



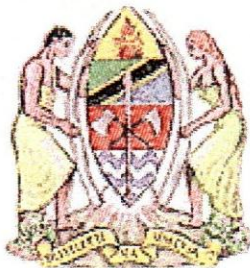
**THE UNITED REPUBLIC OF TANZANIA**

**PRIMEMINISTER'S OFFICE**

**REGIONAL ADMINISTRATION AND  
LOCAL GOVERNMENT**

**MVOMERO DISTRICT INVESTMENT  
PROFILE**

**2017**



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**PRIMEMINISTER'S  
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**REGIONAL ADMINISTRATION AND LOCAL  
GOVERNMENT**

**MVOMERO DISTRICT INVESTMENT  
PROFILE  
2017**

**Jointly Prepared by:**

Mvomero District Council  
P. O. Box 663,  
Morogoro.

Institute of Rural Development Planning  
P.O Box 138,  
Dodoma.

**2017**

## EXECUTIVE SUMMARY

Mvomero District has a lot of opportunities to offer which can attract both local and foreign investments. The District investments potential span from tourism and related services, mining, livestock, agricultural mechanization and inputs, agro-processing, and financial service.

The identified investment opportunities can be divided into two categories, namely direct investment and investment on market linkages. Direct Investment focus on attracting investors, both local and foreign, to bring in capital for investing in the district by setting up facilities either to process raw materials into finished products or carry out medium and large-scale processing of farm and livestock produces obtained locally in the district which presently are underutilized.

Market linkages entail connecting smallholder farmers and other producers with companies that are willing to buy their products and access to markets. By so doing, market dealers will be in a position to support smallholder farmer's, livestock keepers, Villages and Council managing the natural resources and community in the district at large with skills on crop and animal husbandry, post-harvest handling of harvested crops, processing and products control.

The large quantity of food and cash crops, abundance of livestock and the population full of hospitality in Mvomero District provides an opportunity to medium and large-scale producers to invest in farm and livestock product processing industries. Similarly, the local communities are hard worker and have adequate skills in modern farming practices to support the growth of these industries. However, what is missing is for the smallholder farmers and producers to be linked with buyers who are ready to invest in the District.

This profile, provides prospective investors and interested parties with insightful information about investing in Mvomero, including: An overview of the main investment opportunities existing in the District, a summary of the geographical, political and economic characteristics of the District, an introduction to difference policy in favour of investors, land matters and disputes settling facilitation center for investors, the Tanzania Investment Centre (TIC).



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## **LIST OF ABBREVIATION**

DC	District Commissioner
DED	District Executive Director
GDP	Gross Domestic Product
ICSID	International Centre for the Settlement of Investment Disputes
ITV	Independent Television
MIGA	Multilateral Investment Guarantee Agency
NBS	National Bureau of Statistics
NCC	National Construction Council
NMB	National Microfinance Bank
RFA	Radio Free Africa
SACCOS	Savings and Credit Cooperative Societies
SUA	Sokoine University of Agriculture
TBC	Tanzania Broadcasting Cooperation
TIC	Tanzania Investment Center
TTCL	Tanzania Telecommunication Company Limited
TV	Television
VAT	Value Added Tax
VICOBA	Village Community Bank



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## STATEMENT FROM THE COUNCIL CHAIRMAN

Mvomero District Council has been consistently attracting investors in various sectors, including farming, and agro-products processing industries. However, the District is still in need of more investors given investment opportunities found in it. Given this need, I am glad to introduce this investment profile, which has been prepared with the aim of bringing into light various investment potentials found in our District.

It is worth mentioning that in order for our District to contribute to the realization of our national development vision 2025, the need to harness ever expanding capacities of human intelligence and technological progress is enormous. To harness these capacities our District is prepared to manage the emerging investment challenges with a new set of values to guide the way the public and private businesses are conducted. We at the Council are prepared to foster promote inclusive development, make fast but quality decisions, add value to our products, promote and support private sector development and engagement; ensure policy and procedural implementation predictability; and support and sustain initiatives undertaken by local actors.

We recognize that the above mentioned actions requires efforts of actors at various, we therefore recognize contribution of private investors, community, Non Governmental organizations, individual household, and support from central government and other develop partners in enhancing our capacity to contribute to the realization our National Development of 2025. Inter alia, this profile has provided details on our District location, ecological zones, our population, the situation of social services, economic infrastructures and economic situation, current investment situation, natural resources including land development, tourism sites and mineral sites. All together these details reflect potentials and challenges prevailing in the District.

As I conclude my statement, let me use this opportunity to request development partners to consider joining hand in our struggle to address the challenges identified here in. I also argue Council Staff and my fellow Mvomero District Residents to work hard to improve our environment, recognizing that the biggest requirement for development is hard work.



Hon. Jonas V. Zeeland

**Council Chairman**  
**MVOMERO DISTRICT COUNCIL**

## **MVOMERO DISTRICT EXECUTIVE DIRECTORS FOREWORDS**

On, 18 January 2017, our District Council celebrated 11 years since it started operating. I am happy to introduce this Investment Profile prepared with the aim of revealing investment opportunities found in our District. In a way, this Profile is a call to people with interest and capacity to invest in our District. In a nutshell, this Profile presents our District location, our climatic conditions, topographic conditions, population, existing socio-economic infrastructures and investment opportunities.

Given the information provide in this profile, there is no doubt that our District is one of the potential areas for investment in agricultural production, including agro-processing and livestock industries. It is also one of the good tourist destinations and mining activity sites. In terms of agriculture the District is among the good producer of paddy, sugarcane, cocoa, maize, fruits and vegetables in Tanzania. With regards to livestock the District has around 393,051 heads of cattle, implying that, it is one of the best places for livestock industries including milk, meat, and skin processing.

Our role as a Local Governments is to facilitate the investment process and create conducive environment for investment in terms of good communication, security, good infrastructure, and increased efficiency by reducing unnecessary bureaucratic procedures. As Chief Executive Officer for this District, I guarantee investors that these roles will be fulfilled beyond expectations.

Last but not least, let me use this opportunity to thank the existing investors (both local and foreign) and call upon all other investors to come and invest in Mvomero District. We promise to remain fully committed to the enhancement of Public - Private Partnership with a view of ensuring a win-win situation to all players.



Florent L. Kyombo  
**District Executive Director**  
**MVOMERO DISTRICT COUNCIL**

## CHAPTER ONE

### 1.0 MVOMERO DISTRICT IN A BROAD CONTEXT

#### *1.1 Historical Context*

Mvomero District is one among the seven Districts in Morogoro Region. Other Districts in the Region are Malinyi, Morogoro Rural, Kilosa, Kilombero, Ulanga, and Gairo which all together form nine Councils. The District was established on 2<sup>nd</sup> August 2002 through a Government Notice Number 366; but it started to operate its functions on January, 18<sup>th</sup> 2006 from the former Morogoro District.

The name 'Mvomero' was taken from the name of the famous Mvomero River, which passes through Mvomero village in the District. The name Mvomero originated from the Luguru word 'vomea', which means 'to sink'. The river is full of sands of which when one crosses it during rain season would sink. Mvomero was a small village, which existed before colonialism and villagilization operation in 1974. Formerly, there were many neighbouring small settlements that were later on amalgamated to form one large village called Mvomero.

#### *1.2 Geographical Location*

Mvomero District is located at latitude 06° 26' South and longitude 37°32' East. The District is bordered by Handeni District (Tanga region) in the North, Bagamoyo District (Coast region), in the East, Kilosa District (Morogoro region), in the West, Morogoro Rural and Morogoro Urban (Morogoro Region) in the south. The District headquarters is located at Dakawa Ward along Dodoma - Morogoro road (Figure).





### 1.3 Agro – Ecological Zones

Geographically, Mvomero District lies on three ecological zones (Table 1):

- ✓ **Highland and Mountains Zone**; this zone occupies about 25% of Mvomero District area extending on Nguu Mountain Ranges. The zone lies between altitude of 1,200 metres and 2,000 metres above sea level. The major occupations in this zone are Agriculture, Horticulture and marginal Livestock keeping. Therefore, the zone is very potential for growing food crops, cash crops; including spices, fruits and vegetables.
- ✓ **Miombo Woodland Zone**; this zone occupies about 20 % of the District area with low flat lowland physical features. This zone lies between the altitude of 600 metres and 1,200 metres above sea level. Average annual rainfall is between 600 millimeters and 1,200 millimeters. The major occupations in this zone are Agriculture, Livestock, National Parks, and Forestry. This zone is the best for optimum use of agriculture production and livestock grazing.
- ✓ **Savannah River Basin Line**; this zone extends alongside the great rivers of Mkata, Wami, Mgeta, Mlali, Divue, Diburuma, Mkindo and Mburumi. The zone is potential for irrigation, dry season cultivation, production of paddy, sugarcane, cotton, vegetables, and fishing.

**Table 1: Agro Ecological Zones in Mvomero District**

No	Zone	Terrain	Vegetation	Division
1	Highland and Mountains	Mainly mountainous, undulating to hilly plateau crests Rocky terrain Very strongly dissected mountain block	Shrubs, glass, planted trees,	Mvomero and Turiani
2	Miombo Woodland	Gently undulating to rolling plains and plateau Level to rolling plains	Woodland, glass land, shrubs	Mvomero, Turiani, Mgeta and Mlali
3	Savannah River Basin Line	Flat to rolling plains Flat, alluvial plains with homogenous sedimentation pattern	Glasses, planted trees,	Mvomero, Turiani, Mgeta and Mlali

Source: Mvomero District Council, 2017

### ***1.4 Drainage system***

The District has eleven permanent rivers namely, Mjonga, Divue, Mvaji, Mkindo, Diwale, Mburuni, Dikurura, Mbakana, Mgeta, Tangeni, and Ngerengere. There are also few seasonal dams and ponds, providing water for livestock and sometimes water for irrigation schemes.

### ***1.5 Rainfall***

Large part of Mvomero District is semi and warm tropical characterized by minimum amount of rainfall. Average annual rainfall ranges between 487-1951 mm per year. On average, the District gets 33 days of rain per year with a maximum of 69 days. Rainfall usually starts from January and ends up in July or sometime it starts in December. Every year, the District experience dry season from August to November.

### ***1.6 Administration Area***

The District Council is divided into four divisions which are Mlali, Mgeta, Mvomero and Turiani, 30 wards with a total number of 130 villages and 686 hamlets. Mlali ward has the highest number of villages, with 8 villages and 28 hamlets; Melela ward has the fewest number of villages with 3 villages and 10 hamlets. Also, there are nine wards which are semi-urban (Mvomero, Dakawa, Mzumbe, Mlali, Melela, Mgeta, Doma, Sungaji and Mtibwa) and the rest are rural. Currently, Mvomero District has one election constituency.

### ***1.7 Population***

The population of Mvomero District according to census report has experienced constant growth rate of 2.6 percent between 1988-2002 and 2002-2012 intercensal periods. According to 2012 Population and Housing Census the district had 312,109 people compared to 259,347 inhabitants counted in 2002 Population

Census. Projected population indicates that, in 2017 and 2022 the District would have a population of 354, 862 and 403,441 people.

The main indigenous ethnic groups are Nguu (Walukungwi), Zigua, and Luguru tribes which is equivalent to 81 percent of the total population in Mvomero District. Others tribal groups of the Bantu origin who migrated into the District are Makua, Chaga, and Sukuma and Nilo Hamitic which include; Maasai, and Mang'ati.

### ***1.8 Social Services***

Social services include health, education, water supply and infrastructure. There have been achievements in some social services in the district. Education through PEDEP and SEDEP has shown tremendous increase in the number of students enrolled for primary and secondary education. However, the challenge is availability of teachers for the newly established secondary schools at ward level. The other critical problems include:

- ✓ Inadequate laboratory buildings and materials in secondary schools; class rooms, teachers' houses; libraries buildings and books; and in- service training for teachers.
- ✓ Inadequate health facilities; poor nurses and doctors to patient ratio; and inadequate drugs and medicine in health facilities. Nevertheless, in the recent past, the government has launched a national programme to construct dispensary. This programme is expected to address the problem of inadequate health facilities.

### ***1.9 The economy***

Mvomero District Council, like other councils of Morogoro Region, has never computed its GDP and Per capita GDP since it was established. Nevertheless, the Council is doing its best to make significant contribution to the Regional GDP.

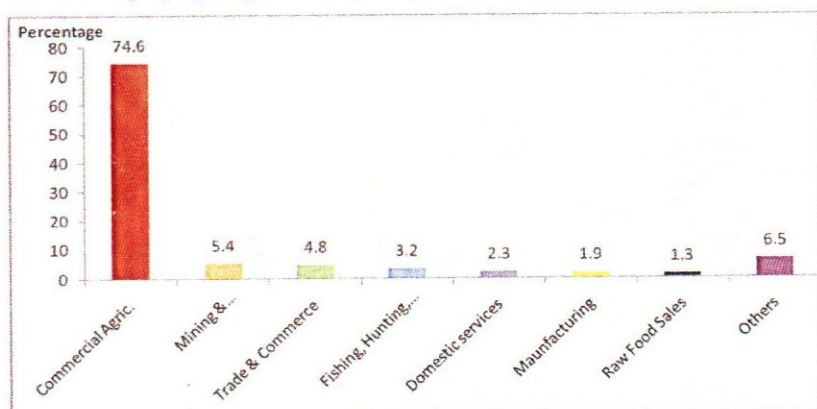


### 1.9.1 Non-Income Indicators

As stated earlier, beside GDP and per capita GDP, there are number of indicators that portray the level of development of the District. These indicators include main source of cash income, food security and consumption patterns, education attainment, adult literacy rate, health indicators, housing conditions and its amenities inside and outside dwellings, such as access to safe drinking water, household's assets, toilet facilities and sources of energy for lighting and cooking. Housing conditions include types of construction materials for roofing, walling and flooring.

### 1.9.2 Main sources of cash income

The main activities that serve as source of cash income include: agriculture; fishing; mining and quarrying; trade and commerce; public administration; and education. Commercial agriculture, food crops and forestry were reported to be the main source of income in the District. This sector employ 74.6 percent of the District residents; it is followed by mining and quarrying employing 5.4 percent, trade and commerce (4.8 percent), fishing, hunting, livestock and other related activities employing 3.2 percent (Figure 2).



**Figure 2: Percent of employed population 10 years or above by main industry, 2012**

*Source: NBS, Computed from 2012 Population and Housing Census*



The limited number of activities for both social and economic development has resulted to a small difference of unemployment levels between usual and current economic activities performed by residents of Mvomero District as revealed by the 2012 population census report. Usual economic activity, according to census definition is any activity a person had been engaged during the 12 months prior to the census night, while current economic activity is any activity a person had been engaged during seven days prior to the census night.

Figure 3 shows that unemployment rate for current economic activities performed by District residents was slightly higher (2.3 percent) than for usual economic activities (1.6 percent). Significant variations are also observed on employed persons, full time students and those persons who were doing home maintenance mainly due to season differences. This means that there was a significant difference of involvement of people between a week or a year in doing economic activities in the District.

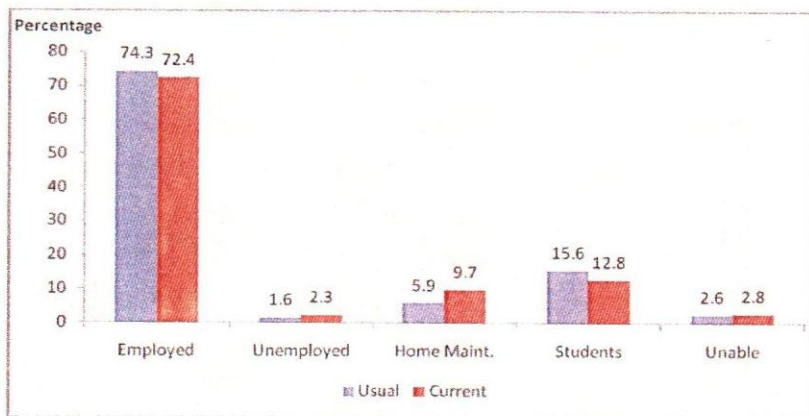


Figure 3: Proportional Distributions of Usual and Current Activities in the District, 2012

Source: NBS, Computed from 2012 Population and Housing Census

### *1.10. Markets for Investors*

There are three main markets of interest to investor:

- The domestic market (within the District, Region and nearby Regions)
- The Regional market provided chiefly by the East African Community; and
- The export markets abroad in the European Union and the United States; in the growing Asian economies of China and India; and in the Middle East to mention only the leading ones.

## CHAPTER TWO

### 2. CURRENT INVESTMENT SITUATION

#### *2.1 Food and Cash Crops Production*

Agriculture continues to be the main source of livelihood for the residents of Mvomero District. Result for 2012 Population and Housing Census show that, the sector employs more than 82% of adult population. Despite agriculture being the leading sector in the economy of the District, its performance has been declining due to several factors including persistent use of poor agricultural tools such as hand hoes, inadequate knowledge on modern agricultural production techniques, pest problems, and sometimes low purchasing power of the people which tends to discourage the use of modern agricultural inputs or implements. In addition, marketing arrangements for most crops are inadequate coupled with poor transportation system and lack of credit facilities for smallholder farmers. Farmers in the District produce both cash and food crops which enhance their incomes and ensure food availability throughout the year.

The main crops grown are maize, sorghum, cassava, sweet potatoes, beans, cowpea, paddy, pigeon pea; and cash crops are sugarcane, sunflower, onion, simsim, tomato, leaf vegetable, cocoa, coffee, cotton, coconut, cardamon and cashewnut.

Out of its total geographical area of 732,500 Ha, about 549,375 (75%) is arable land, of which 247,219 Ha, (45%) of the arable land being utilized for farming. The rest of the arable land is unutilized. This implies that there is still a potential to further invest in farming activities in the District.



Figure 4: Sugarcane plantation in Mtibwa Ward



Figure 5: Banana market in Diongoya Ward

## 2.2 Irrigation Schemes

The District has a total area of 74,166 hectares which is potential for irrigation, of which 29,666 hectares is used, mostly under modern irrigation in Kinda, Dakawa and Mtibwa Wards, also traditional irrigation is practiced in Msongozi, Mtibwa, Lubungo, Langali, Mzumbe, Kanga, Hembeti, Mziha, Sungaji and Tchenzema Wards. Major crops under irrigation include Tomatoes, Sugarcane, Paddy and other leafy vegetables. The size of various schemes in the District are given below:

- Mkindo irrigation scheme – 76 ha
- Mlali irrigation scheme – 20 ha
- Mgeta irrigation scheme – 200 ha
- Ndole irrigation scheme 8ha
- Dihombo irrigation scheme 24 ha
- Dakawa irrigation scheme 2,500 ha
- Komtonga irrigation scheme 25 ha



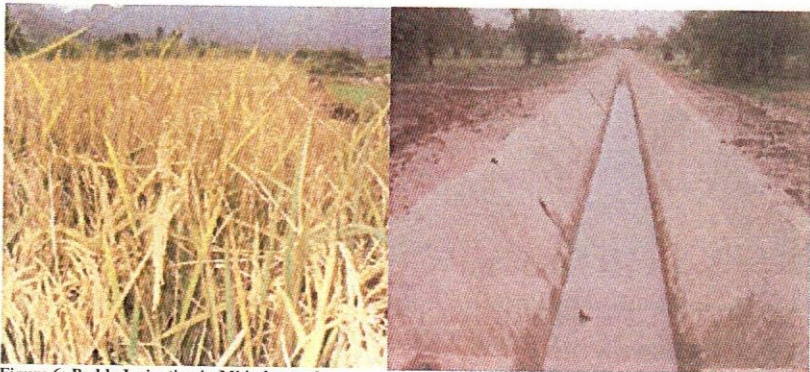


Figure 6: Paddy Irrigation in Mkindo ward

### 2.3 Livestock

Livestock keeping is the second Major economic activity of Mvomero District. The District has a total number of 393,051 livestock. Common livestock species kept include cattles, goats, sheep, and chicken. The District has a total area of 266,400 hectares suitable for pastures and grazing of livestock. This is equivalent to 36% of the total area.

In rural wards where livestock keeping is mostly practiced, there is a shortage of livestock infrastructures. These include both primary and secondary livestock facilities comparing to its demand. Considering primary livestock facilities, the District has a total of 18 dips located in Dakawa, Mvomero, Mangae, Mzumbe, Mkindo and Kibati Wards. Furthermore, the District has 17 charco dams located at Dakawa, Mvomero, Mangae, Mzumbe and Mkindo Wards.

Regarding secondary livestock facilities, the District has three livestock markets located at Dakawa, Melela and Mkombani areas, 23 crushes (Dakawa, Melela, Mtibwa, Mlali, Mzumbe, Mvomero and Msongozi Wards), 2 hide/skin shade found in Dakawa Ward, 6 slaughter slabs (Dakawa, Melela, Mtibwa, Mzumbe and Mvomero Wards), and 2 abattoirs located at Dakawa and Mtibwa Wards.



## ***2.4 Natural Resources and Land Development***

Mvomero District is endowed with vast natural resources that include huge forests, water bodies and mining areas which provide opportunity for extraction of gold, gemstone and iron, water for domestic uses as well as for livestock keeping. Other natural resources include forests which support beekeeping and honey production in the region and also serve as source of energy.

### ***2.4.1 Forestry***

District Land covered by Forest amounts to 31,639.07ha equivalent to 4.31 percent of the total District land area. These Forests include, include high tropical forests found in Uluguru and Nguu mountain blocks, forests along river banks, and the Miombo woodlands found in different parts of the District owned by District Council and Villages. Efforts have been made by Mvomero District to plant trees in order to increase vegetation cover.

### ***2.4.2 Beekeeping***

Mvomero District is well endowed by natural resources whereby beekeeping is among the important economic activity carried out by number of households using modern and traditional techniques in order to generate income. The leading wards for beekeeping are Dakawa, Kanga, Mtibwa and Mvomero.

### ***2.4.3 Tourism***

Mvomero District is endowed with several cultural and historical attractions that are of great potential for cultural tourism. It has unbeatable culture set ups that can help the District to lead cultural tourism sector in the Region. Sometimes the interest of a tourist to visit a particular place is to know its history and culture

## ***2.5 Mineral resources***

Mineral industry is not well advanced; there are lot of surveys and researches still going on in search of mineral deposits. Mining activities are done by foreign and local companies at small scales. Currently, there is small scale extraction of mineral

at Kinda, Kibati, Mziha, Dakawa, Mvomero, Mlali, Melela, Pemba Mangae, most extracted mineral includes Gold, Diamond, Vesper, Iron, Gemstone, Limestone Sand, Rocks Gravel Mining and Stones. Most of these minerals are purchased by mineral brokers and dealers in Mvomero and Morogoro Region.

## ***2.6 Industrial Development***

The industrial bases of Mvomero District depend on the existence of large, medium and small-scale industrial establishments scattered in the District. The large scale and medium size industries comprises of oil mills, sugar and beef processing while small scale industries are dominated by oil processing, carpentry and timber processing flour milling, tailoring, carpentry, welding, garages, printing and food processing industries.

## ***2.7 Social services***

### ***2.7.1 Health services***

Health services in Mvomero District are provided by 71 health facilities. Among them, 3 are Hospitals, namely; Chazi Hospital which is the only Government hospital in the District located at Sungaji Ward, Mtibwa hospital which is a private facility owned by Mtibwa Sugar Company Limited and Turiani hospital which is owned by Roman Catholic Church of Tanzania located at Diongoya Ward. There is no District Council hospital and for the time being the Council has entered in Contract with Roman Catholic church of Tanzania to provide services in partnership at Turiani hospital as a designated District hospital. The District Hospital is still under construction at Dakawa Ward.

Also, there are 8 Health Centers (whereby 6 of them are owned by the Government and 2 are privately owned), 60 Dispensaries (50 of them are owned by the Government, 10 are owned by the Religious Institutions and 4 are owned by the Private Institutions).

## **2.7.2 Education**

### **2.7.2.1 Pre – primary school**

Statistics shows improvement of Pre-Primary Education in the District during 2017 registered public and private school were 137.

### **2.7.2.2 Primary school**

Up to June 2016, Mvomero District has a total of 141 registered Primary Schools which has 50,011 students whereas 23,204 are boys and 26,807 are girls.

### **2.7.2.3 Secondary school**

Mvomero District has 24 Secondary Schools where by 22 Secondary Schools equivalent to 91.6 percent are owned by government and 2 Secondary Schools equivalent to 8.4 percent are owned by private institutions

### **2.7.2.4 Colleges, University and Vocational Training Centers**

The District has 4 Government Vocational Training Centre and one university.

**Table 2: Colleges University and Vocational Centers in the District**

No	Ward	Name of college/university	Activity
1	Mhonda	Mhonda Teachers College.	Certificate in Primary education IIIA
		Kichangani public training centre	Electricity and masonry training.
2	Mkindo	Mkindo Farmers	Farmers training
3	Dakawa	Cholima Demostration Centre	Research for agricultural seeds
4	Mzumbe	Mzumbe University	University Education
5	Mvomero	Mvomero education and vocational training centre (private centre)	Qualifying test and animal keeping.

### **2.7.3 Water and sanitation**

Mvomero District has a sufficient water supply, this include gravity water scheme, pumped water scheme, rivers, shallow wells, boreholes with hand pumps, charcoals dams and harvested rain water. Clean and safe water accessibility in the District is estimated to cover 66.3 percent of the District population whereas 33.7 percent uses unprotected wells and other unprotected sources as a source of water

## ***2.8 Tourism attractions***

Mvomero District has attractive natural vegetation areas that are suitable for tourism activities. Natural vegetation of Mvomero District can be seen through various ecological zones within the District.

Highland and Mountains Zone which occupies 25% of Mvomero District are very attractive for tourism activities. The zone lies within altitude of 1,200 meters and 2,000 meters above sea level. Therefore, the zone is very potential for establishing tourist Centre. Miombo woodland zone which occupies about 20% of the District area with flat lowland physical features is another potential area for tourism. This zone lies within the altitude of 600 meters and 1,200 metres above sea level.

Savannah River Basin Line is a zone that extends alongside the great rivers of Mkata, Wami, Mgeta, Mlali, Divue, Diburuma, Mkindo and Mburumi. Despite its potentiality in irrigation, dry season cultivation, production of paddy, sugarcane, cotton, vegetables and fishing, the area is also suitable for tourism activities.



### 3.0 ECONOMIC INFRASTRUCTURE

#### *3.1 Road services*

Mvomero District is estimated to have road network length of 1015.29Kms, of which 109.99Kms (10.83%) are trunk roads, 233.6Kms (23.01%) are regional roads, 65.2Kms (6.42%) are District road and 606.5Kms (59.74%) are feeder roads. Feeder roads occupy more than half of total road length. Most manufactured goods, medicines, raw food crops and cash crops are transported via road services.

#### *3.2 Railway transport*

The District is connected with other parts of the country by a Central Rail network from Dar es Salaam to Mwanza and Kigoma. The Length/distance of the Railway line which is passing in the District is 29 kilometers covering an area of 290 Hectares, which is 0.04% of the total area of the District. There is one rail station in Lubungu Ward. The railway line is mainly used to transport goods and passengers. However, as the road networks in the district are well distributed, the usage of the railway network is infrequent.

#### *3.3 Air transport*

There is no public air strip in Mvomero District. However, there are two earth airstrips in Dakawa Ward (formerly owned by Wami-Dakawa NAFCO). Following the collapse of NAFCO, the airstrip is now under the Mvomero District Council. Also, there is another earth airstrip in Mtibwa which is used in sugarcane farms but not very popular.

#### *3.4 Energy and Power Supply*

Electricity Supplied in the District is through National Grid. 60% of all the Wards of Mvomero are serviced with electricity. Other sources of energy are solar, biogas, kerosene, firewood and charcoal.



### ***3.5 Communications***

The District has good mobile phone connection through Airtel, Vodacom, Zantel and TTCL; and TTCL – Landline services. Coverage of communication services is progressively extending to cover the whole District. The Postal services used at the District are those available in Morogoro town which is 35Kms from the District headquarters. The District headquarter is also connected to optic fiber network to ease communication.

### ***3.6 News and Media***

Mvomero has no Radio station, however Abood FM, Planet FM, SUA FM, Radio Ukweli FM, Top Radio and Siloam Fm, TBC, ITV and RFA can be accessed in the District, moreover residents who lives in towns use satellite dishes to obtain TV stations.

### ***3.7 Financial Institutions***

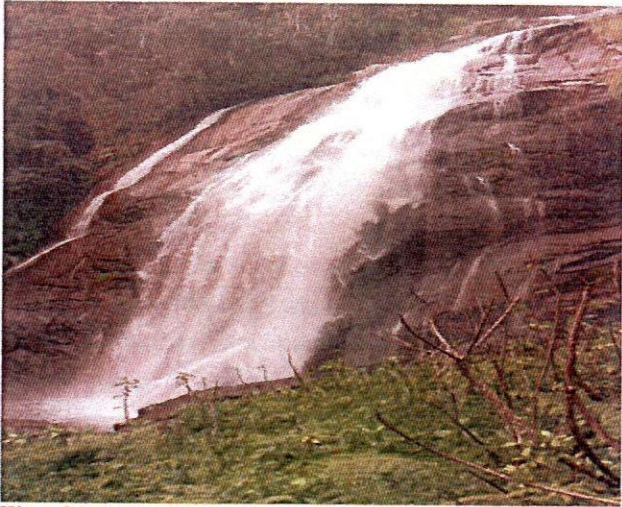
Financial services in Mvomero District are insufficient to cope with the growing populations and economic activities. NMB, CRDB, are only Banks which provide financial services to 345,028 populations in the area. Mvomero District has two branches of the National Micro-finance Bank (NMB) located at Turiani and Dakawa, and there are also three CRDB bank branches located at Mzumbe, Turiani and Dakawa. Non-banking financial institutions also exists within the District to supplement financial services, such institutions include; Savings and Credit Cooperative Societies (SACCOs), Village Community Bank (VICOBA), and mobile phone money services, including M-pesa, Tigopesa, Airtel money, and Halopesa.

## CHAPTER FOUR

### 4: INVESTMENT OPPORTUNITIES

Mvomero District is among the growing District in the country attracting investors in social and economic development areas. Table 4 bellow highlights the potential areas for investment in various sectors in the District.


**Table 3: Main types and areas of investment opportunity in the District**

<b>Tourism and related services</b>	
Proposed Products	Proposed tourism products are focusing on photography, sightseeing, tour services, film and movies making, camp sites and hotels, water sports, game viewing, birding, visits to historical places and cultural sites, etc.
Potential target areas	<p>Mkingu natural reserve in Hembeti and Mkindo Ward, Water falls in Kinda and bunduki, Wind Hole in Kweuma Ward at Ubiri Village, Slave Cave in Kweuma Ward at Mafuta Village, The Peak of the Mount Simba, Owls' Stone located at Mafuta Village in Kweuma, Inside rivers in Kinda</p>  <p>Water falls in Bunduki ward</p>
Opportunities	Development and establishment of robust camp sites and hotels, tour operators, cultural exhibition, water sports and associated facilities. The

	existence of cultural and tourism office in the Districts is a major incentive for investors.
Type of Investor recommended	Medium to large scale investments company which can mobilize required capital for establishment of tourist facilities such as camp sites, hotels, tour operation, marketing and advertisement and make them available at affordable price.
<b>Agriculture</b>	
<b>Crop production and agro- processing</b>	
Proposed Products	<p>Paddy as well as other water friend crops such as sugarcane, Maize, vegetables, and fruits production performs well in rural areas of the Mvomero District. These crops are mostly cultivated both for household consumption and commercial purposes with moderate improved agricultural practices.</p> <p>Most Agriculture crops after being harvested are sold in raw form, and not in semi processed or processed form. Processed Agriculture crops fetch better price for farmers. Value addition aims at increasing the Value of Agriculture crops mainly Rice, Maize, fruits and vegetables by further processing them, grading and packing them before reaching the final consumer.</p>
Potential target areas	Sugarcane in Mtibwa and Mvomero Wards, paddy and maize in Mtibwa, Kibati and Mziha Wards, vegetable and spices processing and marketing infrastructures in Mgeta and Nyandila Wards, promoting improved agricultural practices among smallholder farmers in all Wards
Opportunities	<ul style="list-style-type: none"> <li>• Establishment of Sugar cane processing factories</li> <li>• Establishment of vegetable and spices processing factories</li> <li>• Increase post harvest management capacity of smallholder farmers in the rice value chain</li> <li>• Establishment of cocoa plantations in Kweuma Ward</li> <li>• Establishment of paddy plantations in Mvomero, Mtibwa, Hembeti and Mkindo Wards</li> </ul>
Type of Investor	Small/Medium Local Investors are preferred.




recommended	
<b>Irrigation</b>	
Proposed Products	Fully exploit the existing irrigation development potential in order to enhance crop productivity and profitability to the smallholder, medium and large-scale irrigation farmers. This can be done through proper utilization of land, water and human resources with application of appropriate technologies in a sustainable manner to ensure food security, poverty reduction and contributing to the national economic growth and development.
Potential target areas	Mkindo, Mlali, Dakawa, Mvomero and Turiani Wards
Opportunities	There is an ample opportunity for the private sector to actively participate in a business way either as service providers or as commercial farmers. Service providers have opportunities in supplying equipment and devices for water lifting such as water pumps, windmill, solar power units, equipment and devices for irrigation water conveyance and application including water pipes, drip units and sprinkler systems. Investors have a big opportunity to invest in commercial irrigated agriculture as medium or large-scale farmers
Type of Investor recommended	Local and foreign investors
<b>Agricultural Inputs and Mechanization</b>	
Proposed Products	Supply of agricultural inputs and mechanization for turning idle land into productive land for district economic growth, food self-sufficiency, industrial growth and employment.
Potential target areas	All Wards of Mvomero Districts where crop production and livestock keeping are taking place
Opportunities	<ul style="list-style-type: none"> <li>Establishment of private machinery hiring services centers so as to increase the accessibility of farm power at lower costs.</li> <li>Spare parts importation and distribution to machinery owners throughout the district</li> </ul>

	<ul style="list-style-type: none"> <li>• Establishment of private draft animal centers for hiring and training</li> <li>• Establishment of agro-veterinary shops across all Wards</li> <li>• Supplying of post-harvest processing machines and storage facilities</li> </ul>
Type of Investor recommended	Local and foreign investors
<b>Livestock</b>	
Proposed product	<p>The proposed livestock products include ranching activities, livestock infrastructures (modern abattoirs), as well as processing industries for livestock products (beef, dairy milk and milk products such as butter, ghee and cheese; skin and hides processing).</p>  <p><b>Livestock market in Melela Ward</b></p>
Potential target areas	Melela, Doma and Mangae Wards where livestock keepers are conducting their business. Investment in beef, dairy milk and milk products, hides and skins are essential.
Opportunities	<ul style="list-style-type: none"> <li>• Establishment of large scale cattle, sheep and goats farm for breeding and meat production</li> <li>• Establishment of slaughter and processing plants.</li> <li>• Production of footwear and leather goods</li> <li>• Invest in animal feeds (compounded animal feeds, pasture and fodder crops)</li> </ul>



	<ul style="list-style-type: none"> <li>• Milk collection and processing</li> <li>• Invest in industries for processing livestock by-products</li> </ul>
Type of Investor recommended	Medium to large scale investments undertakings, able to acquire needed capital to take advantage of these idle resources.
<b>Minerals</b>	
Proposed Product	Invest in mineral research and exploration
Potential target areas	Kinda, Kibati, Mziha, Dakawa, Mvomero, Mlali, Melela, Pemba and Mangae Wards where small mining is taking place.
Opportunities	<ul style="list-style-type: none"> <li>• Availability of minerals like gold, diamond, vesper, iron, gemstone, limestone</li> <li>• Labour force</li> <li>• Market and infrastructures</li> <li>• The use of modern technology in extraction is essential etc.</li> </ul>
Type of Investor recommended	Medium scale foreign and Local investors who have appropriate technology to exploit the resources. In addition, groups of small-scale miners who can jointly afford the required capital and technology should be given priority.

Proposed Products	Refined oil and or double refined Edible oil
Potential Target areas	 <p><b>Sunflowers in Mvomero District</b></p>

Opportunities	Construction of modern storage facilities both at collection point and industrial sites. The adaptation to new production technology for processing, refining and other industrial procedures is essential.
Type of Investor recommended	Local and foreign investor who have funds to buy New Technology machineries.
<b>Trade and Commerce</b>	
Proposed Products	<p>As production and other Economic activities increases, the need for banking services becomes inevitable to take care of business transaction.</p> <p>In order to facilitate Social and Economic activities in Mvomero District there is need to increase Banking Services in the District Headquarters and Major trading centers. At present, only District Headquarter and Mtibwa Ward enjoy the services of NMB and CRDB.</p>
Potential Target areas	District Headquarter and trading centres such as Mlali and Mtibwa
Type of Investor recommended	Local investors, local Commercial and Community Banks, Microfinancing Institutions and SACCOS.

## CHAPTER FIVE

### 5. MANAGEMENT AND FACILITATION

#### *5.1 Investment Policy and Legislation*

Tanzania offers a well-balanced and competitive package of fiscal incentives in investment. Investments in Tanzania are guaranteed against nationalization and expropriation. Tanzania's untapped natural resources offer a wide range of investment opportunities; arable land, minerals and natural tourist attractions which are all awaiting potential investors. The pro investment attitude by Government is clearly demonstrated by the innovative investment legislation, the increasing number of foreign direct investments in the country and economic and structural reforms that have led to substantial progress in establishing a functioning market economy.

#### *5.2 District Investment Incentive Package*

Mvomero District natural resources envelope comprises of arable land, beekeeping, forestry, cultural tourism and mineral resources. Location of Mvomero gives it advantage of centrality over most other Districts in terms of accessing markets for most of the raw agricultural materials, supply of goods and services to neighboring Districts of Pwani, Dar es Salaam, Iringa, Tanga and Dodoma.

#### *5.3 Areas Earmarked for Land Bank*

All the Local Government Authorities have reserved land for future demand, however land have been planned for different needs. Land banks are categorized in differed forms that is; Surveyed industrial plots, Hotel construction sites, Educational facilities construction sites, Open spaces, Recreational sites, Petrol station sites, Bus terminal sites and truck/lorry park sites.

#### ***5.4 Mvomero District Administration***

In the Mainland Tanzania a District is headed politically by a District Commissioner (DC) while the head of the Chief Executive Officer at that level is the District Executive Director (DED). The District Secretariat is charged with the role of implementation of District policy and the overall management of development activities. Mvomero District Council is divided into four (4) Divisions which are Mlali, Mgeta, Mvomero and Turiani, 30 Wards with a total number of 130 Villages and 686 Hamlets (Table 6).



**Table 4: Administrative unity by division and ward**

No.	Name of Division	No.	Name of Ward	Nature of ward	No Villages	Hamlets
1	Mlali	1	Mlela	Rural	3	10
		2	Mangae	Rural	3	23
		3	Mlali	Rural	8	28
		4	Homboza	Rural	4	19
		5	Mzumbe	Rural	5	36
		6	Lubungo	Rural	5	23
		7	Doma	Rural	5	24
		8	Msongozi	Rural	4	12
2	Mgeta	9	Langali	Rural	3	23
		10	Mgeta	Rural	3	22
		11	Bunduki	Rural	5	24
		12	Kikeo	Rural	5	25
		13	Luale	Rural	4	27
		14	Tchenzema	Rural	3	23
		15	Nyandila	Rural	4	17
3	Mvomero	16	Mvomero	Rural	5	22
		17	Dakawa	Rural	5	29
		18	Hembeti	Rural	4	27
		19	Mkindo	Rural	4	18
		20	Pemba	Rural	4	17
		21	Kibati	Rural	5	25
		22	Maskati	Rural	4	21
		23	Kinda	Rural	4	20
4	Turiani	24	Mhonda	Rural	3	20
		25	Kweuma	Rural	3	14
		26	Sungaji	Rural	6	35
		27	Mtibwa	Rural	6	33
		28	Diongoya	Rural	5	27
		29	Kanga	Rural	3	14
		30	Mziha	Rural	5	28
Total				130	686	

Source: Mvomero District Council, 2017



Mlali Ward has the highest number of Villages, with 8 Villages and 28 Hamlets; Melela Ward has the fewest number of Villages with 3 villages and 10 Hamlets. Also, there are nine wards which are semi-urban (Mvomero, Dakawa, Mzumbe, Mlali, Melela, Mgeta, Doma, Sungaji and Mtibwa) and the rest are rural.

## ANNEXES

### Annex 1: Land Tenure and Land Management

For the purpose of this study, the following laws and regulations are applicable to land.

- General Land Law
- Village Land Act
- Reserved Land Act

Under Section 4 (1) of the Village Land Act, the State Land cannot be alienated.

Under Section 4 (1) of the Village Land Act, the State Land cannot be alienated.

- Government Land
- Tanzania Investment Board
- Sub - Leases

Rights of occupancy are granted for periods ranging from 5 to 99 years. Long term development projects are granted 99 years.

Long term development projects are granted 99 years.

Long term development projects are granted 99 years.

### Right of Occupancy

Requirements for application for Right of Occupancy are as follows:

- Duly filled L.O. form
- Passport size photograph
- Application fee
- Any other information required
- Declaration of the applicant
- Consent of the relevant authorities

## **ANNEXES**

### **Annex 1: Land Tenure System in Tanzania**

#### ***Land Management***

For the purpose of the management of land under Land Act, 1999 and all other laws applicable to land, public land falls in the following categories:

- General Land;
- Village Land; and
- Reserved Land.

Under Section 4 (1) the Land Act, 1999, state that, all land in Tanzania belongs to the State. Land can, however, be owned in three different ways:

- Government granted right of occupancy
- Tanzania Investment Center (TIC) derivative rights
- Sub - Leases created out of granted right of occupancy by the private sector

Rights of occupancy and derivative rights are granted for short term and long-term periods ranging from 5 - 99 years and are renewable, but for not more than 99 years. Long term derivatives rights and leases range between 5 - 98 years.

#### ***Right of Occupancy***

Requirements for application of right of occupancy include: -

- Duly filled Land Form No. 19
- Passport size photograph
- Application fee
- Any other information as required by the Commissioner of land
- Declaration of all rights and interests in Land in Tanzania which the applicant has at the time of application
- Consent of local authority or other body where any law requires

- Application by a non-citizen or foreign company should be accompanied a Certificate of Incentives granted by Tanzania Investment Centre (TIC) under Tanzania Investment Act, 1997

***Acceptance of offer of a right of occupancy shall be:***

By filling and signing Land Form No. 20 (for urban land) or Land Form No. 21 (for farm land) and signed by the applicant or his authorized representative or agent accompanied by a fee.

A Certificate of Occupancy shall be issued in the name of the President and shall be in Land Form No. 22 (for urban land) and Land Form No. 23 (for farm land).

**Procedures for acquiring land for local investors**

Under Section 19 (1) of the Land Act, 1999 citizen investors or group of them may acquire land by a granted right of occupancy or a derivative right or by obtaining sub – lease from private sector.

The procedures to be followed by local investors when applying for farm land:

- Application submitted to District Authority
- Consideration by District Land Allocation Committee for land up to 500 acres
- Recommendations by Minister of Lands for land exceeding 500 acres
- Application approved or rejected by Minister of Lands or District Land Allocation Committee.
- Applicant notified
- Letter of Offer issued stipulating fees for approved application
- Certificate of Occupancy prepared
- Certificate registered
- Duplicate given to the occupier of land

The procedures to be followed by local investors when applying for urban land

- Application submitted to Urban Authority
- Application submitted to Urban Authority Allocation Committee
- Application approved or rejected.
- Applicant notified
- Letter of Offer issued stipulating fees for approved application
- Certificate of Occupancy prepared
- Certificate Registered by Registrar of Titles
- Duplicate Certificate given to occupier of land

The procedure to be followed by both local and foreign investors when applying for Tanzania Investment Centre (TIC) Derivative Rights. It applies to both urban and farm land:

- Land identification by Ministry of Lands, Urban Authority, District Authority, TIC or An Investor.
- Land gazettelement by the Ministry of Lands
- Land designation to TIC by the Commissioner for Lands
- Submission of application to the Executive Director TIC
- Application approved or rejected by TIC
- Investor(s) notified
- Preparations of Derivative of Rights for approved application
- Derivative Title registered
- Duplicate Derivative title given to occupier of land.

#### **Procedures for acquiring land for foreign investors**

Occupation of land by non-citizens is restricted to lands for investment purposes under the Tanzania Investment Act, 1997. Under the Land Act, 1999 a foreign investor may occupy land through:

- Derivative rights under section 20(2) of the Land Act, 1999
- Application to the Commissioner for Lands for grant of Right of Occupancy under section 25(1)(h) and (i) of the Land Act, 1999
- Sub-leases from private sector
- Licenses from the Government
- Purchase from other holders of granted Right of occupancy.

Land designated for investment purposes shall be identified, gazetted and allocated to TIC, which shall create derivative rights to investors. Instances of grant of right of occupancy to a non-citizen are recognized under section 19(2) of Land Act, 1999. Section 22(1) (ii) allows the granted right of occupancy to be capable of being a subject of disposition.

In this later case a right of occupancy can be disposed off from one holder to another provided the land will be sold to and acquired by a non-citizen if it is for investment purposes endorsed by TIC. Another way in which non-citizen investors can acquire land is by obtaining sub-leases from the private sector or through Government Licenses.

The procedures to be followed by foreign investors when applying for grant of right of occupancy. It applies to both urban and farm land

- Application submitted to the Commissioner for Lands accompanied by Certified copy of Certificate of Incentives issued by TIC and photograph of the applicant(s)
- Application approved or rejected by Commissioner for Lands
- Investor(s) notified

Note: The acquired land either for farm land or urban land is subject to payment of stamp duty, survey fee, registration fee, preparation fee and land rent charges. These fees are subject to changes with time and location.



## **Annex 2: Investment Incentives for Investors in Agricultural Sector**

Tanzanian agriculture offers a well-balanced and competitive package of fiscal incentives in comparison with other African countries, aiming at providing competitive fiscal regime for foreign trade. Investment incentives Package in agriculture sector are: -

- Zero-rated duty on capital goods, all farm inputs including farm machinery, fertilizer, pesticides and herbicides. i.e Importers of all farm inputs are not required to pay customs duty on importation of agricultural inputs. i.e they are levied 0 percent import duty.
- Reduced import tariff on project capital items to 0 percent for investors with Tanzania Investment Centre (TIC) Certificate of Incentives.
- Favorable investment allowances and deductions on agricultural machinery and implements. i.e. 100 percent capital allowance for costs relating to clearing of land and irrigation systems and 50 percent capital depreciation allowance for agricultural machinery.
- Deferment of VAT payment on project capital goods. i.e. Deferment VAT payment on capital goods allows investors to enjoy the relief of tax before the actual production starts.
- Imports duty drawback on raw materials for inputs for exports. i.e. Import charged on imported inputs used for producing goods for export is refunded under the duty drawback scheme.
- Zero-rated VAT on agricultural exports and for domestically produced agricultural inputs. All exports of locally produced goods from Tanzania are charged 0 percent of VAT i.e. is zero- rated under VAT law.
- Reasonable corporate and withholding tax rates on dividends, whereby Withholding tax rates on dividends for a company and corporation listed on Dar es Salaam Stock Exchange the rate are 5 percent and for other company and Corporation the rate is 10 percent and reasonable corporate tax of 30 percent.

### **Annex 3: Investment Protection, Investor Treatment and Dispute Settlement**

#### **Investment Protection**

Investment is protected under law in Tanzania. The Constitution (Chapter one, Part III, Section 24) acknowledges the right to private property and permits nationalization only with fair and adequate compensation. Section 22 of the Tanzania Investment Act No. 26 of 1997 affirms that "no business enterprise shall be nationalized or expropriated by the Government" except by due process which makes provision for a) the payment of fair, adequate and prompt compensation which may be repatriated in convertible currency and b) the right of access to the Courts or to arbitration for the determination of the investor's interest or right and the amount of compensation to which he is entitled.

Tanzania has been a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group since June 19, 1992. It is also a signatory to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ratified May 18, 1992, entered into force June 17, 1992).

Additional protection may be offered in specific cases by the provisions of bilateral investment treaties in force — see table II.11 on BITs currently in force in Chapter II above. No foreign investment has in fact been expropriated in Tanzania since 1985.

#### **Investor Treatment**

There is no discrimination against foreign companies under the law in Tanzania

#### **Dispute Settlement**

As noted earlier, a Commercial Court was established in Dar es Salaam in 1999 to deal with commercial disputes. Since then, new commercial courts have been opened in Mwanza and Arusha. Two others are in the process of opening in Dodoma and Tanga. Access has been improved and costs have been lowered.

Nonetheless, there is an ongoing problem of court capacity, which means that dispute settlement remains a lengthy and time-consuming process for investors.

Beyond the commercial courts, the Government has initiated another approach to dispute resolution. The Investor Complaints Bureau was established in 2010 and is chaired by the Government's Chief Secretary. Both investors, and the TIC on behalf of investors, can address their concerns to the Bureau. One example is an incident in which the Ministry of Infrastructure and Development wanted to monopolize roadside billboards, for which it planned to sell usage permits. Investors took their concerns about this matter to the TIC and it in turn approached the Bureau. Resolution was provided at a high level and much more quickly than would have been possible through the commercial courts.

And then there is arbitration. Tanzania has an Arbitration Act (2002) that governs both domestic arbitration and the enforcement of foreign arbitral awards. If a dispute is related to ownership of immovable property, it cannot be arbitrated. The administration of arbitrations is carried out by the National Construction Council (NCC) and the Tanzania Institute of Arbitrators. The enforcement procedure is quite lengthy.

Tanzania is also a member of the International Centre for the Settlement of Investment Disputes (ICSID), associated with the World Bank. However, there is no specific legislation in Tanzania providing for enforcement either under the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards or under the ICSID Convention.

#### **Annex 4: Tanzania Investment Centre**

The Tanzania Investment Centre (TIC) is a One Stop Agency of the Government of Tanzania established under the Tanzania Investment Act, No. 26 of 1997 to promote, co-ordinate and facilitate investment into Tanzania.



The Centre deals with all enterprises whose minimum capital investment is not less than US \$ 300,000 if foreign owned or US \$ 100,000 if locally owned. Enterprises engaged in Mining, and Petroleum, shall follow the approval process contained in their respective laws. But the Centre shall assist all investors to obtain permits, authorisation etc. required by other laws to set up and operate investment in Tanzania.

Some of the functions of the Centre are:

- to initiate and support measures that will enhance the investment climate in the country for both local and foreign investors
- to collect, collate, analyse and disseminate information about investment opportunities and sources of investment capital, and advise investors upon request on the availability, choice or suitability of partners in joint-venture projects
- to identify investment sites, estates or land together with associated facilities of any sites, estates or land for the purposes of investors and investments in general
- to assist all investors, including those who are not bound by the provisions of the Tanzania Investment Act, 1997, to obtain all necessary permits, licenses, approvals, consents, authorizations, registrations and other matters required by law for a person to set up and operate an investment; and to enable certificates issued by the Centre to be fully effective
- to provide, develop, construct, alter, adapt, maintain and administer investment sites, estates or land together with associated facilities of those sites, estates, land and subject to relevant laws, the creation and management of export processing zones
- to provide and disseminate up-to-date information on benefits or incentives available to investors



- to carry out and support local investment promotion activities which are necessary in encouraging and facilitating increased local investments, including entrepreneurial development programmes

### *Certificates of Incentives and Registration of Investors*

Investors in new, rehabilitation/expansion of existing enterprises and equity investment are required to provide the following information:

- the name and address for the proposed business enterprise, its legal form, its bankers name and address of each director or partner and the name, address, nationality and shareholding of each shareholder.
- the qualifications, experience and other relevant particulars of the project management
- the nature of the proposed business activity and the proposed location where that activity is to be carried on
- the proposed capital structure or the amount of investment and the projected growth over the next five years
- how the investment will be financed
- evidence of sufficient capital available for investment
- an undertaking that the project shall be implemented as indicated in the projections of the project
- a statement of audited accounts for the three years proceeding rehabilitation & expansion of the enterprises
- constitution of the enterprise or partnership agreement for equity investments
- amount of equity investment made

### *Assistance in Establishment of Enterprises*

The Centre shall assist investors to incorporate or register enterprises by undertaking the following:

- incorporation or registration of enterprises

- the filing of Tax Forms
- completing investment registration and Immigration Forms
- facilitating obtaining by investors of the necessary licenses, approvals, facilities or services

Where the relevant papers submitted to the Centre are in order, the Centre shall complete processing the application within fourteen working days.

## **Jointly Prepared by:**

Mvomero District Council

P. O. Box 663,  
**Morogoro.**

**Email:** [ded@mvomerodc.go.tz](mailto:ded@mvomerodc.go.tz)

Institute of Rural Development Planning

P.O Box 138,  
**Dodoma.**

**Email:** [rector@irdp.ac.tz](mailto:rector@irdp.ac.tz)