed in July 09.</p> | <p>Through 1<sup>st</sup> Approval:</p> <ul style="list-style-type: none"> <li>- Customer base increased by 20%, including new customers from USA, UK and Holland</li> <li>- One additional Tailor hired and is processing to hire 3 more to meet increased workload</li> <li>- Did not have a business bank account, has since opened one at Stanbic.</li> </ul> |
| 33             | 8                   | Conquerer's Women Group<br>(Gemstones) | DSM           | 17,747.5                        | <p>Has had 2 Approvals:</p> <p>1<sup>st</sup> Approval for US\$ 7,425 granted on 18/08/08 for: Travel to USA for Market research and India for product research;</p>  | <p>Through 1<sup>st</sup> Approval:</p> <ul style="list-style-type: none"> <li>- Signed MoUs in USA</li> <li>- Improved product to meet international cutting standard</li> </ul>   |

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|    |   |                     |     |          | <p>Participation in Trade fairs in Italy and Germany; Staff training; and Promotional Materials. Some of the activities completed and report submitted on 15/01/09. These include: Travel to USA, Italy Trade Fair, and training one employee.</p> <p>2<sup>nd</sup> Approval for US\$ 10,322.50 granted on 27/02/09 for visits to USA, Germany and Italy, expected to be completed in April 09</p> | <p>due training undertaken</p> <ul style="list-style-type: none"> <li>- Employed two more staff</li> <li>- Did not have a business bank account, has since opened one at Barclays</li> </ul>  |
| 97 | 1 | Benchmark Furniture | DSM | 8,454.94 | <p>Approval for US\$ 8,454.94 granted on 30/07/08 for conducting capacity building, Market research, and promotional materials. Implementation was being undertaken in phases, having accomplished first and second phases with completion reports submitted on 02/09/08 and 13/02/09 respectively.</p>   | <p>Among the benefits realized include:</p> <ul style="list-style-type: none"> <li>- Workshop re-organized, quality improved and production tripled</li> <li>- Has opened a new outlet/sales point at Mikocheni</li> <li>- produced and supplied 62 news paper holders for Coral Beach Hotel</li> <li>- secured orders from Stanbic Bank (beds, dressing tables &amp; sofa sets)</li> </ul> |

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| 52 | 78 | Agriculture Resources supplies Limited<br>(JB Farm) | Kibaha | 23373.42 | <p>Two Approvals granted:</p> <p>1<sup>st</sup> Approval for US\$ 14,145 granted on 31/07/08 for: -Quality management improvement and Advertising and promotions, which was completed and report submitted in Sept. 08, having successfully implemented the activities.</p> <p>2<sup>nd</sup> Approval for US\$ 9,228.42 granted on 26/02/09 for Production improvement and Advertising and Promotion for which completion report was received on 20/03/09</p> | <p>Among the benefits include:</p> <ul style="list-style-type: none"> <li>- Acquisition of such management tools as – Quality Management leading to reduced chicken mortality rate from 10% to 5% for broilers and from 20% to 10% for layers</li> <li>- Increased skills in planning production and marketing, leading to improved packaging and labelling ;</li> <li>- Increased capacity utilization, sales and growth in market share including getting orders from 13 hotels, being new customers</li> </ul> |
| 65 | 45 | J&L Handicraft                                      | DSM    | 3448     | <p>Two approvals have been granted,</p> <p>One for US\$ 2,485 approved on 24/10/08 for participating at the International Economic Summit.</p> <p>Another for US\$ 963 approved on 20/11/08 for attending a Trade Fair in Kigali.</p>  | <p>Managed to:</p> <ul style="list-style-type: none"> <li>- Establish 50 business contacts in the East African region</li> <li>- Improve quality of their products</li> <li>- Get contracts to train entrepreneurs in Rwanda in</li> </ul>  |

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|     |    |   |                               |           | They did not attend the USA Summit. They only attended the Kigali Fair for which they submitted the completion report on 15/01/09.  | candle making technology  |
| 27  | 7  | Kibotrade   | DSM                           | 29,050    | <p>Approval granted on 12/08/08 for: Advertising; promotional material; travelling; consultants; and certification</p> <p>Have completed some of the activities and submitted their completion reports in two phases on 20/10/08 for US\$ 4,950 and on 18/02/09 for US\$ 5,156.51. Other activities are still in progress</p>   | Have made a number of business contacts. Ultimate success/impact to be determined upon completion of the project and submission of final report   |
| 326 | 38 | ML Investments & Supplies Ltd<br><br>(Hay Production) | DSM<br><br>(farm in Chalinze) | 24,312.50 | <p>Two Approvals granted:</p> <p>1<sup>st</sup> Approval for US\$ 6,900 granted on 16/10/08 for: Travelling for Joint Venture searching, and hiring a consultant. Some of the activities were undertaken and the completion report presented on 10/11/08, for which the refund claim for US\$ 2730 was approved on 18/11/08 and another for US\$ 4,000, on 04/02/09.</p> <p>2<sup>nd</sup> Approval for US\$ 17,412.50 was granted on 03/02/09, for engaging an</p> | <p>Through 1<sup>st</sup> Approval, they travelled to China and</p> <ul style="list-style-type: none"> <li>- Managed to acquire modern machineries and skills to operate them.</li> <li>- Quality of Hay has improved and production increased from 250 bales per day to around 800 bales and still this quantity is expected to increase.</li> <li>- Through the visits made, has</li> </ul> |

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|  |  |  |  |  | <p>agricultural consultant and undertaking a promotion and advertising campaign which is still in progress</p> | <p>received an order for the supply of 400,000 bales to Dubai, being a new market, which is in the process of being implemented.</p> <p>Through the second approval success and overall impact will be determined upon completion of the project.</p> |
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