

**ECONOMIC AND SOCIAL RESEARCH FOUNDATION  
(ESRF)**



**POLICY DIALOGUE SEMINAR PAPER ON  
OPPORTUNITIES AND CHALLENGES FOR RURAL  
SMEs DEVELOPMENT IN TANZANIA**

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## 1.0 INTRODUCTION

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### 1.1 Importance of SMEs in Tanzania

It is estimated that about a third of the GDP in Tanzania originates from the Small and Medium Enterprise (SME<sup>1</sup>) sector. The International Finance Company (IFC) <sup>2</sup>*of the World Bank estimates that there are approximately 2.7 million enterprises in the country. A large majority of these (98%) are micro enterprises (employing less than 5 people). Though data on the SME sector are rather sketchy and unreliable, it is reflected already in the above data that SME sector plays a crucial role in the economy. Since SMEs tend to be labour-intensive, they create employment at relatively low levels of investment per job created. At present, unemployment is a significant problem that Tanzania has to deal with. Estimates show that there are about 700,000 new entrants into the labour force every year. About 500,000 of these are school leavers with few marketable skills. The public sector employs only about 40,000 of the new entrants into the labour market, leaving about 660,000 to join the unemployed or the underemployed reserve. Most of these persons end up in the SME sector, and especially in the informal sector. Given that situation and the fact that Tanzania is characterised by low rate of capital formation, SMEs are the best option to address this problem.*

SMEs play a fundamental role in utilising and adding value to local resources. In addition, development of SMEs facilitates distribution of economic activities within the economy and thus fosters equitable income distribution. Furthermore, SME technologies are easier to acquire, transfer and adopt. Also, SMEs are better positioned to satisfy limited demands brought about by small and localised markets due to their lower overheads and fixed costs. Moreover, SME owners tend to show greater resilience in the face of recessions by holding on to their businesses, as they are prepared to temporarily accept lower compensation.

Through business linkages, partnerships and subcontracting relationships, SMEs have great potential to complement large industries requirements. A strong and productive industrial structure can only be achieved where SMEs and large enterprises not only coexist but also function in a symbiotic relationship. In addition, SMEs serve as a training ground for entrepreneurship and managerial development and enable motivated individuals to find new avenues for investment and expanding their operations.

### 1.2 Constraints to SME Development

A host of problems make it difficult for SMEs to exploit the existing potentials for further employment and wealth creation. One of the most serious impediments is the limited capacity of people who start and operate the businesses, in terms of the attitudes, motivation, exposure, skills and experiences. This capacity limitation exacerbates the effects of other problems including a cumbersome regulatory framework, limited access to finance and working premises. At the same time, services related to

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<sup>1</sup> The SMEs nomenclature in Tanzania is used to mean micro, small and medium enterprises. Micro enterprises are those engaging up to 4 people or employing capital of up to US\$ 5,000. Small enterprises have between 5 and 49 employees or capital of US\$ 5,000 to US\$ 200,000. Medium enterprises employ between 50 and 99 people or use capital investment from US\$ 200,000 to US\$ 800,000.

<sup>2</sup> IFC. 2005. Tanzania MSMEs Access to Finance Assessment

entrepreneurship development are underdeveloped and not readily available or affordable to SMEs. The institutions and associations supporting SMEs are weak, fragmented uncoordinated. Their services are quite basic; mainly focusing on helping the poor eke out a living. There are hardly any initiatives for targeted, comprehensive and sustained support specifically to facilitate upward mobility of micro and small enterprises.

As a result of the above situation, a majority of small enterprises have permanently remained micro and informal, limiting their access to markets and some support services, quality of jobs created by them, their capacity to pay taxes and eventually poverty reduction at the grass root level. This situation is likely to worsen as competition intensifies with the ongoing globalisation.

### **1.3 Research Issue and Objectives**

About 80% of the Tanzanian population resides in rural areas. Poverty<sup>3</sup> in Tanzania is predominantly a rural phenomenon, although the number of poor in urban areas, mainly the unemployed and those engaged in the informal sector, is growing fast. The SME sector is expected to be even more critical for rural development. For one thing, conditions necessary to attract and sustain large investors are largely lacking in rural areas. Meanwhile, a vibrant private business sector is essential for enhancing specialisation, productivity and value addition to the traditional rural activities which are agriculture, livestock and natural resources extraction. Business activities in rural areas have the potential to enhance democratisation and governance, since it allows a more even distribution of economic power and human resource capacity among the population, which is essential for a functioning democracy.

Unfortunately however, most analyses of the SME sector do not give adequate weight to the specific opportunities and barriers for development of this sector in the rural areas. This paper attempts to initiate a discussion in this area by exploring rural enterprise opportunities as well as barriers which hinder their significant exploitation by SMEs.

It attempts to address the following questions:

- (i) What are the existing opportunities for rural SMEs development?
- (ii) What are the existing challenges for rural SMEs development?
- (iii) What are the policy implications of the opportunities and challenges for Rural SMEs development?
- (iv) What are the implications of the opportunities and challenges for current poverty reduction strategies such as MKUKUTA?

### **1.4 Methodology**

The paper is based on a review of the literature on the subject as well as information collected from field studies conducted from 2001 to 2005 in at least 10 rural districts in Tanzania. A list of the documents consulted is appended as Annex 1. A list of studies in which the author was involved and which are the basis for this paper is appended as Annex 2. The studies had different overall objectives. However,

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<sup>3</sup> <http://www.tanzania.go.tz/poverty.html>

they all in one way or another included an aspect of assessing the opportunities and challenges facing rural SMEs and the enterprise development task in those areas. The respondents in these interviews included:

- Leaders of private sector associations at the district and regional level.
- District and regional level government officials in the departments of trade, agriculture, community development, planning, fisheries, etc.
- Managers of development projects being implemented in the respective areas.
- Entrepreneurs and leaders of economic groups in villages.
- Managers of banks and micro-finance institutions located in the respective districts.
- Business development service (BDS) providers operating in their respective regions.

## 1.5 Meaning of Enterprise Opportunities

A business opportunity exists when the following are in place:

- **A market** for the product/service exists.
- **Resources to enable profitable production** can be accessed.
- A viable technology or process for converting the resources into marketable products or services and exchanging these for value is available or can be accessed.

It should be noted that a business opportunity is in the beholder's eye. Not everyone sees the opportunity or sees it in the same way. In many cases, the market or the technology/process may not be apparent to everybody and even where it is the viable conversion process is not apparent to everybody. It should also be emphasized that what is seen, as an opportunity is only "potential". It may not be actually realisable. Finally, a certain amount of capacity is needed to see and to actually realise opportunities. Potential opportunities become business opportunities when they are seen and the capacity to realise them exists.

## 2.0 FRAMEWORK FOR ENTERPRISE DEVELOPMENT

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### 2.1 What is Enterprise Development?

Enterprise development can be defined as an act or process of supporting the establishment or development of business activities. It can take many forms and objectives may include one or a combination of the following:

- Building a culture that encourages or supports self-employment and business activity.
- Building interest among specific target groups to see business as a career.
- Stimulating business start-up generally or establishment of specific types of businesses.
- Supporting survival, innovation, competitiveness, growth, formalisation, internationalisation, etc.
- Etc.

### 2.2 Enterprise Development Roles

Within a given jurisdiction (e.g. a district, a nation), enterprise development roles vary and different roles can be played by a variety of actors. What role public actors, such as government and its agencies play, is a matter of policy, role awareness and capacity to play that role. These roles range from policymaking and co-ordination to direct service delivery to enterprises and actually starting and doing business. They can be summarised as follows:

**Doing business.** This is the function of starting and running a business. It is now a policy that government at all levels should disengage from this role and instead play a “facilitative” role. All enterprise development activities eventually aim at ensuring that businesses are established and conducted effectively, efficiently and competitively.

**Representation and advocacy.** Businesses need to communicate regularly to public and other actors so that they maintain a favourable and level playing ground. For this, they need some form of association or forum, which can be a vehicle for getting their collective voice heard by the public sector. Business organisations are key for negotiating and securing a favourable business environment.

**Service provision.** Enterprises need various services, including business and technical training, financial intermediation, information, advice, consultancy, etc. There must be entities providing these effectively and efficiently.

**Provision of infrastructure.** Businesses require access to infrastructure. Depending on the type of business and location, the infrastructure can be roads, pontoons, train, cold rooms, airport, road, markets, a warehouse, etc

**Facilitation and mediation.** Enterprises and services providers and providers of infrastructure must be attracted, motivated, enabled, informed, contracted, etc. In short, there should be a “catalytic” role which mediates among the actors and facilitates their work. If we all agree that business activity adds value in any jurisdiction, and given that jurisdictions are competing for a few available “local” and foreign

investors, then it is logical that in any progressive jurisdiction, there must be a function of attracting and retaining investors. Likewise, financial services and business development service providers can be encouraged to start and grow. They also migrate or expand from one jurisdiction to another. A smart jurisdiction should therefore also try to attract and retain these.

**Regulation.** In any jurisdiction laws, regulations and procedures must be instituted and enforced. However, this must be done in a consistent and fair way and in a manner that does not exert unnecessary burden on business.

**Developing or translating policies and strategies.** Broad priorities and guidelines, informed by the opportunities and challenges for enterprise development in the jurisdiction, should be developed and implemented in the form of policies, strategies and plans. If these already exist at national level, they should be translated into regional, district and even lower level plans.

**Co-ordination, monitoring and evaluation.** In an environment where there are multiple actors with related, similar, divergent, complementary functions, and where policies, strategies and regulations are being developed and implemented, it is necessary to harmonise, streamline, communicate, monitor and evaluate: actors, policies, programmes, regulatory framework, infrastructure, service delivery, etc to minimise duplication and waste, achieve synergies and ensure effectiveness.

**Macro-economic management.** Businesses require a healthy and fairly stable and predictable macro-economic conditions, including low inflation and currency stability.

**Learning.** A key ingredient in any development endeavour is inbuilt learning for improvement. Likewise, enterprise development should be underpin by deliberate learning from own experiences as well as experiences of others. The evidence of learning is change in behaviour. Therefore entities which learn will display that by demonstrating changed/better ways of doing things.

These roles can be arranged in a hierarchical order, starting with the broadest (macro-economic management, co-ordination, policy making, regulating), for which the government must take responsibility, to the ones which can be left to non-state actors (NSA) such as advocacy, running business, direct service delivery). The arrangement can be as follows:

<b>LEARNING</b>	MANAGE THE MACRO ECONOMY
	CO-ORDINATE, MONITOR, EVALUATE EFFORTS AND ACTORS
	SET POLICY AND STRATEGIES
	REGULATE ACTORS
	FACILITATE ACTORS
	FINANCE EFFORTS
	PROVIDE INFRASTRUCTURE
	DIRECT SERVICE DELIVERY TO ENTERPRISES
	REPRESENT AND ADVOCATE FOR ENTERPRISES
	START AND RUN BUSINESS

## **2.3 Policy Framework for Enterprise Development in Tanzania**

### **2.3.1 Introduction**

In recognition of the importance of the private sector and SMEs, the government has continued to design and implement a number of policies and programmes supportive to address the barriers to development of the sector. These seek to widen the effective participation of the civil society, private sector and individuals in the development initiatives and efforts. They include promulgation of a national vision and broad strategies to realize the vision, macro-economic reforms, policy development/reforms, legislative reforms, and developing specific sectoral strategies and programmes. These are briefly elaborated below.

### **2.3.2 The Tanzania Development Vision 2025**

The Tanzania Development Vision 2025 describes the aspirations of the country for the first 25 years of the 21<sup>st</sup> century. By 2025, Tanzania aspires to have a competitive economy capable of producing sustainable growth and shared benefits, high quality livelihood, peace, stability and unity, good governance, good education and international competitiveness. The vision focuses on transforming the country's agriculture-based economy into a competitive and dynamic semi-industrial economy. The specific major targets for vision 2025 include:

- (i) High quality livelihood:
  - Food self sufficiency and food security.
  - Gender equality and women empowerment in all spheres.
  - Absence of abject poverty.
  
- (ii) A strong and Competitive Economy:
  - A diversified and semi-industrialized economy with a substantial industrial sector comparable to middle income countries.
  - Macro-economic stability manifested by a low inflation economy and basic macro-economic balance.
  - A growth rate of 8% per annum or more.
  - An active and competitive player in the regional and world markets and capacity to adjust to the global market shifts.
  
- (iii) The driving forces for the realization of Vision 2025 are:
  - Development mind-set and empowering culture.
  - Competence and competitiveness.

### **2.3.3 Tanzania Mini-Tiger Plan (2020)**

The Mini-Tiger plan (2020) is a practical development strategy and tool for vision 2025 and other plans to make Tanzania a fast growing economy. The plan aims at accelerating economic growth in Tanzania by adopting the Asian Economic Development Model. The model seeks rapid employment creation by attracting Foreign Direct Investment (FDI) and promoting export by developing Special Economic Zones



(SEZ). The plan addresses the major bottlenecks and problems for attracting FDI due to shortcomings such as underdeveloped infrastructure, weak banking system, weak entrepreneurship, and weak manpower skills for developing modern industry. The main target is to accelerate economic annual growth to 8-10% by:

- Building SEZs and aggressively promoting most promising industries.
- Quickly improving the national balance sheet by expanding exports.
- Solving as many bottlenecks by additional borrowing and foreign currency earning plus FDI.
- Expanding investment activities further into more valued-added sectors and moving into larger investment projects not only in the export-oriented industries but also moving into import substitution and processing industries as more domestic and foreign capital becomes available.

#### **2.3.4 National Strategy for Growth and Reduction of Poverty (NSGRP 2005)**

The NSGRP is a second national organizing framework for poverty reduction. It builds on the Poverty Reduction Strategy Paper (PRSP) and the Tanzania Mini-Tiger plan (2020) that underscore the growth momentum to fast track the targets of vision 2025. The NSGRP builds its interventions on three clusters namely: growth of the economy and reduction of income poverty, improvement of quality of social life and well being as well as governance and accountability. This strategy is outcome focused and aims at fostering greater collaboration among all sectors and stakeholders. It has mainstreamed cross-cutting issues including gender, environment, HIV/AIDS, disability, children, youth, the elderly, employment and settlement. In this regard, every stakeholder is seen as the active agent in fighting poverty in their respective sectors, area of work, community, village, family and at the individual level.

The strategy pays greater attention to further stimulating domestic saving and private investment response, infrastructure development, human resource development, increased investments in quality education, science and technology and use of ICTs, a competitive knowledge-based economy and an efficient government.

With regard to SMEs, the NSGRP recognised that, these are found in a wide range of productive sectors and services including commercial activities, both formal and informal. Though most SMEs are found in urban areas, smaller-scale non-farm activities in rural areas require policy attention. They also lack adequate finance and technical and managerial skills, infrastructure, market information and effective linkages with external markets. Small businesses also face unfriendly and variable administrative impediments to business licensing. A credible, enabling policy environment is needed to enable the informal businesses to formalise. This requires a change in attitudes of the bureaucracy toward private sector development.

In relation to SMEs the following reforms have been recognized:

- **Increasing Access to Finance.** NSGRP recognises the need to address remaining challenges in improving access to finance by the private sector. These include enhancing access to credit by SMEs and rural especially rural ones.

- **Improved Investment Environment.** Envisages initiatives to improve the investment environment include (i) harmonization of local government taxation to remove excessive tax burden on private enterprises; (ii) streamlining work permit procedures; (iii) review and amendment of licensing legislation to reduce the cost of business establishment and continuation; (iv) review and revision of export-import procedures to reduce time costs and corruption related costs; and (v) design and implementation of a program for enhancing access to commercial courts by SMEs.
- **Enterprise development.** The strategy provides that, domestic firms, including SMEs, will be supported and encouraged to be innovative, pay attention to product development, quality and superior marketing strategies that make them competitive and capable of responding to global market conditions. The enabling factors include: I) Addressing entrepreneurship development needs for rural private producers (on farm and non-farm), agro-based industries, urban-based SMEs, formal and informal enterprises. Ii) Ensuring access to technological and managerial skills including marketing, market information and contacts. Ii) Facilitating linking-up of domestic producers with local and foreign R&D institutions, (iii) Developing infrastructure such as utilities, water, power, transport and ICTs at competitive prices in rural and urban areas.

Implementation of the MKUKUTA is through sector policies, strategies and programmes, which have been designed to address the issues in the strategy. Ministries, government agencies and local governments budget for tasks corresponding to what they are supposed to do. This is quite straightforward when it comes to issues which have been traditionally handled by local government, such as education and health. However, how they will support private sector development remains quite hazy. Financing is expected to come from the national budget as well as development partners, civil society and the private sector.

## 2.4 Sectoral Policies, Strategies and Programmes

A number of policies, strategies and programmes have been designed to promote the private sector in Tanzania. Some of the policies (e.g. SME development and Micro-finance policy) are focused on SMEs while others have some components related to SMEs development. Policies and programmes which have a significant bearing on SMEs include the National Trade Policy (NTP), Agricultural Sector Development Strategy (ASDS), Rural Development Strategy (RDS) and Business Environment Strengthening for Tanzania (BEST). These strategies along with how they relate with SMEs and the components of the proposed project are described below.

**SME Development Policy (2003-2013).** The SME Development policy outlines priorities and strategies for improving the performance and competitiveness of existing SMEs and for creating new ones. All aspects which are addressed in the SME policy are related to the three components of the MSME Competitiveness Project. These include: I) providing an enabling legal and regulatory framework ii) improving access to physical infrastructure and workplaces iii) strengthening entrepreneurial culture, business development services and access to markets iv) improving SME access to finance v) building the capacity of stakeholders for effective implementation of SME programmes. vi) promoting rural industrialization and vii) attending crosscutting issues such as environment, gender, HIV/AIDS etc.

**National Micro finance Policy (2000).** The overall objective of this policy is to provide a basis for the evolution of an efficient and effective micro-financial system in the country that serves the low segment of the society and thereby contributes to economic growth and reduction of poverty by; establishing the framework within which micro-finance operations will develop, laying out the principles that will guide operations of the financial system and saving as a guide for coordinated intervention by the respective participants in the system. The tools for policy implementation include; I) adjusting the regulations in order to accommodate special characteristics of micro finance operations, ii) addressing micro finance institutions standards mainly in three broad areas; outreach to clients, institutional development and financial performance. Iii) capacity building of micro-finance institutions is needed to bring them to level at which they can operate with large outreach, quality services and profitable operations.

**National Trade Policy (2003).** The National Trade Policy has several objectives and targets which directly or indirectly relates to the three components of increase access to finance, investment environment and capacity of MSMEs. Policy areas for which implementation programmes are proposed include: I) consolidation of financial sector institutions and deepening of financial instruments. Ii) Enhancing micro enterprise financing and long-term finance for SMEs. Iii) Improving access to finance for micro enterprise by improving commercial dispute resolution to lower high risks in lending due to culture of default. Iv) Development of a competitive domestic consulting industry. V) Adapting and taking advantage of technological developments and new products. V) Capacity building for effective participation in regional trading arrangements for both public and private sectors. Targets accompanying the above objectives:

- Improve financial sector discipline through effective legal recourse on contractual default.
- Achieve commercial justice delivery through widening outreach of commercial court overtime.
- Empowerment of youth and women.
- Encourage establishment of term finance banks, community banks and rural development banks.
- Development of a competitive domestic consulting industry.
- Ensure inclusion of local firms in government award of consulting assignments.
- Reduce trade imbalances with regional partners.
- Become a regionally competitive economy.
- Support to private sector to enhance productivity and increase quality in production and delivery.
- Identify and develop entry strategies for new markets.

**Agricultural Sector Development Strategy (ASDS), 2000.** The ASDS recognizes the agricultural sector to be critical to poverty reduction. Its main objective is to create an enabling and conducive environment for improving profitability of the sector as the basis for the improved farm incomes and rural poverty alleviation. The policy issues related to the components of the project in this policy include:

- Strengthening the institutional framework for managing agricultural development.

- Increasing private sector participation through creation of a favourable climate for commercial activities.
- Clarifying public and private roles in improving support services.
- Improving net returns from farms in the short term and commercialising agriculture in the medium to long term.

**Sustainable Industrial Development Policy (SIDP 1996-2020).** Sustainable Industrial development policy provides an overall framework for Tanzania's future industrial development and lists specific national objectives, including making the industrial sector contribute more broadly and evenly to the creation of employment opportunities through MSMEs. The policy provides that the government would put more emphasis on the development of SME industries. Support will be intensified towards strengthening capacity for supporting SMEs in improving the legal and regulatory framework as well as access to finance.

**Rural Development Strategy.** This strategy recognizes that poverty is mainly rural and over three-quarters of Tanzanians live in rural areas making it important to focus efforts on these areas. In order to tackle rural poverty, the strategy focuses on development of business activities in the rural areas. The policy issues that relate to MSMEs and the components of the proposed project are;

- Rural industrialisation – incentives for attracting SMEs to locate in rural areas.
- Districts allocate specific areas for SMEs to operate.
- Establishing an enabling environment at the local level.
- Introducing private sector development programme at district level.

**Business Environment Strengthening for Tanzania (BEST).** The programme aims at ensuring that the services that government provides to the private sector are efficient and effective” It addresses the following Components:

- Achieving better regulation;
- Improving commercial dispute resolution;
- Strengthening Tanzania Investment Centre (TIC);
- Changing culture of government; and
- Empowering private sector advocacy.

A key challenge in implementing these policies, strategies and programmes is the effective transfer and translation of responsibilities and tasks to the regional, district, ward and village levels within the government and mechanisms for participation by other actors, including the private sector at these levels. This is especially a challenge, given that the mindset and motivation of many government officials at the lower levels is not yet favourable for co-ordination and co-operation with external stakeholders, especially from the private sector.

## 3.0 ENTERPRISE OPPORTUNITIES IN RURAL AREAS

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### 3.1 Under-exploited Rural Enterprise Potentials

There are many enterprise opportunities in rural areas of Tanzania. It is not possible to mention all of them here. The following are just some illustrative examples.

**Large, under-utilized arable land**, suitable for a wide variety of crops and livestock. Since a large proportion of the land is still idle, and given that use of fertilizers and pesticides is limited, opportunities abound for organic agriculture. Agriculture is yet to be operated commercially in Tanzania. Yet there is a large demand for many agricultural products both in Tanzania and abroad.

There are many low volumes, high value agricultural products, which can be grown by smallholder farmers commercially. These include vanilla, paprika, jetrofa, exotic fruits, oil seeds, etc. These have a good local as well as international market, if the right qualities and quantities are produced.

**Natural and plantation forests**, suitable for lumbering as well as beekeeping. In some cases (e.g. Tabora region), the forests also have a wide range of seasonal exotic fruits which can produce very high quality juices and wines. Large potentials exist for commercial forest plantation development even in some of the semi-arid areas. Quality honey, timber and other forest products can secure a large market locally and internationally.

**Sea and fresh water lakes and rivers.** The areas around the lakes and the Indian Ocean have massive untapped potentials for fishing, fish farming, seaweed production, etc. Currently, fishing and fish processing is done using artisan, traditional technology, which is inefficient. Yet there is a large local and international market for fish and other marine products.

**Value addition to agricultural and other products.** There is still very limited value addition after crops are harvested or natural resources are extracted from the land or waters, etc. Even grading of crops is barely done. In some cases agricultural produce is not even cleaned before it is sold. Opportunities abound for adding value to crops, fish, timber and other products through grading, better packaging, labelling, processing and marketing.

**Services.** There are many services which can easily be offered by rural populations through economic groups or individual enterprises but are not sufficiently available or organised in rural areas of Tanzania. These range from finance, cultural tourism, education, health, etc

**Mining.** There are over 40 different types of minerals in the country, including kaolin, quarts, mica, sand, calcite, black tourmaline, moonstone, sunstone, amethyst, topaz, garnet, iolite, spinel, spessatine, emerald, etc. Some small business operators in Morogoro reported that they get orders which they are unable to meet because of their low volumes.

**Livestock.** Rural areas have the right climate and fodder for a lot of domestic birds and animals (traditional chicken, turkey, rabbits, and ducks). Current husbandry practices do not allow for production of quality meats and marketing systems for the same are under-developed. Yet, there is a large demand for these products, both in Tanzania and beyond.

## **3.2 Some Examples of Realised Enterprise Opportunities in Rural Areas**

There is evidence that using the right approach, the rural poor can exploit the opportunities in rural areas to produce quality, internationally competitive products (goods and services) and reach out sophisticated, even international markets. The following cases illustrate this point.

### ***Organic coffee production and marketing***

Kilimanjaro Native Co-operative Union (KNCU) has initiated a project for producing organic coffee. Farmers were sensitised and those who agreed to participate in the pilot phase were assisted to go through the long process of certification as organic coffee producers. In 2004/05 forty (40) tonnes were sold as organic coffee, realizing twice as much as the normal coffee. The project was supported by EPOPA, a programme supported by Sida (Swedish government). KNCU is soliciting support to extend the programme to other parts of the region.

### ***Cultural Tourism***

The SNV initiated a project to promote cultural tourism in the Northern circuit (Kilimanjaro, Arusha, Manyara) in 1999. The Cultural Tourism Project (i) identified areas with potential for cultural tourism (ii) sensitized and obtained the commitment of the respective district and village governments to organize cultural tourism in interesting areas (iii) supported training of service providers in the respective areas where tourists would visit (guides, cooks, campsite hosts, tourism module operators/owners) (iv) facilitated development of frameworks for monitoring and sharing proceeds from income generated among villages/communities, module operators and workers (v) established a central booking and quality control system in Arusha. Such modules were established in several rural areas, including Machame, Pare, Arumeru and Loliondo. Each tourist was leaving between 10 and 15 dollars in the village, about 10% of which was spent on community projects.

### ***Seaweed farming***

Action Aid, an international NGO, initiated a project to promote and support seaweed farming in Bagamoyo District. The project started in 2004 and the main objective was to build capacity of seaweed farmers along the Coast of the Indian Ocean. The project is supporting 59 farmers, under a group called "Msichoke". The project is supporting training on weed farming, provision of boats and other working tools, and study tours, whereby some farmers are taken to other areas, such as Zanzibar to learn from other farmer's success stories and gender issues. The project has build capacity of the producers to negotiate and sell the seaweed to large buyers.

### ***Linking poor, rural producers sustainably to markets***

In 1997 the Rural Economic Activities (REA) started, as part of a broader project supported by the Netherlands government in Arusha, Kilimanjaro. REA then concentrated on improving marketing channels for agricultural products, with particular emphasis on linking small-scale farmers to intermediary agricultural companies. This involved supporting capacity building of farmer groups in terms of organization, leadership skills, negotiation skills, business and technical skills and brokering a relationship with intermediaries who bought crops in large quantities. It was later transformed into an

autonomous not-for-profit-company called FAIDA-Mali. By 2004, when the scheme was evaluated, some of the concrete results were:

- Seven Companies had been assured raw material supply at different success rates;
- More than 5000 farmers in 50 producer groups had been assured of market outlets for different crops;
- New crop introductions such as paprika, safflower, sunflower and flower seeds have had a positive contribution to family income in communities who took them up;
- A tremendous increase (108%) in rural jobs created especially female temporary employees) owing to the increase in acreage under cash crop (market linkage crop) in rural areas.

FAIDA-MaLi is now working with 7 women groups in Babati who are cultivating sunflower and safflower. These groups have been assisted to sell their products to large companies in the neighbouring Kilimanjaro and Arusha regions. Given the experience in this activity, Faida Mali may extend to other crops with market potential such as pigeon peas.

### ***Mariculture***

ACDI VOCA, an international NGO active in the Coast of the Indian Ocean has been supportive poor rural women in Tanga to carry out mariculture activities. The women are trained to prepare and maintain “farms” where they grow crabs, which are then sold to hotels and exporters. The women have also been trained to negotiate with the buyers. By being able to keep live crabs, the women have gained significant negotiating power, since they are never under pressure to sell to buyers, who visit them and sample crabs of their choice. This has enabled the women realised up to US \$5 per crab.

### ***Production and direct marketing of speciality coffee***

In 2001, Techno Serve supported the establishment of Association of Kilimanjaro Specialty Coffee Growers (KILICAFE) in order to improve production and marketing of coffee in Ruvuma and Kilimanjaro and hence realise better prices through quality management improvements including use of central pulperies. As a result, in 2004, KILICAFE sold over 1,500 metric tonnes with total gross sales of US \$ 3 million. Over 10% was sold directly to international buyers in USA and Europe and Japan with the remaining sold through the national coffee auction in Tanzania. The prices realized from the sale of the KILICAFE in the local auction are 1.3 times those realized by private sellers or Kilimanjaro Native Co-operative Society normal coffee. The premium quality sold directly outside the country realizes 2.8 times the price realized by other sellers in the local market. KILICAFE's office, management and extension services costs are met through a 3% levy on all coffee marketed through it.

## 4.0 CONSTRAINTS TO RURAL ENTERPRISE DEVELOPMENT

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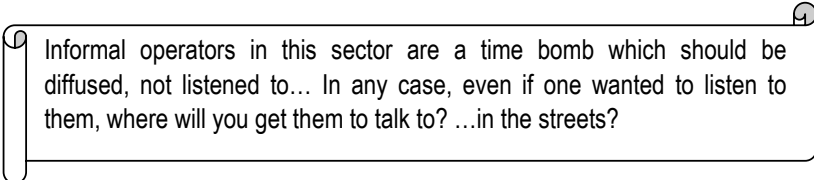
If there are many opportunities for enterprise development in rural areas in Tanzania, why do they remain unexploited? Why are the rural areas still poor? The main challenges are presented below.

### 4.1 Awareness and Capacity of Business Operators

Existing and potential business operators in rural areas face a number of serious capacity constraints, which make it difficult to see the opportunities or exploit them. These include very low awareness of business opportunities around them, limited awareness of policies, regulations taxes, limited technical and business skills and limited entrepreneurial skills. Many of these people are poor and hence most of their efforts are directed towards subsistence activities. According the Safety First Principle, in making decisions the poor attach more importance to survival than development, because the penalty for failure in search of development is death. There is also a lack of enough positive role models. To make matters worse, the capacity of rural communities is continuously been eroded by rural-urban migration. In most cases, it is the most entrepreneurial individuals who migrate from rural areas.

### 4.2 Representation and Advocacy Capacity

There are dozens of business associations in Tanzania, whose responsibility is to advocate for their members' rights and provide such services as business information and advice. At the grassroot level, there are very few functioning associations. The most active ones are urban based and they may not be able to represent the interests of informal and micro enterprises. Responding to a questions as to whether he voices of the informal micro enterprises in the sector represented by the association he was leading, are sufficiently captured and heard, one senior official's response was:



Informal operators in this sector are a time bomb which should be diffused, not listened to... In any case, even if one wanted to listen to them, where will you get them to talk to? ...in the streets?

In general capacity of associations reflects the capacity of its membership. Hence, where they exist, associations of smaller, rural based enterprises tend to face serious capacity limitations which constrain their representation and advocacy role. The weaknesses include, limited management and advocacy skills, lack of facilities, weak governance, and lack of funds to maintain offices and secretariats, do issue analysis, travel and attend meetings at the district or regional seat of government where they can voice issues and concerns.

In some districts, there are district chambers of the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA). There are only few places where these are able to dialogue with the local government and influence policy at that level. These districts are the ones where some development partners have intervened to develop capacity of associations and convinced the district governments to engage in advocacy. Most grassroot economic groups, business associations and co-operatives do not take advocacy as a key agenda and if they are involved in advocacy, this happens in an ad-hoc



manner. As a result, associations are barely able to influence governance and policy-making at the district, ward or village level. TCCIA is expanding its district branches, but the capacity of these chambers is quite limited.

### **4.3 Access to Finance**

Over 80% of the Tanzanians live in rural areas and the provisions of financial services to the rural areas have been very limited. A 2002 study by the Bank of Tanzania (BOT) established that 82% of households were saving in their homes. Almost all of these (79%) were ready to save in financial institutions if these were there. The study also showed that 94% were willing to borrow more if resources and appropriate methodologies were available. Access to finance remains a serious problem in rural areas. It is limited by the long distances to financial institutions, delivery models which are unsuitable to rural sparsely populated and seasonal income earners and small loans sizes.

Banks are now entering the micro finance industry and some of them have started micro finance windows. However, except for wholesale lending to rural SACCOs, the outreach of the banks remains urban areas. Savings and Credit Co-operative Societies (SACCO) have the greatest potential to reach out to rural areas, but they have weak institutional and financial bases and their inability to operate strictly on commercial principles further minimise their chances of becoming sustainable. They have to charge very high interest rates to sustain their operations. In 2004, one of the relatively well-established SACCO in Tukuyu was charging an interest rate of 5% per month, which translated to 60% per annum. Management was considering proposing a revision to 3% per month!.

In Moshi Rural, an IFAD supported project for building capacity of SACCOs realised that members were not borrowing because they did not see viable investment opportunities in the villages. As a result, the project started supporting economic projects, including mushroom farming.

NGO-MFIs offer credit ranging from Tsh. 50,000 (US \$ 50) to Tsh. 2,000,000 (US \$ 2,000), but the terms and conditions make them inaccessible to rural sparsely populated areas with few economically active populations.

Government Managed Micro-Finance Funds and Programmes are implemented by local governments as well as the Small Industry Development Organisation (SIDO). However, the funds managed by the local governments have been politicised, because Councillors and Members of Parliament often influence decisions on who should borrow, which then leads to very low repayment rates. Until now, all credit offered by MFIs is short-term and therefore offers no opportunity for long-term investments. This is an important issue for SMEs and e.g. agricultural producers that would like to diversify but cannot afford to plant a different crop such as e.g. coffee, which needs 5 years until first harvest.

### **4.4 Access to Business Development Services**

There are some providers of BDS services in the regions. The Small Industries Development Organisation (SIDO). SIDO provides business skills training, Industrial premises, technology development and sourcing, organisation and facilitation of producers' participation in trade fairs and exhibitions and consultancy services. SIDO reaches out to some rural areas to provide support,

especially to traditional blacksmiths, brick makers and food processors. However, the capacity of the regional office to reach many villages is grossly limited by the small budget which the government provides and the fact that the customers in rural areas are not able to pay for the services.

There are some research, training and R&D institutions located in the regions. However, these have serious budgetary as well as human resources constraints and as a result cannot play any meaningful role without donors support. Also, these institutions lack capacity to analyse demand and offer demand driven support to rural enterprises. Their support has been focused mainly on the supply side, supporting production without first considering the market for the product/service. Folk Development Colleges, which are located in rural areas, could play a role, but they have not developed the capacity to support enterprises.

**Civil Society Organisations (CSOs).** There are a number of NGOs, FBOs, and CBOs as well as not-for profit companies operating in rural areas, providing a wide range of services to communities and enterprises. These tend to focus on very basic skills and are donor dependent for delivery of their services.

**Private Consulting Firms.** There are a few private consulting firms providing training and consultancy services in business management in the regions and districts. However these focus in towns, where there are clients who can pay for the training.

**Business Colleges.** The Moshi Co-operative College has a Department for Continuing Education, which provides training to economic groups including co-operatives. The Department has offices in various regions of the country. However, these branches typically provide services to target groups supported by a development organization because the targeted beneficiaries often cannot afford the fees. Other colleges tend to provide services in urban areas, unless there is a specific project to support rural ones. These are often not connected to the rural areas where they are, hence they cannot yet support local knowledge and skills development needs.

The ability of rural communities to pay for business development services is however very limited, making it a big challenge to be able to offer them in a sustainable way. Initiatives by some organisations, including the SNV to develop rural BDS providers have borne very limited fruits as most stop providing the services once donor support ends.

**International NGOs.** There are a few international NGOs active in the country (Techno Serve, ACDI VOCA, Action Aid, Care International), as well as local companies (CSDI, March Maker, FAIDA-MaLi) which have good capacity to support rural enterprises, but these are almost wholly dependent on donor funding for their activities.

## 4.5 Provision of Other Services

In the recent past, security has become a major issue in both rural and urban areas. The Rural areas, which have traditionally being secure and where there was no need for dedicated security services have become increasingly insecure. There are many cases of armed and gang robbery targeted at rural businesses. This was reported especially in Tabora and Kilimanjaro regions. As a result, many dynamic rural entrepreneurs are relocating to urban areas, where they can benefit from state security or at least

have economies of scale in managing their security. The village, ward and district governments do not provide security and other services in the rural areas. In fact, governments at all these levels do not realise the loss to the community caused by these relocations.

## **4.6 Infrastructure**

Generally, most rural areas have serious problems of infrastructure in terms of roads, availability of electric power, clean water, telecommunications, etc. Most rural areas are not easily passable throughout the year; the long rains often cuts off some areas. The only common advantage in rural areas is existence of large and under-utilized land.

However, even this land is not surveyed or serviced. Many rural towns and settlements develop as squatters, despite the existence of Land Officers. All these problems make it more difficult to operate businesses in rural areas, especially ones that require power or transportation of inputs and finished goods. Land officers interviewed did not see to see that they have a key role to play in enterprise development. Yet, it was reported that in some districts, investors had been turned away by the failure of local governments to survey and allocate the land which they needed, even when they were ready to pay the cost of surveying the land.

The highland areas in which missionaries and settlers established themselves are better off. However some of these areas face serious problems due to poorly maintained roads. The earthen ones (which are the majority) are rarely repaired after the rains, making it difficult and expensive to use them. This leads to very high transport costs. Also, where there is power and water supply in rural areas, the supply is erratic. It is not uncommon for some rural areas to go without power for three or four days. This makes it very unreliable for business activities

## **4.7 Facilitation**

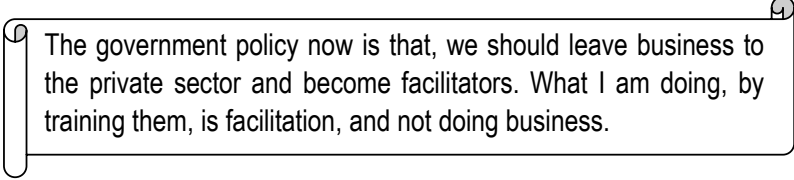
Ideally, the district Councils should play a facilitative role, attracting inventors, BDS providers and other actors to provide services in the district at a larger scale. For example, Councils could:

- Pro-actively work with other agencies to map investment opportunities for small and large companies in detail and attract investments into the district to exploit them.
- Pro-actively support the development/revamping of rural SACCOs, with support from Projects and BDS providers.
- Develop win-win consultative mechanisms with the private sector.
- Etc.

In contrast, almost all Councils visited are trying to deliver services directly to the private sector (SMEs). Since the Councils have limited human and financial resources, they can only serve a few people, and them not very effectively. At the same time, they cannot do their own role of facilitating other actors. Indeed, by doing direct service delivery at highly subsidized rate (micro-finance) or free of charge (training by trade officers who sometimes pay attendees of their course transport allowance), the local government is not only crowding out the private sector but also sending the wrong signal to the public

which does not encourage sustainable service delivery. The attitude and mind-set of government officials at the local level is such that they see their role as that of controlling and providing services directly.

Asked whether he did not find going out to training business operators should be left to the private sector and civil society, one District Trade Officer remarked that:



The government policy now is that, we should leave business to the private sector and become facilitators. What I am doing, by training them, is facilitation, and not doing business.

It is very difficult for local government staff to envision a private sector facilitation role, because they have not done it. To some degree, the apprehension is understandable because it is through direct service delivery that preferential treatment can be made according to the interests and wishes of the politicians (Councillors and Members of parliament). Also, it is through direct service delivery that district staff can justify per diems which enable them to supplement their meagre salaries.

The result is that no one in the district or even the country is systematically tapping or replicating the expertise and experiences of the few good rural service providers or looking at how to replicate and expand the initiatives which have worked well in rural areas.

## 4.8 Regulatory Framework

Most of the businesses which the district deals with are located in rural or sub-urban areas. There many issues and constraints related to policy, regulatory and governance environment experienced at the district level. These include:

- Unnecessarily long procedures and regulations, red tape in business licensing and registration. The situation is even more difficult for businesses, which are regulated by national agencies centrally located in Dar es Salaam (food, drugs, beverage processing, etc) where local government officials are supposed to facilitate local businesses to acquire them.
- Although licensing has been simplified and streamlined by the central government, local government officials want to maintain the old system especially when it concerns shops and other businesses located in rural areas.
- In rural villages, the village government's issue permits for operations of various kinds of enterprises and charges fee for their operations. However, it is common for the same officials to visit these enterprises and indirectly demand either free goods or money.

District councils are often very slow to respond to these concerns. In one district, the District Trade Officer (DTO) categorically refused to implement the government decision to waive license fees for businesses with a turnover of less than Tsh. 20,000/- in the 2005/06 budget speech and instead fined

and even caused some business people to be arrested. It is only after the Regional Trade Officer intervened that things were settled.

#### **4.9 Financing Enterprise Development Activities**

Traditionally, district and municipal councils have not been supporting enterprise development in broad terms. The activities which come closest to supporting enterprise development which have been routinely budgeted for by the local government are:

- Provision of credit through the government managed Micro-Finance funds (WDF and YDF).
- Mobilisation and training of co-operatives and groups of marginalized groups (poor women, youth, disabled), through the community development department.
- Extension services for agriculture activities.
- Veterinary services for livestock.

However, micro-finance and support to economic groups has been targeted as “poverty alleviation” and has also been highly politicised. Extension services and veterinary services have equally targeted at supporting subsistence activities. Still, apart from paying the extension staff, the local governments rarely budget for field activities for extension and veterinary officers. As a result, the officers either remain idle or provide their services to households at a fee. It could therefore be argued that government at the district level does not really finance enterprise development.

Indeed, financing enterprise activities is not a priority in most local governments because it is not politically popular. Politicians at the local level find it more beneficial to allocate resources to activities which are readily visible to a large action of their electorates, such as construction of classrooms, supporting orphans and micro-credit. For example, in one rural district, the Trade Officer, who is the private sector focal point in the district, had managed to convince the Council Secretariat to include a small budget for financing activities of the District Business Council. However, during the full council meetings, Councillors successfully argued that the proposed funds should be used instead to support orphans in their respective wards.

The activities which appear to have the greatest impact narrated in section 2 were all financed directly by donors. None of the local governments where they were implemented has invested in the piloting or expansion of the successful initiatives.

#### **4.10 Strategic Policy and Programme Development**

Activities are carried out without a clear vision or plan/strategy. There is no coherent strategy for private sector development in the districts, reflecting limited capacity of those responsible. There are many areas where one would expect the local governments to provide leadership and stimulate or facilitate private sector development more effectively. For example preparing and implementing a district private sector development programme as provided for in the Rural Development Strategy, development of clusters, etc.

#### **4.11 Co-ordination, Monitoring and Evaluation**

There have been established in the districts, mechanisms for monitoring, co-ordinating and evaluating service delivery and progress in health and education matters. There are elaborate plans and systems for systematic collection, aggregation, analysis, communication, and monitoring in these two sectors. However, when it comes to enterprise development issues, there are no functioning mechanisms for capturing, analysis, comparing, communicating or evaluating performance. Even data on business start-up or death is not available. The activities related to enterprise development carried out by different public and private sector actors in the districts are neither co-ordinated nor documented in any systematic way.

#### **4.12 Learning and Improvement**

Institutions and individuals should be able to learn from their own experiences as well as those of others. Internal learning can partly be achieved through monitoring and evaluation. However, external learning should happen through formal training, observing and adopting, experimentation, etc. There is no indication of learning, either internally or from other people's experience. There are no mechanisms to facilitate systematic learning at the district or any other level.

## 5.0 CONCLUSIONS AND RECOMMENDATIONS

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### 5.1 Conclusions

#### *Enterprise Opportunities*

There are many business opportunities in rural areas which are either under exploited or not exploited at all. The few successful rural enterprise development demonstrates that these potentials (and others) can be realised, if the right conditions are in place. However, the interventions which have been made with support of donors have not been taken and owned, replicated and upscalled locally. As a result, they are just projects which have expired.

#### *Challenges to Rural Enterprise Development*

The key challenges to rural enterprise development can be summarised as follows:

- **Local government capacity to play a catalytic role.** Local government lacks the capacity to play a catalytic role. They often lack of vision, knowledge, skills, exposure and knowledge to take on the ownership of private sector development agenda. Because of this, even their staff are not sensitised or assigned the appropriate tasks and mandates related to enterprise development. This capacity limitation does not mean that local government effect on private enterprise is zero. Rather, these governments end up being a barrier to enterprise development. Neither do they allocate resources for this important function, beyond supporting income generating activities which may help to alleviate poverty. Some efforts to promote their capacity face the challenge that most of the senior people likely to be developed are soon to retire.
- **Absence of a framework for enterprise development at the district or regional level.** The national policies and strategies are yet to be translated to plans or framework for action at the lower levels. Apart from financing the micro-finance funds (WDF, YDF), most of which are not operating well, local; government has no effective mechanism for supporting the private sector. This presents a major challenge. It is not clear how resources intended for implementation of MKUKUTA will be spent, given the lack of a mechanism or framework to define priorities and engage actors with the requisite time and expertise to carry on enterprise development.
- **Slow learning and adoption of working approaches to enterprise development.** The dominant service delivery models often used in rural areas do not match the character of these areas and hence are not quite effective. The approaches used to provide finance, BDS and extension services are quite traditional. The approaches which seem to work have not been widely adopted.
- **Dependency on donors.** As far as enterprise development in rural areas, the practice so far has been that activities are funded by donors and implemented by NGOs. For the most part, local governments and other local actors have only been marginally involved.



## 5.2 Implications and Recommendations

Based on the opportunities, constraints and experience in rural enterprise development, the following are recommended for enterprise development, including how MKUKUTA is to be implemented at the local level to have impact on the rural poor.

### ***Build on what has Worked, but Continue Innovating***

It is recommended that as much as possible, local and central governments as well as development partners should build on initiatives, which have had significant impact on private sector development in rural areas. It is recommended that resources availed under MKUKUTA should be used to upscale interventions which have worked in rural areas, including expanding and making use of the little local capacity available for doing so.

In addition, interventionists should think outside the box and come up with new ways of tackling rural poverty, unemployment and the brain drain to urban areas. For examples, one could explore possibility of combining the concept of the national service, entrepreneurship, business and technical skills development with preparation for self-employment in rural areas. Selection, the work programme and training of some youth in National Service could be organised such that they are able to develop agricultural, animal husbandry or even manufacturing businesses which they remain with after graduation. Under this arrangement, the National Service Camps could be migrating from one area to another, leaving behind vibrant enterprises in rural areas. Graduates could also be asked to contribute towards sustainability of the scheme. This concept can be combined with the Tanzanian Mini Tiger's Special Economic Zones.

### ***Build Capacity in Investment Promotion and Enterprise Support***

There is a glaring need to build capacity of regional, district and even ward level officials in strategically facilitating private sector development in their respective areas. Until now, many rural leaders do not see the connection between welfare and investments and do not therefore see why they should facilitate investment. Even some of those who appreciate the importance of investments are at a loss as to how to go about attracting or retaining them. As long as the local authorities remain with a controlling stance, it will be very difficult for private sector to flourish. There is therefore a need to have an initiative to build capacity of Regional and District Authorities to:

- (i) Develop and implement realistic vision and strategies for private sector development in line with national policies and strategies.
- (ii) Adopt a facilitate role in private sector development, including attracting and retaining investors and business development service providers.
- (iii) Improving co-ordination of private sector development activities.
- (iv) Deliberate learning and improvement.

In developing this capacity, it is essential to target different age groups and ensure that the practices are institutionalised in local government, so that they do not retire with those targeted.



### ***Capacity Building in Entrepreneurship Skills***

Most rural areas of Tanzania have a lot of resources. What is missing is the entrepreneurial drive and skills to see the opportunities and to have the drive, vision and ability to exploit them profitably. A great deal of capacity building of rural communities and entrepreneurs is required to stimulate their drive and imagination and to impart business skills. It is very difficult to do this in a commercially sustainable way at a large enough scale. It is therefore suggested to have mass entrepreneurship development programmes, which uses mass media (especially radio) to sensitise rural communities to become more entrepreneurial and also to develop specific business start-up and management skills.

### ***Build Capacity of PSO***

Development partners and government should invest in building capacity of PSO in management, governance and advocacy, so that they can become strong organizations, capable of pro-actively contributing to the PRS formulation, implementation and monitoring and evaluation at all levels (central, regional, district).

There is a huge shortage of capacity at the grassroots for the private sector, especially the micro and informal enterprises to organize, articulate problems and present them to policy makers or even the public sector at their respective level. There is therefore need to build this capacity. However, there many challenges involved in building this capacity, not least of which is the limited ability of these actors to sustain associations modelled on the conventional business associations, which are more or less specialized in policy advocacy. There is also limited awareness of the meaning and value of advocacy. Instead of trying to create conventional PSOs, efforts should focus at building multi-purpose grassroots organizations, which can combine production, marketing or micro-finance objectives with policy advocacy. Opportunities exist in the form of existing producer groups and co-operatives, found predominantly in rural areas, to take on advocacy as an important agenda.

### ***Establish Meso-level Private Sector Participation Mechanisms***

There need to support mechanisms for private sector participation at district and regional level, so that there is both horizontal consultations and bottom up and top bottom consultations. The awareness and appreciation of both private and public sector actors of the value of consultations, is quite limited. This awareness needs to be developed through sensitisation, including showcasing good practice of public-private partnerships at the regional, district and ward level.

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## Annex 2: Some Studies Carried Out

Some of the studies carried out in rural areas in the past 5 years by the author, which were **used as source of information**

STUDY	Areas Covered
Chijoriga, M. and D. Olomi, 2002. Survey of SMEs in Tanzania. Africa Project Development Facility (APDF)	Tanga, Arusha, Morogoro, Mwanza
Chijoriga, M. and D. Olomi, 2003. Institutional and Organisational Sector Assessment of the Ministry of Industry and Trade in preparation for Implementation of the SME Policy (Royal Netherlands Embassy, DSM)	Arusha rural, Arumeru, Songea rural, Mbeya rural, Kyela
Chijoriga, M. and D. Olomi, 2003. Feasibility Study for the Establishment of Women Business Incubators. Ministry of Community Development, Gender and Children and Italian Association of Women in Development – AIDOS.	Iringa rural, Kibaha, Chalinze
Chijoriga, M. D. Olomi and M. Nchimbi. 2003. Jobs, Gender and Small Enterprise: A Study of Factors Affecting the Upward Mobility of Women Entrepreneurs in Tanzania (International Labour Organisation (ILO, Geneva)	Arusha, Zanzibar, Morogoro urban, Mwanza rural
Chijoriga, M. Olomi, D. S.J Kawambwa, 2002. Financial Evaluation of PV Systems in Mwanza Region. United Nations Development Programme (UNDP)/Ministry of Energy and Minerals	Ukerewe, Bunda, Mwanza rural
Fraser, H. Chijoriga, M and Olomi, D. 2001. Baseline Survey of the MSE sector in Mbeya, Morogoro, Iringa, Tanga, Ruvuma and Rukwa (USAID). With Ernst and Young Tanzania	Mbeya rural and urban, Kyela, Tanga rural and urban, Morogoro rural and urban, Iringa rural and urban, Sumbawanga
Fraser, H. Chijoriga, M and Olomi, D. 2001. Completion of Performance Monitoring Plan for Private Sector Development Activities by the USAID Mission in Tanzania (USAID). With Ernst and Young Tanzania	Mbeya rural and urban, Kyela, Tanga rural and urban, Morogoro rural and urban, Iringa rural and urban, Sumbawanga
Olomi, D. and A. Mbise. 2001. Baseline survey of Tanzania Food Processing Association (TAFOPA) members (Tanzania Gatsby Trust – TGT). With Mrs. N. Mbise	Iringa, Moshi, Arusha, Dar es Salaam
Olomi, D. and H. Daniel, 2002. Evaluation of the Cultural Tourism Programme (CTP) supported by the SNV.	Same, Arumeru, Loliondo
Olomi, D. F. Gerwen and N. van der Poole, 2005. Reforming institutions aimed at improving the enabling environment for pro-poor private sector development, POVNET	Arusha, Monduli, Arumeru, Mwanza rural, Hai, Dar es Salaam
Olomi, D. W. Wambugu, E. Mfuka and S. Ntiro. 2004. Needs Assessment for Sustainable ICT-enabled Business Incubation in Tanzania. InfoDev, World Bank)	Mwanza, Arusha, Moshi, Morogoro, Mbeya rural
Olomi, D. F. Mndeme and F. Gerwen. 2004. Review of Private Sector Development Programme, Royal Netherlands Embassy, MDF-ESA, November.	Kondoa, Mwanza, Arumeru, Monduli, Hai